

**SOFIDY  
SELECTION 1**  
FCP


# Monthly Report

At 31 October 2024

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

#### *An artist's work is never done...*

Listed real estate companies fell sharply in October, suffering a 6.9 % decline, greater than that observed for the Stoxx 50 general index and thereby ending a continuous run of sector outperformance since spring. Your Fund P share fell 5.7 % (YtD performance remains positive, with the P share up 6.6 %), showing relative resistance due to the underweighting or absence of the hardest hit stocks (Inmobiliaria Colonial, Montéa, Kojamo, Cofinimmo) and a strong performance by US data centre operators Equinix and Digital Realty. This heavy relapse has nothing to do with the state of affairs of listed real estate companies, which are constantly improving, and everything to do with the market's reaction to the election of Donald Trump as President of the United States.

**The President-elect's programme is indeed likely to rekindle inflation across the Atlantic** with its mix of potential increases in the cost of labour (forced expulsions of migrants), tax relief and higher customs duties (raising the price of the average basket of Americans), thereby undermining the Fed's current rate-cutting policy. Conversely, **if activated, the programme would have a clear recessionary impact on Europe.** In this regard, note that exports represent 22.3 % and 41.3 % of the GDP of France and Germany respectively, with the United States accounting for 9.56 % and 8.92 % of these exports respectively (2022 data, source: Zeitgeist Series, Global Trade Alert). **Under these circumstances, it seems likely that the European Central Bank will have to accelerate its key interest rate cuts, gradually bringing the short part of the yield curve back to normal and creating an ultra-favourable relative environment for listed real estate companies.** On the other hand, we believe that the long part of the curve may also stabilise given the likelihood of a sharp increase in future military spending.

With regard to **eurozone real estate companies whose valuation has fallen** (discount on NAV 2024<sup>a</sup>: 29 %; 2024<sup>a</sup> P/CF: 13.3x; estimated 2024 dividend yield: 5.8 %, source: Kempen), we glean the following takeaways from multiple recent meetings with their managers: **growth talk back on the table** for those with the strongest balance sheets, **a clear consensus on the end of declines in appraisal values** and rental performance that will allow holders of rare assets to offset the declining contribution of indexation over the coming years. All of these factors argue in favour of a **gradual disappearance of discounts on NAV, assuming that the sector harbours considerable appreciation potential versus current levels.**

Laurent Saint Aubin and Serge Demirdjian  
19 November 2024

\* Past performance is no guarantee of future performance



**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	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Parts P, I, C et GI</span> <table border="1" style="font-size: small;"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td style="background-color: #f08000;">5</td><td>6</td><td>7</td> </tr> </table> </div>		1	2	3	4	5	6	7
1	2	3	4	5	6	7			
Life insurance eligible	Yes								
PEA (Equity Savings Plan) eligible	No								

#### PERFORMANCE ANALYSIS\*

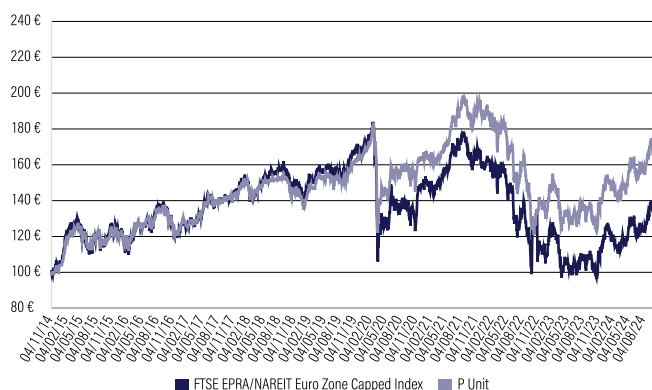
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	25.8 %	28.8 %	27.6 %	29.3 %	28.6 %
Volatility	20.9 %	17.9 %	17.9 %	17.9 %	18.0 %
Sharpe ratio	-	1.40	1.33	1.42	1.38
Tracking error (relative risk)	-	3.8 %	3.8 %	3.8 %	4.8 %
Alpha	-	6.3 %	5.0 %	6.7 %	6.1 %
Beta	-	0.85	0.85	0.85	0.85

\* 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

### 3. PERFORMANCE OF THE FUND\*

At 31 October 2024 | 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>	2019	2020	2021	2022	2023	Jan. 24	Feb. 24	Mar. 24	Apr. 24	May 24	June 24	July 24	Aug. 24	Sept. 24	Oct. 24	Nov. 24	Dec. 24	2024 YTD
<b>P Unit</b>	+63.0 %	+22.7%	0.0%	+15.0%	-30.6%	+14.6%	-1.6%	-7.1%	+7.4%	+1.5%	+5.7%	-5.4%	+3.6%	+4.2%	+5.0%	-5.7%			+6.6 %
<b>Index</b>	+28.4 %	+22.2%	-10.9%	+6.4%	-32.6%	+15.4%	-3.9%	-8.7%	+9.2%	+1.0%	+5.7%	-6.7%	+3.2%	+5.1%	+5.7%	-6.9%			+1.8 %
<b>VL (€)</b>	100.00	167.41	167.40	192.45	133.53	153.00	150.62	139.99	150.34	152.65	161.31	152.53	158.04	164.69	172.87	163.04			163.04
<b>I Unit</b>	+80.4 %	+23.8%	+0.1%	+17.6%	-29.8%	+15.8%	-1.5%	-7.0%	+7.5%	+1.6%	+5.8%	-5.4%	+3.7%	+4.3%	+5.0%	-5.6%			+7.4 %
<b>Index</b>	+28.4 %	+22.2%	-10.9%	+6.4%	-32.6%	+15.4%	-3.9%	-8.7%	+9.2%	+1.0%	+5.7%	-6.7%	+3.2%	+5.1%	+5.7%	-6.9%			+1.8 %
<b>VL (€)</b>	1,000.00	1,755.60	1,757.30	2,066.61	1,449.74	1,679.42	1,654.91	1,539.44	1,654.66	1,681.47	1,778.31	1,682.62	1,744.87	1,819.61	1,911.43	1,804.10			1,804.10
<b>GI Unit</b>	+16.1 %	+24.1%	0.0%	+17.9%	-29.6%	+16.2%	-1.4%	-7.0%	+7.5%	+1.7%	+5.8%	-5.4%	+3.7%	+4.3%	+5.1%	-5.6%			+7.7 %
<b>Index</b>	-18.5 %	+22.2%	-10.9%	+6.4%	-32.6%	+15.4%	-3.9%	-8.7%	+9.2%	+1.0%	+5.7%	-6.7%	+3.2%	+5.1%	+5.7%	-6.9%			+1.8 %
<b>VL (€)</b>	10,000.00	11,172.77	11,172.77	13,170.38	9,271.40	10,777.85	10,623.90	9,885.34	10,628.08	10,803.66	11,429.28	10,817.16	11,220.87	11,704.89	12,299.16	11,612.00			11,612.00
<b>C Unit</b>	+13.7 %	+23.6%	0.0%	+17.3%	-30.0%	+15.6%	-1.5%	-7.0%	+7.5%	+1.6%	+5.7%	-5.4%	+3.7%	+4.3%	+5.0%	-5.6%			+7.2 %
<b>Index</b>	-17.8 %	+22.2%	-10.9%	+6.4%	-32.6%	+15.4%	-3.9%	-8.7%	+9.2%	+1.0%	+5.7%	-6.7%	+3.2%	+5.1%	+5.7%	-6.9%			+1.8 %
<b>VL (€)</b>	100.00	111.60	111.59	130.95	91.68	105.99	104.43	97.12	104.38	106.05	112.14	106.09	109.99	114.69	120.45	113.67			113.67

(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.

The E share is not represented as it is dedicated in specific to the management company and companies in the Tikehau Capital group, to the corporate officers and employees of these entities, and to the funds managed by these entities (a full list can be found in the UCITS prospectus).

### MAIN LINES OF PORTFOLIO AT 31 OCTOBER 2024

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	7.62 %	9.55 %
VONOVIA SE	7.37 %	9.79 %
KLEPIERRE	7.36 %	7.63 %
GECINA SA	6.48 %	6.01 %
LEG IMMOBILIEN SE	5.73 %	8.04 %
TAG IMMOBILIEN AG	5.24 %	3.73 %
COVIVIO	4.56 %	4.14 %
MERLIN PROPERTIES SOCIMI SA	3.86 %	3.81 %
GRAND CITY PROPERTIES	3.61 %	1.24 %
UNITE GROUP	3.42 %	0.0 %

### 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.

\*\*\*The rates applied at 31/10/24 are the maximum rates applicable, with the exception of P Share where the rate applied is 2.00% since April 1<sup>st</sup>, 2024

### 5. UCITS DATA AT 31 OCTOBER 2024

	I Share	P Share	GI Share	C Share
<b>Number of shares</b>	5,140.3	483,123.9	2,252.9	22,179.9
<b>Liquidating value (€)</b>	1,804.1	163.04	11,612.0	113.67
<b>Net assets (€)*</b>	151,419,577			

\* including the net assets of the E unit, dedicated in specific to the management company and companies in the Tikehau Capital group, to the corporate officers and employees of these entities, and to the funds managed by these entities (a full list can be found in the UCITS prospectus).

### 6. EXPOSURE OF THE PORTFOLIO AT 31 OCTOBER 2024

Currencies (including cash)	Sectors <sup>(1)</sup>	Geographic location <sup>(1)</sup>
<b>Euro</b>	Housing 28 %	Germany 27 %
<b>Pound Sterling</b>	Retail 24 %	France 22 %
<b>US Dollar</b>	Offices 16 %	United Kingdom 11 %
<b>Swedish krona</b>	Logistics 10 %	Spain 9 %
<b>Other</b>	Other 22 %	Other 31 %

(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 ESG grades made by S&P Global:

### 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 higher the ESG rating, the better.

Governance	50
Social	43
Environment	55
ESG risk profile	50



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

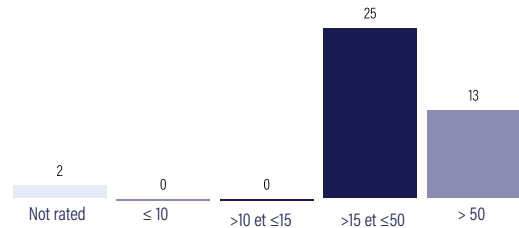
	Governance	Social / Environnement Societal	Environment	ESG Rating
COVIVIO	66	68	77	71
MERLIN PROPERTIES SOCIMI SA	65	68	76	70
WAREHOUSES DE PAUW SCA	74	63	66	68
DIGITAL REALTY TRUST	59	49	83	65
AROUNDTOWN SA	62	62	65	63

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

	Governance	Social / Environnement Societal	Environment	ESG Rating
INCLUSIO SA	50	19	5	21
EUROCOMMERCIAL PROPERTIES NV	32	26	26	28
KOJAMO OYJ	31	27	31	30
XIOR STUDENT HOUSING NV	39	34	24	32
AEDIFICA	48	25	34	35

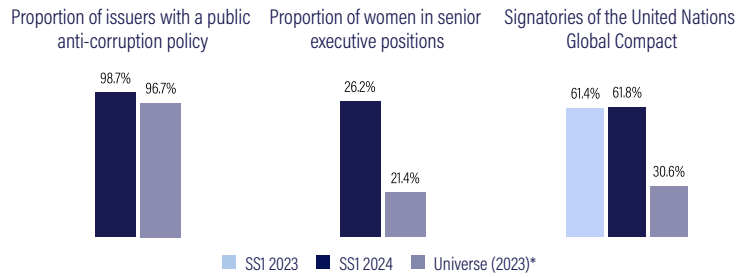
# Reporting ESG

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

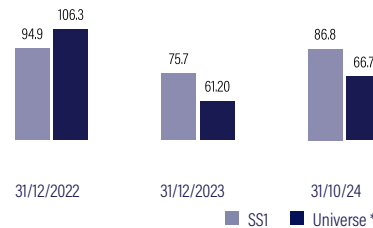


(1) The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is below 10 are excluded from the investment scope (the higher the ESG rating, the better).

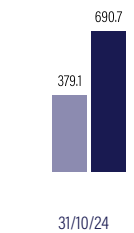
### Impact & carbon footprint measurements



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 1,377 shares at 30/09/2024. The coverage rate of the scope is 100 % for signatories of the United Nations Global Compact, 86 % for the proportion of women in senior executive positions and 97 % 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 31/10/2024. 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 November 2024. SOFIDY SAS – Real estate funds management company since 1987 – 303, Square des Champs Élysées – 91080 Évry-Courcouronnes – 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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