

**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 131.53	EUR 200.69
Fund Size :	EUR 41,011,759	
Launch Date :	02 July 2008	
Currency :	EUR	
Legal Status :	Luxembourg SICAV	
Reference Index :	97% ISE100 + 3% KYD O/N Repo Gross	

**Performance**

		Fund <sup>1</sup>	Benchmark
Since Inception <sup>2</sup>	25.07.08 - 29.11.13	40%	38%
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%
YTD	31.12.12 - 29.11.13	-15%	-20%
MTD	31.10.13 - 29.11.13	-5%	-5%

<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	96.04%
Money Market	3.96%

**Top 10 holdings (%)**

T GARANTI BANKASI	GARAN TI	8.11%
TURKIYE HALK BANKASI	HALKB TI	7.97%
HACI OMER SABANCI	SAHOL TI	7.65%
AKBANK	AKBNK TI	6.89%
T IS BANKASI SER'C'TRL1000	ISCTR TI	5.30%
BIM BIRLESIK MAGAZALAR	BIMAS TI	4.45%
TURKCELL ILETISIM	TCELL TI	4.07%
YAPI KREDI BANKASI	YKBNK TI	4.01%
TURKIYE VAKIFLAR BANKASI	VAKBN TI	3.66%
EMLAK KONUT GAYRIMENKUL YATI	EKGYO TI	3.51%

**Risk Ratios (Annualized)**

	YTD	Since Inception
Fund Volatility	35%	33%
Benchmark Volatility	35%	32%
Tracking Error	7%	5%

**Market Overview**

Turkish equities continued to move in a range. Tapering discussions, and next year's heavy political agenda prevent convicted buys. The valuation matters, on the other hand, did not allow huge sell-offs. These balancing factors gave way stuck structure in the stock market.

In November, the BIST100 index was in the range of 70,836 and 77,903 points in TL terms. The month-end close was 75,748 after decline of 2.4 percent. In Euro terms, the decline was 3.65 percent. When looked at fund performance, the fund watcher calculates our alpha as 0.33 percent for the date between October 31, and December 2. As the ending day, our alpha return was 1.61 percent for the year.

Turkey was seen as the one of big five fragile EMs (Brazil, Indonesia, South Africa, India, and Turkey) for the FED's eventual tapering, which some analysts now believe could come as early as December. The quantitative directional analysis find that the mathematical (you could read financial) impact of tapering would be limited. However, the problem is that no one knows which mechanisms would work after tapering, and how those countries could bear any unexpected quakes. Many investors wait for post-tapering period in order to pour money to the our once loved pools.

Current surveys displays that the government could sustain its political strength despite some losses in coming local elections. However, the analysts could not easily write a convincing scenario for the period following next year's Presidential elections. It was expected that Prime Minister MR Erdoğan would bid for the Presidential election in next August. Without achieving the constitutional amendments, the governmental procedures oblige MR Erdoğan to leave the government, and the party when elected in Presidential race. Nobody could easily say what would be the political scene after such an achievement. Some other investors seem to wait for the clarification of the political outlook before new investments in Turkey.

After these bad news, there were good news. Turkish banks were nearly at par, meaning that PBook Ratios were at the neighborhood of 1. Having these fundamental valuations, pushing the index to new dips is smartly hard. In any uncontrolled sell-off environment, some enduring investors accumulate Turkish stocks. Additionally, newly reformed pension funds are growing day by day. This means that Turkish markets have a new, healthy and relatively stronger investor base. Those investors buy Turkish stocks in a sustainable manner as the saving pools in the pension system enlarges.

If you are patient enough as we are, we could offer you to invest in Turkish stocks. With its balanced strategy, carrying small-and-medium cap names at a rate of approx.15% of the portfolio, our Fund could be one of the dependable alternatives.

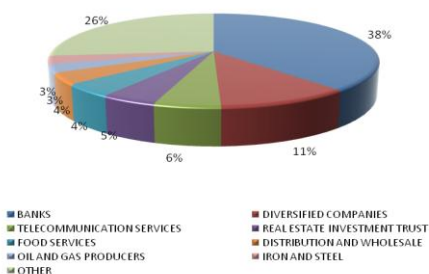
**Comparative Returns / 25.07.08 - 29.11.13**

	YTD	Since Inception
Jensen's Alpha	1%	1%
Sharpe	-0.68	0.01
Information Ratio	0.25	0.21
Beta		1.01



The graph represents gross of fees performance.

**Sector Breakdown**



**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:IX; AKTKEQA:IX )
	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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