

# Marmara Capital Equity Fund

Monthly Newsletter

January 2020

Issue No: 2020/1

## MAC Net Performance (%)

Currency	Current month				2019				2018				2017				Since Launch (2014)			
	TL	€	\$	£	TL	€	\$	£	TL	€	\$	£	TL	€	\$	£	TL	€	\$	£
MAC	10,7	11,9	10,1	10,4	74,0	57,9	54,7	49,8	0,02	-25,3	-28,6	-24,3	20,2	-1,2	12,2	2,2	306,2	81,0	44,9	82,5
BIST-100	4,1	5,3	3,6	3,8	25,4	13,7	11,5	7,9	-20,9	-40,9	-43,5	-40,1	47,6	21,3	37,7	25,5	75,7	-21,7	-37,3	-21,0

## Fund Facts

Launch Date	January 2, 2014
Base Currency	Turkish Lira
ISIN	TRYSRMD00010
Bloomberg ticker	SRMDSMH TI
Fund Dealing	Daily by 13:30 P.M.
Management Fee	1.75%
Custodian	Garanti Bank
Fund Size	TL123,9m (US\$20,7m)
Unit Price (TL)	0.034308
No. of Stocks	19
Assets (%)	97,8 Equities, 2,2 cash

## Top Ten Holdings

	(%)
Anadolu Efes	8,00
Çimsa	7,94
Halk Bankası	7,82
Çelik Halat	7,37
Torunlar Gayrimenkul	6,54
Trakya Cam	4,88
Coca Cola	4,86
Borusan	4,60
Petkim	4,55
Yapı Kredi Bankası	4,32
<b>Top Ten Total</b>	<b>60,88</b>

## Movers

### Best Performers

Çelik Halat	27,69	7,37
Cuhadaroglu Metal	21,94	4,22
Yapı Kredi Bankası	19,76	4,32
Halk Bankası	17,09	7,82
Trakya Cam	15,14	4,88

### Worst Performers

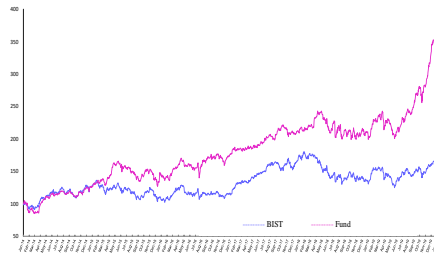
Anadolu Efes	-1,67	8,00
Petkim	-0,49	4,55

## Investment Highlights

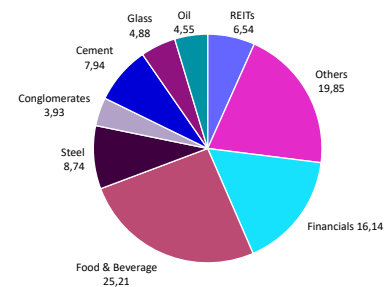
The Fund aims to generate absolute return with a value-oriented approach. The primary goal is to invest in companies trading at a significant discount to their underlying values, identified by fundamental bottom-up research.

In general, the Fund intends to hold a concentrated portfolio of around 20 stocks and hold cash reserves or hedge its position when there are no attractive investments available. At least 80% of the Fund's total assets will be invested in equities.

## Fund Performance



## Sector Exposure



## Investment Manager's Comments

The BIST-100 Index was up by 4.1% in January, driven by Central Bank rate cuts and improving inflation and risk appetite. The market rally was driven by banking sectors (+8%). Local investors continue to be very bullish for small caps.

Turkey seems to benefit from Iran-US tension as the congress dropped embargo talks and sentiment turned positive, at least temporarily. We believe that in the absence of a major geopolitical event (such as in Syria or Libya) Turkish CDS rates will improve and relative improvement in macro outlook could lead to window of opportunity for Turkish stocks which were badly beaten over the past few years.

World Bank revised Turkey's GDP growth to flat from minus 1% for 2019 but kept 2020 growth forecasts unchanged at 3%. S&P affirmed Turkey's ratings and stable outlook.

Our MAC fund was up by 10.7% in January net of fees and expenses. Major contribution to our performance came from state-owned Halkbank, Çelik Halat and GSD Holding.

We sold our positions in GSD Holding, Tsgyo and Isreit after their strong performance and declining NAV discounts. Instead we bought Anadolu Efes, Coca Cola İçecek and Petkim as new additions to the portfolio. We also increased our ownerships in Çelik Halat, Trakya Cam, Çimsa and Migros.

Below please find our article on Bloomberg (27 January) about Turkish market.

<https://www.bloomberg.com/news/articles/2020-01-27/tull-in-u-s-turkey-spats-seen-as-a-window-for-istanbul-stocks>

Marmara Capital Asset Management is authorised and regulated by the Turkish Capital Markets Board (CMB). This document does not constitute an offer to buy or sell units in Marmara Capital Equity Fund. Investment in the Fund carries risks which are more fully described in the investment memorandum. All data and statistics are sourced from Marmara unless otherwise stated. Past performance is not a reliable indicator of future returns and investors are reminded that their capital will be at risk and they may therefore lose some or all of the amount that they choose to invest in the Fund. All figures as at the period under review unless otherwise stated.

Address: Konaklar Mah. Akçam Cad. No:13/1, E-mail:Marmara@marmaracapital.com.tr, Website: [www.marmaracapital.com.tr](http://www.marmaracapital.com.tr), Tel: +90 212 346 1036