Roka Capital - 2025 Annual Letter

Istanbul, Türkiye - October 2025

To Our Partners and Friends,

For the fiscal year ending September 2025, the portfolio managed by Roka Capital produced a net return of **50.7% in USD**.

To provide context, during this same period, the S&P 500 returned **16%** in USD, while the BIST 100 Index (Borsa Istanbul) returned **-7.6%** in USD terms.

We are pleased with these results, particularly because almost all our holdings were based in the Borsa Istanbul. In a year where the average investor in the Turkish market lost purchasing power in dollar terms, we were able to significantly grow our capital. However, we do not view one year of outperformance as a victory lap, but rather as proof of concept for our value-oriented philosophy.

Navigating a Volatile Year

It is no secret that Turkey has passed through a shaky year, both economically and politically. Inflation remained high, and political narratives frequently drove market direction. While many viewed this volatility as a reason to exit, we viewed it as an opportunity. We used the market's periods of turbulence to deploy our cash with a significant margin of safety into high-quality businesses at valuations that we believed were unjustified by the fundamentals.

Portfolio Highlights: The Advantage of Concentration

Unlike larger institutional funds often forced to track indices, our scale affords us the agility to capitalize on high-conviction opportunities in overlooked corners of the market. This allows us to concentrate our capital on our best ideas where we believe the asymmetry between price and value is greatest.

Reysaş GYO (RYGYO) Reysaş GYO is Turkey's leading logistics real estate investment trust, specializing in the development and management of storage facilities and warehouses with nearly 1.5 million square meters of indoor storage capacity, critical to the nation's supply chain. We began building our position when the stock was trading near 50% of its Book Value. Our thesis is twofold. First, we believe current rental income is artificially depressed due to inflation lags; as contracts renew, rents will revert to market rates. Second, management has proven to be excellent capital allocators. They are currently deploying capital into high-grade, large-scale warehouses that cater to premium clients, targeting returns on investment reaching 15%.

Rönesans Gayrimenkul (RGYAS) Rönesans Gayrimenkul is a premier developer and operator of commercial real estate, managing a portfolio of high-traffic shopping malls (including the Optimum and Piazza brands) and office buildings across Turkey's major cities. Similar to Reysaş, we acquired shares at roughly 50% of Book Value. Despite the economic climate, management has successfully raised rents above inflation. We closely monitor the Occupancy Cost Ratio (OCR), which is currently lower than historical averages. This gives us confidence that there is still significant room to increase rents without hurting tenants. With shopping malls at near 100% capacity and the strategic acquisition of the remaining 50% stakes in two major assets at attractive prices, the path forward is clear.

Gimat Mağazacılık (GMTAS) Formed by the unification of hundreds of local wholesalers, Gimat Mağazacılık operates as a prominent player in the wholesale and retail grocery sector in Ankara. We initiated our position after the announcement of their second store and have since visited the existing stores and the ongoing construction. We reasoned that management’s proven ability to run the high-volume, good-margin operations in Store 1 would replicate in Store 2. Furthermore, the Gimat Arena project, which caught our attention in late 2024, offers significant future rental income potential.

A Lesson in Discipline: Why We Sold Ulusoy Un

We purchased **Ulusoy Un (ULUUN)** despite the sector's thin margins, anticipating a specific catalyst: the lifting of Turkey's wheat import ban. We expected this regulatory change to restore price competitiveness and cement Turkey’s position as the world's top flour exporter.

However, a structural shift in the global market invalidated our thesis. Iraq, historically Turkey's largest export destination, aggressively expanded its domestic milling capacity in the 2024-2025 period. This caused a sharp decline in import demand that the lifting of the ban could not offset. With the fundamental premise of the investment broken, we liquidated the position to protect our capital.

Looking Ahead

We are currently managing this capital through personal accounts, but the principles remain institutional. As we move to formalize Roka Capital under an umbrella structure in the coming year, our goal remains the same: to ensure the "snowball effect" of our capital continues uninterrupted.

We welcome questions regarding our holdings or our philosophy at any time.

Thank you for your trust.

Esad M. Akar

Managing Partner, Roka Capital

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