

# Marmara Capital Equity Fund

Monthly Newsletter

February 2020

Issue No: 2020/2

## MAC Net Performance (%)

Currency	Current month				January				Y-t-d				Since Launch (2014)			
	TL	€	\$	£	TL	€	\$	£	TL	€	\$	£	TL	€	\$	£
MAC	-9,7	-13,3	-13,3	-11,7	10,7	11,9	10,1	10,4	-0,02	-2,9	-4,6	-2,6	266,9	57,0	25,6	61,1
BIST-100	-11,0	-14,6	-14,7	-13,1	4,1	5,3	3,6	3,8	-7,4	-10,0	-11,6	-9,7	56,3	-33,1	-46,5	-31,4

## 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	TL111,0m (US\$17,8m)
Unit Price (TL)	0.030993
No. of Stocks	19
Assets (%)	98,7 Equities, 1,3 cash

## Top Ten Holdings

	(%)
Celik Halat	9,43
Coca Cola	8,53
Cimsa	8,15
Anadolu Efes	7,61
Halk Bankası	5,39
Eczacıbaşı Yatırım	5,13
Pınar Et ve Un	4,94
Eczacıbaşı İlaç	4,82
Sabancı Holding	4,60
Akbank	4,57
<b>Top Ten Total</b>	<b>63,17</b>

## Movers

	Chg (%)	Fund (%)
<b>Best Performers</b>		
Eczacıbaşı Yatırım	7,91	5,13
Celik Halat	5,18	9,43

## Worst Performers

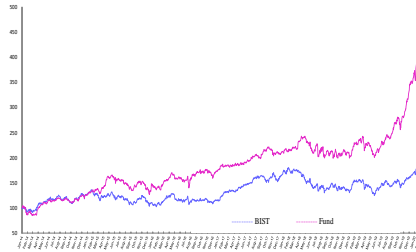
Yapı Kredi Bankası	-22,90	4,43
Borusan	-21,88	3,92
Cuhadaroglu Metal	-21,34	3,97
Akbank	-18,16	4,57
Trakya Cam	-17,12	4,51

## Investment Highlights

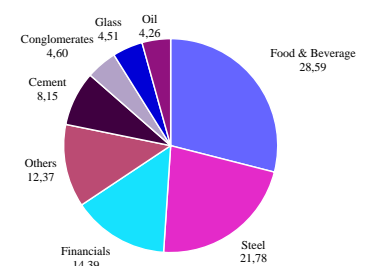
The Fund aims to generate absolute return with a value-oriented approach. The primary goal is to invest in companies trading at a significant discount to their underlying values, identified by fundamental bottom-up research.

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 Turkish market was in turmoil in February in line with global markets mainly due to the Corona virus fears. The decline exacerbated with Turkey's military operation in Syria and as a result the BIST-100 Index closed 11% down (15% in USD terms).

Turkish Capital Markets Board banned shorting stocks temporarily following the day 33 Turkish soldiers were killed in Syria. The shorting ban is still in place. Turkey has also opened the doors to refugees aiming to pass Europe.

Turkish President Erdogan and Putin will meet in Moscow on the 5th of March to discuss Syria. We would like to believe that a deal would be reached and the tension would drop because there is no logic for Turkey to destroy relations with Russia because of Idlip.

Our fund was down 9.7% (13% in USD terms) in February after fees and expenses. Year-to-date, the BIST market is down 12% and our MAC fund is down 5%, both in USD terms.

We increased our position in Çelik Halat which is now our largest position in the portfolio. The company is the largest steel rope & wire producer in Turkey, specialized in mining, petroleum exploration, fishing, marine, elevator and crane ropes sectors.

Although Çelik Halat exports around 40% of its total turnover (which doubled over the past 4 years) to around 42 countries, nearly 85% of its total revenues are based in Euro. We believe that Dogan Holding is dedicated to grow this business thanks to its strong net cash.

We also significantly raised our stake in Coca Cola İçecek, which is the cheapest bottler in the region.

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.

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