

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 132.78	EUR 202.35
Fund Size	:	EUR 41,457,165	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

Market Overview

"Sell-in-May" rule did not materialize this year as BIST100 index gained 7.3 percent in TL terms (10.2% in EUR term). Risk-on mood in global markets continued to push inflows to EMs. As major developed markets hit record high levels, EMs rose rapidly in a catch up move.

What gave way to the risk-on mood in EMs was hidden in liquidity conditions. Though FED'S tapering, there was no sign for a liquidity shrinkage in the markets. Fear for a FED rate increase faded while the expectation for new liquidity expansion measures from other Central Banks, specially from ECB, strengthened. Turkey became one of the leading beneficiaries from this environment. The normalized political and economic situation after local elections also helped local markets.

The fund also benefited from this decisive rally. Our small-and-medium cap picks beat the benchmark index while some of our shorts lagged behind the trend. We plan to maintain same investment strategy formulated with the replacement of big cap shorts with small-and-medium cap names. In the world of decreased volatility, stock selection is becoming more important. We trust on our edge in selecting stocks, and hope to add new alpha via this method.

Performance		Fund ¹	Benchmark
Since Inception ²	25.07.08 - 30.05.14	42%	43%
2009	31.12.08 - 31.12.09	78%	91%
2010	31.12.09 - 31.12.10	31%	27%
2011	31.12.10 - 30.12.11	-38%	-34%
2012	30.12.11 - 31.12.12	61%	57%
2013	31.12.12 - 31.12.12	-29%	-31%
YTD	31.12.13 - 30.05.14	21%	21%
MTD	30.04.14 - 30.05.14	11%	10%

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	96.60%
Money Market	3.40%

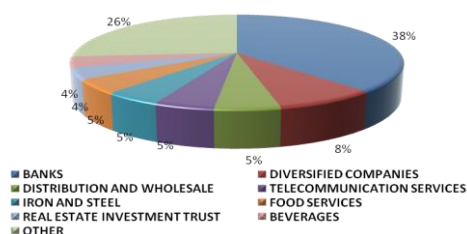
Top 10 holdings (%)

TURKIYE HALK BANKASI HALKB TI	HALKB TI	7.91%
AKBANK TRL1000	AKBNK TI	7.32%
T IS BANKASI SER'C'TRL1000	ISCTR TI	7.31%
T GARANTI BANKASI GARAN TI	GARAN TI	6.13%
HACI OMER SABANCI SAHOL TI	SAHOL TI	4.98%
TURKIYE VAKIFLAR BANKASI VAKBN TI	VAKBN TI	4.27%
BIM BIRLESIK MAGAZALAR AS BIMAS TI	BIMAS TI	3.82%
TUPRAS(T PETR RAF) TRL1000	TUPRS TI	3.66%
TURKCELL ILETISIM TRL1000	TCELL TI	3.61%
TURK HAVA YOLLARI AO THYAO TI	THYAO TI	3.46%

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	30%	33%
Benchmark Volatility	30%	32%
Tracking Error	7%	5%

	YTD	Since Inception
Jensen's Alpha	4%	1%
Sharpe	1.81	-0.08
Information Ratio	0.33	0.13
Beta	0.97	1.00

Sector Breakdown



Comparative Returns / 25.07.08 - 30.05.14



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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