

**Semi-annual Report and
Unaudited Financial Statements**
for the period from 1 January 2020 to 30 June 2020

AKBANK TURKISH SICAV

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
General Manager
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 Istanbul, 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 2020, 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 2020 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
Assets				
Investments in securities at cost		22,876,912	14,239,285	37,116,197
Unrealised depreciation		(6,698,191)	(331,919)	(7,030,110)
Investments in securities at market value	2a	16,178,721	13,907,366	30,086,087
Cash		325,242	121,158	446,400
Interest receivable	2d	—	226,708	226,708
Total assets		16,503,963	14,255,232	30,759,195
Liabilities				
Accrued expenses		52,698	34,625	87,323
Total liabilities		52,698	34,625	87,323
Net assets		16,451,265	14,220,607	30,671,872
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		113.87	125.46	
Class I Distribution EUR		75.15	115.61	
Net assets				
Class A Distribution EUR		919	199	
Class I Distribution EUR		16,450,346	14,220,408	

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 2020 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
Net assets at the beginning of the period		19,082,192	14,513,924	33,596,116
Income				
Dividend income, net of withholding tax	2d	139,665	—	139,665
Interest income, net of withholding tax	2d	—	424,032	424,032
Total income		139,665	424,032	563,697
Expenses				
Investment management fee	3a	103,444	53,772	157,216
Management company fee	3b	4,034	3,504	7,538
Depositary fee	3c	18,744	12,756	31,500
Administrator, registrar and transfer agent fee	3d	27,672	27,697	55,369
Domiciliary agent fee	3e	1,249	1,249	2,498
Audit and legal fee		12,223	10,728	22,951
Regulatory fee		3,654	3,412	7,066
Taxe d'abonnement	4	752	689	1,441
Transaction costs	5	3,716	—	3,716
Other fees and expenses		11,444	10,599	22,043
Total expenses		186,932	124,406	311,338
Net income / (loss) from investments		(47,267)	299,626	252,359
Net realised loss on:				
sales of investments in securities	2b	(309,583)	—	(309,583)
foreign exchange	2c	(21,395)	(9,763)	(31,158)
Net change in unrealised depreciation on:				
investments in securities		(2,252,682)	(583,180)	(2,835,862)
Net change in net assets for the period resulting from operations		(2,630,927)	(293,317)	(2,924,244)
Net assets at the end of the period		16,451,265	14,220,607	30,671,872

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

AKBANK TURKISH SICAV

Net Assets Information as of 30 June 2020, 31 December 2019 and 31 December 2018

		AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income
Net assets as of	30 June 2020	16,451,265	14,220,607
	31 December 2019	19,082,192	14,513,924
	31 December 2018	16,148,380	12,698,085
Net Asset Value per Share as of 30 June 2020			
	Class A Distribution EUR	113.87	125.46
	Class I Distribution EUR	75.15	115.61
Net Asset Value per Share as of 31 December 2019			
	Class A Distribution EUR	132.06	128.00
	Class I Distribution EUR	87.17	118.00
Net Asset Value per Share as of 31 December 2018			
	Class A Distribution EUR	111.77	111.82
	Class I Distribution EUR	73.77	103.24
Number of Shares outstanding as of 30 June 2020			
	Class A Distribution EUR	8.07	1.59
	Class I Distribution EUR	218,886.48	122,998.68
Number of Shares outstanding as of 31 December 2019			
	Class A Distribution EUR	8.07	1.59
	Class I Distribution EUR	218,886.48	122,998.68
Number of Shares outstanding as of 31 December 2018			
	Class A Distribution EUR	8.07	1.59
	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 2020

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing			
TRY Equities			
40,000	AG Anadolu Grubu Holding AS	104,638	0.64
1,312,001	Akbank TAS*	1,036,114	6.30
10,000	Akcansa Cimento AS	16,782	0.10
52,500	Aksa Akrilik Kimya Sanayii AS	49,711	0.30
75,000	Aksa Enerji Uretim AS	53,189	0.32
50,457	Aksigorta AS	44,631	0.27
20,000	Alarko Gayrimenkul Yatirim REIT	38,525	0.24
97,330	Alarko Holding	70,542	0.43
150,001	Albaraka Turk Katilim Bankasi AS	31,953	0.19
15,000	Alkim Alkali Kimya AS	25,952	0.16
1	Anadolu Anonim Turk Sigorta Sirketi**	1	0.00
100,002	Anadolu Cam Sanayii AS	60,399	0.37
100,000	Anadolu Efes Biracilik Ve Malt Sanayii AS	276,922	1.68
0	Anadolu Hayat Emeklilik AS**	0	0.00
0	Anel Elektrik Proje Taahhut ve Ticaret AS**	0	0.00
90,000	Arcelik AS	232,630	1.41
135,000	Aselsan Elektronik Sanayi Ve Ticaret AS	569,534	3.46
45,000	Aygaz AS	70,140	0.43
20,000	Bagfas Bandirma Gubre Fabrik	44,734	0.27
167,500	Bim Birlesik Magazalar AS	1,479,428	8.98
25,000	Brisa Bridgestone Sabanci Sanayi Ve Ticaret AS	40,947	0.25
25,000	Cimsa Cimento Sanayi VE Tica	32,180	0.20
35,000	Coca-Cola Icecek AS	197,300	1.20
15,000	Deva Holding AS	37,505	0.23
400,001	Dogan Sirketler Grubu Holdings	109,106	0.66
400	EGE Endustri VE Ticaret AS	32,405	0.20
50,000	EIS Eczacibasi Ilac ve Sinai ve Finansal Yatirimlar Sanayi ve Ticaret AS	39,681	0.24
900,000	Emlak Konut Gayrimenkul Yatirim Ortakligi AS	239,643	1.45
125,000	Enerjisa Enerji AS	139,631	0.85
300,001	Enka Insaat ve Sanayi AS	240,035	1.46
775,000	Eregli Demir Ve Celik Fabrikalari Tas	863,692	5.25
30,000	Ford Otomotiv Sanayi AS	276,272	1.68
0	Gentas Genel Metal Sanayi ve Ticaret AS**	0	0.00
20,000	Gubre Fabrikalari TAS	71,906	0.44
60,000	Gunes Sigorta	33,044	0.20

*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 2020 (continued)

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing (continued)			
TRY Equities (continued)			
450,001	Haci Omer Sabanci Holding AS	540,076	3.28
40,000	Hektas Ticaret TAS	74,036	0.45
0	Hurriyet Gazetecilik AS**	0	0.00
100,000	Is Finansal Kiralama AS	54,163	0.33
151,663	Is Gayrimenkul Yatirim Ortakligi AS	38,414	0.23
0	Is Yatirim Menkul Degerler AS**	0	0.00
150,000	Iskenderun Demir ve Celik AS	144,955	0.88
475,000	Kardemir Karabuk Demir	200,515	1.22
285,000	Koc Holding AS	666,327	4.04
45,000	Kordsa Global Endüstriyel Iplik ve Kord Bezi Sanayi ve Ticaret AS	72,828	0.44
25,001	Koza Altin Isletmeleri AS	270,662	1.65
75,000	Koza Anadolu Metal Madencilik Isletmeleri AS	130,538	0.79
6,000	Logo Yazilim Sanayi Ve Ticaret AS	60,398	0.37
17,500	Mavi Jeans - B	108,197	0.66
45,000	Migros Ticaret AS	225,031	1.37
30,000	MLP Saglik Hizmetleri AS	77,543	0.47
75,000	NET Holding AS	24,062	0.15
100,000	ODAS Elektrik Uretim ve Sanayi Ticaret AS	32,212	0.20
3,500	Otokar Otobus Karoseri Sanayi AS	68,055	0.41
30,000	Oyak Cimento Fabrikalari AS	27,588	0.17
17,500	Pegasus Hava Tasimaciligi AS	126,268	0.77
577,280	Petkim Petrokimya Holding	320,173	1.94
70,000	Sasa Polyester Sanayi AS	98,196	0.60
25,000	Selcuk Ecza Deposu Ticaret ve Sanayi AS	28,543	0.17
1	Sinpas Gayrimenkul Yatirim Ortakligi AS**	0	0.00
200,002	Soda Sanayii AS	158,985	0.97
30,000	Tat Gida Sanayi AS	38,966	0.24
75,000	Tav Havalimanlari Holding AS	188,695	1.15
95,001	Tekfen Holding AS	210,018	1.28
60,000	Tofas Turk Otomobil Fabrik	206,522	1.26
231,895	Trakya Cam Sanayi AS	108,132	0.66
57,500	Tupras-Turkiye Petrol Rafinerileri	668,437	4.06
340,000	Turk Hava Yollari	552,908	3.36
250,000	Turk Telekomunikasyon AS	263,348	1.60
5,000	Turk Traktor ve Ziraat Makineleri AS	51,144	0.31
475,000	Turkcell Iletisim Hizmetleri AS	1,014,298	6.17
1	Turker Proje Gayrimenkul ve Yatirim Gelistirme AS**	5	0.00
975,000	Turkiye Garanti Bankasi AS	1,071,383	6.51

**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 2020 (continued)

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing (continued)			
TRY Equities (continued)			
750,000	Turkiye Is Bankasi	543,582	3.30
600,078	Turkiye Sinai Kalkinma Bankasi AS	100,547	0.61
393,904	Turkiye Sise ve Cam Fabrikalari AS	283,957	1.73
400,000	Turkiye Vakiflar Bankasi TAO	276,922	1.68
35,000	Vestel Elektronik Sanayi	73,874	0.45
1,200,000	Yapi ve Kredi Bankasi AS	380,313	2.31
35,000	Yatas Yatak ve Yorgan Sanayi Ve Ticaret AS	38,733	0.24
Total Equities		16,178,721	98.34
Total Transferable securities and money market instruments admitted to an official exchange listing		16,178,721	98.34
Total Investments in securities		16,178,721	98.34
Other Net Assets		272,544	1.66
Total Net Assets		16,451,265	100.00

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 2020

Nominal value	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing			
USD Supranationals, Governments and Local Public Authorities, Debt Instruments			
1,300,000	Turkey (Govt of) 3.250% - 23/Mar/23	1,095,483	7.70
800,000	Turkey (Govt of) 4.875% - 9/Oct/26	662,656	4.66
700,000	Turkey (Govt of) 4.875% - 16/Apr/43	482,186	3.39
1,000,000	Turkey (Govt of) 5.125% - 25/Mar/22	893,739	6.28
500,000	Turkey (Govt of) 5.750% - 22/Mar/24	443,045	3.12
750,000	Turkey (Govt of) 5.750% - 11/May/47	548,228	3.86
1,000,000	Turkey (Govt of) 6.000% - 25/Mar/27	871,181	6.13
450,000	Turkey (Govt of) 6.125% - 24/Oct/28	389,703	2.74
800,000	Turkey (Govt of) 6.250% - 26/Sep/22	723,353	5.09
970,000	Turkey (Govt of) 6.625% - 17/Feb/45	786,824	5.53
1,500,000	Turkey (Govt of) 7.250% - 5/Mar/38	1,343,566	9.45
600,000	Turkey (Govt of) 7.375% - 5/Feb/25	563,870	3.97
570,000	Turkey (Govt of) 7.625% - 26/Apr/29	535,666	3.77
1,800,000	Turkey (Govt of) 8.000% - 14/Feb/34	1,734,446	12.19
600,000	Turkiye Ihracat Kredi Bankasi AS 5.375% - 24/Oct/23	516,398	3.63
Total Supranationals, Governments and Local Public Authorities, Debt Instruments		11,590,344	81.51
USD Bonds			
700,000	Akbank TAS 5.000% - 24/Oct/22*	618,900	4.35
700,000	Turkiye Sinai Kalkinma Bankasi AS 4.875% - 18/May/21	624,327	4.39
1,200,000	Turkiye Vakiflar Bankasi TAO 5.500% - 27/Oct/21	1,073,795	7.55
Total Bonds		2,317,022	16.29
Total Transferable securities and money market instruments admitted to an official exchange listing		13,907,366	97.80
Total Investments in securities		13,907,366	97.80
Other Net Assets		313,241	2.20
Total Net Assets		14,220,607	100.00

*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 2020

	% of NAV
Banks	20.29
Food services	10.59
Diversified companies	10.05
Telecommunication services	7.77
Iron and steel	6.47
Chemicals	4.53
Oil and gas producers	4.49
Transportation	4.13
Auto manufacturers	3.55
Aerospace and defence	3.46
Beverages	2.88
Engineering and construction	2.61
Real estate investment trust	1.92
Home furnishings	1.86
Financial services	1.82
Electrical utilities	1.80
Household products	1.73
Precious metals	1.65
Mining (non precious)	0.79
Apparel	0.66
Miscellaneous machinery	0.66
Pharmaceuticals	0.64
Textiles	0.60
Building materials	0.47
Healthcare services	0.47
Insurance	0.47
Plastics and Rubber	0.44
Housewares	0.37
Software	0.37
Machinery	0.31
Automobile parts and equipment	0.25
Furniture and bedding	0.24
Total Investment in securities	98.34
Other Net Assets	1.66
Total Net Assets	100.00

AKBANK TURKISH SICAV

AKBANK TURKISH SICAV - Fixed Income

Industrial Classification as of 30 June 2020

	% of NAV
Governments	81.51
Banks	16.29
Total Investment in securities	97.80
Other Net Assets	2.20
Total Net Assets	100.00

AKBANK TURKISH SICAV

NOTES TO THE FINANCIAL STATEMENTS

as of 30 June 2020

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 under the going concern basis of accounting. 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 2020 (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 year. 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 2020, the main exchange rates are as follows:

1 EUR = 7.698925 TRY
1.123150 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 2020 (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 2020, 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 157,216.

b) Management company fee

The Management Company receives out of the assets of each Sub-Fund a fee of 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 2020 (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 2020, 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 offices 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 2020 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 2020 (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.

9 – SUBSEQUENT EVENTS

The spread of a novel corona virus known as Covid-19 has emerged in China in early 2020. World Health Organization (WHO) declared Covid-19 as a global emergency in late January and a global pandemic in the middle of March as the outbreak reaches most continents. Financial markets and economies have experienced an extraordinary event and this uncertainty results in a significant correction of almost all asset classes and high market volatility, as well as growing concerns about worldwide economic downturn. Policymakers have taken many fiscal and monetary actions to combat Covid-19. It is hard to assess the impact of the outbreak at this point. The only thing policymakers, economists, traders and investors do is monitoring the health statistics, medicine/vaccine developments, policy actions, market and economic outlook.

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 2020, the SICAV did not enter into transactions within the scope of the SFTR.