

## Akbank Turkish Equity Fund

Turkish Equity Fund invests in equities of Turkish companies which are listed on Istanbul Stock Exchange (ISE). The managers identify the fund's investment universe based on liquidity, corporate governance and valuation. We believe the Turkish market is under-researched and so offers numerous opportunities to exploit market inefficiencies. The focus of the fund is based on bottom-up stock selection which also takes account of the macro economy and the viability of current sectors trends in portfolio construction. The active top-down / bottom-up investment process used by the team is designed to capture opportunities across all market capitalisations while respecting rigorous risk controls.

### Fund Information

NAV (Class I - Class A) :	EUR 124,27	EUR 189,19
Fund Size :	EUR 36.848.909	
Launch Date :	02 July 2008	
Currency :	EUR	
Legal Status :	Luxembourg SICAV	
Reference Index :	97% ISE100 + 3% KYD O/N Repo Gross	

### Market Overview

In September, the fund lost 7.84 percent in gross terms. The decline in the benchmark is 8.45 percent. The geopolitical risks rising after ISIS advance in Iraq and Syria, and possible start of FED's rate hike cycle next year were the main drivers in market losses.

Turkey is very fragile against FED's stance with her large current account deficit, and short-term financing necessities. Any contraction in liquidity conditions could increase the cost of financing, and could cause more depreciation in Turkish Lira. The market reflected these economic considerations to the prices, lowering the valuations.

In geopolitical side, there are pressures on Turkey for closer involvement against ISIS advancement. The pressures are not only related with foreign political issues, but also with domestic politics. The discussions how Turkey will operate against ISIS threat without permission to the advancement of Kurdish separatists cornered Turkish government in policy determination. Naturally, this environment was not positive for markets.

Under these conditions, we preserved our portfolio management strategies. As you know, we put considerable share of the portfolio to the small-and-medium cap companies which have solid financials. In stormy environment, these companies add defensive nature to the portfolio. Moreover, we are carrying short positions in banking sector in order to be hit lesser in declining trend.

So, we achieved a positive alpha return in September, and this success brought our alpha return to 0.60 percent year-to-date in gross terms.

Performance		Fund <sup>1</sup>	Benchmark
Since Inception <sup>2</sup>	25.07.08 - 30.09.14	33%	35%
2009	31.12.08 - 31.12.09	78%	91%
2010	31.12.09 - 31.12.10	31%	27%
2011	31.12.10 - 30.12.11	-38%	-34%
2012	30.12.11 - 31.12.12	61%	57%
2013	31.12.12 - 31.12.12	-29%	-31%
YTD	31.12.13 - 30.09.14	14%	14%
MTD	29.08.14 - 30.09.14	-7%	-8%

<sup>1</sup> Fund performance is gross of fees and does not reflect the deduction of investment management  
<sup>2</sup> 25.07.2008 is the start date of active portfolio management for Institutional class share.

### Investment Allocation (%)

Equities	95,70%
Money Market	4,30%

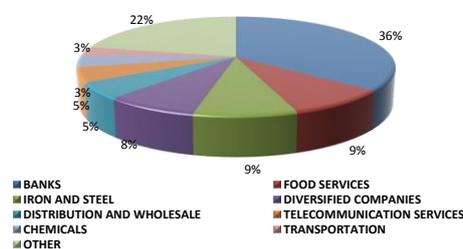
### Top 10 holdings (%)

T GARANTI BANKASI GARAN TI	GARAN TI	7,91%
AKBANK TRL1000	AKBNK TI	7,37%
T IS BANKASI SER'C'TRL1000	ISCTR TI	6,20%
TURKIYE HALK BANKASI HALKB TI	HALKB TI	5,81%
BIM BIRLESIK MAGAZALAR AS BIMAS TI	BIMAS TI	5,27%
EREGLI DEMIR CELIK TRL1000	EREGL TI	4,78%
HACI OMER SABANCI SAHOL TI	SAHOL TI	4,32%
KARDEMIR KARABUK DEMIR-CL D KRDM TI	KRDM TI	4,11%
TURKCELL ILETISIM TRL1000	TCELL TI	3,92%
YAPI KREDI BANKASI TRL1000	YKBNK TI	3,64%

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	27%	32%
Benchmark Volatility	27%	32%
Tracking Error	4%	5%

	YTD	Since Inception
Jensen's Alpha	1%	1%
Sharpe	0,46	-0,12
Information Ratio	0,22	0,13
Beta	0,98	1,00

### Sector Breakdown



### Comparative Returns / 25.07.08 - 30.09.14



The graph represents gross of fees performance.

### Administrative Information

Fund Name	: Akbank Turkish SICAV
ISIN :	A Class : LU0366551272 I Class : LU0366551439 TRY Class : LU0451096316
WKN :	A Class : A0Q8MF I Class : A0Q8MH
Minimum Subscription :	A Class : EUR 50 I Class : EUR 5.000 TRY Class : TRY 100.000
Subscription/Redemption *	: Daily
Management Fee	A Class : 1.50% p.a. I Class : 1.25% p.a. TRY Class : 1.50% p.a.

Registered Countries	: Luxembourg Germany The Netherlands
Registered Databases	: Bloomberg ( AKTKEQI:LX; AKTKEQA:LX ) Lipper Morningstar (Germany, Netherlands) Software-systems
Investment Manager	: Ak Asset Management Inc.
Administrator / Custodian	: Citibank International plc (Luxembourg Branch)
Independent Auditors	: Ernst & Young S.A.

\* Redemption and subscription requests should be sent to the Registrar and the Transfer Agent no later than 1:00PM (Luxembourg time) on the valuation day. This is neither an offer to sell or a solicitation to invest. This material is for your private information only and we are not soliciting any action based upon it.

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