

**Semi-annual Report and
Unaudited Financial Statements
for the period from 1 January 2018 to 30 June 2018**

AKBANK TURKISH SICAV

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 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 Şahin Alp Keler
Chief Executive Officer
AK Asset Management
Beşiktaş İstanbul, Turkey
(until 9 May 2018)

Mr Mehmet Ali Ersari
Executive Vice President
AK Asset Management
Beşiktaş İstanbul, Turkey
(since 9 May 2018)

Directors

Mr Alaattin Göktürk Isikpinar
Executive Vice President
AK Asset Management
Beşiktaş İstanbul, Turkey

Mr Mehmet Ali Ersari
Executive Vice President
AK Asset Management
Beşiktaş İstanbul, Turkey
(until 9 May 2018)

Mr Emrah Ayrançi
Executive Vice President
AK Asset Management
Beşiktaş İstanbul, Turkey
(since 9 May 2018)

Management Company

MDO Management Company S.A.
19, rue de Bitbourg
L-1273 Luxembourg, Grand Duchy of Luxembourg

Depository, 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 İstanbul, 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 30 June 2018, 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

Statement of Net Assets as of 30 June 2018 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
Assets				
Investments in securities at cost		25,668,485	13,999,824	39,668,309
Unrealised depreciation		(6,479,941)	(1,838,925)	(8,318,866)
Investments in securities at market value	2a	19,188,544	12,160,899	31,349,443
Cash		495,006	466,080	961,086
Interest receivable	2d	—	201,621	201,621
Receivable from securities sold		29,721	—	29,721
Total assets		19,713,271	12,828,600	32,541,871
Liabilities				
Accrued expenses		67,266	35,575	102,841
Total liabilities		67,266	35,575	102,841
Net assets		19,646,005	12,793,025	32,439,030

Number of outstanding Shares

Class A Distribution EUR	8.07	19.59
Class I Distribution EUR	218,886.48	122,998.68

Net Asset Value per Share

Class A Distribution EUR	135.99	112.49
Class I Distribution EUR	89.75	103.99

Net Asset Value

Class A Distribution EUR	1,097	2,204
Class I Distribution EUR	19,644,908	12,790,821

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

AKBANK TURKISH SICAV

Statement of Operations and Changes in Net Assets for the period ended 30 June 2018 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
Net assets at the beginning of the period		26,615,679	13,342,177	39,957,856
Income				
Dividend income, net of withholding tax	2d	712,628	—	712,628
Interest income, net of withholding tax	2d	—	374,316	374,316
Total income		712,628	374,316	1,086,944
Expenses				
Investment management fee	3a	148,613	48,190	196,803
Management company fee	3b	4,392	2,758	7,150
Depositary fee	3c	24,104	12,668	36,772
Administrator, registrar and transfer agent fee	3d	27,577	27,602	55,179
Domiciliary agent fee	3e	1,250	1,250	2,500
Audit and legal fee		20,660	11,264	31,924
Taxe d'abonnement	4	1,116	640	1,756
Transaction costs	5	14,830	—	14,830
Other fees and expenses		14,933	12,337	27,270
Total expenses		257,475	116,709	374,184
Net income from investments		455,153	257,607	712,760
Net realised gain/(loss) on:				
sales of investments in securities	2b	(965,689)	(145,754)	(1,111,443)
foreign exchange	2c	(48,886)	11,414	(37,472)
Net change in unrealised depreciation on:				
investments in securities		(6,410,252)	(672,419)	(7,082,671)
Net change in net assets for the period resulting from operations		(6,969,674)	(549,152)	(7,518,826)
Net assets at the end of the period		19,646,005	12,793,025	32,439,030

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

AKBANK TURKISH SICAV

Net Assets Information as of 30 June 2018, 31 December 2017 and 31 December 2016

		AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income
Net assets as of	30 June 2018	19,646,005	12,793,025
	31 December 2017	26,615,679	13,342,177
	31 December 2016	22,359,669	13,903,032
Net Asset Value per Share as of 30 June 2018			
	Class A Distribution EUR	135.99	112.49
	Class I Distribution EUR	89.75	103.99
Net Asset Value per Share as of 31 December 2017			
	Class A Distribution EUR	184.27	117.42
	Class I Distribution EUR	121.59	108.46
Net Asset Value per Share as of 31 December 2016			
	Class A Distribution EUR	154.86	122.54
	Class I Distribution EUR	102.15	113.01
Number of Shares outstanding as of 30 June 2018			
	Class A Distribution EUR	8.07	19.59
	Class I Distribution EUR	218,886.48	122,998.68
Number of Shares outstanding as of 31 December 2017			
	Class A Distribution EUR	8.07	19.59
	Class I Distribution EUR	218,886.48	122,998.68
Number of Shares outstanding as of 31 December 2016			
	Class A Distribution EUR	8.43	19.59
	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 30 June 2018

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing			
TRY Equities			
1,050,001	Akbank TAS*	1,476,224	7.51
50,000	Aksa Akrilik Kimya Sanayii AS	107,314	0.55
50,000	Aksa Enerji Uretim AS	39,168	0.20
50,000	Alarko Holding	42,813	0.22
1	Albaraka Turk Katilim Bankasi AS**	0	0.00
2	Anadolu Cam Sanayii AS**	1	0.00
90,000	Anadolu Efes Biracilik Ve Malt Sanayii AS	397,099	2.03
0	Anadolu Hayat Emeklilik AS**	0	0.00
1	Anadolu Sigorta**	1	0.00
0	Anel Elektrik Proje Taahhut ve Ticaret AS**	0	0.00
75,000	Arcelik AS	213,833	1.09
100,000	Aselsan Elektronik Sanayi Ve Ticaret AS	432,621	2.20
80,000	Aygaz AS	163,476	0.83
128,640	Bagfas Bandirma Gubre Fabrik	178,453	0.91
72,500	Bim Birlesik Magazalar AS	910,182	4.64
25,000	Cimsa Cimento Sanayi VE Tica	51,039	0.26
37,003	Coca-Cola Icecek AS	234,659	1.19
150,000	Deva Holding AS	115,260	0.59
400,001	Dogan Sirketler Grubu Holdings	72,540	0.37
50,000	Dogus Otomotiv Servis Ve Doas	65,061	0.33
1,100,000	Emlak Konut Gayrimenkul Yatirim Ortakligi AS	417,478	2.13
100,000	Enerjisa Enerji AS	115,914	0.59
271,740	Enka Insaat ve Sanayi AS	237,255	1.21
775,000	Eregli Demir Ve Celik Fabrikalari Tas	1,477,906	7.52
22,500	Ford Otomotiv Sanayi AS	257,862	1.31
0	Gentas Genel Metal Sanayi ve Ticaret AS**	0	0.00
125,000	Gubre Fabrikalari Tas	82,729	0.42
475,001	Haci Omer Sabanci Holding AS	784,150	3.99
0	Hurriyet Gazetecilik AS**	0	0.00
151,663	Is Gayrimenkul Yatirim Ortakligi AS	28,071	0.14
250,000	Is Yatirim Menkul Degerler AS	102,827	0.52
400,000	Kardemir Karabuk Demir	329,794	1.68
50,000	Klimasan Klima Sanayi Ve	46,927	0.24
320,000	Koc Holding AS	850,735	4.33
20,000	Kordsa Global Endüstriyel Iplik ve Kord Bezi Sanayi ve Ticaret AS	23,893	0.12
20,001	Koza Altin Isletmeleri AS	158,920	0.81
50,000	Koza Davetiye Imalat Ihracat Ve Ithalat	58,985	0.30
3,996	Logo Yazilim Sanayi Ve Ticaret AS	31,422	0.16
17,500	Mavi Jeans - B	127,730	0.65

*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 30 June 2018 (continued)

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing (continued)			
TRY Equities (continued)			
100,000	Migros Ticaret AS	384,012	1.95
30,000	MLP Saglik Hizmetleri AS	80,654	0.41
2,500	Otokar Otobus Karoseri Sanayi AS	35,265	0.18
20,000	Pegasus Hava Tasimaciligi AS	92,058	0.47
350,000	Petkim Petrokimya Holding	316,708	1.61
36,667	Sasa Polyester Sanayi AS	64,095	0.33
250,000	Sekerbank	59,359	0.30
1	Sinpas Gayrimenkul Yatirim Ortakligi AS**	0	0.00
125,001	Soda Sanayii AS	144,893	0.74
60,000	Tav Havalimanlari Holding AS	251,720	1.28
125,001	Tekfen Holding AS	405,469	2.06
66,000	Tofas Turk Otomobil Fabrik	296,882	1.51
185,753	Trakya Cam Sanayi AS	144,122	0.73
52,500	Tupras-Turkiye Petrol Rafinerileri	1,060,053	5.40
315,000	Turk Hava Yollari	797,395	4.06
468,904	Turk Sise Ve Cam Fabrikalari AS	370,825	1.89
200,000	Turk Telekomunikasyon AS	186,584	0.95
5,000	Turk Traktor ve Ziraat Makineleri AS	48,609	0.25
525,000	Turkcell Iletisim Hizmet AS	1,194,523	6.08
1	Turker Proje Gayrimenkul ve Yatirim Gelistirme AS**	4	0.00
1,050,000	Turkiye Garanti Bankasi AS	1,645,046	8.37
800,000	Turkiye Is Bankasi	852,529	4.34
700,038	Turkiye Sinai Kalkinma Bankasi AS	126,951	0.65
450,000	Turkiye Vakiflar Bankasi Tao	413,084	2.10
30,000	Vestel Elektronik Sanayi	50,086	0.25
1,068,743	Yapi ve Kredi Bankasi AS	495,529	2.52
10,000	Yatas Yatak ve Yorgan Sanayi Ve Ticaret AS	39,747	0.20
	Total Equities	19,188,544	97.67
	Total Transferable securities and money market instruments admitted to an official exchange listing	19,188,544	97.67
	Total Investments in securities	19,188,544	97.67
	Other Net Assets	457,461	2.33
	Total Net Assets	19,646,005	100.00

**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 30 June 2018

Nominal value	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing			
USD Supranationals, Governments and Local Public Authorities, Debt Instruments			
600,000	Export Credit Bank of Turkey 5.375% - 24/Oct/23	467,998	3.66
1,500,000	Turkey (Govt of) 3.250% - 23/Mar/23	1,142,238	8.93
1,000,000	Turkey (Govt of) 5.125% - 25/Mar/22	830,991	6.50
2,000,000	Turkey (Govt of) 5.750% - 22/Mar/24	1,654,043	12.92
1,000,000	Turkey (Govt of) 6.250% - 26/Sep/22	860,537	6.73
1,200,000	Turkey (Govt of) 7.375% - 5/Feb/25	1,065,070	8.33
1,800,000	Turkey (Govt of) 8.000% - 14/Feb/34	1,619,962	12.66
Total Supranationals, Governments and Local Public Authorities, Debt Instruments		7,640,839	59.73
USD Bonds			
700,000	Akbank TAS 5.000% - 24/Oct/22*	568,776	4.45
600,000	Turkiye Garanti Bankasi AS 6.250% - 20/Apr/21	513,324	4.01
1,000,000	Turkiye Is Bankasi 7.850% - 10/Dec/23	839,417	6.56
700,000	Turkiye Sinai Kalkinma Bankasi AS 4.875% - 18/May/21	550,388	4.30
1,200,000	Turkiye Vakiflar Bankasi TAO 5.500% - 27/Oct/21	955,348	7.47
1,300,000	Yapi Ve Kredi Bankasi AS 8.500% - 9/Mar/26	1,092,807	8.54
Total Bonds		4,520,060	35.33
Total Transferable securities and money market instruments admitted to an official exchange listing		12,160,899	95.06
Total Investments in securities		12,160,899	95.06
Other Net Assets		632,126	4.94
Total Net Assets		12,793,025	100.00

*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 30 June 2018

	% of NAV
Banks	25.14
Diversified companies	10.75
Iron and steel	9.20
Telecommunication services	7.03
Food services	6.59
Oil and gas producers	6.23
Transportation	4.53
Chemicals	4.23
Beverages	3.22
Auto manufacturers	3.00
Engineering and construction	2.49
Real estate investment trust	2.27
Aerospace and defence	2.20
Household products	1.89
Home furnishings	1.34
Financial services	1.17
Electrical utilities	1.01
Precious metals	0.81
Miscellaneous machinery	0.73
Apparel	0.65
Pharmaceuticals	0.59
Building materials	0.50
Healthcare services	0.41
Retail	0.33
Textiles	0.33
Mining (non precious)	0.30
Machinery	0.25
Furniture and bedding	0.20
Software	0.16
Plastics and Rubber	0.12
Total Investment in securities	97.67
Other Net Assets	2.33
Total Net Assets	100.00

AKBANK TURKISH SICAV

AKBANK TURKISH SICAV - Fixed Income

Industrial Classification as of 30 June 2018

	% of NAV
Governments	59.73
Banks	35.33
Total Investment in securities	95.06
Other Net Assets	4.94
Total Net Assets	100.00

AKBANK TURKISH SICAV

NOTES TO THE FINANCIAL STATEMENTS

as of 30 June 2018

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. The following is a summary of significant accounting policies followed by the Sub-Funds.

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 30 June 2018 (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 period. 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 30 June 2018, the main exchange rates are as follows:

1 EUR = 5.348790 TRY
1.167550 USD

Transactions occurring during the period 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 periods. Actual results could differ from those estimates.

AKBANK TURKISH SICAV

NOTES TO THE FINANCIAL STATEMENTS

as of 30 June 2018 (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 period ended 30 June 2018, 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 period, total fees to the Investment Manager amounted to EUR 196,803.

b) Management company fee

The Management Company receives out of the assets of each Sub-Fund a fee 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 30 June 2018 (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 taxe 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 period ended 30 June 2018, 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 period are available free of charge to the Shareholders at the registered office of the Management Company.

7 – TRANSACTIONS WITH RELATED PARTY ENTITIES

AKBANK TURKISH SICAV – Equities has invested in a related party entity as of 30 June 2018 as disclosed in the Schedule of Investments and Other Net Assets. In addition, the Investment Manager to the SICAV is considered 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 period, 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 30 June 2018 (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.

AKBANK TURKISH SICAV

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 period ended 30 June 2018, the SICAV did not enter into transactions within the scope of the SFTR.