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 173.46	EUR 265.06
Fund Size	: EUR 51,412,408	
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 - 30.04.13	91.04%	81.81%
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%	63.17%
YTD	31.12.12 - 30.04.13	10.75%	5.37%
MTD	29.03.13 - 30.04.13	0.33%	1.49%

[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	99.35%
Money Market	0.65%

Top 10 holdings (%)

TURKIYE HALK BANKASI	HALKB TI	8.85%
AKBANK	AKBNK TI	7.75%
HACI OMER SABANCI	SAHOL TI	7.34%
T GARANTI BANKASI	GARAN TI	7.33%
T IS BANKASI	ISCTR TI	6.55%
TURKIYE VAKIFLAR BANKASI	VAKBN TI	5.00%
TURK HAVA YOLLARI AO	THYAO TI	4.60%
YAPI KREDI BANKASI	YKBNK TI	4.35%
BIM BIRLESIK MAGAZALAR	BIMAS TI	4.16%
TUPRAS	TUPRS TI	4.11%
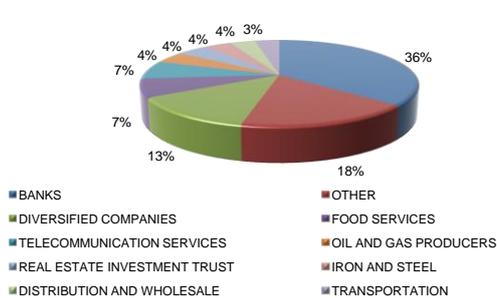
Market Overview

April was a silent month. Much of the days has passed in a narrow band. The BIST100 index, the recent name for the benchmark stock index, moved in the band of 82,033 and 86,500 points. The monthly return was only 0.17 percent on a TL basis. In euro terms, there was a negative return of 1.59 percent on BIST100 index.

In the month, the market tended to digest the returns at the historical tops. The eyes were on the central banks while the growth figures were not satisfactory. On April 16th, Turkish Central Bank responded to the weaker economic data by decreasing its policy rates by 50 basis points to 5 percent. This decision revived the growth story, and supplied stimulus for the banking profit expectations. In the second half of the month, we saw a better performance in the market.

As you followed, the better performance accelerated with the beginning of the coming month, May. Not only Turkish Central Bank, but many of the central banks around the globe continued their dovish stance. Reminding the "Japanese inflationist experiment", the expectations on the ECB to decline the policy rates were also supportive. The liquidity drug drag the indices upward again after a short duree of correction in the long duree of rally.

The much utilized or exploited stimuli for Turkish markets for last six months have been the consecutive rating upgrades to the Investment Grade Level. The breach of historical levels in the interest rates, and the formations of historical tops in the stock markets, much of these "beauties", could be bound to the expectations for the possible rating upgrades of top two rating agencies (Moody's and S&P).

We should also underline the importance of the political picture in front of Turkey. Settling on Western Alliance on Syrian problem, reaching a consensus with Israel, strengthening the links with the North of the Iraq, and the ongoing discussions with the PKK separatist organization were being accepted as constructive by some of the market participants. According to these opinions, the rating agencies could get a positive bias over these developments.

In this critical environment, we preserved our balanced strategy of tracking the index enriched by small-and-medium cap picks. We sell, or reduce the weights of some of our small-and-medium cap picks after their good performances, and tries to find new names to replace these stocks. We plan to increase the weights of small-and-medium cap names portion of the portfolio as the fundamental upside potential of the index sharply minimizes.

Risk Ratios (Annualized)

	YTD	Since Inception		YTD	Since Inception
Fund Volatility	21%	32%	Jensen's Alpha	5%	2%
Benchmark Volatility	21%	31%	Sharpe	1.39	0.24
Tracking Error	3%	5%	Information Ratio	2.19	0.25
			Beta	0.99	1.01

Sector Breakdown

- BANKS — 36%
- OTHER — 18%
- DIVERSIFIED COMPANIES — 13%
- FOOD SERVICES
- TELECOMMUNICATION SERVICES — 7%
- OIL AND GAS PRODUCERS — 7%
- REAL ESTATE INVESTMENT TRUST — 4%
- IRON AND STEEL — 4%
- DISTRIBUTION AND WHOLESALE — 4%
- TRANSPORTATION — 4%, 3%

Comparative Returns / 25.07.08 - 30.04.13

Akbank Turkish Equity Fund — Benchmark
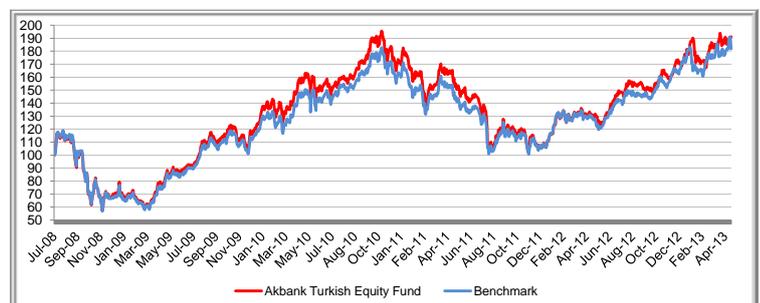
The graph represents gross of fees performance.

Administrative Information

Fund Name		: Akbank Turkish SICAV	Registered Countries	:	Luxembourg
ISIN :	A Class	: LU0366551272			Germany
	I Class	: LU0366551439			The Netherlands
	TRY Class	: LU0451096316	Registered Databases	:	Bloomberg (AKTKEQI:LX; AKTKEQA:LX)
WKN :	A Class	: A0Q8MF			Lipper
	I Class	: A0Q8MH			Morningstar (Germany, Netherlands)
Minimum Subscription :	A Class	: EUR 50			Software-systems
	I Class	: EUR 5.000	Investment Manager	:	Ak Asset Management Inc.
	TRY Class	: TRY 100.000	Administrator / Custodian	:	Citibank International plc (Luxembourg Branch)
Subscription/Redemption *		: Daily	Independent Auditors	:	Ernst & Young S.A.
Management Fee	A Class	: 1.50% p.a.			
	I Class	: 1.25% p.a.			
	TRY Class	: 1.50% p.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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