

**Semi-annual Report and  
Unaudited Financial Statements**  
for the period from 1 January 2019 to 30 June 2019

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**AKBANK TURKISH SICAV**

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AKBANK TURKISH SICAV (the "SICAV") is an investment company which offers investors a choice between several classes of shares (each a "Class") in a number of sub-funds (each a "Sub-Fund"). The SICAV is organised as an investment company under Part I of the amended Luxembourg Law of 17 December 2010 relating to undertakings for collective investment.

*No subscription can be accepted on the basis of financial reports. Subscriptions are only valid if they are made on the basis of the last prospectus accompanied by the subscription form, the latest annual report and the latest semi-annual report if published thereafter.*

R.C.S. Luxembourg B 138.732

**AKBANK**

# AKBANK TURKISH SICAV

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# AKBANK TURKISH SICAV

## ORGANISATION OF THE SICAV

**AKBANK TURKISH SICAV**  
**R.C.S. Luxembourg B 138.732**

### **Registered Office**

31, Z.A. Bourmicht  
L-8070 Bertrange, Grand Duchy of Luxembourg

### **Board of Directors**

#### Chairman

Mr Mehmet Ali Ersari  
Executive Vice President  
AK Asset Management  
Beşiktaş Istanbul, Turkey

#### Directors

Mr Alaattin Göktürk Isikpinar  
Executive Vice President  
AK Asset Management  
Beşiktaş Istanbul, Turkey

Mr Emrah Ayranci  
Executive Vice President  
AK Asset Management  
Beşiktaş Istanbul, Turkey

### **Management Company**

MDO Management Company S.A.  
19, rue de Bitbourg  
L-1273 Luxembourg, Grand Duchy of Luxembourg

### **Depositary, Administrator, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent**

Citibank Europe plc, Luxembourg Branch  
31, Z.A. Bourmicht  
L-8070 Bertrange, Grand Duchy of Luxembourg

### **Investment Manager**

AK Asset Management Inc.  
Sabancı Center Akbank T.A.Ş.  
Hazine Binası  
Kat:1 34330 4. Levent  
Beşiktaş İstanbul, Turkey

### **Auditor**

PricewaterhouseCoopers, Société coopérative  
2 rue Gerhard Mercator, B.P. 1443  
L-1014 Luxembourg, Grand Duchy of Luxembourg

### **Legal Advisers in Luxembourg**

Elvinger Hoss Prussen, société anonyme  
2, place Winston Churchill  
L-1340 Luxembourg, Grand Duchy of Luxembourg

### **Distributors in Germany**

Targobank AG & Co. KGaA  
Kasernenstrasse 10  
D-40213 Düsseldorf, Germany

HSBC Trinkaus & Burkhardt AG  
Koenigsallee 21/23  
D-40212 Düsseldorf, Germany

Akbank AG  
Taunustor 1  
D-60310 Frankfurt am Main, Germany

### **Paying Agent in Germany**

Akbank AG  
Taunustor 1  
D-60310 Frankfurt am Main, Germany

# AKBANK TURKISH SICAV

## GENERAL INFORMATION

### THE SICAV

AKBANK TURKISH SICAV (the "SICAV") was incorporated as an open-ended investment company (société d'investissement à capital variable – SICAV) with multiple compartments on 21 May 2008. The duration of the SICAV is indefinite. The SICAV has designated a management company subject to chapter 15 of the amended Law of 17 December 2010 regarding undertakings for collective investment. The Articles of Incorporation were published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on 9 June 2008. The Articles of Incorporation are on file with the Registre de Commerce et des Sociétés of Luxembourg (the "R.C.S.").

The SICAV is organised as an investment company under Part I of the amended Luxembourg Law of 17 December 2010 relating to undertakings for collective investment.

### MANAGEMENT COMPANY

The Board of Directors of the SICAV has appointed MDO Management Company S.A. as the Management Company of the SICAV (the "Management Company") to be responsible on a day-to-day basis, under supervision of the Board of Directors, for providing administration, marketing, investment management and advisory services in respect of all Sub-Funds. In respect of all Sub-Funds, the Management Company has delegated its investment management functions to AK Asset Management Inc..

The Management Company has delegated the administration functions and registrar and transfer agent functions to Citibank Europe plc, Luxembourg Branch.

The Management Company was incorporated for an unlimited period of time under the laws of Luxembourg in the form of a société anonyme on 4 May 2007. Its registered office is located at 19, rue de Bitbourg L-1273 Luxembourg, Grand Duchy of Luxembourg and it is registered with the R.C.S. under number B 128.627. The Articles of Incorporation of the Management Company were published in the Mémorial on 16 December 2008. The Management Company is 100% owned by MDO Services S.A..

The objective of the Management Company is the collective portfolio management of undertakings for collective investment in accordance with chapter 15 of the amended Law on undertakings for collective investment dated 17 December 2010.

As of 30 June 2019, its share capital amounted to EUR 2,450,000.

The Management Company also acts as Management Company for several other investment funds.

### INVESTMENT MANAGER

The Management Company has appointed AK Asset Management Inc. as investment manager of the SICAV.

The Investment Manager was appointed pursuant to an Investment Management Agreement with the Management Company and the SICAV entered into as of 21 May 2008 (the "Investment Management Agreement") to provide day-to-day management of the SICAV's investments, subject to the overall supervision and responsibility of the Management Company.

According to the Investment Management Agreement, the Investment Manager may, with the prior approval of the Management Company, delegate to a third party all or a part of its management duties. Any new delegation shall be reflected in an updated Prospectus.

# **AKBANK TURKISH SICAV**

## **GENERAL INFORMATION (continued)**

### **DEPOSITARY, ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT, DOMICILIARY AGENT AND LISTING AGENT**

Citibank Europe plc, Luxembourg Branch has been appointed by the Board of Directors as Depositary of all of the SICAV's assets, comprising securities, money market instruments, cash and other assets. It may entrust the physical custody of securities and other assets, mainly securities traded abroad, listed on a foreign stock market or accepted by clearing institutions for their transactions, to such institutions or to one or more of its banking correspondents.

Citibank Europe plc, Luxembourg Branch has further accepted the appointment from the Management Company as Administrator, Registrar and Transfer Agent, Domiciliary Agent and Listing Agent to the Company. In such capacity, Citibank Europe plc, Luxembourg Branch is responsible for calculating the Net Asset Values ("NAV") of the SICAV and its relevant Sub-Funds or Classes and maintaining the accounting records of the SICAV, handling and processing all subscription, redemption and switching orders, for keeping the register of Shareholders and for mailing and publicising statements, reports and notices to Shareholders and for listing the SICAV's shares (each a "Share") on the Luxembourg Stock Exchange.

### **REPORTS AND FINANCIAL STATEMENTS**

The financial year of the SICAV ends on 31 December in each year.

The audited financial statements and the unaudited semi-annual financial statements comprise financial statements of the SICAV expressed in Euro, being the reference currency of the SICAV, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the annual and semi-annual reports and financial statements may be obtained free of charge from the registered office of the SICAV.

# AKBANK TURKISH SICAV

## Statement of Net Assets as of 30 June 2019 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
<b>Assets</b>				
Investments in securities at cost		23,553,086	13,395,286	36,948,372
Unrealised depreciation		( 7,402,225)	( 878,085)	( 8,280,310)
Investments in securities at market value	2a	16,150,861	12,517,201	28,668,062
Cash		259,278	543,374	802,652
Interest receivable	2d	—	196,928	196,928
Dividends receivable	2d	13,584	—	13,584
<b>Total assets</b>		<b>16,423,723</b>	<b>13,257,503</b>	<b>29,681,226</b>
<b>Liabilities</b>				
Accrued expenses		53,790	32,394	86,184
<b>Total liabilities</b>		<b>53,790</b>	<b>32,394</b>	<b>86,184</b>
<b>Net assets</b>		<b>16,369,933</b>	<b>13,225,109</b>	<b>29,595,042</b>

### Number of outstanding Shares

Class A Distribution EUR	8.07	1.59
Class I Distribution EUR	218,886.48	122,998.68

### Net Asset Value per Share

Class A Distribution EUR	113.31	116.74
Class I Distribution EUR	74.78	107.52

### Net Asset Value

Class A Distribution EUR	914	185
Class I Distribution EUR	16,369,019	13,224,924

The accompanying notes form an integral part of these financial statements.

# AKBANK TURKISH SICAV

## Statement of Operations and Changes in Net Assets for the period ended 30 June 2019 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
<b>Net assets at the beginning of the period</b>		<b>16,148,380</b>	<b>12,698,085</b>	<b>28,846,465</b>
<b>Income</b>				
Dividend income, net of withholding tax	2d	453,262	—	453,262
Interest income, net of withholding tax	2d	—	368,806	368,806
<b>Total income</b>		<b>453,262</b>	<b>368,806</b>	<b>822,068</b>
<b>Expenses</b>				
Investment management fee	3a	103,174	48,296	151,470
Management company fee	3b	5,204	2,461	7,665
Depositary fee	3c	19,190	12,644	31,834
Administrator, registrar and transfer agent fee	3d	27,686	27,711	55,397
Domiciliary agent fee	3e	1,250	1,250	2,500
Audit and legal fee		7,829	6,133	13,962
Regulatory fee		3,772	3,342	7,114
Taxe d'abonnement	4	393	326	719
Transaction costs	5	3,665	—	3,665
Other fees and expenses		11,760	11,167	22,927
<b>Total expenses</b>		<b>183,923</b>	<b>113,330</b>	<b>297,253</b>
<b>Net income from investments</b>		<b>269,339</b>	<b>255,476</b>	<b>524,815</b>
<b>Net realised loss on:</b>				
sales of investments in securities	2b	(362,213)	—	(362,213)
foreign exchange	2c	(9,561)	(2,605)	(12,166)
<b>Net change in unrealised appreciation on:</b>				
investments in securities		323,988	274,153	598,141
<b>Net change in net assets for the period resulting from operations</b>		<b>221,553</b>	<b>527,024</b>	<b>748,577</b>
<b>Net assets at the end of the period</b>		<b>16,369,933</b>	<b>13,225,109</b>	<b>29,595,042</b>

The accompanying notes form an integral part of these financial statements.

# AKBANK TURKISH SICAV

## Net Assets Information as of 30 June 2019, 31 December 2018 and 31 December 2017

		AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income
<b>Net assets as of</b>	<b>30 June 2019</b>	16,369,933	13,225,109
	<b>31 December 2018</b>	16,148,380	12,698,085
	<b>31 December 2017</b>	26,615,679	13,342,177
<b>Net Asset Value per Share as of 30 June 2019</b>			
	Class A Distribution EUR	113.31	116.74
	Class I Distribution EUR	74.78	107.52
<b>Net Asset Value per Share as of 31 December 2018</b>			
	Class A Distribution EUR	111.77	111.82
	Class I Distribution EUR	73.77	103.24
<b>Net Asset Value per Share as of 31 December 2017</b>			
	Class A Distribution EUR	184.27	117.42
	Class I Distribution EUR	121.59	108.46
<b>Number of Shares outstanding as of 30 June 2019</b>			
	Class A Distribution EUR	8.07	1.59
	Class I Distribution EUR	218,886.48	122,998.68
<b>Number of Shares outstanding as of 31 December 2018</b>			
	Class A Distribution EUR	8.07	1.59
	Class I Distribution EUR	218,886.48	122,998.68
<b>Number of Shares outstanding as of 31 December 2017</b>			
	Class A Distribution EUR	8.07	19.59
	Class I Distribution EUR	218,886.48	122,998.68

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV – Equities

### Schedule of Investments and Other Net Assets (in EUR) as of 30 June 2019

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>TRY Equities</b>			
1,282,001	Akbank TAS*	1,323,494	8.09
90,000	Aksa Akriklik Kimya Sanayii AS	126,389	0.77
75,000	Aksa Enerji Uretim AS	26,530	0.16
97,330	Alarko Holding	47,137	0.29
1	Albaraka Turk Katilim Bankasi AS**	0	0.00
20,000	Alkim Alkali Kimya AS	80,707	0.49
55,000	Alkim Kagit Sanayi ve Ticaret AS	30,812	0.19
100,002	Anadolu Cam Sanayii AS	42,054	0.26
95,000	Anadolu Efes Biracilik Ve Malt Sanayii AS	286,868	1.75
1	Anadolu Sigorta**	1	0.00
100,000	Arcelik AS	295,287	1.80
150,000	Aselsan Elektronik Sanayi Ve Ticaret AS	409,910	2.50
125,000	Aygaz AS	166,621	1.02
87,500	Bim Birlesik Magazalar AS	1,058,081	6.46
81,000	Brisa Bridgestone Sabanci Sanayi Ve Ticaret AS	73,169	0.45
25,000	Cimsa Cimento Sanayi VE Tica	23,608	0.14
40,000	Coca-Cola Icecek AS	181,454	1.11
400,001	Dogan Sirketler Grubu Holdings	69,229	0.42
50,000	Dogus Otomotiv Servis Ve Doas	41,446	0.25
800,000	Emlak Konut Gayrimenkul Yatirim Ortakligi AS	137,244	0.84
100,000	Enerjisa Enerji AS	83,652	0.51
300,001	Enka Insaat ve Sanayi AS	249,135	1.52
525,000	Eregli Demir Ve Celik Fabrikalari Tas	627,277	3.83
25,000	Ford Otomotiv Sanayi AS	237,217	1.46
50,000	Gubre Fabrikalari Tas	19,509	0.12
450,001	Haci Omer Sabanci Holding AS	586,855	3.58
151,663	Is Gayrimenkul Yatirim Ortakligi AS	23,256	0.14
150,000	Is Yatirim Menkul Degerler AS	66,269	0.40
100,000	Iskenderun Demir ve Celik AS	104,755	0.64
800,000	Kardemir Karabuk Demir	273,273	1.67
275,000	Koc Holding AS	732,297	4.48
50,000	Kordsa Global Endüstriyel Iplik ve Kord Bezi Sanayi ve Ticaret AS	92,002	0.56
25,001	Koza Altin Isletmeleri AS	200,596	1.23
60,000	Koza Anadolu Metal Madencilik Isletmeleri AS	64,493	0.39
17,500	Mavi Giyim Sanayi Ve Ticaret AS - B	106,804	0.65
85,000	Migros Ticaret AS	174,599	1.07
30,000	MLP Saglik Hizmetleri AS	52,696	0.32
2,500	Otokar Otobus Karoseri Sanayi AS	43,268	0.26

\*related party entity

\*\*fractional shares

The accompanying notes form an integral part of these financial statements.

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV – Equities

### Schedule of Investments and Other Net Assets (in EUR) as of 30 June 2019 (continued)

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing (continued)</b>			
<b>TRY Equities (continued)</b>			
30,000	Pegasus Hava Tasimaciligi AS	207,688	1.27
577,280	Petkim Petrokimya Holding	355,826	2.18
102,893	Sasa Polyester Sanayi AS	104,193	0.64
250,000	Sekerbank	36,816	0.22
1	Sinpas Gayrimenkul Yatirim Ortakligi AS**	0	0.00
300,002	Soda Sanayii AS	289,671	1.77
70,000	Tav Havalimanlari Holding AS	286,937	1.75
90,001	Tekfen Holding AS	354,713	2.17
60,000	Tofas Turk Otomobil Fabrik	175,806	1.07
231,895	Trakya Cam Sanayi AS	103,154	0.63
55,000	Tupras-Turkiye Petrol Rafinerileri	960,252	5.86
330,000	Turk Hava Yollari	645,791	3.94
393,904	Turk Sise Ve Cam Fabrikalari AS	310,372	1.90
200,000	Turk Telekomunikasyon AS	151,211	0.92
5,000	Turk Traktor ve Ziraat Makineleri AS	24,033	0.15
505,000	Turkcell Iletisim Hizmet AS	981,356	6.00
1	Turker Proje Gayrimenkul ve Yatirim Gelistirme AS**	3	0.00
950,000	Turkiye Garanti Bankasi AS	1,312,472	8.02
750,000	Turkiye Is Bankasi	688,877	4.21
1,200,078	Turkiye Sinai Kalkinma Bankasi AS	134,823	0.83
400,000	Turkiye Vakiflar Bankasi Tao	254,448	1.55
60,000	Ulker Gida Sanayi ve Ticaret AS	177,081	1.08
25,000	Vestel Elektronik Sanayi	46,912	0.29
1,000,000	Yapi ve Kredi Bankasi AS	365,883	2.24
35,000	Yatas Yatak ve Yorgan Sanayi Ve Ticaret AS	24,549	0.15
<b>Total Equities</b>		<b>16,150,861</b>	<b>98.66</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>16,150,861</b>	<b>98.66</b>
<b>Total Investments in securities</b>		<b>16,150,861</b>	<b>98.66</b>
<b>Other Net Assets</b>		<b>219,072</b>	<b>1.34</b>
<b>Total Net Assets</b>		<b>16,369,933</b>	<b>100.00</b>

\*\*fractional shares

The accompanying notes form an integral part of these financial statements.

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV – Fixed Income

### Schedule of Investments and Other Net Assets (in EUR) as of 30 June 2019

Nominal value	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>USD Supranationals, Governments and Local Public Authorities, Debt Instruments</b>			
600,000	Export Credit Bank of Turkey 5.375% - 24/Oct/23	500,644	3.79
2,300,000	Turkey (Govt of) 3.250% - 23/Mar/23	1,843,888	13.94
1,000,000	Turkey (Govt of) 5.125% - 25/Mar/22	866,841	6.55
2,000,000	Turkey (Govt of) 5.750% - 22/Mar/24	1,717,345	12.99
1,000,000	Turkey (Govt of) 6.000% - 25/Mar/27	837,783	6.33
1,400,000	Turkey (Govt of) 6.250% - 26/Sep/22	1,240,147	9.38
1,200,000	Turkey (Govt of) 7.375% - 5/Feb/25	1,090,521	8.25
1,800,000	Turkey (Govt of) 8.000% - 14/Feb/34	1,679,153	12.70
<b>Total Supranationals, Governments and Local Public Authorities, Debt Instruments</b>		<b>9,776,322</b>	<b>73.93</b>
<b>USD Bonds</b>			
700,000	Akbank TAS 5.000% - 24/Oct/22*	595,032	4.50
600,000	Turkiye Garanti Bankasi AS 6.250% - 20/Apr/21	534,773	4.04
700,000	Turkiye Sinai Kalkinma Bankasi AS 4.875% - 18/May/21	593,377	4.49
1,200,000	Turkiye Vakiflar Bankasi TAO 5.500% - 27/Oct/21	1,017,697	7.69
<b>Total Bonds</b>		<b>2,740,879</b>	<b>20.72</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>12,517,201</b>	<b>94.65</b>
<b>Total Investments in securities</b>		<b>12,517,201</b>	<b>94.65</b>
<b>Other Net Assets</b>		<b>707,908</b>	<b>5.35</b>
<b>Total Net Assets</b>		<b>13,225,109</b>	<b>100.00</b>

\*related party entity

The accompanying notes form an integral part of these financial statements.

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV - Equities

### Industrial Classification as of 30 June 2019

	% of NAV
Banks	24.33
Diversified companies	10.65
Food services	8.61
Telecommunication services	6.92
Oil and gas producers	6.88
Iron and steel	5.50
Chemicals	5.33
Transportation	5.21
Engineering and construction	3.27
Beverages	2.86
Auto manufacturers	2.79
Aerospace and defence	2.50
Home furnishings	2.09
Household products	1.90
Financial services	1.87
Precious metals	1.23
Real estate investment trust	0.98
Electrical utilities	0.96
Apparel	0.65
Textiles	0.64
Miscellaneous machinery	0.63
Plastics and Rubber	0.56
Automobile parts and equipment	0.45
Mining (non precious)	0.39
Healthcare services	0.32
Housewares	0.26
Retail	0.25
Forest products and paper	0.19
Furniture and bedding	0.15
Machinery	0.15
Building materials	0.14
<b>Total Investment in securities</b>	<b>98.66</b>
<b>Other Net Assets</b>	<b>1.34</b>
<b>Total Net Assets</b>	<b>100.00</b>

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV - Fixed Income

### Industrial Classification as of 30 June 2019

	% of NAV
Governments	73.93
Banks	20.72
<b>Total Investment in securities</b>	<b>94.65</b>
<b>Other Net Assets</b>	<b>5.35</b>
<b>Total Net Assets</b>	<b>100.00</b>

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 30 June 2019**

#### **1 – GENERAL INFORMATION**

The SICAV is an investment company which offers investors a choice between several Classes of Shares in a number of Sub-Funds.

The SICAV is designed to offer investors, within the same investment vehicle, a choice between several Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

At the date of the present report, the SICAV issues Shares of the following two Sub-Funds for subscription:

- AKBANK TURKISH SICAV – Equities
- AKBANK TURKISH SICAV – Fixed Income

The following Share Classes are issued for both Sub-Funds:

- Class I Shares are available for subscription and are reserved to institutional investors. The minimum subscription amount is EUR 5,000 for this Class. There is no minimum holding amount for this Class, unless the Board of Directors resolves otherwise.
- Class A Shares are available to all investors. The minimum subscription and minimum holding amounts are EUR 50, unless the Board of Directors resolves otherwise.
- Class TL Shares are available for subscription to all investors. The reference currency for such Class TL Shares is the TRY. The minimum subscription amount is TRY 100,000 and the minimum holding and minimum subsequent subscription amounts are TRY 25,000, unless the Board of Directors resolves otherwise.

Class I, Class A and Class TL Shares are available as Distribution Shares and Accumulation Shares.

At the date of the present report, Class I – Distribution Shares and Class A – Distribution Shares are active.

#### **2 – SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Luxembourg generally accepted accounting principles applicable to investment funds. The following is a summary of significant accounting policies followed by the Sub-Funds.

##### **a) Valuation of investments in securities**

Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Board of Directors deems it is prudent to assume.

Liquid assets and money market instruments are valued at nominal value plus any accrued interest.

Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued in good faith by the Board of Directors in accordance with such prudent valuation rules as the Board of Directors may determine and on the basis of the reasonably foreseeable sales prices, upon the advice of the relevant investment adviser/manager.

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 30 June 2019 (continued)**

#### **2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **a) Valuation of investments in securities (continued)**

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Board of Directors may, at its discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the SICAV.

##### **b) Net realised gain/loss on sales of investment in securities**

Realised gains and losses comprise the profit or loss arising from disposal of securities during the period. The net realised gain or loss on sales of investments in securities is calculated on the basis of the average cost of the securities sold.

##### **c) Conversion of foreign currencies**

The value of assets denominated in a currency other than the reference currency of a Sub-Fund is determined by taking into account the rate of exchange prevailing at the time of determination of the NAV.

As of 30 June 2019, the main exchange rates are as follows:

1 EUR = 6.586809 TRY  
1.138800 USD

Transactions occurring during the period in currencies other than the base currency are translated at rates of exchange ruling at the transaction date.

##### **d) Income**

Dividends are credited to income on an “ex-dividend” basis, net of any irrecoverable withholding tax. Interest income is credited to income net of any irrecoverable withholding tax. It includes interest applied to bonds and interest applied to bank accounts and is accrued on a daily basis.

##### **e) Expenses**

Expenses are accounted for on an accrual basis. Expenses are charged to the Statement of Operations and Changes in Net Assets. Expenses arising on the disposal of investments are included within transaction costs described in Note 5 below.

##### **f) Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in Luxembourg requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 30 June 2019 (continued)**

#### **2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **g) Dividend distribution**

In relation to the Distribution Shares, annual dividends are declared in respect of such Distribution Shares at the Annual General Meeting of Shareholders. In addition, the Board of Directors may declare interim dividends.

For the period ended 30 June 2019, no dividend has been declared.

#### **3 – FEES**

##### **a) Investment management fee**

As remuneration for its services, AK Asset Management Inc., acting as the Investment Manager, receives out of the assets of each Sub-Fund, a fee based upon the average total net assets of each Sub-Fund, payable monthly in arrears.

The fee rates applied to the Share Classes of each Sub-Fund are as follows:

- AKBANK TURKISH SICAV – Equities
  - o Class I Shares: 1.25%
  - o Class A Shares: 1.50%
  
- AKBANK TURKISH SICAV – Fixed Income
  - o Class I Shares: 0.75%
  - o Class A Shares: 1.00%

During the period, total fees to the Investment Manager amounted to EUR 151,470.

##### **b) Management company fee**

The Management Company receives out of the assets of each Sub-Fund a fee up to 0.04% or a minimum of EUR 7,500 per annum per Sub-Fund. These fees are based upon the average total net assets of each Sub-Fund, payable quarterly in arrears.

##### **c) Depositary fee**

The Depositary receives from the SICAV a fee of up to 2 basis points based upon the total net assets of each Sub-Fund or a minimum of EUR 22,800 (including VAT) per Sub-Fund per annum, payable monthly in arrears.

The Depositary also receives from the SICAV the following fee based upon the total net assets of each Sub-Fund per annum, payable monthly in arrears:

- AKBANK TURKISH SICAV – Equities: 6 basis points
- AKBANK TURKISH SICAV – Fixed Income: 0.8 basis points

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 30 June 2019 (continued)**

#### **3 – FEES (continued)**

##### **d) Administrator, registrar and transfer agent fee**

The Administrator, for its fund accounting and administration functions, receives out of the assets of each Sub-Fund a fee of up to 0.04% or a minimum of EUR 40,000 per annum based upon the average total net assets of each Sub-Fund, and for its registrar and transfer agency functions a fee of a minimum of EUR 7,500 per annum, payable quarterly in arrears.

##### **e) Domiciliary agent fee**

The Domiciliary Agent receives out of the assets of each Sub-Fund a fee of up to EUR 5,000 per annum, payable quarterly in arrears.

#### **4 – TAXE D'ABONNEMENT**

Under current law and practice the SICAV is not liable to any Luxembourg taxes on income or capital gains, nor are dividends (if any) paid by the SICAV liable to any Luxembourg withholding tax. However, the Class A Shares are liable in Luxembourg to a taxe d'abonnement of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the NAV of the Class A Shares at the end of the relevant quarter. The reduced tax d'abonnement rate of 0.01% per annum is applicable to Class I Shares which are exclusively held by institutional investors, the charge is calculated and becomes payable on the same terms. To the extent that the assets of the SICAV are invested in investment funds which are established in Luxembourg, no such tax is payable.

Interests, dividends and capital gains on securities may be subject to withholding or capital gain taxes in certain countries.

#### **5 – TRANSACTION COSTS**

For the period ended 30 June 2019, the SICAV incurred transaction costs related to the purchase and sale of financial instruments.

The total amount of transaction costs relates to brokerage fees.

#### **6 – CHANGES IN THE INVESTMENT PORTFOLIO**

The details of changes in the investment portfolio composition during the reporting period are available free of charge to the Shareholders at the registered office of the Management Company. They are also available at the distributors in Germany for German Shareholders.

#### **7 – TRANSACTIONS WITH RELATED PARTY ENTITIES**

AKBANK TURKISH SICAV – Equities has invested in a related party entity as of 30 June 2019 as disclosed in the Schedule of Investments and Other Net Assets. In addition, the Investment Manager to the SICAV is considered as a related party and the fees paid by the SICAV for its services are disclosed in Note 3 a). These transactions have been carried out on an arm's length basis at market rates. During the period, no Directors fees were paid and no interests in Shares were held by the Directors in the SICAV.

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 30 June 2019 (continued)**

#### **8 – GLOBAL EXPOSURE**

The Sub-Funds do not engage in financial derivatives instruments for the implementation of their investment policy.

After having independently assessed the risk profile, the Management Company has judged the commitment approach to be an appropriate method for the calculation of the Global Exposure as per the current law and regulations.

# **AKBANK TURKISH SICAV**

## **SUPPLEMENTARY INFORMATION**

**European Regulation (EU) 2015/2365 on the transparency of financial transactions in securities and reuse of collateral (Securities Financing Transactions Regulation or SFTR)**

During the period ended 30 June 2019, the SICAV did not enter into transactions within the scope of the SFTR.