

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 156.71	EUR 239.59
Fund Size	:	EUR 46,449,754	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

Market Overview

As Euro revalued against Turkish lira, Turkish stock market declined in Euro terms. In the month, Turkish benchmark indices formed new highs many times. But, the market could not preserve those highs. Depending on the strong inflows, these highs have been achieved. The strongest expectation pulling the market upward was a new rating upgrade. Moody's rating agency published a credit opinion report, and frustrated the investors. The agency defended that Turkey should achieve new targets to restrict the external fragilities: declining current account deficit, increasing the FX reserves, or minimizing the private sector vulnerabilities. This report triggered the huge sells, and the market corrected approximately 10 percent compared to the top points. Currently Turkish stocks have been traded at 10.9x expected P/E versus 10.8x of MSCI EM.

Performance

		Fund ¹	Benchmark
Since Inception ²	25.07.08 - 31.01.13	72.08%	65.20%
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%
2012	30.12.11 - 31.12.12	61.94%	57.38%
YTD	31.12.12 - 31.01.13	-0.25%	-0.74%
MTD	31.12.12 - 31.01.13	-0.25%	-0.74%

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.

In this very volatile environment, we again achieved to generate alpha. The benchmark lost 0.74 percent in the month while the fund lost only 0.27 percent. As written in previous reports, we did not change our strategy in fund management. We tracks the index with only limited shorts and limited longs. The net shorts in tracking the index are being replaced by our small-and-medium cap ideas. These ideas are our house's preferences with strong conviction. We plan to conserve this successful strategy through the year which is seen to be very volatile.

Investment Allocation (%)

Equities	98.23%
Money Market	1.77%

Top 10 holdings (%)

AKBANK	AKBNK TI	8.00%
T HALK BANKASI	HALKB TI	7.97%
T GARANTI BANKASI	GARAN TI	7.15%
HACI OMER SABANCI HOLD	SAHOL TI	6.46%
T IS BANKASI	ISCTR TI	6.05%
TURKCELL	TCELL TI	4.48%
VAKIFBANK	VAKBN TI	4.38%
YAPI KREDI BANKASI	YKBNK TI	4.36%
TURK HAVA YOLLARI	THYAO TI	3.98%
TUPRAS	TUPRS TI	3.97%

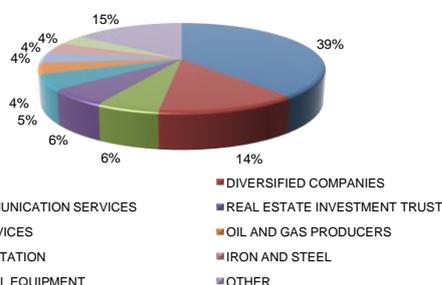
Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	28.39	32.38
Benchmark Volatility	28.00	31.65
Tracking Error	2.68	4.74

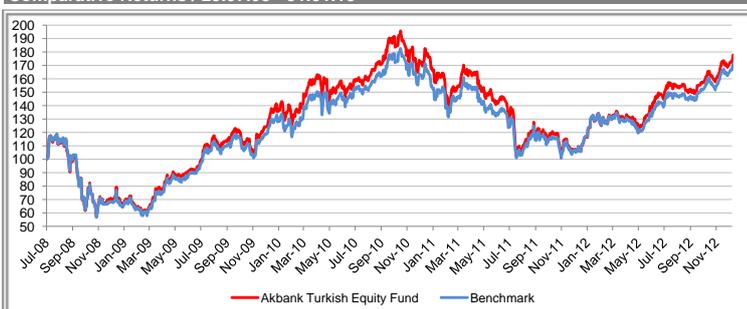
Risk Ratios (Annualized)

	YTD	Since Inception
Jensen's Alpha	5.08	1.46
Sharpe	-0.35	0.18
Information Ratio	2.03	0.21
Beta	1.01	1.01

Sector Breakdown



Comparative Returns / 25.07.08 - 31.01.13



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:IX; AKTKEQA:IX) 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.

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