

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 145.41	EUR 222.13
Fund Size	: EUR 43,100,209	
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 - 28.06.13	53.55%	52.64%
2009	31.12.08 - 31.12.09	78.26%	78.39%
2010	31.12.09 - 31.12.10	30.82%	30.01%
2011	31.12.10 - 30.12.11	-37.66%	-33.88%
2012	30.12.11 - 31.12.12	61.22%	63.17%
YTD	31.12.12 - 28.06.13	-7.02%	-11.53%
MTD	31.05.13 - 28.06.13	-19.37%	-18.68%

¹ Fund performance is gross of fees and does not reflect the deduction of investment management fees, custodian fees or other expenses.

² 25.07.2008 is the start date of active portfolio management for Institutional class share.

Investment Allocation (%)

Equities	98.28%
Money Market	1.72%

Top 10 holdings (%)

TURKIYE HALK BANKASI	HALKB TI	9.23%
AKBANK	AKBNK TI	7.40%
HACI OMER SABANCI	SAHOL TI	7.18%
T GARANTI BANKASI	GARAN TI	6.97%
T IS BANKASI SER'C	ISCTR TI	6.17%
TURKIYE VAKIFLAR BANKASI	VAKBN TI	4.53%
TUPRAS(T PETR RAF)	TUPRS TI	4.43%
BIM BIRLESIK MAGAZALAR AS	BIMAS TI	4.09%
TURK HAVA YOLLARI AO	THYAO TI	4.06%
YAPI KREDI BANKASI	YKBNK TI	3.93%

Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	35%	33%
Benchmark Volatility	35%	32%
Tracking Error	9%	5%

Market Overview

The first month of the summer, June has been lived as the continuation of "the metaphorical Spring". The first night of June started with shocking protests, reminding the protests in the spring countries. The protests against the transformation of Gezi Park in Taksim Square to a shopping mall have spread through the country. The political unrest has turned into uprisings in the streets of the main cities. The government blamed the protestors as instruments of the foreign focal points, or the "interest rate lobbies". The investors, being afraid of the social instabilities, and potential reflections on the political scene, punished the Turkish assets by sharp sell-offs. The BIST100 index touched 70,093 points at June24 June. Remember that the May close was at 85,990 points!

As the end of the month approaches, the protestors withdrew from the streets after the government promised to call for a referendum for the fate of Gezi Park. And, political stability and peace turned back to the country. The surveys displayed that the government preserves its support with gradual losses. It was also understood that the protests did not have a clear-cut political agenda that could make any change in the popularly supported establishment. Parallel to these thoughts, the market rose, closing at 76,295 points.

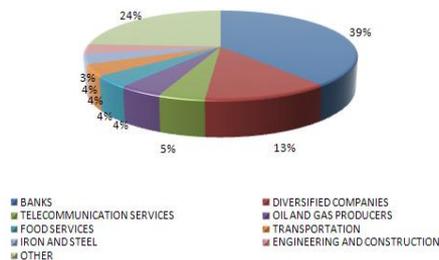
While Turkey struggled with political discussions, another, and more important "interest rate lobby" Federal Reserve Bank strengthened its signal for "tapering" of its Asset Purchase Program. FED's new "relatively hawkish" political stance pushed the 10 year generic US Government yield to 2.61 percent at June 25. The yield was at 1.63 percent on 1 May, and 2.13 percent on 31 May. This political shift of FED also shifted the direction of the capital flows. In June, there were more than USD21bn outflows from the EM equity funds according to EPFR records. Many of the EM markets suffered from these outflows, dipping into lows for some months, or years. Some moderate expressions from FED members, and relatively weak US data calmed down the tension. Behind the buys in Turkish assets in the last period of the month, not only the mitigation of domestic political noise, but also the perception about the completion of the discounting much of the FED impact was also effective.

After the monthly decline, the fall from the year-to-date top reached at 18.3 percent. The year-to-May end change was negative 2.5 percent. The euro-based change in the same period was minus 8.3 percent.

In this sell-off, we did not change our balanced strategy, and the Fund performance was not much harmed. The tracking of the index with the additions of small-and medium cap selections prevented a significant meltdown in relative performance. We assume that we could improve the alpha returns in tranquil environment after passing of the unexpected storm. Turkey, with its healthy long-term story, would return to its charming path, and the investors, we believe, could exploit this growth prospect with favorable valuation metrics.

	YTD	Since Inception
Jensen's Alpha	1%	2%
Sharpe	-0.58	0.09
Information Ratio	0.29	0.21
Beta	0.98	1.01

Sector Breakdown



Comparative Returns / 25.07.08 - 28.06.13



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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