

## 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 141.05	EUR 215.84
Fund Size	:	EUR 41,806,125	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

Performance		Fund <sup>1</sup>	Benchmark
Since Inception <sup>2</sup>	25.07.08 - 31.07.12	47.52%	42.61%
2009	31.12.08 - 31.12.09	80.44%	78.39%
2010	31.12.09 - 31.12.10	32.14%	30.01%
2011	31.12.10 - 30.12.11	-37.14%	-33.88%
YTD	30.12.11 - 31.07.12	44.27%	38.64%
MTD	29.06.12 - 31.07.12	7.58%	6.85%

<sup>1</sup> Fund performance is gross of fees and does not reflect the deduction of investment management fees, custodian fees or other expenses.

<sup>2</sup> 25.07.2008 is the start date of active portfolio management for Institutional class share.

## Investment Allocation (%)

Equities	97.27%
Money Market	2.73%

## Top 10 holdings (%)

T IS BANKASI	ISCTR TI	9.41%
T GARANTI BANKASI	GARAN TI	8.92%
AKBANK	AKBNK TI	6.96%
HACI OMER SABANCI HOLDING	SAHOL TI	5.98%
TUPRAS	TUPRS TI	5.37%
TURKIYE HALK BANKASI	HALKB TI	4.68%
BIM BIRLESIK MAGAZALAR A.S.	BIMAS TI	3.81%
TURK TELEKOM	TTKOM TI	3.76%
TURKCELL	TCELL TI	3.54%
ANADOLU EFES	AEFES TI	3.44%

## Market Overview

In July, Turkish benchmark equity index, ISE100 index, raised 2.74% in Turkish Lira basis.

In Euro basis, the benchmark return for the Fund was 6.85%. The Fund gained 7.58% in gross terms, and 7.45% in net terms, respectively. The Fund generated 0.73% "alpha return" in the month. The difference between the benchmark and the Fund return reached at 5.63% as of July 31.

The positive rating perspective for Turkey and decline in interest rates result positive divergence of Turkish equities. Under risk-neutral global conditions, Turkish equities, especially Turkish bank stocks draw investor interest. Moreover, the on-going Turkish growth supports Turkish stock valuations. Therefore, the corrections in the index has been exploiting by the investors in order to accumulate positions. We expect this investment environment would be affective in coming months.

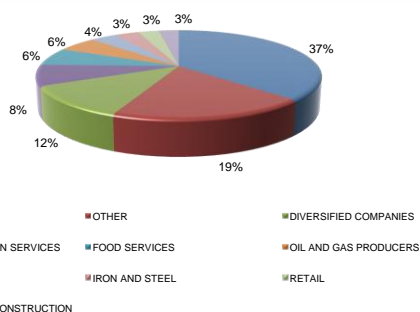
Depending this assumption, we continue to carry stock positions near- or-over the benchmark. Currently, Turkish stocks trade 10.2x P/E12 versus 10.3x P/E12 of MSCI EM. On the other hand, P/B ratio of Turkish stocks is 1.1x, traded with discount relative to MSCI EM's 1.5x.

The yield generation bases on longing and shorting the index stocks, and picking some medium cap stocks. In July, The Fund preserved this investment principle which gives priority to balancing the content with the medium and large cap stocks.

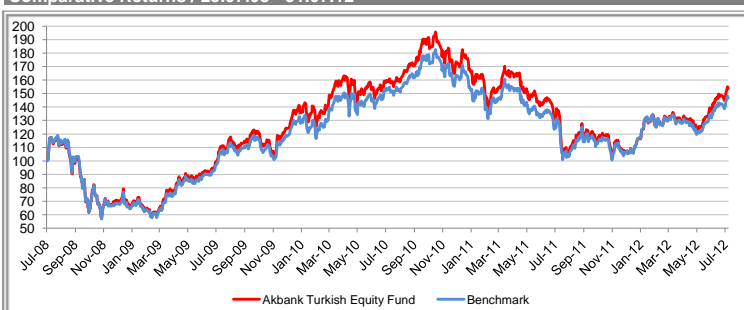
Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	21.19	33.76
Benchmark Volatility	20.88	32.98
Tracking Error	2.92	4.96

	YTD	Since Inception
Jensen's Alpha	11.24	1.75
Sharpe	3.76	0.13
Information Ratio	4.15	0.26
Beta	1.01	1.01

## Sector Breakdown



## Comparative Returns / 25.07.08 - 31.07.12



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 * Management Fee		: Daily
	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.

Ak Asset Management - Sabancı Center Hazine Binası 4. Levent Istanbul / Turkey

Phone: +90 212 385 27 00 - Fax: +90 212 319 24 69 - investor@akportfoy.com.tr Website : www.akportfoy.com.tr/en