

## 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 129.68	EUR 197.99
Fund Size	:	EUR 39,917,137	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

Performance		Fund <sup>1</sup>	Benchmark
Since Inception <sup>2</sup>	25.07.08 - 30.09.13	37.34%	36.70%
2009	31.12.08 - 31.12.09	78.26%	78.39%
2010	31.12.09 - 31.12.10	30.82%	30.01%
2011	31.12.10 - 30.12.11	-37.66%	-33.88%
2012	30.12.11 - 31.12.12	61.22%	63.17%
YTD	31.12.12 - 30.09.13	-16.84%	-20.77%
MTD	29.08.13 - 30.09.13	9.94%	9.64%

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

<sup>2</sup> 25.07.2008 is the start date of active portfolio management for Institutional class share.

## Investment Allocation (%)

Equities	93.21%
Money Market	6.79%

## Top 10 holdings (%)

T GARANTI BANKASI	GARAN TI	8.19%
TURKIYE HALK BANKASI	HALKB TI	7.85%
HACI OMER SABANCI	SAHOL TI	6.92%
AKBANK	AKBNK TI	6.81%
T IS BANKASI	ISCTR TI	5.62%
TURKCELL ILETISIM	TCELL TI	4.48%
YAPI KREDI BANKASI	YKBNK TI	4.32%
BIM BIRLESIK MAGAZALAR AS	BIMAS TI	4.19%
TURK HAVA YOLLARI AO	THYAO TI	3.87%
TUPRAS(T PETR RAF)	TUPRS TI	3.09%

## Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	36%	33%
Benchmark Volatility	36%	32%
Tracking Error	7%	5%

## Market Overview

Turkish equities recovered from August dips in September. The monthly gain was 12.2 percent in TL basis. After FED's "no taper for now" decision, the index hit to 80,560 points before closing at 74,487 points at the month end. In reality, before the FED's decision, the markets have discounted more moderate action plan expectation. When we saw the post-FOMC performance of the market, pre-FOMC pricing could have been commented as "just" or "efficient".

This observation also proves that the market is dependent on global sentiment, and global asset allocation mechanisms rather than other factors. As an asset management company, we are deeply interested in the funds flows and global sentiment indicators to measure the possible impact on Turkish domestic markets. Depending to these studies, we are trying to reflect the outlook to our stock selection process as well the allocation matters.

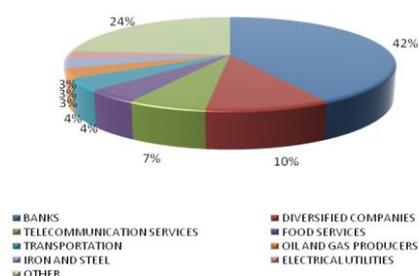
In current month, based on the improving EM mood, we increased our weightings in financial sector stocks while selling some "defensive" real sector stocks, and exiting from some small-cap names. Through this strategy, we make our alpha returns better, or you could say higher. We blocked the erosion in our alpha returns in the volatile, and unseen market environment.

We want to exit some other small cap stocks as they give their fruits. For instance, in September, and in the beginning of October, we exited from Mutlu Akü stock since it outperformed the market by approx. 20 percent in September. The stock was in the portfolio for more than 1 year. But, we do not want to change our strategy of carrying long-term stories in small-cap names in order to enrich our alpha yields.

## Risk Ratios (Annualized)

	YTD	Since Inception
Jensen's Alpha	1%	1%
Sharpe	-0.79	0.01
Information Ratio	0.21	0.20
Beta	0.98	1.01

## Sector Breakdown



## Comparative Returns / 25.07.08 - 30.09.13



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.

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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