

**SOFIDY
SELECTION 1**
FCP


Monthly Report

At 30 November 2023

References to ranking, price and/or rating are not guarantee of future performance of the fund.



FRENCH LAW REAL ESTATE UCITS

1. FUND OBJECTIVE

The FCP's objective is to implement discretionary management to outperform, via exposure to European Union real estate shares and by reconciling financial and extra-financial performance, the FTSE EPRA / NAREIT Euro Zone Capped benchmark. Net dividends re-invested after deduction of management fees over the duration of the recommended investment period (over 5 years).

2. MANAGEMENT NOTE

On fire

The real estate sector in the eurozone rose by 12.8 % in November, bringing the rebound from the annual low of 25 October to 24.3 %, the strongest since 2009.

The start of the repositioning of generalist funds in the run-up to 2024 and the closure of a portion of short positions in the sector contributed to the steepness of this rise. Against the backdrop of a greater-than-expected slowdown in inflation and economic growth, market expectations of a central bank rate cut of more than 100 basis points next year lit the fuse.

We believe that this catch-up could continue in the coming weeks, while valuations remain moderate despite the recent rebound: at the end of November, real estate companies in the eurozone were still trading 37 % lower than at the end of 2021, with a 27 % discount to NAV (source: Kempen).

Moreover, the recent fall in interest rates has somewhat loosened the reins on refinancing, which looked problematic just a few weeks ago as it had often become more expensive than the implied return on assets (as measured by share prices).

Two recent transactions send out a particularly positive signal in our view:

- The success of Unibail's €750 million 7-year green bond issue, which, following on from Covivo's issue the previous week, confirms the return of bond investors' appetite for this asset class (€500 million initially forecast by URW; order book in excess of €2.9 billion; margin lowered to 145bps from an initial indication of 190bps); and
- Wereldhave's €74 million acquisition of a shopping centre on the outskirts of Amsterdam, carried out on favourable terms (according to the company, the deal will be accretive despite the issue of new shares to finance it); a sign that real estate companies are returning to growth (Wereldhave's first major transaction since 2015).

Moreover, we expect investors, reassured by improved visibility on financing terms, to reboot the direct real estate investment market, still sluggish in the third quarter, which in itself will demonstrate the excessiveness of current stock price discounts compared to real estate company NAVs.

* Past performance is no guarantee of future performance.

11 December 2023,
Laurent Saint Aubin and Serge Demirdjian

Laurent Saint Aubin
Fund Manager of Sofidy
Sélection 1

MAIN CHARACTERISTICS

Management company	SOFIDY SAS	
Manager	Laurent Saint Aubin	
Creation date	November 2014	
Legal nature	FCP	
ISIN code	P Share	FR0011694256
	C Share	FR0013349297
	I Share	FR0011694264
	GI Share	FR0013349289
Asset sub-class	Thematic	
Reference index	FTSE EPRA/NAREIT Euro Zone Capped	
Investment horizon	> 5 years	
Risk scale		
Life insurance eligible	Yes	
PEA (Equity Savings Plan) eligible	No	

PERFORMANCE ANALYSIS*

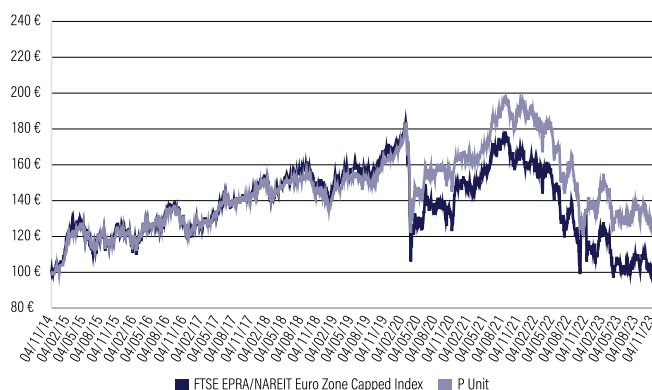
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	4.3 %	6.8 %	5.6 %	7.1 %	6.6 %
Volatility	26.5 %	22.2 %	22.2 %	22.2 %	22.2 %
Sharpe ratio	-	0.17	0.12	0.19	0.16
Tracking error (relative risk)	-	5.3 %	5.3 %	5.3 %	5.3 %
Alpha	-	2.7 %	1.5 %	3.0 %	2.5 %
Beta	-	0.83	0.83	0.83	0.83

* Past performance is no guarantee of future performance

WARNING – RISK: since the FCP invests in a sector, it is also subject to sector-based risks. The details of these risks are described in the key investor information document and the fund prospectus

3. PERFORMANCE OF THE FUND**

At 30 November 2023 | base 100 at 4 November 2014



* Past performance is no guarantee of future performance, and performance is not consistent over time.

4. PERFORMANCE HISTORY⁽⁴⁾

	Since start ⁽¹⁾	2018	2019	2020	2021	2022	Jan. 23	Feb. 23	Mar. 23	Apr. 23	May 23	June 23	July 23	Aug. 23	Sept. 23	Oct. 23	Nov. 23	Dec. 23	2023 YTD
P Unit	+42.8 %	-8.8 %	+22.7 %	0.0 %	+15.0 %	-30.6 %	+9.6 %	-0.3 %	-11.1 %	+3.9 %	-6.1 %	+2.3 %	+6.5 %	-0.6 %	-4.2 %	-2.7 %	+11.8 %		+6.9 %
Index	+15.0 %	-7.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %	+7.9 %	+0.6 %	-4.2 %	-3.1 %	+12.8 %		+5.3 %
VL (€)	100.00	136.43	167.41	167.40	192.45	133.53	146.33	145.88	129.68	134.79	126.56	129.48	137.89	137.09	131.33	127.79	142.81		142.81
I Unit	+56.6 %	-7.8 %	+23.8 %	+0.1 %	+17.6 %	-29.8 %	+9.7 %	-0.2 %	-11.0 %	+4.0 %	-6.0 %	+2.4 %	+6.6 %	-0.5 %	-4.1 %	-2.6 %	+11.9 %		+8.0 %
Index	+15.0 %	-7.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %	+7.9 %	+0.6 %	-4.2 %	-3.1 %	+12.8 %		+5.3 %
VL (€)	1,000.00	1,418.60	1,755.60	1,757.30	2,066.61	1,449.74	1,590.20	1,586.69	1,411.79	1,468.69	1,380.40	1,413.45	1,506.67	1,499.37	1,437.61	1,400.21	1,566.21		1,566.21
GI Unit	+0.5 %	-9.9 %	+24.1 %	0.0 %	+17.9 %	-29.6 %	+9.7 %	-0.2 %	-11.0 %	+4.1 %	-6.0 %	+2.4 %	+6.6 %	-0.5 %	-4.1 %	-2.6 %	+11.9 %		+8.4 %
Index	-27.0 %	-11.2 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %	+7.9 %	+0.6 %	-4.2 %	-3.1 %	+12.8 %		+5.3 %
VL (€)	10,000.00	9,006.08	11,172.77	11,172.77	13,170.38	9,271.40	10,172.79	10,153.11	9,036.57	9,403.31	8,840.88	9,055.12	9,655.19	9,611.28	9,217.96	8,980.92	10,048.52		10,048.52
C Unit	-11 %	-9.7 %	+23.6 %	0.0 %	+17.3 %	-30.0 %	+9.7 %	-0.2 %	-11.0 %	+4.0 %	-6.0 %	+2.4 %	+6.6 %	-0.5 %	-4.1 %	-2.6 %	+11.8 %		+7.8 %
Index	-26.4 %	-10.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %	+7.9 %	+0.6 %	-4.2 %	-3.1 %	+12.8 %		+5.3 %
VL (€)	100.00	90.32	111.60	111.59	130.95	91.68	100.54	100.31	89.23	92.82	87.22	89.29	95.17	94.69	90.77	88.40	98.86		98.86

(1) Since 04/11/2014.

(2) Since 26/07/2018.

(3) Since 19/07/2018.

(4) Past performance is no guarantee of future performance, and performance is not consistent over time.

MAIN LINES OF PORTFOLIO AT 30 NOVEMBER 2023

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	9.89 %	6.84 %
KLEPIERRE	7.15 %	6.26 %
TAG TEGERNSEE IMMOBILIEN	6.30 %	3.18 %
VONOVIA SE	6.18 %	10.88 %
MERLIN PROPERTIES SOCIMI SA	5.32 %	4.30 %
WAREHOUSES DE PAUW SCA	4.46 %	3.87 %
COVIVIO SA	4.43 %	3.80 %
LEG IMMOBILIEN AG	3.49 %	7.83 %
EUROCOMMERCIAL PROPERTIES NV	3.43 %	1.83 %
AEDIFICA SA	3.38 %	1.57 %

FEES AND COMMISSIONS

(Base 100 at 4 November 2014)

Management fee incl. tax	P Share	2.20 %
	C Share	1.30 %
	I Share	1.10 %
	GI Share	0.75 %
Maximum entry fee incl. tax*	P Share	Up to 4 %
	C Share	Up to 4 %
	I Share	Up to 3 %
	GI Share	Up to 1 %
Outperformance commission**		20 %
Initial subscription	P Share	1 share
	C Share	1 share
	I Share	100 shares
	GI Share	100 shares

* No entry fee is received by the management company

** 20 % incl. tax of the fund's outperformance, net of fees in relation to its reference index and in respect of the high water mark principle from 1 December 2020 onwards.

5. UCITS DATA AT 30 NOVEMBER 2023

	I Share	P Share	GI Share	C Share
Number of shares	8,668.00	475,896.01	6,180.7	9,274.6
Liquidating value (€)	1,566.21	142.81	10,048.52	98.86
Net assets (€)	144,565,477			

6. EXPOSURE OF THE PORTFOLIO AT 30 NOVEMBER 2023

Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euro 81 %	Retail 30 %	Germany 22 %
Pound Sterling 11 %	Housing 20 %	France 18 %
US Dollar 4 %	Logistics 15 %	United Kingdom 12 %
Swedish krona 2 %	Offices 11 %	Spain 11 %
Other 2 %	Other 24 %	Other 37 %

(1) Allocations determined by the manager by breaking down the activity of the companies in the portfolio into different sectors/geographical areas.

ESG valuations of the issuers of the portfolio below are from our internal research using our proprietary analysis framework:

WEIGHTED AVERAGE ESG⁽¹⁾ RATINGS FOR SOFIDY SELECTION 1 FCP

The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). The lower the ESG rating, the better.

Governance	18 %
Social	46 %
Environment	30 %
ESG risk profile	28 %



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environnement	ESG Rating
MERLIN PROPERTIES	5 %	27 %	2 %	8 %
GECINA	11 %	9 %	8 %	9 %
COVIVIO SA	14 %	0 %	29 %	17 %
DEUTSCHE WOHNEN SE	22 %	25 %	12 %	19 %
CELLNEX TELECOM SA	30 %	22 %	12 %	21 %

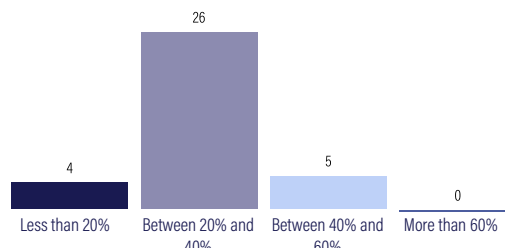
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environnement	ESG Rating
INCLUSIO SA	55 %	48 %	86 %	60 %
TAG IMMOBILIEN	59 %	33 %	68 %	58 %
CARE PROPERTY INVEST SICAFI	23 %	62 %	56 %	44 %
INTERVEST OFFICES WAREHOUSES	9 %	77 %	62 %	44 %
EQUINIX INC	11 %	71 %	55 %	41 %

¹ ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Securities whose current or expected ESG rating exceeds 80% are excluded from the investment universe (the lower the ESG rating, the better the ESG rating).

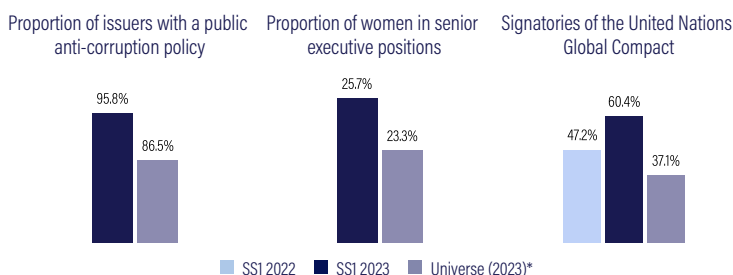
Reporting ESG

Distribution of ESG ratings⁽¹⁾ of issuers in portfolio

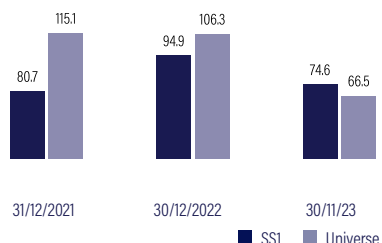


(1) The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is above 80% are excluded from the investment scope (the lower the ESG rating, the better).

Impact & carbon footprint measurements



The Weighted Average Carbon Intensity (scope 1 and 2, in tons CO2e/€M sales)



The Weighted Average Carbon Intensity (scope 1, 2 & 3, in tons CO2e/€M sales)



Sources used: Sustainalytics, UN Global Compact database, annual reports and companies' websites.
* Thematic universe updated quarterly and made up of 1,804 shares at 29/09/2023. The coverage rate of the scope is 93 % for signatories of the United Nations Global Compact, 95 % for the proportion of women in senior executive positions and 87 % for proportions of issuers with a public anti-corruption policy.

For more detailed information on our ESG assessment methodology, please refer to the SRI Transparency Code of the SOFIDY Sélection 1 fund.

Why not take risks, but knowing them well is better!

Non-contractual document. Past performance is no guarantee of the future performance of the OPCVM (real estate UCITS). Performances are not constant over time. As with any real estate UCITS, this fund is mainly exposed to the risk associated with equities markets, loss of capital, discretionary management, exchange rates and liquidity. Since the FCP invests in a sector, it is also subject to sector-based risks. The details of these risks are described in the key investor information document and the fund prospectus. This document is produced by SOFIDY for information purposes only. It in no way constitutes an offer to sell or a solicitation of a purchase, investment or arbitrage. SOFIDY believes the data and figures to be accurate and reliable as of 30/11/2023. SOFIDY shall not be liable for any decisions made on the basis of this information. SOFIDY reserves the right to modify the information presented in this document at any time, without notice. This is an advertising document. The characteristics, risk and return profile, and fees regarding investment in the SOFIDY Sélection 1 OPCVM are described in the key investor information document. The key investor information document, the prospectus and the periodic documents will be available on request from SOFIDY. You must make yourself familiar with the key investor information document, which should be given to you before you subscribe. Written in December 2023. SOFIDY SAS – Real estate funds management company since 1987 – 303, square des Champs Élysées – Évry Courcouronnes – 91026 ÉVRY Cedex Portfolio management company certified by the AMF on 10 July 2007 under the number GP07000042 – Tel.: +33(0)1 69 87 02 00 – Fax: +33(0)1 69 87 02 01 – www.sofidy.com



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