

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 133,83	EUR 203,80
Fund Size :	EUR 39.689.723	
Launch Date :	02 July 2008	
Currency :	EUR	
Legal Status :	Luxembourg SICAV	
Reference Index :	97% ISE100 + 3% KYD O/N Repo Gross	

Market Overview

August passed with a digestion phase after a significant rising trend in July. In August, the benchmark return was -1.53%, following July's return of 7.95%.

Though the Presidential Election ended in the first round on August 10 without any surprise, the economic agents are in a waiting mood in a large extent before next year's general elections. The change in the President and Prime Minister posts achieved in a non-problematic way but the investment community, for instance rating agencies, feel some disturbances about the political stability. We think these concerns about political scene are somewhat exaggerated. But, we agree that economic conditions are in a stationary pattern, and growth prospects do not feed a stable rising movement in low-growth global economic conjuncture. We also should not forget the geopolitical stress surrounding the country.

In this relatively stressful position, the ECB's willingness to enlarge pro-expansionary policies save the market in a flat path. On the other side, FED's possible statements on policy rate hikes can disturb the market. That expectation is also another limiting factor in market moves. As a result, we could observe a longer period of squeeze in trading bands.

Under these expectations, we intensified our efforts to find possible outliers in large-cap alpha searches. Our small-cap selections are also being kept in the portfolio. As you know, we preserve our balanced portfolio structure as a mixture of small-and medium cap firms, and a bulk of large caps. We also short some large-caps while carrying small-and medium cap names in place of them.

Performance		Fund ¹	Benchmark
Since Inception ²	25.07.08 - 29.08.14	43%	46%
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 - 29.08.14	23%	23%
MTD	31.07.14 - 29.08.14	-6%	-6%

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

Investment Allocation (%)

Equities	97,23%
Money Market	2,77%

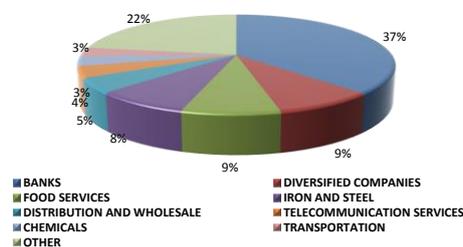
Top 10 holdings (%)

AKBANK TRL1000	AKBNK TI	8,07%
TURKIYE HALK BANKASI HALKB TI	HALKB TI	7,52%
T GARANTI BANKASI GARAN TI	GARAN TI	6,98%
T IS BANKASI SER'C'TRL1000	ISCTR TI	6,43%
BIM BIRLESIK MAGAZALAR AS BIMAS TI	BIMAS TI	5,05%
HACI OMER SABANCI SAHOL TI	SAHOL TI	4,68%
TURKIYE VAKIFLAR BANKASI VAKBN TI	VAKBN TI	4,41%
EREGLI DEMIR CELIK TRL1000	EREGL TI	4,28%
KARDEMIR KARABUK DEMIR-CL KRDM TI	KRDM TI	4,02%
INDEKS BILGISAYAR INDES TI	INDES TI	3,07%

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	27%	32%
Benchmark Volatility	28%	32%
Tracking Error	4%	5%

	YTD	Since Inception
Jensen's Alpha	0%	1%
Sharpe	1,07	-0,08
Information Ratio	-0,12	0,10
Beta	0,98	1,00

Sector Breakdown



Comparative Returns / 25.07.08 - 29.08.14



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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