



ÜNLÜ Portföy

# ÜNLÜ ASSET MANAGEMENT FUND EVALUATION

JUNE 2021



Hello. I am Ceylan Çolakoğlu, ÜNLÜ Asset Management Corporate Sales Manager. The most important headlines followed in global markets and to shape market sentiment in June can be summarized as US inflation data, followed by hawkish Fed statements, economic normalization along with inoculation news, and developments surrounding Covid-19 variants. I will summarize the developments in June within the framework of these titles, and elaborate on changes in asset prices as well as funds.

Following hawkish remarks by Fed officials in response to estimate-topping US inflation data at the start of the month, along with the Delta variant becoming dominant, technology and growth themes took center stage, while value theme lost its prominence. Hence, investor interest veered away from the Dow Jones Index, shifting to technology stocks and Nasdaq.

Major events to dominate the headlines in Turkish markets were expectations of favorable news flow out of the June 14 NATO Summit, and CBRT policy rate decision. While the NATO Summit failed to generate any major market moving news flow, the CBRT decision turned out in line with market expectations; i.e. rates were kept steady. As Turkish markets tracked global news flow, in the absence of major catalysts, trading volume dwindled amid a dearth of catalysts, with the BIST decoupling negatively from its emerging peers. After the USD/TL soared to as high as 8.80 in response to news flow, statements from the CBRT prompted the exchange rate to shift lower.

As for global commodity prices and bond rates; on the commodities front, with the repercussions of Chinese government's move to tame price volatility in base metals, commodities index saw recurrent bouts of downward pressure throughout the month. Regarding oil prices, while potentially positive signals out of talks over Iran's nuclear programme were expected to prompt easing in prices, the absence of such signals drove oil prices upwards.

With 10-year Treasury yields retreating to the lowest levels of the past 3 month, US equities sustained historic highs. However, with the continuation of wage hikes, along with sustained increases in oil and freight prices among factors to underpin inflation expectations, the revival in demand inflation along with economic recovery, and the rise in commodity prices stirred concerns on a global scale.

Market reactions to the Fed statement were mixed, with the short-term side of the yield curve in US Treasuries moving upwards and the long-term side downwards. Similar movements were observed in Turkish bonds, which appeared fragile in the face of local and global news flow alike. Towards the end of the month, with the DXY Index remaining steady, especially the long side of the TL bond yield curve was observed to have moved downwards.

Juxtaposing asset price changes against funds; the TL shed 2.13% in value vs. the USD, and 0.76% vs. the currency basket. Our global macro fund USY, a dynamically managed fund intended for qualified investors interested in global markets and that have a long term investment horizon, generated a 2.78% monthly return, while our UPD fund, priced in USD and with returns again in USD, produced a 0.38% monthly return.

The BIST-100 shed 4.52% in value, while equity funds and variable funds in the market lost 5% and 0.21% in value, respectively. The performance of our equity fund, which saw a 5% decline, reflected the losses incurred across Turkish equity markets.

In our variable funds, we scaled back our BIST equity positions in response to news flow and our investment committees' decisions, while we assumed ETF and equity positions in global markets based on technology and growth themes. Among our variable funds, SUA generated a 0.36% return, compared to a 0.21% loss by its comparables in the market. Our SUC fund generated a 0.12% return. Our variable fund SUB, which has a different investment strategy with a higher percentage of BIST equities vs. our variable fund range, closed the month with a 0.23% loss. Our money market fund UPP, on the other hand, which generated a 1.49% return, outperformed average deposit rates.



Having broadly summarized the results for the month of June, we would like to reiterate once again: You can find detailed information about our funds on Unlu Asset Management website, and use the contact information to get in touch with us for any queries you may have.

Keep following ÜNLÜ The Club to turn time into profit.

### **Disclaimer:**

*Under the CMB's legislation, the information, comments and recommendations contained in this report fall outside of the definition of investment advisory services. Investment advisory services are provided by authorized entities by taking into account the risk and return preferences of the concerned persons. The comments and recommendations contained in this report are based on the personal opinions of the authors. These opinions are not buy-sell proposal or return commitment of any investment tool and these might not be appropriate for your financial situation, risk and return preferences. For that reason, investment decisions that rely solely on the information contained in this presentation might not meet your expectations. You should pay necessary discernment, attention and care in order not to experience losses. In case of transacting by relying on the views contained herein, ÜNLÜ Asset Management is not responsible for losses that may be incurred.*