

**Annual Report and  
Audited Financial Statements**  
for the year ended 31 December 2021

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**AKBANK TURKISH SICAV**

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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**

# **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 Mehmet Ali Ersari  
Executive Vice President  
AK Asset Management  
Beşiktaş Istanbul, Turkey

#### Directors

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

Mr Emrah Ayranci  
Executive Vice President  
AK Asset Management  
Beşiktaş Istanbul, Turkey

### **Management Company**

Waystone Management Company (Lux) S.A.  
(previously named MDO Management Company  
S.A.)  
19, rue de Bitbourg  
L-1273 Luxembourg, Grand Duchy of Luxembourg

### **Depositary, 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 Istanbul, 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 Waystone Management Company (Lux) S.A. (previously named 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.

Waystone Management Company (Lux) S.A., formerly MDO Management Company S.A., was incorporated on 23 October 2003 as a limited liability company (société anonyme) under Luxembourg law for an indefinite period. The Company currently has offices situated at 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg, and is registered with the Luxembourg companies register under number R.C.S. B 96744. 100% of Waystone Management Company (Lux) was acquired by Cashel Compliance Bidco Limited. The transaction was completed on 2 June 2020.

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 31 December 2021, 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

## DIRECTORS' REPORT

Global GDP is projected to grow 5.5% in 2021, above its 50-year average. While accommodative fiscal and monetary policies ensured a strong economic recovery, the acceleration of vaccination programs and milder new variants further supported economic activity. In this positive economic environment, global equity markets enjoyed another year with returns around 20%. Meanwhile, strong global risk appetite put selling pressure on US treasury bonds with benchmark 10-year bond yield surging from below 1% to around 1.5% at year-end. The main reasons behind this rise in yields were the strengthening of US economy and the expectation of inflation rates running high leading to Fed start its rate hike cycle soon. Macro data flow throughout 2021 was broadly inflationary. Underlying reasons for higher inflation were reopening of economies, supply-related problems and the rise in commodity prices. As a result, consumer prices in the US rose from 1.4% to 7%. Although commodity indices rose more than 25% in this inflationary market environment, the ounce price of gold fell 4% as geopolitical risk indices fell to record lows, global growth surged and expectations of rate hikes heightened.

Turkey's economy grew by 11% in 2021 with major contributions from private consumption and net exports, making it the country with highest growth among the G20 countries. Exports grew by 33% compared to previous year and reached USD 225 billion, placing Turkey among countries that posted highest export growth rates in the world. Main stock index BIST100 rose by over 25% on the back of strong economic recovery and corporate profit growth. Current account balance improved as trade deficit narrowed by 7.5% to USD 46 billion and tourism revenues doubled to USD25 billion thanks to easing of Covid related travel restrictions which resulted in a current account deficit of USD 14.9 billion. Fiscal discipline was maintained throughout the year and budget balance remained relatively conservative compared to other economies. Central government budget balance posted a deficit that is equivalent to 2.9% of GDP. Both headline and core inflation rates increased in 2021. While average consumer inflation throughout the year was around 19%, it reached 36% by the end of year. Central Bank of Turkey lowered its benchmark interest rate by 500 basis points to 14% in the final quarter of the year. Although improvement in current account balance helped Turkish Lira over the summer months, US Dollar rose more than 40% against Lira over 2021. Turkish Lira benefits from increasing FX-protected Turkish lira deposits; however, inflation and current account dynamics will also be determinant in 2022. In bond markets, benchmark 10 year Treasury bond yield increased from around 12% to 24% at year end.

In 2022, global market focus on geopolitics, pandemic and global central banks. Russia-NATO conflict and US-China relations are important for geopolitics. Despite vaccination, broad immunity and new therapeutics; new variants may cause a new wave. Global central banks have already started tightening cycle. Rate hike path and balance sheet reductions will be important for global inflation and growth outlook.

Luxembourg, 8 April 2022

The Board of Directors

The figures stated in this report are historical and not necessarily indicative of future performance.



## Audit report

To the Shareholders of  
**AKBANK TURKISH SICAV**

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## Report on the audit of the financial statements

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AKBANK TURKISH SICAV (the “Fund”) and of each of its sub-funds as at 31 December 2021, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the Statement of Net Assets as at 31 December 2021;
  - the Statement of Operations and Changes in Net Assets for the year then ended;
  - the Schedule of Investments and Other Net Assets as at 31 December 2021; and
  - the notes to the financial statements, which include a summary of significant accounting policies.
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### Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

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*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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**Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

### **Report on other legal and regulatory requirements**

We have been appointed as “Réviseur d’entreprises agréé” of the Fund by the Board of Directors of the Fund on 28 May 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 11 April 2022

Andreas Drossel

# AKBANK TURKISH SICAV

## Statement of Net Assets as of 31 December 2021 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
<b>Assets</b>				
Investments in securities at cost		21,560,371	15,035,355	36,595,726
Unrealised depreciation		(7,695,334)	(763,682)	(8,459,016)
Investments in securities at market value	2a	13,865,037	14,271,673	28,136,710
Cash		311,410	178,162	489,572
Interest receivable	2d	—	243,302	243,302
Dividends receivable	2d	8	—	8
Receivable from securities sold		174,155	—	174,155
<b>Total assets</b>		<b>14,350,610</b>	<b>14,693,137</b>	<b>29,043,747</b>
<b>Liabilities</b>				
Accrued expenses		65,074	46,308	111,382
Payable for securities purchased		184,696	—	184,696
<b>Total liabilities</b>		<b>249,770</b>	<b>46,308</b>	<b>296,078</b>
<b>Net assets</b>		<b>14,100,840</b>	<b>14,646,829</b>	<b>28,747,669</b>
<b>Number of outstanding Shares</b>				
Class A Distribution EUR		8.07	0.38	
Class I Distribution EUR		218,886.48	122,998.68	
<b>Net Asset Value per Share</b>				
Class A Distribution EUR		97.70	133.37	
Class I Distribution EUR		64.42	119.08	
<b>Net assets</b>				
Class A Distribution EUR		788	51	
Class I Distribution EUR		14,100,052	14,646,778	

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

# AKBANK TURKISH SICAV

## Statement of Operations and Changes in Net Assets for the year ended 31 December 2021 (in EUR)

	Notes	AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income	Combined
<b>Net assets at the beginning of the year</b>		<b>17,451,695</b>	<b>14,217,684</b>	<b>31,669,379</b>
<b>Income</b>				
Dividend income, net of withholding tax	2d	524,590	—	524,590
Interest income, net of withholding tax	2d	—	848,470	848,470
<b>Total income</b>		<b>524,590</b>	<b>848,470</b>	<b>1,373,060</b>
<b>Expenses</b>				
Investment management fee	3a	199,769	108,402	308,171
Management company fee	3b	8,307	7,930	16,237
Depository fee	3c	39,165	25,533	64,698
Administrator, registrar and transfer agent fee	3d	55,241	54,104	109,345
Domiciliary agent fee	3e	2,501	2,501	5,002
Audit and legal fee		14,446	12,820	27,266
Regulatory fee		5,763	5,384	11,147
<i>Taxe d'abonnement</i>	4	1,506	1,443	2,949
Transaction costs	5	7,322	—	7,322
Other fees and expenses		23,044	21,775	44,819
<b>Total expenses</b>		<b>357,064</b>	<b>239,892</b>	<b>596,956</b>
<b>Net income from investments</b>		<b>167,526</b>	<b>608,578</b>	<b>776,104</b>
<b>Net realised gain/(loss) on:</b>				
sales of investments in securities	2b	(733,782)	(35,599)	(769,381)
foreign exchange	2c	(93,480)	31,826	(61,654)
<b>Net change in unrealised depreciation on:</b>				
investments in securities		(2,691,119)	(175,504)	(2,866,623)
<b>Net change in net assets for the year resulting from operations</b>		<b>(3,350,855)</b>	<b>429,301</b>	<b>(2,921,554)</b>
Proceeds from subscriptions		—	50	50
Payments for redemptions		—	(206)	(206)
<b>Net payments from subscription and redemption activity</b>		<b>—</b>	<b>(156)</b>	<b>(156)</b>
<b>Net assets at the end of the year</b>		<b>14,100,840</b>	<b>14,646,829</b>	<b>28,747,669</b>

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

# AKBANK TURKISH SICAV

## Net Assets Information as of 31 December 2021, 2020 and 2019

		AKBANK TURKISH SICAV – Equities	AKBANK TURKISH SICAV – Fixed Income
<b>Net assets as of</b>	<b>31 December 2021</b>	14,100,840	14,646,829
	<b>31 December 2020</b>	17,451,695	14,217,684
	<b>31 December 2019</b>	19,082,192	14,513,924
<b>Net Asset Value per Share as of 31 December 2021</b>			
	Class A Distribution EUR	97.70	133.37
	Class I Distribution EUR	64.42	119.08
<b>Net Asset Value per Share as of 31 December 2020</b>			
	Class A Distribution EUR	120.84	125.43
	Class I Distribution EUR	79.72	115.59
<b>Net Asset Value per Share as of 31 December 2019</b>			
	Class A Distribution EUR	132.06	128.00
	Class I Distribution EUR	87.17	118.00
<b>Number of Shares outstanding as of 31 December 2021</b>			
	Class A Distribution EUR	8.07	0.38
	Class I Distribution EUR	218,886.48	122,998.68
<b>Number of Shares outstanding as of 31 December 2020</b>			
	Class A Distribution EUR	8.07	1.59
	Class I Distribution EUR	218,886.48	122,998.68
<b>Number of Shares outstanding as of 31 December 2019</b>			
	Class A Distribution EUR	8.07	1.59
	Class I Distribution EUR	218,886.48	122,998.68

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV – Equities

### Schedule of Investments and Other Net Assets as of 31 December 2021 (in EUR)

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>TRY Equities</b>			
30,000	AG Anadolu Grubu Holding AS	77,242	0.55
1,112,001	Akbank TAS*	553,028	3.92
55,000	Aksa Akrilik Kimya Sanayii AS	125,064	0.89
140,000	Aksa Enerji Uretim AS	94,858	0.67
21,000	Alarko Gayrimenkul Yatirim REIT	45,618	0.33
70,000	Alarko Holding	58,243	0.41
1	Albaraka Turk Katilim Bankasi AS**	0	0.00
25,000	Alkim Alkali Kimya AS	28,864	0.20
1	Anadolu Anonim Turk Sigorta Sirketi**	0	0.00
107,500	Anadolu Efes Biracilik Ve Malt Sanayii AS	213,122	1.51
0	Anadolu Hayat Emeklilik AS**	0	0.00
7,500	Anatolia Tani Ve Biyoteknoloji Urunleri Arastirma Gelistirme Sanayi Ve Ticaret AS	14,828	0.11
1	Anel Elektrik Proje Taahhut ve Ticaret AS**	0	0.00
80,000	Arcelik AS	264,518	1.88
35,602	ARD Grup Bilisim Teknolojileri AS	17,103	0.12
270,000	Aselsan Elektronik Sanayi Ve Ticaret AS	386,370	2.74
20,000	Aydem Yenilenebilir Enerji AS	8,104	0.06
160,000	Bim Birlesik Magazalar AS	668,342	4.74
26,667	Biotrend Cevre Ve Enerji Yatirimlari AS	9,992	0.07
21,000	Brisa Bridgestone Sabanci Sanayi Ve Ticaret AS	41,719	0.30
15,000	Can2 Termik AS	13,060	0.09
21,000	Cemtas Celik Makina Sanayi Ve Ticaret AS	25,071	0.18
26,000	Cimsa Cimento Sanayi VE Tica	54,224	0.38
31,000	Coca-Cola Icecek AS	187,043	1.33
15,000	Deva Holding AS	28,783	0.20
665,001	Dogan Sirketler Grubu Holdings	125,260	0.89
20,000	Dogus Otomotiv Servis Ve Doas	59,490	0.43
400	EGE Endustri VE Ticaret AS	47,077	0.34
50,000	EIS Eczacibasi Ilac ve Sinai ve Finansal Yatirimlar Sanayi ve Ticaret AS	24,358	0.17
930,000	Emlak Konut Gayrimenkul Yatirim Ortakligi AS	137,998	0.98
150,000	Enerjisa Enerji AS	124,196	0.89
260,000	Enka Insaat ve Sanayi AS	270,413	1.92
3,000	Erbosan Erciyas Boru Sanayii Ve Ticaret AS	22,746	0.16
700,000	Eregli Demir Ve Celik Fabrikalari Tas	1,345,086	9.53
28,000	Ford Otomotiv Sanayi AS	454,180	3.21

\*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 as of 31 December 2021 (in EUR) (continued)

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing (continued)</b>			
<b>TRY Equities (continued)</b>			
30,000	Gen Ilac Ve Saglik Urunleri Sanayi Ve Ticaret AS	31,323	0.22
1	Gentas Genel Metal Sanayi ve Ticaret AS**	0	0.00
40,000	Girisim Elektrik Taahhut Ticaret Ve Sanayi AS	45,667	0.32
45,000	Gozde Girisim Sermayesi Yatirim Ortakligi AS	27,563	0.20
30,000	Gubre Fabrikalari Tas	159,565	1.13
450,001	Haci Omer Sabanci Holding AS	398,811	2.83
149,897	Hektas Ticaret	154,986	1.10
0	Hurriyet Gazetecilik AS**	0	0.00
60,000	Indeks Bilgisayar Sistemleri Muhendislik Sanayi Ve Ticaret AS	27,360	0.19
100,000	Is Finansal Kiralama AS	21,072	0.15
156,663	Is Gayrimenkul Yatirim Ortakligi AS	31,632	0.22
40,000	Is Yatirim Menkul Degerler AS	61,793	0.44
60,000	Iskenderun Demir ve Celik AS	93,666	0.66
100,000	Izmir Demir Celik Sanayi AS	15,855	0.11
310,000	Kardemir Karabuk Demir	191,139	1.36
5,500	Kartonsan Karton Sanayi ve Ticaret AS	19,695	0.14
42,500	Kerevitas Gida Sanayi ve Ticaret AS	13,217	0.09
32,000	Kervan Gida Sanayi Ve Ticaret AS	25,736	0.18
250,000	Koc Holding AS	486,147	3.44
20,000	Kordsa Global Endüstriyel Iplik ve Kord Bezi Sanayi ve Ticaret AS	40,789	0.29
21,001	Koza Altin Isletmeleri AS	164,347	1.17
99,500	Koza Anadolu Metal Madencilik Isletmeleri AS	119,598	0.85
22,500	Logo Yazilim Sanayi Ve Ticaret AS	60,218	0.43
10,000	Mavi Giyim Sanayi Ve Ticaret AS	45,362	0.32
70,000	Migros Ticaret AS	175,772	1.25
300,000	ODAS Elektrik Uretim ve Sanayi Ticaret AS	27,238	0.19
3,000	Otokar Otobus Karoseri Sanayi AS	71,428	0.51
130,000	Oyak Cimento Fabrikalari AS	67,206	0.48
10,000	Parsan Makina Parcalari Sanayii AS	21,614	0.15
18,500	Pegasus Hava Tasimaciligi AS	106,734	0.76
400,000	Petkim Petrokimya Holding	209,771	1.49
15,000	Qua Granite Hayal Yapi ve Urunleri Sanayi Ticaret AS	11,942	0.08
70,000	Sarkuysan Elektrolitik Bakir Sanayi Ve Ticaret AS	93,672	0.66
94,458	Sasa Polyester Sanayi AS	348,485	2.47
260,000	Sekerbank	17,793	0.13
50,000	Selcuk Ecza Deposu Ticaret ve Sanayi AS	38,790	0.28
1	Sinpas Gayrimenkul Yatirim Ortakligi AS**	0	0.00
130,000	Sok Marketler Ticaret AS	112,130	0.80

\*\*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 as of 31 December 2021 (in EUR) (continued)

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing (continued)</b>			
<b>TRY Equities (continued)</b>			
107,000	Tav Havalimanlari Holding AS	225,326	1.60
99,001	Tekfen Holding AS	134,694	0.96
45,000	Teknosa Ic ve Dis Ticaret AS	18,934	0.13
52,000	Tofas Turk Otomobil Fabrik	273,056	1.94
330,000	Turk Hava Yollari	450,318	3.19
235,000	Turk Telekomunikasyon AS	155,723	1.10
5,000	Turk Traktor ve Ziraat Makineleri AS	72,499	0.51
500,000	Turkcell Iletisim Hizmetleri AS	636,565	4.52
1	Turker Proje Gayrimenkul ve Yatirim Gelistirme AS**	6	0.00
800,000	Turkiye Garanti Bankasi AS	621,183	4.40
650,000	Turkiye Is Bankasi	325,024	2.30
57,000	Turkiye Petrol Rafinerileri AS	589,353	4.18
83,000	Turkiye Sigorta AS	27,894	0.20
620,078	Turkiye Sinai Kalkinma Bankasi AS	60,500	0.43
650,001	Turkiye Sise ve Cam Fabrikalari AS	593,236	4.21
310,000	Turkiye Vakiflar Bankasi TAO	77,926	0.55
62,000	Ulker Biskuvi Sanayi AS	73,305	0.52
3,000	Verusa Holding AS	10,001	0.07
83,158	Vestel Beyaz Esva Sanayi ve Ticaret AS	44,906	0.32
47,000	Vestel Elektronik Sanayi	76,747	0.54
1,200,000	Yapi ve Kredi Bankasi AS	282,948	2.01
35,001	Yatas Yatak ve Yorgan Sanayi Ve Ticaret AS	26,182	0.19
150,000	Ziraat Gayrimenkul Yatirim Ortakligi AS	24,595	0.17
<b>Total Equities</b>		<b>13,865,037</b>	<b>98.33</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>13,865,037</b>	<b>98.33</b>
<b>Total Investments in securities</b>		<b>13,865,037</b>	<b>98.33</b>
<b>Other Net Assets</b>		<b>235,803</b>	<b>1.67</b>
<b>Total Net Assets</b>		<b>14,100,840</b>	<b>100.00</b>

\*\*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 as of 31 December 2021 (in EUR)

Nominal Value	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>USD Supranationals, Governments and Local Public Authorities, Debt Instruments</b>			
1,300,000	Turkey (Govt of) 3.250% - 23/Mar/23	1,117,851	7.64
800,000	Turkey (Govt of) 4.875% - 9/Oct/26	641,249	4.38
700,000	Turkey (Govt of) 4.875% - 16/Apr/43	476,088	3.25
500,000	Turkey (Govt of) 5.125% - 25/Mar/22	442,924	3.02
500,000	Turkey (Govt of) 5.750% - 22/Mar/24	432,752	2.95
750,000	Turkey (Govt of) 5.750% - 11/May/47	536,801	3.66
550,000	Turkey (Govt of) 5.875% - 26/Jun/31	431,326	2.94
1,000,000	Turkey (Govt of) 6.000% - 25/Mar/27	834,125	5.70
450,000	Turkey (Govt of) 6.125% - 24/Oct/28	370,779	2.53
800,000	Turkey (Govt of) 6.250% - 26/Sep/22	712,440	4.86
300,000	Turkey (Govt of) 6.500% - 20/Sep/33	241,448	1.65
970,000	Turkey (Govt of) 6.625% - 17/Feb/45	759,423	5.18
1,500,000	Turkey (Govt of) 7.250% - 5/Mar/38	1,286,395	8.79
600,000	Turkey (Govt of) 7.375% - 5/Feb/25	535,564	3.66
570,000	Turkey (Govt of) 7.625% - 26/Apr/29	503,952	3.44
2,100,000	Turkey (Govt of) 8.000% - 14/Feb/34	1,939,737	13.25
600,000	Turkiye Ihracat Kredi Bankasi AS 5.375% - 24/Oct/23	513,919	3.51
<b>Total Supranationals, Governments and Local Public Authorities, Debt Instruments</b>		<b>11,776,773</b>	<b>80.41</b>
<b>USD Bonds</b>			
700,000	Akbank TAS 5.000% - 24/Oct/22*	617,314	4.21
500,000	Turkiye Is Bankasi 6.125% - 25/Apr/24	432,225	2.95
650,000	Turkiye Vakiflar Bankasi TAO 5.625% - 30/May/22	574,816	3.92
330,000	Turkiye Vakiflar Bankasi TAO 8.125% - 28/Mar/24	293,724	2.01
650,000	Yapi ve Kredi Bankasi AS 5.750% - 24/Feb/22	576,821	3.94
<b>Total Bonds</b>		<b>2,494,900</b>	<b>17.03</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>14,271,673</b>	<b>97.44</b>
<b>Total Investments in securities</b>		<b>14,271,673</b>	<b>97.44</b>
<b>Other Net Assets</b>		<b>375,156</b>	<b>2.56</b>
<b>Total Net Assets</b>		<b>14,646,829</b>	<b>100.00</b>

\*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 31 December 2021

	<b>% of NAV</b>
Banks	13.31
Iron and steel	11.34
Diversified companies	8.67
Food services	6.51
Auto manufacturers	6.47
Telecommunication services	5.62
Chemicals	4.81
Household products	4.21
Oil and gas producers	4.18
Transportation	3.95
Engineering and construction	3.84
Beverages	2.84
Aerospace and defence	2.74
Textiles	2.47
Home furnishings	2.42
Electrical utilities	2.25
Financial services	2.23
Real estate investment trust	1.53
Precious metals	1.17
Food	1.07
Mining (non precious)	0.93
Pharmaceuticals	0.87
Building materials	0.86
Wires and Ropes	0.66
Retail	0.56
Software	0.55
Machinery	0.51
Apparel	0.32
Automobile parts and equipment	0.30
Plastics and Rubber	0.29
Insurance	0.20
Distribution and wholesale	0.19
Furniture and bedding	0.19
Forest products and paper	0.14
Other	0.13
<b>Total Investment in securities</b>	<b>98.33</b>
<b>Other Net Assets</b>	<b>1.67</b>
<b>Total Net Assets</b>	<b>100.00</b>

# AKBANK TURKISH SICAV

## AKBANK TURKISH SICAV – Fixed Income

### Industrial Classification

#### as of 31 December 2021

	<b>% of NAV</b>
Governments	80.41
Banks	17.03
<b>Total Investments in securities</b>	<b>97.44</b>
<b>Other Net Assets</b>	<b>2.56</b>
<b>Total Net Assets</b>	<b>100.00</b>

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 31 December 2021**

#### **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 under the going concern basis of accounting. The following is a summary of significant accounting policies followed by the Sub-Funds.

The financial statements are presented on the basis of the last official NAV of the financial year which was calculated as of 30 December 2021. The Valuation differences between 30 December 2021 and 31 December 2021 are below the materiality threshold (set as respectively 1% for AKBANK TURKISH SICAV – Equities and 0.5% for AKBANK TURKISH SICAV – Fixed Income of the net asset value as at 31 December 2021).

##### **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.

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 31 December 2021 (continued)**

#### **2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **a) Valuation of investments in securities (continued)**

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.

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 year. 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 31 December 2021, the main exchange rates are as follows:

1 EUR = 14.758903 TRY  
1.133100 USD

Transactions occurring during the year 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 years. Actual results could differ from those estimates.

# **AKBANK TURKISH SICAV**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **as of 31 December 2021 (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 year ended 31 December 2021, 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 year, total fees to the Investment Manager amounted to EUR 308,171.

##### **b) Management company fee**

The Management Company receives out of the assets of each Sub-Fund a fee of 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 for its custody functions (including global custody services) out of the assets of the Sub-Fund a fee up to 7.25 bps or a minimum of EUR 35,000 per annum based upon the average total net assets of the Sub-Fund, payable quarterly in arrears.

##### **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.

# AKBANK TURKISH SICAV

## NOTES TO THE FINANCIAL STATEMENTS

### as of 31 December 2021 (continued)

3 – FEES (continued)

#### 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 year ended 31 December 2021, 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 year are available free of charge to the Shareholders at the registered offices of the Management Company. They are also available at the distributors in Germany for German Shareholders.

#### 7 – TRANSACTIONS WITH RELATED PARTY ENTITIES

AKBANK TURKISH SICAV – Equities and AKBANK TURKISH SICAV – Fixed Income have invested in a related party entity as of 31 December 2021 as disclosed in the Schedule of Investments and Other Net Assets. In addition, the Investment Manager to the SICAV is considered as 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 year, 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 31 December 2021 (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.

#### **9 – COVID-19**

In 2021, the equity Sub-Fund did not deviate from the benchmark too much but performed significantly better. This was achieved by avoiding a few overpriced stocks and focusing more on undervalued stocks. During COVID-19 pandemic, we have not encountered with any difficulties. Turkish Eurobond market has started the year well after the selloff in 2020 due to Covid pandemic. However Turkey's CDS levels started to rise and Eurobond yields jumped after the removal of Naci Agbal from the Central Bank as the governor. Also the rise in US Treasury yields was another important negative factor for the Turkish Eurobond Market. Besides the Central Bank decided to lower the O/N interest rate from 19% to %14 in 2021 while the other EM Central Banks were rising the interest rate. Hence Turkish Lira, CDS and Eurobond Markets had a challenging year in 2021. Turkish Sovereign Eurobond yields rose around 150-300 bps; in more details the curve bear flattened. Our portfolio's duration was almost equal to BM duration with higher weight on the longer duration bonds, hence higher convexity. Therefore we managed to end the year with a positive alpha thanks to our strategic allocations along the curve.

#### **10 – SUBSEQUENT EVENTS**

Russia-Ukraine war has had important global economic consequences such as slowing global growth, disrupting global supply chains and increasing global inflation. The current geopolitical tension has also the potential to negatively affect Turkey's inflation and current account dynamics.

In 2022, global market focus on geopolitics, pandemic and global central banks. Russia-NATO conflict and US-China relations are important for geopolitics. Despite vaccination, broad immunity and new therapeutics; new variants may cause a new wave. Global central banks have already started tightening cycle. Rate hike path and balance sheet reductions will be important for global inflation and growth outlook.

Luxembourg Stock Exchange has confirmed the SICAV's effective date of the delisting will be on 3 April 2022.



# AKBANK TURKISH SICAV

## UNAUDITED 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 year ended 31 December 2021, the SICAV did not enter into transactions within the scope of the SFTR.

### **EU Sustainable Finance Disclosure Regulation and Taxonomy Regulation**

For the time being, except as may be otherwise disclosed at a later stage on its website and subject to amendment of prospectus to disclose otherwise, the Management Company does not consider adverse impacts of investment decisions on sustainability factors. The Management Company will consider the adverse impacts of its investment decisions on sustainability factors, the related disclosure on its website will be updated accordingly.

The SICAV does not promote environmental or social characteristics, and do not have as objective sustainable investment.

### **Remuneration disclosure**

The Management Company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the Management Company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at <https://www.waystone.com/waystone-policies/>.

With respect to the financial year ended 31 December 2021 (as of that date, the Management Company had a headcount of 72 employees), the total fixed and variable remuneration paid by the Management Company to its employees amounted to EUR 6,001,650 and to EUR 768,882 respectively. The total remuneration paid by the Management Company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,383,679. The remuneration committee of the Management Company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of Directors in the course of the financial year ended 31 December 2021, the current version being dated February 2021.