

**Annual Report and  
Audited Financial Statements**  
for the year ended 31 December 2020

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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 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 31 December 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

## DIRECTORS' REPORT

2020 has been a year of global lockdowns and stimulus packages. Covid-19 took over the World in March, and countries were forced to employ lockdown measures. Economies came to a point of standstill. US recorded its greatest quarterly GDP contraction, mainly due to the impacts on the service sector. Unemployment rose all over the World. Equity markets tumbled, MSCI World dropped by close to 21%, and S&P 500 contracted by 31% in March. In response, globally central banks and governments employed more than 22 trillion \$ record monetary and fiscal stimulus packages to deal with the contraction in the economy. Thus, total stimulus respond exceeded 25% of global GDP. In the US, monetary and fiscal stimulus packages amounted up to 28% of the GDP, and a new one of 1.9 trillion \$ is expected in 2021.

Due to the largest stimulus packages of all-time in the US, DXY fell by almost 7% in 2020. Gold on the other hand, as the safe haven for investors, had its best year in the last 10 years, appreciating by 25%. In the last quarter, with the increasing hopes around vaccine developments, financial markets started to perform. With the successful administration of vaccines, the rally in financial assets continued. Equity indices reached record highs and leading indicators to growth peaked. Low interest rate environment also supported global equities market. In 2020 as a whole, S&P 500 appreciated by over 16%. Global equities market capitalization reached all-time highs. The percentage of vaccination based on population, effectiveness rates and the trajectory of stimulus packages are expected to drive financial markets in 2021.

Forecasts show that Turkey is one of the countries with the most growth in 2020. Turkey is also expected to be the 3rd top growing country in 2021, following India and China. Loan growth in 2020 exceeded the credit guaranteed fund period of 2017. Inflation rose to 14.6% in December due to the cost factors and increasing food prices. However, Central Bank of Turkey hiked its policy rate to 17% in 2020 and pledged to decisively keep monetary policy tight to permanently lower inflation. 12-month cumulative current account deficit reached 38 billion \$ in November due to a surge in gold imports and a pandemic-related tourism downturn. However, current account balance is expected to improve with increasing capital inflows and tourism revenues in 2021. In addition, portfolio inflows is expected to continue in 2021 and CBRT aims to increase FX reserves. Budget deficit to GDP ratio was 3.6% of GDP in 2020, well below the target of New Economic Program.

Turkish Lira depreciated around 25% in 2020; however, TL appreciated by more than 10% in November and December. Investor sentiment towards TL is expected to remain constructive in 2021. Besides the decisive tight monetary policy stance, attractive valuations, high carry and improving current account dynamics are also supportive for TL. Currently, Turkish Lira is one of the most attractive EM currencies based on REER levels. Investors also benefit from high TL interest rates. Although the 10-year bonds increased above 12.8%, foreign share in debt market has started to recovered. Bist 100 jumped by 30% in 2020 with the record high local investors. Valuations, strong growth forecasts and vaccination progress is supportive for equities in 2021.

In the first half of 2020, the fund was adversely affected by the volatility in Turkish equities caused by the COVID 19 pandemic. In the second half of 2020, FX volatility became an issue in Turkey and the fund performance suffered in EUR terms. 2020 ended with a positive tone for Turkish assets and the fund roughly maintained a neutral performance in EUR terms while providing a positive return in TRY terms. We track our benchmark very closely so the fund's performance was close to its benchmark for the year 2020. Aside from general market risk, there has been no COVID 19 concern that required specific action during the management of the equity sub-fund. Turkey Eurobond Market has been well liquid during Covid crisis, we have not encountered with any difficulties. We did not make significant changes, the benchmark index of the fixed income sub-fund has been followed. Considering the huge amount of transaction volume recently, we do not expect any operational or liquidity risk at the market.

Luxembourg, 8 April 2021

The Board of Directors

The figures stated in this report are historical and not necessarily indicative of future performance.



## Audit report

To the Shareholders of  
**AKBANK TURKISH SICAV**

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## Report on the audit of the financial statements

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AKBANK TURKISH SICAV (the “Fund”) and of each of its sub-funds as at 31 December 2020, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the Statement of Net Assets as at 31 December 2020;
- the Statement of Operations and Changes in Net Assets for the year then ended;
- the Schedule of Investments and Other Net Assets as at 31 December 2020; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### Basis for opinion

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We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of

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T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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**Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

### **Report on other legal and regulatory requirements**

We have been appointed as “Réviseur d’entreprises agréé” of the Fund by the Board of Directors of the Fund on 29 May 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 8 April 2021

Andreas Drossel

# AKBANK TURKISH SICAV

## Statement of Net Assets as of 31 December 2020 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
<b>Assets</b>				
Investments in securities at cost		22,207,560	14,525,592	36,733,152
Unrealised depreciation		( 5,004,215)	( 588,178)	( 5,592,393)
Investments in securities at market value	2a	17,203,345	13,937,414	31,140,759
Cash		281,052	96,277	377,329
Interest receivable	2d	—	212,576	212,576
Dividends receivable	2d	17,007	—	17,007
Receivable from securities sold		39,627	—	39,627
<b>Total assets</b>		<b>17,541,031</b>	<b>14,246,267</b>	<b>31,787,298</b>
<b>Liabilities</b>				
Accrued expenses		37,160	28,583	65,743
Payable for securities purchased		52,176	—	52,176
<b>Total liabilities</b>		<b>89,336</b>	<b>28,583</b>	<b>117,919</b>
<b>Net assets</b>		<b>17,451,695</b>	<b>14,217,684</b>	<b>31,669,379</b>
<b>Number of outstanding Shares</b>				
Class A Distribution EUR		8.07	1.59	
Class I Distribution EUR		218,886.48	122,998.68	
<b>Net Asset Value per Share</b>				
Class A Distribution EUR		120.84	125.43	
Class I Distribution EUR		79.72	115.59	
<b>Net assets</b>				
Class A Distribution EUR		975	199	
Class I Distribution EUR		17,450,720	14,217,485	

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

# AKBANK TURKISH SICAV

## Statement of Operations and Changes in Net Assets for the year ended 31 December 2020 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
<b>Net assets at the beginning of the year</b>		<b>19,082,192</b>	<b>14,513,924</b>	<b>33,596,116</b>
<b>Income</b>				
Dividend income, net of withholding tax	2d	214,009	—	214,009
Interest income, net of withholding tax	2d	—	808,162	808,162
<b>Total income</b>		<b>214,009</b>	<b>808,162</b>	<b>1,022,171</b>
<b>Expenses</b>				
Investment management fee	3a	193,985	105,286	299,271
Management company fee	3b	8,419	6,547	14,966
Depositary fee	3c	37,006	25,872	62,878
Administrator, registrar and transfer agent fee	3d	55,233	55,283	110,516
Domiciliary agent fee	3e	2,499	2,499	4,998
Audit and legal fee		13,022	18,886	31,908
Regulatory fee		5,654	5,412	11,066
Taxe d'abonnement	4	1,529	1,384	2,913
Transaction costs	5	6,100	—	6,100
Other fees and expenses		22,377	21,222	43,599
<b>Total expenses</b>		<b>345,824</b>	<b>242,391</b>	<b>588,215</b>
<b>Net income / (loss) from investments</b>		<b>(131,815)</b>	<b>565,771</b>	<b>433,956</b>
<b>Net realised loss on:</b>				
sales of investments in securities	2b	(902,567)	—	(902,567)
foreign exchange	2c	(37,409)	(22,572)	(59,981)
<b>Net change in unrealised depreciation on:</b>				
investments in securities		(558,706)	(839,439)	(1,398,145)
<b>Net change in net assets for the year resulting from operations</b>		<b>(1,498,682)</b>	<b>(862,011)</b>	<b>(2,360,693)</b>
<b>Net assets at the end of the year</b>		<b>17,451,695</b>	<b>14,217,684</b>	<b>31,669,379</b>

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

# AKBANK TURKISH SICAV

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

		AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income
<b>Net assets as of</b>	<b>31 December 2020</b>	17,451,695	14,217,684
	<b>31 December 2019</b>	19,082,192	14,513,924
	<b>31 December 2018</b>	16,148,380	12,698,085
<b>Net Asset Value per Share as of 31 December 2020</b>			
	Class A Distribution EUR	120.84	125.43
	Class I Distribution EUR	79.72	115.59
<b>Net Asset Value per Share as of 31 December 2019</b>			
	Class A Distribution EUR	132.06	128.00
	Class I Distribution EUR	87.17	118.00
<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>Number of Shares outstanding as of 31 December 2020</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 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

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV – Equities

### Schedule of Investments and Other Net Assets (in EUR) as of 31 December 2020

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>TRY Equities</b>			
40,000	AG Anadolu Grubu Holding AS	119,098	0.68
1,262,001	Akbank TAS*	960,969	5.51
10,000	Akcansa Cimento AS	18,253	0.10
25,000	AKIS Gayrimenkul Yatirimi AS	9,794	0.06
52,500	Aksa Akrilik Kimya Sanayii AS	82,735	0.47
75,000	Aksa Enerji Uretim AS	60,172	0.34
50,457	Aksigorta AS	51,786	0.30
20,000	Alarko Gayrimenkul Yatirim REIT	57,872	0.33
97,330	Alarko Holding	90,010	0.52
150,001	Albaraka Turk Katilim Bankasi AS	32,611	0.19
15,000	Alcatel-Lucent Teletas Telekomunikasyon AS	48,072	0.28
15,000	Alkim Alkali Kimya AS	24,085	0.14
1	Anadolu Anonim Turk Sigorta Sirketi**	1	0.00
100,000	Anadolu Efes Biracilik Ve Malt Sanayii AS	258,236	1.48
0	Anadolu Hayat Emeklilik AS**	0	0.00
1	Anel Elektrik Proje Taahhut ve Ticaret AS**	0	0.00
80,000	Arcelik AS	269,095	1.54
5,000	ARD Grup Bilisim Teknolojileri AS	25,294	0.14
270,000	Aselsan Elektronik Sanayi Ve Ticaret AS	549,447	3.15
45,000	Aygaz AS	73,250	0.42
20,000	Bagfas Bandirma Gubre Fabrik	44,673	0.26
160,000	Bim Birlesik Magazalar AS	1,356,071	7.77
25,000	Brisa Bridgestone Sabanci Sanayi Ve Ticaret AS	54,654	0.31
25,000	Cimsa Cimento Sanayi VE Tica	49,330	0.28
35,000	Coca-Cola Icecek AS	255,891	1.47
15,000	Deva Holding AS	40,225	0.23
400,001	Dogan Sirketler Grubu Holdings	134,636	0.77
15,000	Dogus Otomotiv Servis Ve Doas	47,741	0.27
400	EGE Endustri VE Ticaret AS	76,080	0.44
1,500	EGE Gubre Sanayii AS	24,052	0.14
50,000	EIS Eczacibasi Ilac ve Sinai ve Finansal Yatirimlar Sanayi ve Ticaret AS	41,440	0.24
900,000	Emlak Konut Gayrimenkul Yatirim Ortakligi AS	213,541	1.22
100,000	Enerjisa Enerji AS	137,506	0.79
300,001	Enka Insaat ve Sanayi AS	244,332	1.40
750,000	Eregli Demir Ve Celik Fabrikalari Tas	1,258,902	7.21

\*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 31 December 2020 (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	Ford Otomotiv Sanayi AS	414,171	2.36
0	Gentas Genel Metal Sanayi ve Ticaret AS**	0	0.00
25,000	Gubre Fabrikalari Tas	231,888	1.33
420,001	Haci Omer Sabanci Holding AS	530,245	3.04
40,000	Hektas Ticaret	87,844	0.50
0	Hurriyet Gazetecilik AS**	0	0.00
15,000	Indeks Bilgisayar Sistemleri Muhendislik Sanayi Ve Ticaret AS	29,896	0.17
40,000	Ipek Dogal Enerji Kaynaklari Arastirma Ve Uretim AS	58,313	0.33
100,000	Is Finansal Kiralama AS	42,488	0.24
151,663	Is Gayrimenkul Yatirim Ortakligi AS	38,663	0.22
40,000	Is Yatirim Menkul Degerler AS	78,663	0.46
100,000	Iskenderun Demir ve Celik AS	112,344	0.64
300,000	Kardemir Karabuk Demir	189,704	1.09
250,000	Koc Holding AS	577,720	3.32
100	Konya Cimento Sanayii AS	12,319	0.07
45,000	Kordsa Teknik Tekstil AS	78,663	0.45
25,001	Koza Altin Isletmeleri AS	268,037	1.54
75,000	Koza Anadolu Metal Madencilik Isletmeleri AS	129,118	0.74
5,000	Logo Yazilim Sanayi Ve Ticaret AS	68,973	0.40
17,500	Mavi Giyim Sanayi Ve Ticaret AS	100,811	0.58
35,000	Migros Ticaret AS	162,920	0.93
30,000	MLP Saglik Hizmetleri AS	65,023	0.37
75,000	NET Holding AS	28,307	0.16
100,000	ODAS Elektrik Uretim ve Sanayi Ticaret AS	43,370	0.25
3,500	Otokar Otobus Karoseri Sanayi AS	128,428	0.74
125,000	Oyak Cimento Fabrikalari AS	121,255	0.70
17,500	Pegasus Hava Tasimaciligi AS	143,975	0.82
480,000	Petkim Petrokimya Holding	268,037	1.53
15,000	Pinar SUT Mamulleri Sanayii AS	39,696	0.23
70,000	Sasa Polyester Sanayi AS	154,656	0.89
25,000	Selcuk Ecza Deposu Ticaret ve Sanayi AS	39,204	0.22
1	Sinpas Gayrimenkul Yatirim Ortakligi AS**	0	0.00
100,000	Sok Marketler Ticaret AS	139,492	0.80
30,000	Tat Gida Sanayi AS	39,066	0.22
75,000	Tav Havalimanlari Holding AS	175,137	1.00
95,001	Tekfen Holding AS	173,616	0.99
60,000	Tofas Turk Otomobil Fabrik	222,878	1.28
300,000	Turk Hava Yollari	427,083	2.45

\*\*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 31 December 2020 (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>			
250,000	Turk Telekomunikasyon AS	238,096	1.36
5,000	Turk Traktor ve Ziraat Makineleri AS	92,424	0.53
525,000	Turkcell Iletisim Hizmetleri AS	940,906	5.40
1	Turker Proje Gayrimenkul ve Yatirim Gelistirme AS**	9	0.00
925,000	Turkiye Garanti Bankasi AS	1,058,574	6.07
650,000	Turkiye Is Bankasi	502,126	2.88
57,500	Turkiye Petrol Rafinerileri AS	685,319	3.93
60,000	Turkiye Sigorta AS	43,370	0.25
600,078	Turkiye Sinai Kalkinma Bankasi AS	119,201	0.68
650,001	Turkiye Sise ve Cam Fabrikalari AS	522,212	2.99
300,000	Turkiye Vakiflar Bankasi TAO	157,590	0.90
60,000	Ulker Biskuvi Sanayi AS	153,220	0.88
3,000	Verusa Holdinging AS	14,898	0.09
35,000	Vestel Elektronik Sanayi	81,499	0.47
1,200,000	Yapi ve Kredi Bankasi AS	409,205	2.34
35,000	Yatas Yatak ve Yorgan Sanayi Ve Ticaret AS	52,839	0.30
<b>Total Equities</b>		<b>17,203,345</b>	<b>98.58</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>17,203,345</b>	<b>98.58</b>
<b>Total Investments in securities</b>		<b>17,203,345</b>	<b>98.58</b>
<b>Other Net Assets</b>		<b>248,350</b>	<b>1.42</b>
<b>Total Net Assets</b>		<b>17,451,695</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 31 December 2020

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>			
1,300,000	Turkey (Govt of) 3.250% - 23/Mar/23	1,054,444	7.42
800,000	Turkey (Govt of) 4.875% - 9/Oct/26	659,833	4.64
700,000	Turkey (Govt of) 4.875% - 16/Apr/43	499,165	3.51
1,000,000	Turkey (Govt of) 5.125% - 25/Mar/22	831,172	5.85
500,000	Turkey (Govt of) 5.750% - 22/Mar/24	428,786	3.02
750,000	Turkey (Govt of) 5.750% - 11/May/47	582,782	4.10
1,000,000	Turkey (Govt of) 6.000% - 25/Mar/27	864,494	6.08
450,000	Turkey (Govt of) 6.125% - 24/Oct/28	390,671	2.75
800,000	Turkey (Govt of) 6.250% - 26/Sep/22	681,787	4.80
970,000	Turkey (Govt of) 6.625% - 17/Feb/45	825,508	5.81
1,500,000	Turkey (Govt of) 7.250% - 5/Mar/38	1,372,352	9.64
600,000	Turkey (Govt of) 7.375% - 5/Feb/25	545,587	3.84
570,000	Turkey (Govt of) 7.625% - 26/Apr/29	535,886	3.77
1,800,000	Turkey (Govt of) 8.000% - 14/Feb/34	1,748,970	12.29
600,000	Turkiye Ihracat Kredi Bankasi AS 5.375% - 24/Oct/23	492,982	3.47
<b>Total Supranationals, Governments and Local Public Authorities, Debt Instruments</b>		<b>11,514,419</b>	<b>80.99</b>
<b>USD Bonds</b>			
700,000	Akbank TAS 5.000% - 24/Oct/22*	576,986	4.06
700,000	Turkiye Sinai Kalkinma Bankasi AS 4.875% - 18/May/21	571,305	4.02
1,200,000	Turkiye Vakiflar Bankasi TAO 5.500% - 27/Oct/21	987,013	6.94
330,000	Turkiye Vakiflar Bankasi TAO 8.125% - 28/Mar/24	287,691	2.02
<b>Total Bonds</b>		<b>2,422,995</b>	<b>17.04</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>13,937,414</b>	<b>98.03</b>
<b>Total Investments in securities</b>		<b>13,937,414</b>	<b>98.03</b>
<b>Other Net Assets</b>		<b>280,270</b>	<b>1.97</b>
<b>Total Net Assets</b>		<b>14,217,684</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 31 December 2020

	<b>% of NAV</b>
Banks	17.89
Food services	10.03
Diversified companies	8.96
Iron and steel	8.30
Telecommunication services	6.76
Auto manufacturers	4.82
Chemicals	4.37
Oil and gas producers	4.35
Transportation	3.27
Aerospace and defence	3.15
Household products	2.99
Beverages	2.95
Engineering and construction	2.40
Financial services	2.11
Home furnishings	2.01
Electrical utilities	1.90
Real estate investment trust	1.83
Precious metals	1.54
Building materials	1.15
Textiles	0.89
Food	0.80
Mining (non precious)	0.74
Pharmaceuticals	0.69
Apparel	0.58
Insurance	0.55
Software	0.54
Machinery	0.53
Plastics and Rubber	0.45
Healthcare services	0.37
Forest products and paper	0.33
Automobile parts and equipment	0.31
Furniture and bedding	0.30
Telecommunication equipment	0.28
Retail	0.27
Distribution and wholesale	0.17
<b>Total Investment in securities</b>	<b>98.58</b>
<b>Other Net Assets</b>	<b>1.42</b>
<b>Total Net Assets</b>	<b>100.00</b>

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV - Fixed Income

### Industrial Classification as of 31 December 2020

	% of NAV
Governments	80.99
Banks	17.04
<b>Total Investment in securities</b>	<b>98.03</b>
<b>Other Net Assets</b>	<b>1.97</b>
<b>Total Net Assets</b>	<b>100.00</b>

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 31 December 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.

The financial statements are presented on the basis of the last official NAV of the financial year which was calculated as of 30 December 2020. The Valuation differences between 30 December 2020 and 31 December 2020 are below the materiality threshold (set as respectively 1% for AKBANK TURKISH SICAV – Equities and 0.5% for AKBANK TURKISH SICAV – Fixed Income of the net asset value as at 31 December 2020).

##### **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 31 December 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 31 December 2020, the main exchange rates are as follows:

1 EUR = 9.061476 TRY  
1.230050 USD

Transactions occurring during the year 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 years. Actual results could differ from those estimates.

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 31 December 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 year ended 31 December 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 year, total fees to the Investment Manager amounted to EUR 299,271.

##### **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 31 December 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 year ended 31 December 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 year 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 31 December 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 year, 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 31 December 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 – COVID-19**

In the first half of 2020, the fund was adversely affected by the volatility in Turkish equities caused by the COVID 19 pandemic. In the second half of 2020, FX volatility became an issue in Turkey and the fund performance suffered in EUR terms. 2020 ended with a positive tone for Turkish assets and the fund roughly maintained a neutral performance in EUR terms while providing a positive return in TRY terms. We track our benchmark very closely so the fund's performance was close to its benchmark for the year 2020. Aside from general market risk, there has been no COVID 19 concern that required specific action during the management of the equity sub-fund. Turkey Eurobond Market has been well liquid during Covid crisis, we have not encountered with any difficulties. We did not make significant changes, the benchmark index of the fixed income sub-fund has been followed. Considering the huge amount of transaction volume recently, we do not expect any operational or liquidity risk at the market.

#### **10 – SUBSEQUENT EVENT**

As of 3 February 2021 the name of the Management Company changed to Waystone Management Company (Lux) S.A..

# AKBANK TURKISH SICAV

## UNAUDITED 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 year ended 31 December 2020, the SICAV did not enter into transactions within the scope of the SFTR.

### **Remuneration disclosure**

The Management Company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the Management Company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at <http://www.mdo-manco.com/about-us/legal-documents>.

With respect to the financial year ended 31 December 2020 (as of that date, the Management Company had a headcount of 73 employees), the total fixed and variable remuneration paid by the Management Company to its employees amounted to EUR 5,236,688 and to EUR 1,448,313 respectively. The total remuneration paid by the Management Company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,569,815. The remuneration committee of the Management Company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of Directors in the course of the financial year ended 31 December 2019, the current version being dated July 2019. There was no identified need for an update of the policy in the course of the financial year ended 31 December 2020, and a similar assessment will be performed in 2021.