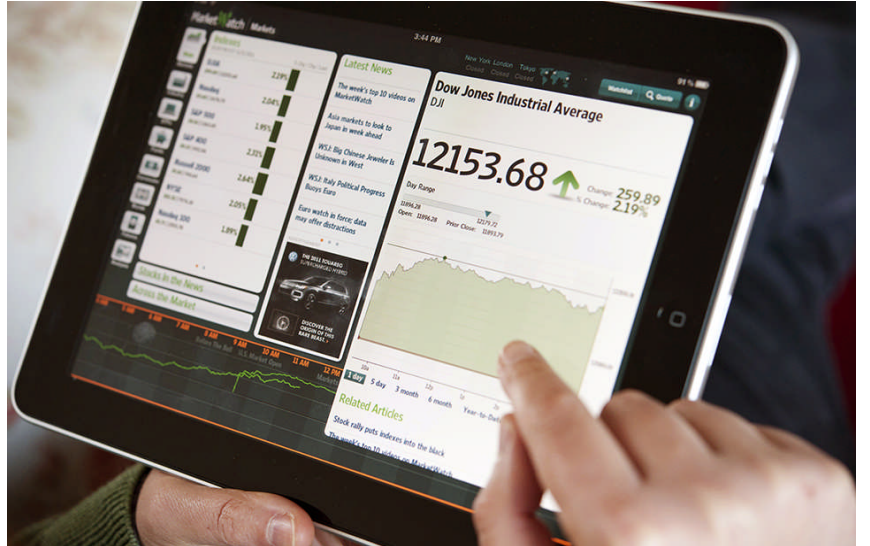


# *New Era for Turkish Investment Funds*

## *Open Architecture*



Trades at Turkey Electronic Fund Distribution Platform have started on January 9, 2015.

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# *New Era for Turkish Investment Funds*

Trades at Turkey Electronic Fund Distribution Platform (“TEFAS”) have started on January 9, 2015.

## **What is TEFAS and who will be able to use TEFAS?**

TEFAS is an electronic platform which enables investors to access all investment funds established with the authorization of the Capital Markets Board of Turkey (“CMB”) and operated in Turkey, excluding investment funds that are subject special conditions.

TEFAS can be used by all local and global individual and corporate investors, who are the clients of “Fund Distribution Institutions” (i.e., investment companies (banks and brokerage houses) and portfolio management companies authorized by the CMB.

### **Fund Distribution Institutions:**

- Investment companies
- Portfolio management companies

## **Which funds will be traded at TEFAS?**

Participation units of all of investment funds excluding the following investment funds will be traded at TEFAS:

- Special funds
- Hedge funds
- Real estate investment funds
- Private equity investment funds
- Guaranteed and capital-protected funds

Furthermore, money market funds and short term bond funds can be included with the request of the founder.

Purchase and sale of fund participation units executed by portfolio management companies for their own clients and for the funds founded by themselves are not be required to made at TEFAS.

## Who will execute the open architecture?

TEFAS will be executed by Istanbul Settlement and Custody Bank A.Ş (“Takasbank”).

Takasbank is authorized to provide cash and securities settlement transactions as the central clearing and settlement institution to Borsa Istanbul equities, debt securities, foreign securities, derivatives and precious metals markets. Securities delivery/receipt, as well as cash obligations of Borsa Istanbul members arising from the buy-sell transactions in the related markets are executed via Takasbank.

## How can investors use TEFAS?

In order to use TEFAS, investors only need to apply to one of the Fund Distribution Institutions. The investors who already have investment account can trade investment funds at TEFAS without subjecting any other procedure.

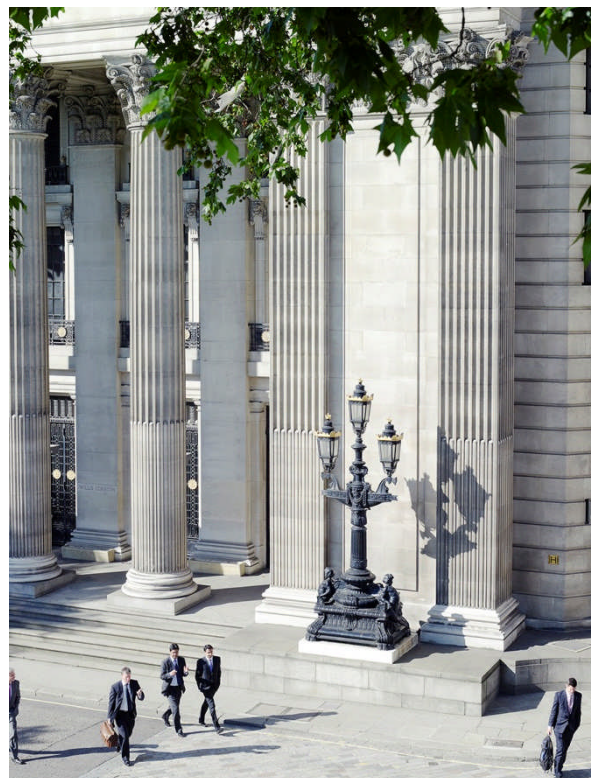
Once the investors decide to purchase or sale an investment fund, they can easily execute their transactions through the branches or web sites of the fund distribution institutions of which they are clients. There is an information platform which provides comparative information with respect to returns of investments funds, trade hours, management fees, trade constraints as well as other investment alternatives like interest, gold and stock index ( “Fund Information Platform”). Therefore, investors can obtain information regarding the investment funds and other investment alternatives from the Fund Information Platform by accessing the link of <http://fundturkey.com.tr>.



## **How will be the commission split among the fund distribution institutions?**

- Commission rate (general commission rate) to be paid to the Fund Distribution Institutions that sell the fund participation units will be 35% of the fund management fee.
- In order to support active marketing of the fund units, special agreements can be made among the founders and the Fund Distribution Institutions for the commission rates. Yet such special commission rates to be paid to the Fund Distribution Institutions cannot exceed 65% of the fund management fee, and cannot be less than the general commission rate.

There will not be any additional cost for the investors with respect to trading of fund units executed by the distribution institutions, other than the fees stated under the fund bylaws and prospectus.





### **What are the benefits of TEFAS?**

TEFAS is expected to make major contributions in the investment fund market in Turkey.

In this new Platform, investors will be able to reach and trade all investment funds with one single bank account without the necessity to open different accounts. Investment funds to be purchased by the investors will be custodied under an account opened on behalf of themselves, by the Fund Distribution Institution at the Central Registry Agency.

No extra fee or commission will be charged for the fund trades of the investors on TEFAS by the Fund Distribution Institutions.

The procedure of investing in funds will become easier for the investors. The investors will be able to access to TEFAS directly through branches or web sites of the Fund Distribution Institutions. Furthermore, investors will be able to sell back the investment funds purchased at the hours determined by TEFAS and in the price declared by the fund.

The Fund Information Platform will provide useful information to the investors regarding the investment alternatives.

The investment fund market will be open to competition. In this respect, competition in fund portfolio management and accordingly fund performances is expected to increase in the upcoming days.

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