

Akbank Turkish Equity Fund

Turkish Equity Fund invests in equities of Turkish companies which are listed on Istanbul Stock Exchange (ISE). The managers identify the fund's investment universe based on liquidity, corporate governance and valuation. We believe the Turkish market is under-researched and so offers numerous opportunities to exploit market inefficiencies. The focus of the fund is based on bottom-up stock selection which also takes account of the macro economy and the viability of current sectors trends in portfolio construction. The active top-down / bottom-up investment process used by the team is designed to capture opportunities across all market capitalisations while respecting rigorous risk controls.

Fund Information

NAV (Class I - Class A)	:	EUR 157.29	EUR 240.51
Fund Size	:	EUR 46,620,665	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

Performance		Fund ¹	Benchmark
Since Inception ²	25.07.08 - 31.12.12	72.50%	66.42%
2009	31.12.08 - 31.12.09	80.44%	78.39%
2010	31.12.09 - 31.12.10	32.14%	30.01%
2011	31.12.10 - 30.12.11	-37.14%	-33.88%
YTD	30.12.11 - 31.12.12	61.94%	57.38%
MTD	30.11.12 - 31.12.12	5.67%	5.48%

¹ Fund performance is gross of fees and does not reflect the deduction of investment management fees, custodian fees or other expenses.

² 25.07.2008 is the start date of active portfolio management for Institutional class share.

Investment Allocation (%)

Equities	95.75%
Money Market	4.25%

Top 10 holdings (%)

T GARANTI BANKASI	GARAN TI	8.23%
T HALK BANKASI	HALKB TI	7.98%
T IS BANKASI	ISCTR TI	7.61%
AKBANK	AKBNK TI	7.22%
HACI OMER SABANCI HOLD	SAHOL TI	6.25%
BIM BIRLESIK MAGAZLAR AS	BIMAS TI	4.53%
YAPI KREDI BANKASI	YKBNK TI	4.27%
TUPRAS	TUPRS TI	4.23%
VAKIFBANK	VAKBN TI	4.20%
TURKIYE SINAI KALKINMA BANKASI	TSKB TI	3.78%

Market Overview

The Fund's gross yield for the year 2013 was 61.94 percent while the return of the benchmark (97 percent of ISE100 index) was 57.38 percent.

In a high yielding year, led by banking stocks, we achieved to generate alpha though we continued to search yields through some small cap names. Through the year, we have invested in the small cap names in order to catch growth stories. We target to preserve our balanced strategy to generate alpha in the possibly overperforming market, Turkish stock market. Our balanced strategy depends on picking some small cap ideas as well shorting some big names included in the index.

The fund carries 30-35 stocks against total number of 100 stocks in the index. Based on this investment strategy, we try to find the better ideas to beat the index with lower number of stocks. We may also preserve this stock number limitation criteria for the coming year.

In coming year, it is thought that the higher liquidity environment in the global context will sustain its effectiveness over the risky asset markets. The investment analysts believe that Turkey is a candidate for the investment grade country for the other bigger rating companies. That could catch eyes on Turkey again for the current year. Approaching to a more sustainable growth path, Turkey could supply less volatile or less risky opportunities for the investors.

The last but not the least factor was the higher growth prospects for the pension funds. The stronger presence of the pension funds could work as a stabilizer for the whole capital markets. Currently, Turkish stocks are traded at 9.79x 2013E P/E ratio versus 9.95x of MSCI Emerging markets.

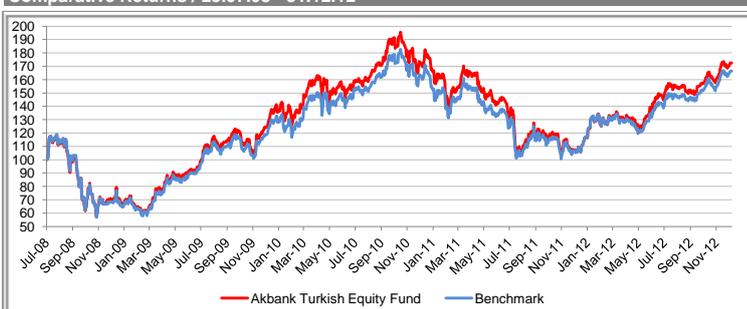
Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	18.60	32.47
Benchmark Volatility	18.40	31.73
Tracking Error	2.63	4.78

	YTD	Since Inception
Jensen's Alpha	3.95	1.35
Sharpe	2.93	0.19
Information Ratio	1.71	0.19
Beta	1.00	1.01

Sector Breakdown



Comparative Returns / 25.07.08 - 31.12.12



The graph represents gross of fees performance.

Administrative Information

Fund Name	:	Akbank Turkish SICAV
ISIN :	A Class	: LU0366551272
	I Class	: LU0366551439
	TRY Class	: LU0451096316
WKN :	A Class	: A0Q8MF
	I Class	: A0Q8MH
Minimum Subscription :	A Class	: EUR 50
	I Class	: EUR 5,000
	TRY Class	: TRY 100,000
Subscription/Redemption *		: Daily
Management Fee	A Class	: 1.50% p.a.
	I Class	: 1.25% p.a.
	TRY Class	: 1.50% p.a.

Registered Countries	:	Luxembourg Germany The Netherlands
Registered Databases	:	Bloomberg (AKTKEQI:LX; AKTKEQA:LX) Lipper Morningstar (Germany, Netherlands) Software-systems
Investment Manager	:	Ak Asset Management Inc.
Administrator / Custodian	:	Citibank International plc (Luxembourg Branch)
Independent Auditors	:	Ernst & Young S.A.

* Redemption and subscription requests should be sent to the Registrar and the Transfer Agent no later than 1:00PM (Luxembourg time) on the valuation day.

This is neither an offer to sell or a solicitation to invest. This material is for your private information only and we are not soliciting any action based upon it.

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