

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 97.41	EUR 148.58
Fund Size	:	EUR 28,872,853	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

Performance		Fund ¹	Benchmark
Since Inception ²	25.07.08 - 31.01.14	4%	3%
2009	31.12.08 - 31.12.09	78%	78%
2010	31.12.09 - 31.12.10	31%	30%
2011	31.12.10 - 30.12.11	-38%	-34%
2012	30.12.11 - 31.12.12	61%	63%
2013	30.12.11 - 31.12.12	-29%	-33%
YTD	31.12.12 - 31.01.14	-11%	-11%
MTD	31.12.13 - 31.01.14	-11%	-11%

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 (%)

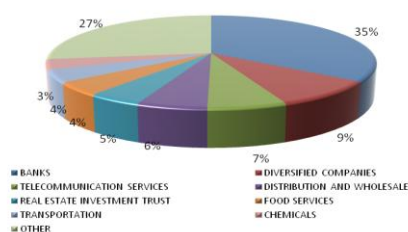
Equities	99.73%
Money Market	0.27%

Top 10 holdings (%)

T GARANTI BANKASI GARAN TI	GARAN TI	7.11%
TURKIYE HALK BANKASI HALKB TI	HALKB TI	7.03%
AKBANK TRL1000	AKBNK TI	6.94%
HACI OMER SABANCI SAHOL TI	SAHOL TI	5.52%
T IS BANKASI SER'C TRL1000	ISCTR TI	4.83%
TURKCELL ILETISIM TRL1000	TCELL TI	4.67%
BIM BIRLESIK MAGAZALAR AS BIMAS TI	BIMAS TI	3.73%
EMLAK KONUT GAYRIMENKUL YATI EKGYO T	EKGYO TI	3.66%
INDEKS BILGISAYAR INDES TI	INDES TI	3.35%
KOC HOLDING AS KCHOL TI	KCHOL TI	3.18%

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	31%	33%
Benchmark Volatility	31%	33%
Tracking Error	6%	5%

Sector Breakdown



Market Overview

As one of the members of the assumed "Fragile Five Club", Turkey continued to be hit by FED taper storms while the country was struggling with heavy political confrontations after the corruption probe started at December 17.

Turkish stocks declined by 8.8 percent when measured with the BIST100 index in TL terms. Accordingly, our benchmark, based on the same index but measured by Euro terms, was minus 11.14 percent, and our gross return was 11.26 percent. Our performance results were very close.

The Central Bank's credible move by hiking her policy rate to 10 percent, and by nearing its funding cost to that level on January 28, helped smoothing the markets. The Central Bank of Turkey's action prevented the markets to evolve in a chaotic structure. The market, or the BIST100 index found a bottom at 60,754 on January 29. That was the minimum level for more than a half and one year.

Under the heavy storms, we kept our temper. We did not change our investment philosophy depends on moderate risk taking by adding small-and-medium cap names to the portfolio. We increased the number of small-and-medium cap names in the portfolio while shorting the politically disturbed stocks. Also, we prefer some defensive names to replace the banking and holding stocks.

Till the quarter end, after the local elections to be held on March 30, we do not think to increase our risk profile to a bullish stance. We expect that Turkey's political outlook would be clearer after the elections. Meanwhile, we think that valuation metrics are somewhat comforting while the EM sell-off pressure is calming down. Therefore, we offer the investors to take some gradual buy positions near current levels.

	YTD	Since Inception
Jensen's Alpha	-1%	1%
Sharpe	-2.65	-0.17
Information Ratio	-0.06	0.20
Beta	0.99	1.00

Comparative Returns / 25.07.08 - 31.01.14



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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