

**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 135.18	EUR 206.45
Fund Size :	EUR 40,068,149	
Launch Date :	02 July 2008	
Currency :	EUR	
Legal Status :	Luxembourg SICAV	
Reference Index :	97% ISE100 + 3% KYD O/N Repo Gross	

**Market Overview**

In July, BIST100 index declined by 3.8 percent on Turkish lira basis while the euro denominated decline of the index reached at 6.3 percent. Year-to-July end changes were 6.2 percent, and 14.0 percent, respectively.

The big EM-sell off, or Great Rotation from the EM to DM equities, has continued to hit Turkish equities. Not only Turkish equities, but other Turkish assets have been pressurized by this global theme. US FED's signal for tapering its asset purchase programme was understood as the end of the easy money period.

Depending to this thinking, the investors, specially the short-term investors, reduced their positions in their EM portfolios. Suffering from large current account deficit, Turkey is vulnerable to any liquidity drying. Turkish domestic benchmark rates rose as high as 9.60 percent at the start of the month, and did not retreat much from this top. The month-end rate was at 9.23 percent. Remind that this rate was as low as 4.60 percent in May.

After these declines, the equity market, however, seems to find a local dip for a while. The market formed a horizontal trading band. The stock valuations which have been renewed after the half-year announcements gave satisfactory upside potential for the market. Based on these studies, the market participants look for a new pull-back in a longer-term bearish environment.

In the month, we suffered to generate positive alpha due to small-cap long selections and in some large-cap short selections in shallow trades. As the market stabilizes, our selections begin to restore their valuations. We believe that our balanced strategy of shorting some large caps, and betting on some small and medium caps would award positive alphas in new month.

Performance		Fund <sup>1</sup>	Benchmark
Since Inception <sup>2</sup>	25.07.08 - 31.07.13	42.90%	42.95%
2009	31.12.08 - 31.12.09	78.26%	78.39%
2010	31.12.09 - 31.12.10	30.82%	30.01%
2011	31.12.10 - 30.12.11	-37.66%	-33.88%
2012	30.12.11 - 31.12.12	61.22%	63.17%
YTD	31.12.12 - 31.07.13	-13.47%	-17.15%
MTD	28.06.13 - 31.07.13	-6.94%	-6.35%

<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	96.33%
Money Market	3.67%

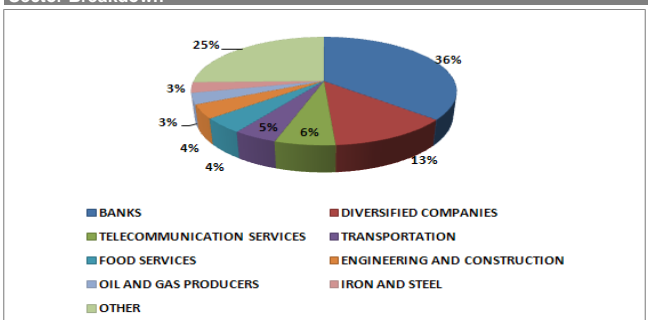
**Top 10 holdings (%)**

TURKIYE HALK BANKASI	HALKB TI	8.10%
AKBANK	AKBNK TI	7.20%
T GARANTI BANKASI	GARAN TI	7.15%
HACI ÖMER SABANCI	SAHOL TI	7.02%
T IS BANKASI SER'C	ISCTR TI	5.72%
TURK HAVA YOLLARI AO	THYAO TI	4.54%
TURKCELL	TCELL TI	4.50%
BIM BIRLESIK MAGAZALAR AS	BIMAS TI	4.48%
YAPI KREDI BANKASI	YKBNK TI	3.88%
TUPRAS	TUPRS TI	3.36%

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	35%	33%
Benchmark Volatility	35%	32%
Tracking Error	8%	5%

	YTD	Since Inception
Jensen's Alpha	0%	1%
Sharpe	-0.82	0.04
Information Ratio	0.16	0.18
Beta	0.98	1.01

**Sector Breakdown**



**Comparative Returns / 25.07.08 - 31.07.13**



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.

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