

12 March 2026

Model Portfolio

Including Türkiye Sigorta to our model portfolio

We believe the company is well positioned to benefit from the current higher interest rate environment while maintaining structural profitability supported by its exposure to the agricultural insurance segment.

Higher interest rates should support investment income: Türkiye Sigorta stands to directly benefit from the recent hike in market rates. The TLREF (Turkish Lira Overnight Reference Rate) has risen to around 40% from approximately 37%, driven by recent geopolitical tensions. The company's private sector bonds (18% of AuM, yielding TLREF +350 bps), bank deposits (6% of AuM), and a significant portion of mutual funds (39% of AuM) will directly benefit from the higher rate environment, supporting investment income.

Limited risk of discount rate cuts in outstanding claims reserves: Following the rate increase in IQ26, we do not expect any further decrease in the discount rate used in the calculation of outstanding claims reserves in IH26, which had previously weighed on reported earnings. While changes in this accounting assumption have no cash flow impact, the stabilization of the discount rate assumption could support investor sentiment.

Structural profitability provides downside protection: Thanks to its strong presence in the agricultural insurance segment, Türkiye Sigorta remains the only publicly-listed technically profitable non-life insurer in Türkiye, with a combined ratio of 97.1%, below the 100% break-even level. The attractiveness of the agricultural segment stems from the government support mechanism, under which the state covers roughly half of premiums, supporting insurance penetration and underwriting profitability. In our view, this structural technical profitability also provides downside protection in a scenario of declining market rates.

Following the inclusion of **Türkiye Sigorta**, the constituents of our model portfolio are: **MLP Care, Sabanci Holding, Ulker, Akbank, Bim, Yapi Kredi, Astor, Koc Holding, Coca-Cola Icecek**, and **Türkiye Sigorta**. Our Top Picks portfolio has outperformed the BIST-100 by 1.9% YTD.

Research Analysts

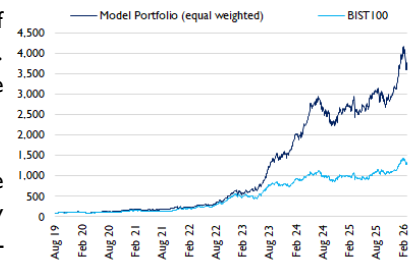
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Model Portfolio performance vs. benchmark



Source: Bloomberg, Unlu & Co

Figure 1: Top Picks

Company	Ticker	Rating	Share price	Target price	Upside	2024E P/E	Date of Inclusion	Absolute Perf	Rel. to BIST100	Comment
MLP Care	MPARK	Buy	436.8	636.0	46%	15.3	17-Jul-23	348%	124%	The addition of new hospitals and effective cost management should help to secure growth in real terms.
Sabancı Holding	SAHOL	Buy	96.0	155.8	62%	9.3	19-Sep-23	85%	9%	Attractive valuation for broad Turkey beta, with an active capital allocation agenda and continued momentum in new investments.
Ulker	ULKER	Buy	112.4	205.0	82%	4.7	17-Nov-23	41%	-16%	Easing input costs may support EBITDA margin stabilization, while attractive dividend payments should continue. Undemanding valuation versus global peers supports a favorable risk-reward profile.
Akbank	AKBNK	Buy	77.6	98.8	27%	4.4	10-Jan-25	22%	-9%	Well positioned to capture faster and pronounced funding cost relief on bank's focus on broadening TL demand deposit base. Cost discipline, solid capitalization, and best-in-class Stage 2 ratio.
Bim	BIMAS	Buy	694.5	929.0	34%	16.4	10-Jan-25	33%	0%	With its well-established hard discount business model, it suits well into the current macro backdrop.
Yapi Kredi	YKBNK	Buy	36.6	51.1	39%	3.6	08-Jul-25	14%	-14%	Peer-leading demand-deposit franchise, with a high share of MM funding (97% TL-denominated) position the bank to benefit more favorably from rate cuts. Superior asset-quality metrics.
Astor	ASTOR	Buy	193.0	266.0	38%	17.6	13-Aug-25	73%	44%	Strong structural transformer demand and capacity expansion underpin growth, while rising US exposure and solid balance sheet support sustained earnings momentum.
Koc Holding	KCHOL	Buy	192.3	291.2	51%	14.1	28-Aug-25	3%	-12%	Compelling NAV discount, improving reported EPS, resilient core subsidiaries, and balance-sheet optionality.
Coca-Cola Icecek	CCOLA	Buy	71.0	96.0	35%	10.7	12-Jan-26	14%	5%	Improving trends and resilient international operations support margin recovery and stronger cash generation as capex normalizes. Attractive valuation, with additional upside if geopolitical tensions ease.
Türkiye Sigorta	TURSG	Buy	12.3	17.9	46%	5.2	12-Mar-26	-	-	Higher interest rates support investment income, while structural underwriting profitability provides downside protection.
Model Portfolio Performance (Year-to-Date)									19.5%	
BIST100 Performance (Year-to-Date)									17.2%	
Relative performance (Year-to-Date)									1.9%	

Source: Bloomberg, Unlu & Co estimates, Rasyonet (*) Weighted average prices following the publishing of the note are used during stock inclusion and exclusions.

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