

**SOFIDY  
SELECTION 1**  
FCP



# Monthly Report

At 29 December 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

#### 2023: the comeback

*The eurozone real estate sector rose 15.4% over the year. The widespread recovery of unprecedented magnitude during the last few weeks (up 30.5% since the 25 October low) was driven by the easing of long-term interest rates prompted by expectations of a sharp cut in key interest rates by central banks in 2024.*

Your Fund, Sofidy Selection 1, rose 14.6 %\* (P share) in 2023. Having achieved an average annual increase of 2.44 % **over five years** (P share), the Fund remains **way ahead of its category** (source: Morningstar).

The year's performance was mainly driven by overexposure to **TAG Immobilien** (fuelled by the impact of falling interest rates and favourable exposure to housing in Poland) and **Unibail-Rodamco** (return to pre-Covid consumption levels and positive reversions upon lease renewals) and our positions in **Aedifica** (reinvestment in the share during the year given its valuation, which we felt made ample allowance for potential rental risks) and **Unite** (ongoing strong momentum in student housing and solid financial structure).

On the downside, the Fund was penalised by its **net underexposure to office real estate** (Gecina, Immobiliaria Colonial, Icade) and the top two German housing market players (**Vonovia and LEG Immobilien**).

**Generalist asset managers are expected to continue repositioning towards listed real estate as the year gets underway, while valuations remain moderate** even after the recent recovery: at the end of 2023, eurozone real estate company pricing was still down by 22.2 % versus 2021 year-end still implying a 21 % discount on NAV (source: Kempen).

Looking ahead, everything will hinge on the adjustment of market expectations of easing interest rates, which are already optimistic in our view, and a recovery in the investment market, the sole force capable of establishing truth about values, discrimination by real estate sub-segments and, as such, demonstrating the excessiveness of certain stock market discounts.

\* Past performance is no guarantee of future performance.

2 January 2024,  
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	Shares P, I, C and GI	
	1	2 3 4 5 6 7
Life insurance eligible	Yes	
PEA (Equity Savings Plan) eligible	No	

#### PERFORMANCE ANALYSIS\*

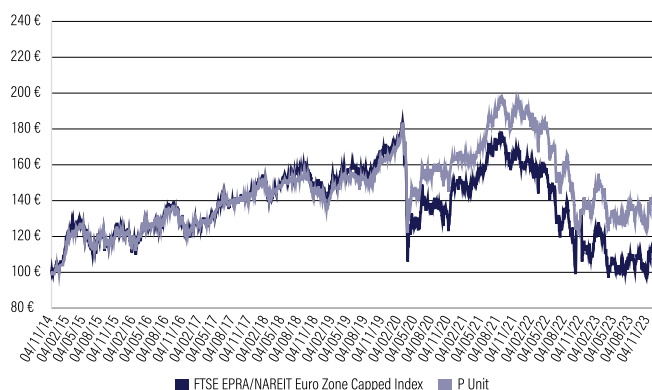
Over 2 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	15.4 %	15.8 %	14.6 %	16.2 %	15.6 %
Volatility	26.0 %	21.9 %	21.8 %	21.8 %	21.8 %
Sharpe ratio	-	0.58	0.52	0.60	0.57
Tracking error (relative risk)	-	5.1 %	5.0 %	5.0 %	5.0 %
Alpha	-	2.5 %	1.2 %	2.9 %	2.2 %
Beta	-	0.83	0.83	0.83	0.83

\* 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 29 December 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<sup>(4)</sup>

	Since start <sup>(1)</sup>	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
<b>P Unit</b>	+53.0 %	-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 %	+7.1 %	+14.6 %
<b>Index</b>	+26.1 %	-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 %	+9.6 %	+15.4 %
<b>VL (€)</b>	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	153.00	153.00
<b>I Unit</b>	+67.9 %	-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 %	+7.2 %	+15.8 %
<b>Index</b>	+26.1 %	-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 %	+9.6 %	+15.4 %
<b>VL (€)</b>	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	1,679.42	1,679.42
<b>GI Unit</b>	+7.8 %	-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 %	+7.3 %	+16.2 %
<b>Index</b>	-20.0 %	-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 %	+9.6 %	+15.4 %
<b>VL (€)</b>	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	10,777.85	10,777.85
<b>C Unit</b>	+6.0 %	-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 %	+7.2 %	+15.6 %
<b>Index</b>	-19.3 %	-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 %	+9.6 %	+15.4 %
<b>VL (€)</b>	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	105.99	105.99

(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 29 DECEMBER 2023

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	10.00 %	9.02 %
KLEPIERRE	7.40 %	5.94 %
TAG TEGERNSEE IMMOBILIEN	6.41 %	3.14 %
VONOVIA SE	6.31 %	10.19 %
MERLIN PROPERTIES SOCIMI SA	5.86 %	3.96 %
COVIVIO SA	4.66 %	3.95 %
WAREHOUSES DE PAUW SCA	4.58 %	3.96 %
LEG IMMOBILIEN AG	3.83 %	7.28 %
AEDIFICA SA	3.62 %	3.88 %
EUROCOMMERCIAL PROPERTIES NV	3.44 %	1.47 %

### FEES AND COMMISSIONS

(Base 100 at 4 November 2014)

<b>Management fee incl. tax</b>	P Share	2.20 %
	C Share	1.30 %
	I Share	1.10 %
	GI Share	0.75 %
<b>Maximum entry fee incl. tax*</b>	P Share	Up to 4 %
	C Share	Up to 4 %
	I Share	Up to 3 %
	GI Share	Up to 1 %
<b>Outperformance commission**</b>		20 %
<b>Initial subscription</b>	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 29 DECEMBER 2023

	I Share	P Share	GI Share	C Share
<b>Number of shares</b>	9,582.4	485,731.8	5,298.4	16,358.9
<b>Liquidating value (€)</b>	1,679.42	153.00	10,777.85	105.99
<b>Net assets (€)</b>	149,251,853			

### 6. EXPOSURE OF THE PORTFOLIO AT 29 DECEMBER 2023

Currencies (including cash)	Sectors <sup>(1)</sup>	Geographic location <sup>(1)</sup>
Euro 82 %	Retail 31 %	Germany 22 %
Pound Sterling 10 %	Housing 20 %	France 19 %
US Dollar 4 %	Logistics 13 %	Spain 12 %
Swedish krona 2 %	Offices 11 %	United Kingdom 11 %
Other 2 %	Other 25 %	Other 36 %

(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<sup>(1)</sup> 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	16 %
Social	46 %
Environment	30 %
ESG risk profile	28 %



### 5 POSITIONS WITH THE BEST ESG RATING<sup>(1)</sup>

	Governance	Social / Environnement Societal	ESG Rating	
MERLIN PROPERTIES	5 %	27 %	2 %	8 %
COVIVIO SA	14 %	0 %	29 %	17 %
GECINA NOMINATIVE	18 %	14 %	23 %	19 %
SAFESTORE HOLDINGS PLC	9 %	29 %	26 %	20 %
KLEPIERRE	14 %	43 %	17 %	21 %

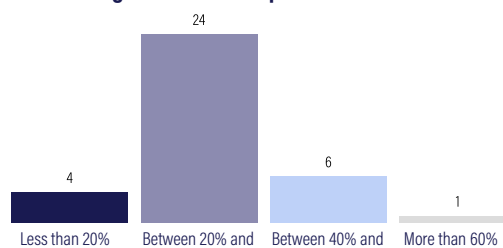
### 5 POSITIONS WITH THE WORST ESG RATING<sup>(1)</sup>

	Governance	Social / Environnement Societal	ESG Rating	
INCLUSIO SA	55 %	48 %	86 %	66 %
DEUTSCHE WOHNEN SE	13 %	38 %	100 %	53 %
LIFE SCIENCE REIT PLC	41 %	33 %	70 %	51 %
CARE PROPERTY INVEST SICAFI	23 %	62 %	56 %	44 %
TAG TEGERNSEE IMMOBILIEN	32 %	33 %	59 %	43 %

<sup>1)</sup> 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).

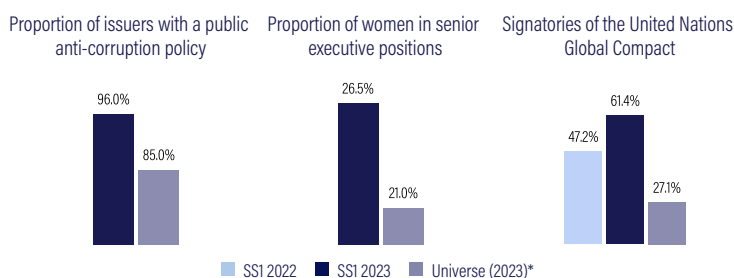
# Reporting ESG

## Distribution of ESG ratings<sup>(1)</sup> of issuers in portfolio

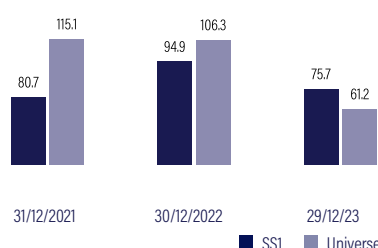


(1) The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is above 80% are excluded from the investment scope (the lower the ESG rating, the better).

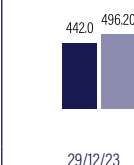
## Impact & carbon footprint measurements



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 1,424 shares at 31/12/2023. The coverage rate of the scope is 92 % for signatories of the United Nations Global Compact, 87 % for the proportion of women in senior executive positions and 85 % 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 29/12/2023. 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 January 2024. 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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