

ABROGATED COMMUNIQUÉS ON MUTUAL FUNDS

1) **Series: VII, Nr.: 1** "Communiqué on the Principles Regarding the Issuance and Public Offering of Securities Investment Fund Units", published in the Official Gazette of 12 December 1986 date and 19310 number has been abrogated through Communiqué Series: VII, Nr.: 2,

2) a- **Series: VII, Nr.: 2** "Communiqué on the Principles Regarding Mutual Funds", published in the Official Gazette of 31 July 1992 date and 21301 reiterated number,

b- **Series: VII, Nr.: 3** "Communiqué on the Amendment to an Article of the Communiqué on the Principles Regarding Mutual Funds", published in the Official Gazette of 18 June 1993 date and 21611 number,

c- **Series: VII, Nr.: 4** "Supplementary Communiqué to the Communiqué Series: VII, Nr.: 2 on the Principles Regarding Mutual Funds", published in the Official Gazette of 24 August 1993 date and 21678 number,

d- **Series: VII, Nr.: 5** "**Communiqué on the Amendment to Certain Articles of and Addition of a Provisionary Article in the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 2** ", published in the Official Gazette of 9 March 1994 date and 21872 number,

e- **Series: VII, Nr.: 6** "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 2, published in the Official Gazette of 26 March 1994 date and 21886 number,

f- **Series: VII, Nr.: 7** "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 2", published in the Official Gazette of 1 March 1995 date and 22217 number,

g- **Series: VII, Nr.: 8** "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII. Nr.: 2", published in the Official Gazette of 3 May 1995 date and 22276 number,

h- **Series: VII, Nr.: 9** "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 2", published in the Official Gazette of 19 February 1996 date and 22559 number,

have been abrogated through the Communiqué Series: VII, Nr.: 10 .

4.7.1.1. COMMUNIQUÉ ON THE PRINCIPLES REGARDING MUTUAL FUNDS

(Series: VII, Nr.: 10)

(Published in the Official Gazette of 19 December 1996 date and 22852 number)

List of the amendments to the communiqué:

- 1- (In the Official Gazette of 24 July 1997 date and 23059 number, Series: VII, Nr.: 10 "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 11" has been published.)
- 2- (In the Official Gazette of 28 April 1998 date and 23326 number, Series: VII, Nr.: 10 "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 12" has been published.)
- 3- (In the Official Gazette of 6 November 1998 date and 23515 number, Series: VII, Nr.: 10 "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds, Series: VII, Nr.: 13" has been published.)
- 4- (In the Official Gazette of 29 April 2000 date and 24034 number, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds", Series: VII, Nr.: 15 has been published.)
- 5- (In the Official Gazette dated 9/9/2000 and numbered 24165, "Communiqué on the Amendment of the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 16 has been published.) (*)
- 6- (In the Official Gazette dated 11/8/2001 and numbered 24490, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 17 has been published.)
- 7- (In the Official Gazette of 29 September 2001 date and 24538 number, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 18 has been published.)
- 8- (In the Official Gazette of 31 January 2002 date and 24657 number, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 19 has been published.)
- 9- (In the Official Gazette of 22 April 2002 date and 24734 number, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 20 has been published.)
- 10- (In the Official Gazette of 14 June 2003 date and 25138 number, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 21 has been published.)
- 11- (In the Official Gazette dated 4/11/2003 and numbered 25279, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 22 has been published.) (**)
- 12- (In the Official Gazette dated 8/10/2004 and numbered 25607, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 24 has been published.) (***)

(¹) Amending Communiqué Series: VII, Nr.: 16 has entered into force on 01/01/2001.

(²) Provisional article 1 of the Communiqué Series: VII, Nr.: 22 has introduced the provision "**Liquid Mutual Funds established prior to the publication of the present Communiqué are required to render their portfolio structures and fund rules compliant with the present Communiqué, within a period of 2 months.**"

(³) In the Communiqué Series: VII, Nr.: 24:

a) Provisional article 1 introduced the provision "**Mutual Funds established prior to the publication of the present Communiqué are required to render their portfolio structures compliant with the present Communiqué, within a period of 1 month.**"

b) Provisional article 2 introduced the provision "**Mutual Funds established prior to the publication of the present Communiqué are required to render their fund rules compliant with the present Communiqué, within a period of 1 year following the publication date of the present Communiqué.**"

13- (In the Official Gazette dated 31/12/2004 and numbered 25687, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 25 has been published.)

14- (In the Official Gazette dated 16/6/2005 and numbered 25847, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 26 has been published.)

15- (In the Official Gazette dated 21/1/2006 and numbered 26056, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 27 has been published.)

16- (In the Official Gazette dated 22/9/2006 and numbered 26297, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 29 has been published.)

17- (In the Official Gazette dated 18/11/2006 and numbered 26350, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 30 has been published.)

18- (In the Official Gazette dated 16/3/2007 and numbered 26464, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 31 has been published.)

19- (In the Official Gazette dated 25/5/2007 and numbered 26532, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 33 has been published.)

20- (In the Official Gazette dated 18/10/2007 and numbered 26674, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 34 has been published.)

21- (In the Official Gazette dated 21/3/2008 and numbered 26823, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 35 has been published.)

22- (In the Official Gazette dated 11/6/2008 and numbered 26903, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 36 has been published.)

23- (In the Official Gazette dated 21/1/2009 and numbered 27117, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 37 has been published.)

24- (In the Official Gazette dated 14/11/2009 and numbered 27406, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 38 has been published.)

25- (In the Official Gazette dated 7/8/2010 and numbered 27665, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 39 has been published.)

26- (In the Official Gazette dated 1/4/2011 and numbered 27892, "Communiqué on the Amendment to the Communiqué on the Principles Regarding Mutual Funds" Series: VII, Nr.: 40 has been published.)

Purpose

ARTICLE 1 - In the present Communiqué, the principles regarding the establishment, activity principles and rules, units and the public offering thereof, and public disclosure concerning the mutual funds other than real estate investment funds has been established.

Legal Basis

ARTICLE 2 - The present Communiqué has been drawn up on the basis of article 37 and 38 of the Law numbered 2499, as amended by Law numbered 3794.

Abbreviations

ARTICLE 3 – (1) Within the framework of the present Communiqué;

Law : refers to the Capital Markets Law numbered 2499 as amended in the Law numbered 3794,

Board : refers to the Capital Markets Board of Turkey,

Fund : refers to Mutual Funds,

Founder : refers to Banks, brokerage houses, insurance companies, pension and charity funds as well as other funds established as per the provisional article 20 of the Law numbered 506, which have not been prevented from being founders in the relevant law,

Stock Exchange : refers to exchanges where capital market instruments are traded, precious metal exchanges, as well as foreign exchanges of the same character, and other organized markets other than exchanges,

Manager : refers to organizations which had obtained portfolio management activity licenses from the Board,

Depository institution: **(Amended: As amended in Communiqué Series: VII, Nr: 19)** refers to ISE Settlement and Custody Bank Inc, Istanbul Gold Exchange. and/or other agencies authorized by the Board,

ISE : refers to Istanbul Stock Exchange,

TTSG : refers to Turkish Trade Registry Gazette,

Qualified

Investor : **(Added: As amended in Communiqué Series: VII, Nr.: 29)** refers to domestic and foreign mutual funds, pension funds, investment trusts, brokerage houses, banks, insurance firms, portfolio management companies, mortgage finance institutions, pension and charity funds, foundations, funds established as per provisional article 20 of the Social Insurances Law numbered 506, associations serving to the public interest, and other investors to be deemed similar in characteristics to such institutions, as well as natural or legal persons who hold at least TRY 1 million worth of Turkish and/or foreign currencies and capital market instruments as of the date of issue of the fund units,

Guarantor : **(Added: As amended in Communiqué Series: VII, Nr.: 33)** **(Amended: As amended in Communiqué Series: VII, Nr.: 35)** refers to banks and as defined in Banking Law numbered 5411 and insurance companies as well as the foreign based banks and insurance companies without proviso to the provisions of the legislation governing such, which meet the attributes specified in the present Communiqué and which guarantee to the Fund the payment to investors of the part of the amount guaranteed as per the principles specified in the fund rules of the guaranteed mutual funds which the Fund can not meet,

Umbrella

Fund : **(Added: As amended in Communiqué Series: VII, Nr. 37)** refers to funds covering all sub funds of which shares are issued under a single fund rules,

Sub Fund : **(Added: As amended in Communiqué Series: VII, Nr: 37)** refers to funds for which separate prospectus and circulars are required for each unit issue as per a single umbrella fund rules.

KAP: (Added: As amended in Communiqué Series: VII, Nr.: 40) refers to Public Disclosure Platform

PART I GENERAL PROVISIONS

Description

ARTICLE 4 - The fund is an estate established, in accordance with the provisions of the Law, and in the light of the fiduciary ownership and risk diversification principles, on behalf of the unit holders, and with the cash collected from the public in exchange of units, with the purpose of managing a portfolio composed of the following assets:

- i) Stocks of the corporations established in Turkey, including those included within the privatization framework, as well as public and private debt instruments,
- ii) Foreign private and public debt instruments and stocks allowed to be traded within the framework of article 32 of the Decision regarding the Protection of the Value of Turkish Currency,
- iii) Gold and other precious metals traded in national and international exchanges, as well as capital market instruments backed by such metals and traded in exchanges,
- iv) **(Amended: As amended in Communiqué Series: VII, Nr.: 11)** Other Board approved capital market instruments, repurchase and reverse repurchase agreements, futures, options and forward contracts.
- v) **(Amended: As amended in Communiqué Series: VII, Nr.: 40) (Added: As amended in Communiqué Series: VII, Nr.: 24)** Money market transactions carried out before ISE Settlement and Custody Bank Inc. and cash collaterals for transactions done in Turkish Derivatives Exchange in order to invest cash

Funds can not engage in any activities other than the management of the portfolio comprising the assets specified above.

Types of funds

ARTICLE 5 - Mutual funds, provided that the fund rules states so, can be established in the following types.

- i) Funds which continuously invest at least 51% of the fund portfolio in;
 - a) **(Amended: As amended in Communiqué Series: VII, Nr.: 40)** Public and/or private debt instruments shall be called " BONDS AND BILLS FUNDS"; Public and/or private debt instruments and monthly weighted average maturity of the portfolio is at least 45 days and at most 90 days and not able to include stocks in portfolio shall be called "SHORT TERM BILLS AND BONDS FUNDS",
 - b) Stocks of corporations established in Turkey, including those within the privatization framework, shall be called "STOCK FUNDS",
 - c) Securities of corporations from a certain industry shall be called "SECTOR FUNDS",
 - d) **(Amended sub-paragraph: As amended in Communiqué Series: VII, Nr: 11)** Securities issued by subsidiaries as specified by Board Communiqué Series XI, Nr: 1, annex 3 shall be called "SUBSIDIARY FUNDS",
 - e) Securities of a certain group as defined in Communiqué Series: XI, Nr: 10, article 2 shall be called "GROUP FUNDS"
 - f) Foreign private and public securities shall be called "FOREIGN SECURITIES FUNDS",
 - g) **(Amended: As amended in Communiqué Series: VII, Nr.: 19)** Gold and other precious metals traded in national and international exchanges, as

- well as capital market instruments backed by such metals and traded in exchanges shall be called "PRECIOUS METALS FUNDS", while those invested in gold and gold-backed capital market instruments traded in national and international exchanges shall be called "GOLD FUNDS",
- ii) Funds which invest the whole portfolio in;
 - h) At least two of stocks, debt instruments, gold and other precious metals as well as capital market instruments backed by such, with none of the items comprising less than 20% of the total portfolio value shall be called "COMPOSITE FUNDS",
 - i) **(Amended: As amended in Communiqué Series: VII, Nr.: 22)** Funds which continuously include in the portfolio highly liquid capital market instruments with a maximum of 180 days remaining in their maturation date, and of which portfolio has a maximum weighted average term of 45 days shall be called "LIQUID FUNDS",
The weighted average term of the portfolio shall be determined by taking into consideration the individual terms of the capital market instruments.
 - j) Funds which can not be classified in any one of the types above with regard to portfolio restrictions shall be called "VARIABLE FUNDS",
 - iii) **(Added: As amended in Communiqué Series: VII, Nr.: 13)** Funds which invest at least 80% of the portfolio on a continuous basis in;
 - k) **(Amended: As amended in Communiqué Series: VII, Nr.: 13)** all or a sampled part of the securities included in a Board approved index which constitutes the basis of the fund, and with which value a correlation factor of 90% is ensured regarding the unit share price of the fund in accordance with the calculation to be carried out in accordance with the formula provided in annex 3 of the present Communiqué shall be called "INDEX FUNDS",
 - l) **(Added: As amended in Communiqué Series: VII, Nr.: 30)** Units of other mutual funds and exchange traded funds shall be called "FUNDS OF FUNDS",
 - iv) **(Amended: As amended in Communiqué Series: VII, Nr.: 37)** Provided that the sub funds are established with a minimum term of six months;
 - m) **(Amended: As amended in Communiqué Series: VII, Nr.: 37)** Funds established as umbrella funds and where a part or all, or the initial amount of the investor's investment plus a certain return is guaranteed on the basis of an appropriate investment strategy and the guarantee provided by the guarantor, to be paid back to the investor within the framework of the principles specified in the prospectus at a specific term or periods, shall be called "GUARANTEED FUNDS",
 - n) **(Amended: As amended in Communiqué Series: VII, Nr.: 37)** Funds established as umbrella funds and where a part or all, or the initial amount of the investor's investment plus a certain return is targeted on the basis of an appropriate investment strategy and the best efforts strategy, to be paid back to the investor within the framework of the principles specified in the prospectus at a specific term or periods, shall be called "PROTECTIVE FUNDS".

(Added second paragraph: As amended in Communiqué Series: VII, Nr.: 33)
(Amended: As amended in Communiqué Series: VII, Nr.: 37) The presence of the phrases protective fund or guaranteed fund in the title of the protective funds and guaranteed funds shall suffice, while the titles of the sub funds are required to bear the rate of the guarantee or the protection to the initial investment as well as the return covered by the guarantor in guaranteed funds. Details and documents to be required in

guaranteed and protective fund applications are listed in Annex (4) of the present Communiqué.

New types of funds corresponding portfolio management strategies to be devised other than those specified above may also be established, provided that the Board approval is received.

Funds which continuously maintains, as per provision in fund rules, at least 25% of the monthly weighted average value of the portfolio in investments in stocks of corporations established in Turkey, including State Owned Enterprises in privatization in accordance with legislation shall be labeled type A, while the others shall be labeled type B; and these types shall be expressed with the fund types above.

Funds of which units have been allocated to pre-determined individuals or enterprises shall be called "PRIVATE FUNDS".

(Added paragraph: As amended in Communiqué Series: VII, Nr.: 29) Funds of which units are distributed only to qualified investors shall be called "HEDGE FUNDS".

Principles regarding guarantee and protection

ARTICLE 5/A – (Added: As amended in Communiqué Series: VII, Nr.: 33) (Amended: As amended in Communiqué Series: VII, Nr.: 37) The investment strategy to be formulated by protective mutual funds in order to provide protection for a part or all of the initial investment of the investor is required to include investment in government debt securities and/or reverse repurchase agreements and/or other capital market instruments acceptable to the Board with respect to protection capability.

The terms and conditions to enable the holders of units to benefit from the guarantee or protection, as well as the principles to be applied in case of premature return of units to the fund shall be determined in the prospectus and circular regarding sub funds.

The costs, except taxes, directly incurred by the investors with regard to guaranteed mutual funds and protective mutual funds shall not lower the amount of investment under guarantee or protection.

The guarantee or the protection is required to be the same in terms of quality for all unit holders entitled to such guarantee or protection. The portfolio management strategy and type of the guaranteed mutual funds and protective mutual funds can not be modified during the term of the fund.

The portfolio management strategies for the sub funds of guaranteed mutual funds shall be determined freely, taking into consideration the limitations specified in articles 42 and 43 of the present Communiqué. Portfolio management strategies shall be included in the prospectuses regarding sub funds.

Principles regarding the guarantor

ARTICLE 5/B– (Added: As amended in Communiqué Series: VII, Nr.: 33) Guarantor is required to be given a rating at least equal to investable by the rating agencies permitted by the Board to operate in Turkey. In case the rating of the guarantor changes during the term of the fund, the new rating shall be announced to the public in an Amendment to the prospectus.

Principles regarding the guarantee agreement

ARTICLE 5/C– (Added: As amended in Communiqué Series: VII, Nr.: 33) (Amended: As amended in Communiqué Series: VII, Nr.: 35) It is required that a guarantee agreement containing the provision providing the guarantee of payment to the fund upon maturation of the guarantee contract and upon the demand by the fund or in case the fund does not demand so, upon the demand of at least one unit holder is executed by and between the founder of the guaranteed mutual fund and the guarantor, to the benefit of the unit holders.

In case the founder is at the same time the guarantor of the fund, the principles regarding the guarantee shall be determined in the fund rules, and the amount of the investment guaranteed for re-payment to investors, which however, the mutual fund can not pay, shall be paid upon the maturation of the guarantee by the founder to the fund, within the framework of the principles specified in the fund rules, and without the requirement of further demand to do so. In case the founder fails to make the payment to the fund within the framework of the principles specified in the fund rules, it is required to make the payment to the fund of the amount of the investment guaranteed for re-payment to investors, which however, the mutual fund can not pay, with due default interest caused by the delay, upon the demand by at least one unit holder.

The minimum requirements to be specified in the guarantee agreement and fund rules shall be determined by the Board. The minimum requirements specified in the fund rules and guarantee agreement on the guarantee extended by the founder are required to be maintained during the term of the guaranteed mutual fund. Board approval is required for the guarantee agreement as well as the amendments.

The guarantee is an integral and inseparable part of the fund. The payment of the guaranteed amount can not be made conditional upon any other terms, and the guarantee can not be withdrawn.

Special Provisions Regarding Umbrella Funds

ARTICLE 5/D – (Added: As amended in the Communiqué Series: VII, Nr.: 37)

The following provisions shall apply for umbrella funds.

a) Application and registration applications for umbrella funds shall be considered and concluded together.

b) All assets and obligations of each sub funds within an umbrella fund shall be kept separate.

c) All expenses required for an umbrella fund shall be paid from the portfolios of sub funds, taking into consideration the proportional portfolio volume of sub funds.

ç) Provisions of articles 14, 41, 42, 43, 48, 51, 52 and 53 of the present Communiqué as well as the provisions of Series: V, Nr.: 60, Communiqué on the Principles Regarding the Performance Presentation of Personal and Institutional Portfolios and Performance Based Charging and Ordering Activities shall apply separately for every single sub fund of the umbrella fund.

d) During amount increase applications for umbrella funds, registration for units concerning the increased amount shall be granted and just a change of fund rules shall be effected.

e) **(Amended: As amended in Communiqué Series: VII, Nr.: 40)** Sub fund prospectuses approved by the Board shall be registered with the trade registry of the place where the registered offices of the founder is located, and shall be announced in TTSG and KAP, within 15 days following the approval of the Board. The circular to be published for the investors shall include the registration date of the prospectus.

f) **(Amended: As amended in Communiqué Series: VII, Nr.: 40)** Prospectus amendments of sub funds shall be registered with the trade registry and announced in TTSG and KAP within 6 work days following the issuing of the document which will serve as the basis for registration. Notices regarding prospectus/fund rules amendments which may affect investment decisions and which are required to be known before investment shall also be announced in KAP, and the announcements shall declare the changes in at least 10 work days advance of the effective date of the amendments.

g) Unit share price of each sub fund shall be calculated separately within the framework of the principles specified in article 36 of the present Communiqué. The stating in sub funds' prospectuses of the principles regarding the calculation shall suffice.

g) Within the framework of article 37/A of the present Communiqué, share groups can be established for each sub fund. The stating in sub funds' prospectuses of the principles regarding share groups shall suffice.

h) Daily reports specified in article 46 of the present Communiqué shall be prepared separately for every sub fund. On the other hand, monthly and annual reports can be prepared as a single report covering the details of all sub funds.

i) The independent audit report specified in article 46 of the present Communiqué shall be prepared for umbrella funds so as to cover each and every sub fund as well. Principles regarding the financial statements of umbrella funds shall be determined by the Board.

i) In case an umbrella fund is liquidated in accordance with articles 52 and 53 of the present Communiqué the sub funds shall be required to be liquidated as well."

Liability of the founder

ARTICLE 6- The founder shall be liable as per the Capital Markets Law for the management, representation and maintenance of the fund, which is not a legal entity in itself, in accordance with the principles of fiduciary ownership and risk diversification, and in a manner to protect the rights of unit holders.

Management of the fund portfolio

ARTICLE 7- The fund shall be managed within the framework of the portfolio management agreement to be appointed by the founder with a manager

Custody of the fund portfolio

ARTICLE 8- The assets included in the fund portfolio shall be deposited within the framework of a contract to be made with the depository institution.

The methods and principles regarding the custody of foreign securities and other capital market instruments included in the fund portfolio, as well as gold and other precious metals and gold and other precious metals backed capital market instruments shall be determined in the fund rules of the fund.

Persons allowed to found a fund

ARTICLE 9- Banks, brokerage houses, insurance companies, pension and charity funds as well as other funds established as per the provisional article 20 of the Law numbered 506, which have not been prevented from being founders in the relevant law, which comply with the principles specified in the Communiqué, and which meet the required qualifications of the Board, may establish funds, provided that Board approval is obtained.

Qualifications of the founder

ARTICLE 10- Those who intend to found a fund are required to;

a) **(Amended: As amended in the Communiqué Series: VII, Nr.: 29)** have obtained license from the Board for engaging in capital market activities as defined in sub-paragraph (b), article 30, of the Law, in case they are brokerage houses,

b) **(Amended: As amended in the Communiqué Series: VII, Nr.: 13)** have equity capital at an amount no less than the amount calculated as per article 7 of the "Communiqué on the Principles Regarding the Capital and Capital Adequacy of Brokerage Houses" Series: V, Nr.: 34, published in the Official Gazette dated 26/06/1998 and reiterated numbered 23384, in case they are brokerage houses,

c) have the minimum amount of paid-in capital as per their own legislation, in case they are banks or insurance companies,

d) not have been subjected to a decision, within the framework of the special legislation concerning the founders or the capital markets legislation, of a permanent

suspension on their all activities or in certain fields of activities, or a temporary suspension of 1 month or more within the last year,

e) **(Amended: As amended in the Communiqué Series: VII, Nr.: 13)** The officials of the founders should not be bankrupt, or convicted of infamous crimes such as embezzlement, graft, corruption, bribery, betrayal of trust, forgery, theft, fraud, smuggling other than that of commodities, or of breach of the special legislation concerning the founder as well as capital markets legislation,

f) **(Added: As amended in the Communiqué Series: VII, Nr.: 36)** The officials of founders should not be convicted of laundering of assets with criminal origins, as defined in article 282 of Turkish Criminal Code numbered 5237, or financing terror as defined in the first paragraph of article 8 of the Anti-Terror Law numbered 3713.

(The second paragraph was abrogated through Communiqué Series: VII, Nr.: 26.)

Fund establishment limit

ARTICLE 11 – (Amended: As amended in the Communiqué Series: VII, Nr.: 37) In fund establishment and amount increase applications, the requirement that the total net asset value of all funds belonging to a founder is not to exceed 10 times the total equity capital of the founder as specified in founder's most recent financial statement which had undergone independent audit and submitted to the Board shall apply.

PART II

PROVISIONS REGARDING THE ORGANIZATION OF THE FUND

Fund council, auditors and fund service unit

ARTICLE 12 — For each fund, the founder shall appoint a fund council comprised of at least three persons, to carry out the fund related proceedings on its behalf, and also at least one auditor. Members of the fund council and the auditors may be appointed from outside the house.

(Amended: As amended in the Communiqué Series: VII Nr.: 36) The members of the fund council and auditors are required to have received higher education, have at least five years experience in capital markets, meet the requirements specified in subparagraphs (e) and (f) of the first paragraph of article 10 of the Communiqué, and not to be among the persons who had been found liable in organizations which lost temporarily or permanently one or more activity licenses, or expelled from exchange membership permanently or on a provisional basis.

In order to ensure seamless continuance of fund related proceedings, a fund service unit shall be established to serve all funds. The fund service unit is required to have;

a) Fund management directors employed on a full-time basis and meeting the requirements specified in the second paragraph of the present article, for each fund,

b) Necessary spaces, technical infrastructure and accounting system as well as an adequate number of employees as required for fund proceedings.

In case the fund service unit is established by the manager, the persons and equipment specified in the final paragraph of article 13 of the present Communiqué shall be included in the said unit.

Internal audit system

ARTICLE 12/A – (Added: As amended in the Communiqué Series: VII, Nr.: 29) Internal audit system entails the methods and principles to ensure the efficiency and effectiveness of the fund activities, reliability and timely availability of the data regarding financial and administrative matters, execution of fund activities in accordance with the relevant legislation and the fund rules of the fund as well as the prospectus, prevention of

errors, fraud and irregularities, correct and complete keeping of accounting records, and timely and reliable compilation of financial data.

Internal audit methods and principles shall be established to ensure that;

a) Fund activities are carried out in accordance with the legislation, the purpose and subject matter defined by the founder, the prospectus and the fund rules;

b) Proceedings on behalf of the fund are carried out on the basis of general and special authorizations, in accordance with contracts, and those necessary documents for fund transactions are drawn up;

c) Accounting, documentation and record keeping system of the fund operates in an orderly manner,

d) Risks caused by irregularities and errors are minimized, by defining such risks and taking necessary measures,

e) The transactions made by the fund personnel on their own behalf do not cause a conflict of interest with that of the fund,

f) Expenses made out of the fund are documented and are in accordance with the market rates,

g) The valuation of the fund portfolio, unit share prices of the fund , and the portfolio rates are in accordance with the legislation, fund rules, and prospectus.

All methods and principles regarding the internal audit system of the fund are required to be put in writing.

The operation of fund activities in accordance with the internal audit methods and principles shall be subject to the audit by fund auditors.

Reports containing the findings and audit results shall be submitted at least once a year to the board of directors of the founder as well as to the Fund Council. These reports are required to be kept by the founder for a period of at least 5 years.

The fund auditor shall submit within the shortest possible time to the board of directors of the founder, and send a copy to the Board on the same day the audit report he/she shall draw up in case findings pointing at developments to damage the financial standing of the fund or cause extraordinary results.

Principles regarding portfolio management services

ARTICLE 13 — Portfolio management services shall be provided by the manager in order to ensure the management of the fund portfolio. The manager shall be under obligation to manage the fund portfolio in accordance with the provisions of the Law, Communiqué and the fund rules of the fund. The principles regarding the portfolio management service to be procured shall be established in the contract to be executed by and between the founder and the manager.

In the minimum, the said contract is required to cover the points below:

a) The title and address of the manager agency,

b) The title and address of the fund and the founder,

c) Term of the contract,

d) Principles governing the scope and the provision of the portfolio management service,

e) Amount and terms of the remuneration to be paid to the manager,

f) Persons required to provide portfolio management services, their job descriptions, and the rules to be observed in case such persons are replaced,

g) Security types and risk preferences of the fund regarding the portfolio management,

h) Principles on whether the fund council confirmation shall be required for buying and selling concerning the fund portfolio and the notification of the fund council regarding the transactions carried out,

i) Principles regarding the cash flows regarding the fund portfolio,

j) Principles regarding the accounting services,

k) Termination clauses regarding the contract.

A copy of the contract is required to be sent to the Board within 6 work days following the date of assignment.

(Amended last paragraph: As amended in the Communiqué Series: VII, Nr.: 33) The manager, should have an adequate number of expert personnel with at least five years experience in the capital markets and an adequate knowledge regarding the assets in which the fund may invest, employed to ensure a healthy management of the fund in accordance with the provisions of the fund rules and the management strategy of the fund, as well as the offices and technical hardware required for the fund management operations and in line with the investment and management aims of the fund. Furthermore, guaranteed mutual funds, protective mutual funds, and hedge funds of which units are distributed only to qualified investors are required to have at least one director of the company to manage the portfolio, one member of the fund council, and all managers of the fund portfolio with an advanced license in capital market activities as well as a license in derivative instruments, as well as the necessary expertise and experience in such funds, while the founder and the manager company are required to establish an internal audit system comprising also the risk management systems regarding such the management of funds. The risk management system should include the definition of the fundamental risks the fund may face, regular review and updating of risk definitions in parallel with important developments, and the development of a risk measurement mechanism to enable a comparison on the basis of the total portfolio and specific instruments for a consistent assessment of risks exposed to.

Principles regarding the custody service

ARTICLE 14- The principles of the agreement regarding the custody of the assets included in the fund portfolio shall be determined by ISE Settlement and Custody Bank Inc. In case the assets included in the fund portfolio are deposited in another institution specified by the Board, the principles of the agreement regarding the custody shall be determined by the Board.

(Added second paragraph: As amended in the Communiqué Series: VII, Nr.: 19) Precious metals included in the fund portfolio are required to be kept in the custody of Istanbul Gold Exchange. The principles regarding the custody agreement for precious metals shall be determined by Istanbul Gold Exchange.

A copy of the contract is required to be sent to the Board within 6 work days following the date of execution.

SECTION III

PROVISIONS REGARDING THE ESTABLISHMENT OF THE FUND

Establishment of the fund

ARTICLE 15 — In order to establish the fund, the founder shall apply for establishment by applying to the Board with the documents and details specified in article 16 of the Communiqué, and with the fund rules draft it shall prepare.

In case of fund establishment and fund volume increase applications to the Board by banks and insurance companies, the opinion of R.T. Prime Ministry Undersecretariat of Treasury shall be sought in accordance with article 38 of the Law.

In case of fund establishment and fund increase applications by foundations established as per the provisional article 20 of the Law numbered 506, the opinion of the General Directorate of Foundations shall be sought.

Documents required for fund establishment

ARTICLE 16- The details and documents required in fund establishment applications are as follows.

a) A notarized copy of the decision by the authorized body of the founder on the establishment of the mutual fund.

In the very least, the following shall be required in the decision by the authorized body:

- i) Name of the fund,
- ii) Amount of the fund,
- iii) **(Abrogated through article 4 of the Communiqué Series: VII, Nr.: 20.)**
- iv) Members of the fund council and the auditor,
- v) Manager,
- b) Founder's;
 - i) Shareholding structure as of the application date,
 - ii) Most recent general assembly certified financial statements, and the general assembly meeting minutes,
 - iii) Latest financial statements which had undergone independent audit,
 - iv) Activity report,
- c) Certified circular of signature for the officials of the founder, members of the fund council, and the auditor,
- d) **(Amended: As amended in the Communiqué Series: VII, Nr.: 36)** Notarized declarations by the officials of the founder, stating that they meet the requirements specified in sub-paragraphs (e) and (f) of the first paragraph of article 10 of the Communiqué,
- e) Résumés and notarized declarations by the members of the fund council and fund auditor stating that they are not among the persons who had been found liable in organizations which lost temporarily or permanently one or more capital market activity licenses, or expelled from exchange membership permanently or on a provisional basis,
- f) Other information and documents which may be required by the Board.

(Added second paragraph: As amended in the Communiqué Series: VII, Nr.: 33) In addition to the points specified in sub-paragraph (a) of the present article, in case of guaranteed mutual funds, the decision by the authorized body is required to include the title of the guarantor as well.

Fund rules of the fund

ARTICLE 17 - As a minimum, the fund rules of the fund is required to cover the following:

- a) Name, type and category of the fund,
- b) Title and address of the founder,
- c) Title and address of the depository institution,
- d) Fund volume, number of units, and the term of the fund,
- e) **(Abrogated in article 4 of the Communiqué Series: VII, Nr.: 20.)**
- f) The assets on which investments shall be made in accordance with the type and category of the fund, and the portfolio management principles,
 - g) Methods and principles regarding the sale and redemption of units,
 - h) Principles regarding the management and custody of the portfolio,
 - i) Principles regarding the valuation of the portfolio,
 - j) Principles regarding the expenses to be made from the assets in the portfolio,
 - k) Principles regarding the transfer of the fund margins to the unit holder,
 - l) Terms of participation in and leaving the fund,
 - m) Liquidation of the fund.

(Amended: As amended in the Communiqué Series: VII, Nr.: 37) The principles regarding the fund rules of private funds, index funds, hedge funds, guaranteed mutual funds, protective mutual funds, funds of funds and umbrella funds shall be determined by the Board.

Legal status of the fund rules of the fund

ARTICLE 18– (Amended: As amended in the Communiqué Series: VII, Nr.: 35) The fund rules of the fund is a participatory contract among the unit holders and the founder, depository institution and the manager, containing the terms of general proceedings regarding the custody of the fund portfolio in accordance with fiduciary ownership principles, management of the fund portfolio in accordance with the proxy agreement, and in case the founder is also the guarantor of the fund, the principles regarding the guarantee.

Registration and amendment of the fund rules of the fund

ARTICLE 19 - (Amended first paragraph: As amended in Communiqué Series: VII, Nr.: 40) The Board approved fund rules of the fund shall, after notarization, be registered with the trade registry of the place where the registered offices of the founder is located, and shall be announced in TTSG and KAP, within 6 work days of the license granted by the Board.

As a result of the review carried out by the Board on the application by the founder for fund rules amendments with justification, if it is considered that the justification provided is not adequate, and does not constitute a honest reflection of the facts, and would mislead the investors, the fund rules amendment shall be rejected with proper justification.

(Amended third paragraph: As amended in Communiqué Series: VII, Nr.: 40)

Fund rules amendments shall be registered with the trade registry and announced in TTSG and KAP within 6 work days following the issuing of the document which will serve as the basis of registration. Notices regarding prospectus/fund rules amendments which may affect investor decisions and which are required to be known before investment shall also be announced in KAP, and the announcements shall declare the changes in at least 10 work days advance of the effective date of the amendments. The announcement of notices regarding fund rules amendments shall not apply for private funds **(Added phrase: As amended in the Communiqué Series: VII, Nr.: 29)** and hedge funds.

(Amended fourth paragraph: As amended in Communiqué Series: VII, Nr.: 40) TTSGs published are required to be sent to the Board within 6 work days following the announcement.

Minimum fund volume

ARTICLE 20 - The minimum fund volume at the date of establishment shall not be lower than 100,000,000,000,- (hundred billion) TL. This amount shall be re-adjusted on the basis of the revaluation factor announced each year.

Advance Payment

ARTICLE 21 - (Abrogated in article 4 of the Communiqué Series: VII, Nr.: 20.)

PART IV PROVISIONS REGARDING BOARD REGISTRATION OF UNITS

Pre-requisites of registration at the time of establishment

ARTICLE 22 - (Amended first paragraph: As amended in the Communiqué Series: VII, Nr.: 29) Units are required to be offered to the public or sold to certain individuals or enterprises or qualified investors through private placement.

Prior to the application to the Board for issuing and registration of units, it is required that;

a) The fund rules is registered with the trade registry of the place where the registered offices of the founder is located, and announced in TTSG,

b) Members of the fund council and the auditor is appointed and the fund unit is established,

c) **(Abrogated in article 4 of the Communiqué Series: VII, Nr.: 20.)**

The founder shall apply to the Board for registration of units, within three months following the registration of the fund rules, by fulfilling the requirements above. In case no application is made to the Board within the specified period, the registration of the fund rules in the trade registry shall be cancelled by the Board. Respective documents shall be sent to the Board within 6 work days.

Application for the registration of units

Article 23 — The founder shall apply to the Board with the documents listed below, along with a petition, for the registration of the fund units.

a) The text of the fund rules registered and announced at the time of establishment, and the TTSG in which the fund rules was published,

b) Fund portfolio value statement,

c) Fund total value statement,

d) Portfolio management contract

e) Intermediation contract in case institutions other than the founder shall take part in the trading of the fund units,

f) Custody contract,

g) Intermediation contract executed by and between the founder and the financial intermediary, in case institutions other than the founder shall take part in the trading of the securities,

h) List of the subsidiaries with respective shareholding rate in which the shareholders who hold more than 10% of the founder's capital have shares,

i) The list of the chairman and members of the board of directors of the founder, its general manager and deputy general managers, as well as the subsidiaries with respective shareholding rates in which they have shares,

j) Prospectus and circular covering the minimum requirements specified in Board standards,

k) Organization chart for the fund, and job descriptions of the fund employees,

l) Details and documents specified in sub-paragraphs (c) and (e) in article 16 of the present Communiqué for the fund manager,

m) Other details and documents to be required by the Board.

(Added second paragraph: As amended in the Communiqué Series: VII, Nr.:

37) Establishment and registration applications for funds other than hedge funds and stock exchange investment funds shall be reviewed and finalized together. Registration certificate shall be issued after the document certifying that the fund rules is registered in the trade registry is sent to the Board.

Application proceedings for guaranteed mutual funds and protective mutual funds

ARTICLE 23/A - (Abrogated in article 14 of the Communiqué Series: VII, Nr.: 37.)

Increase of fund volume (*)

ARTICLE 24 – (Amended: As amended in the Communiqué Series: VII, Nr.:

15) In case the fund volume is intended to be increased, the founder shall apply to the Board for fund rules amendment and registration of units representing the increase amount. The relevant article of fund rules shall specify the number of new units to be issued as well as new fund volume.

(¹) Article 24, along with its title was amended through the Communiqué Series: VII, Nr.: 15.

The new units corresponding to the increases in hedge funds can only be sold to the persons and institutions specified in the fund rules. Such funds shall not apply for fund rules amendment and registration for a period of 5 years following establishment, with the purpose of selling units to persons and institutions other than those initially specified. The application principles concerning the fund volume increase shall be determined by the Board.

In case the fund rules amendment regarding the fund volume increase is approved by the Board, the units corresponding to the increased amount shall be accorded registration.

Following the registration of units, the Board approved fund rules shall be registered and announced within the framework of article 19 of the present Communiqué, while the prospectus and circular shall be registered and announced within the framework of the principles specified in articles 30 and 31 of the present Communiqué.

Documents to be required in applications for fund rules amendment for volume increase and registration (*)

ARTICLE 25 – (Amended: As amended in the Communiqué Series: VII, Nr.: 15) The founder shall apply to the Board with the following documents for fund rules amendment and registration of units to be issued.

- a) Notarized authorized body decision regarding the volume increase,
- b) Fund rules amendment proposal,
- c) Detailed justification of fund volume increase,
- d) Prospectus and circular
- e) Founder's;
- i) Up to date shareholding structure,
- ii) Latest general assembly certified financial statements and independent auditor reports regarding these statements,
- iii) Activity report,
- iv) Certified resolution for signatory authority,
- f) Fund portfolio value statement,
- g) Fund total value statement,
- h) Other details and documents to be required by the Board.

Documents required for registration of fund volume increase

ARTICLE 26 - (Abrogated in the Communiqué Series: VII, Nr.: 15.)

Incomplete applications

ARTICLE 27 — Applications to the Board should not be incomplete documents-wise. The application shall be dropped in accordance with the Law, in case the incomplete aspects are not remedied within a period specified by the Board. The applications shall be finalized within a maximum of 30 days, and the durations provided for the incomplete documents to be provided shall not be taken into consideration when calculating the 30 day period.

Registration

ARTICLE 28 — The Board shall review the applications to determine whether the prospectus and circular contain the details stipulated and required in the legislation regarding the fund and units, and registers the units.

(*)Article 25, along with its title was amended through the Communiqué Series: VII, Nr.: 15.

In case the review concludes that the details provided are not adequate, and can lead to the misleading of the public through dishonest reflection of facts, the Board may refrain from registration of the units specified in the application, providing justification.

Board registration shall not be construed as Board endorsement either for the units, or the funds in question, and shall not be used for advertisement purposes.

In no announcements and notifications regarding the prospectus and circular as specified in article 6 of the Law, shall be used a clear or indirect expression to refer to the Board registration as an indicator state's or Board's endorsement.

The Board may temporarily suspend the selling of the units through an intervention in accordance with article 22/b of the Law.

Principles governing the preparation of prospectus and circular

ARTICLE 29 — The prospectus and circular are required to be drawn up in details to clearly state the information required and stipulated in the legislation with respect to fund and issue, signed by officials, compliant with Board standards, include the additional information required by the Board at the time of the registration application, and to provide documentary proof when necessary for the details and explanations.

(The second paragraph was removed from the text in accordance with article 10 of the Communiqué Series: VII, Nr.: 33.)

Registration of the prospectus

ARTICLE 30 — **(Amended: As amended in Communiqué Series: VII, Nr.: 40)**

Prospectus approved by the Board shall be registered with the trade registry of the place where the registered offices of the founder is located, and shall be announced in TTSG and KAP, within 15 days following the date of the registration certificate. The circular to be published for the investors shall include the registration date of the prospectus.

(Amended second paragraph: As amended in the Communiqué Series: VII, Nr.: 29) The prospectus published in TTSG shall also be sent via return registered mail within 6 work days to persons and institutions specified in the fund rules in case of private funds, and to qualified investors to which the sale was made in case of hedge funds.

Announcement of the circular and the sale of units

ARTICLE 31 — **(Amended first paragraph: As amended in Communiqué Series: VII, Nr.: 40)** Within 10 work days following the registration of the prospectus, the circular shall be announced in KAP. Following the announcement of the circular, the units shall be offered to investors with the price calculated in accordance with the second paragraph of article 36 of the present Communiqué and at announced venue(s), from the specified date on, within the framework of the principles specified in the said circular.

(Amended second paragraph: As amended in Communiqué Series: VII, Nr.: 40) Units are started to be sold to individuals and enterprises determined beforehand and qualified investors as respectively private fund and hedge fund's prospectus are announced in TTSG and KAP.

The value of the new group of units to be issued through fund volume increases shall be found by dividing the total value of the fund as of the issue date by the number of shares represented by all units in circulation.

(Amended last paragraph: As amended in the Communiqué Series: VII, Nr.: 33) The amounts collected from investors in exchange of units are required to be invested in the specified assets in accordance with fund rules provisions, within a maximum period of three work days. In case of guaranteed mutual funds and protective mutual funds, and in case of demand collection, the above stated duration shall be calculated on the basis of the date on which the demand collection was completed.

Increase costs

ARTICLE 32- The increase costs incurred during volume increases shall be divided to the number of shares represented by new units, and collected through addition to each new unit's share price at the time of sale, starting with the date of public offering of new units.

(Amended second paragraph: As amended in the Communiqué Series: VII, Nr.: 20) The expenses incurred due to the increase shall be paid by the founder. Such expenses shall be collected at the time of selling, and transferred at the evening of each trading day to the fund account of payables to the founder. In this respect, the increase costs are required to be collected within the year. The founder shall be deemed to waive increase costs not collected within the said period.

Changes regarding the issues announced to the public in prospectus or circular

ARTICLE 33- The changes to occur prior to the commencement of the sale, or after the date of sale, regarding the issues announced to the public in the prospectus and circular, as well as new issues to arise, are required to be submitted to the Board by the founder, at the date such changes occur.

(Amended second paragraph: As amended in Communiqué Series: VII, Nr.: 40) Changes and the new issues to arise shall not be disclosed to the public and put into effect through amendments of prospectus or circular, without obtaining the Board approval. After the Board approval is received, amendments in prospectus are to be registered with the trade registry within 6 work days and announced in TTSG and KAP. Notices of amendments which may affect investors' decision and which are required to be known before investment shall also be announced in KAP. In case of private funds, the amendments concerning the issues specified in the prospectus shall also be notified to the unit holders via return registered mail, within a period of 6 work days. In case of hedge funds, significant changes regarding the issues specified in the prospectus, which may affect investment decisions by investors, shall also be notified to the unit holders via return registered mail at least 30 days in advance prior to the effective date of such changes.

Announcements and advertisements regarding public offerings

ARTICLE 34 - (Abrogated in article 15 of the Communiqué Series: VII, Nr.: 37.)

PART V GENERAL PROVISIONS REGARDING UNITS

Unit

ARTICLE 35- Unit is a bill, a negotiable instrument stating the rights of the holder of the certificate before the founder and the number of shares the holder has, and is kept as a record value. The units of type A funds which provide in the fund rules for free trading by financial intermediaries other than the founder, shall be considered securities.

The price and share value of the units (*)

ARTICLE 36– (Amended: As amended in the Communiqué Series: VII, Nr.: 16) The unit can be sold, provided that the value it represents is fully paid in cash.

There is no nominal value of units. The share value of the fund shall be calculated by dividing the total value of the fund by the number of shares covered by the units in circulation.

(Amended third paragraph: As amended in Communiqué Series: VII, Nr.: 40) In type A funds and type B funds, other than Liquid Funds and Short Term Bills And Bonds Funds, the trading orders issued in accordance with the fund rules during the trading of the unit shall be carried out on the basis of the share price to be calculated in the first instance following the order. Two separate prices can be announced within the same day, if fund rules provides so. In contrast to other types of funds, the share prices of hedge funds are required to be calculated at least once a month, and communicated to the investors in the fund. Durations distinct and longer compared to the share price announcement period may be defined in the fund rules of such funds, for the redemption of units to the fund. Share prices of guaranteed mutual funds and protective mutual funds are required to be calculated and announced at least twice a month. (**)

The share values calculated in accordance with the principles stated in the fund rules shall be announced in the notifications placed visibly at the venues where units are traded.

In cases specified in the third paragraph of the amended article 47 of the present Communiqué, and in case the Board approves, the unit share values may not be calculated, and the trading of the units may be suspended.

Trading of units

ARTICLE 37- Unit holders may cash in through the redemption of units in accordance with the principles specified in the fund rules. Furthermore, provided that the fund rules allows for, and upon the request of the founder and the approval of the exchange, fund units accorded security status may be traded in the exchange.

(Amended second paragraph: As amended in the Communiqué Series: VII, Nr.: 29) Units of private funds and hedge funds can not be traded in the exchange. Redeemed units in private funds may only be sold to persons and institutions pre-determined in the fund rules.

(Amended third paragraph: As amended in the Communiqué Series: VII, Nr.: 29) Provided that the fund rules allow for, and determine the rules regarding such, the trading of units may be subject to commission charges. The commission amount to be obtained shall be registered as revenue for the fund, founder, manager or agencies serving as financial intermediaries in the trading of units.

(*) The amendment of article 36 as amended in the Communiqué Series: VII, Nr.: 16 has entered into effect on 1/1/2001.

(**) The third paragraph has previously been amended in the Communiqué Series: VII, Nr.: 17, and the provision "Mutual Funds established prior to the publication of the present Communiqué (11/08/2001) are required to render their fund rules compliant with the present Communiqué, by 31/12/2001 at latest." has been introduced in the Provisional Article 1 of the said Communiqué.

Establishment of share groups

ARTICLE 37/A – (Added: As amended in the Communiqué Series: VII, Nr.: 29) Different share groups may be established under a single fund, by dividing the management fees charged from mutual funds into portfolio management fees and marketing, sale, and distribution fees, or by applying entry-exit commissions for the fund. The said fees and commissions may be shared among the fund, founder, manager and financial intermediaries serving in the trading of units.

The Board shall determine the principles and standards regarding public disclosure by funds which establish share groups.

Checking account in exchange of units

ARTICLE 38- Provided that fund rules allow for, checking account status may be given to the accounts opened in a bank for payments in exchange of units to the name of unit holders.

In case a bank is the founder of the fund, a contract made by and between the founder bank and unit holders shall state for which fund's units the account shall be operated, and the bank shall be authorized to transfer deposits in the relevant account by cashing in the units for checks drawn.

In case the founder of the fund is an agency other than a bank, a contract within the framework of the present article may be executed by and between the unit holders and a bank to be appointed by the founder in a contract. Hence check drawing capability may be provided to unit holders, against the units serving as collateral before the bank, in accordance with the terms and conditions of the contract to be made.

Financial intermediation in the trading of units

ARTICLE 39- (Amended: As amended in the Communiqué Series: VII, Nr.: 39) Units which are not traded in the exchange may be traded outside exchanges with the purpose of intermediation, in case the fund rules provides for such trading. In such cases, the financial intermediaries other than the founder, serving in the trading of fund units are required to be announced to the public through Board approved channels. Financial intermediaries to serve in the trading of the units of hedge funds, are required to employ sales personnel with an adequate level of experience and expertise on the issue, and carry out the sale of such fund units via the aforementioned personnel. Intermediaries authorized in the trading of units of hedge funds are required to obtain and regularly keep the documents and information witnessing that the investors to whom the sales were made are qualified investors as per the definition in the present Communiqué.

(Amended: As amended in the Communiqué Series: VII, Nr.: 38) Founders of the funds which invest in the stocks of corporations or debt instruments which are not traded in the exchange are required to provide the liquidity for the redemption of fund units. In this respect, the units redeemed so may be transferred to the portfolio of the founder. Furthermore, the founder may also transfer units to its own portfolio with the purpose of enlarging and diversifying the portfolios of the funds in question.

(Amended: As amended in the Communiqué Series: VII, Nr.: 38) The trading of the units by the founder on behalf of the fund shall be the fundamental practice. In case the founder and/or manager deems necessary, they may transfer the fund units to their own portfolios, provided that the transferred amount does not exceed 20% of the total number of shares of the fund. The limitations regarding the units which may be transferred by the founder or the manager to its own portfolio shall not apply for funds investing in the stocks of corporations or debt instruments which are not traded in the exchange as well as hedge funds.

For trading of units for intermediation purposes, a trading contract is required to be executed by and between the founder and the intermediaries to carry out the trading.

The contract for financial intermediation in trading shall cover, as a minimum, the following;

- a) The parties of the contract and the name of the fund which constitutes the subject matter of the contract,
- b) Term of the contract,
- c) Amount and mode of payment of the fees to be paid to the intermediaries to serve in the trading of units,
- ç) Trading principles regarding the units,
- d) Principles regarding the reporting of daily trading results to the fund,
- e) Other issues as required by the Board.

PART VI PROVISIONS REGARDING MANAGEMENT PRINCIPLES

Principles Regarding the Assets of the Fund

Article 40- The assets of the mutual fund shall not be used for purposes other than fulfilling founder's obligations arising out of the Law, the Communiqué, and the fund rules. The assets of the fund can not be mortgaged, put down as collateral, or sequestered by third parties.

Principles Regarding the Portfolio Management of the Fund

ARTICLE 41- The following principles are required to be observed in the management of mutual funds.

a) The manager is required to pursue the interests of each fund it manages separately. It shall not carry out, with respect to the mutual funds it manages and its other clients, transactions to benefit one of the clients or the mutual funds to the expense of others.

The manager is required to comply with the investment principles specified in the contract and base its trading decisions regarding the fund portfolio on objective information and documents. Such documents and information as well as the research and reports which constitute the basis of trading decisions are required to be kept by the manager for a period of at least 5 years.

b) Under no consideration, assets can be purchased to the fund portfolio at a price higher than the current value, and sold from the portfolio at a price lower than the current value. The current value is the price established in the exchange for assets traded in one; and for assets not traded in exchanges, it is the lowest price for purchases into the fund and highest price for sales on the date of transaction.

c) **(Amended: As amended in the Communiqué Series: VII, Nr.: 33)** Assets traded in the exchange are required to be purchased and sold through the exchange. However, this provision shall not apply for reverse repurchase agreements and capital market instruments included into the portfolio by guaranteed mutual funds and protective mutual funds within the framework of the second paragraph of article 43/b of the present Communiqué. Transaction rules set by ISE are required to be observed in case purchases into or sales from the fund portfolio at ISE Bills and Bonds market with the same value date are required from at times outside the sessions with the same value date.

In stock trading transactions to or from the fund portfolio, the manager is required to ensure that the financial intermediary that carries out the transaction trades in the ISE with the customer number corresponding to the fund.

d) If the manager obtains benefits from a certain issuer or financial intermediary due to trading transactions it carries out on behalf of the fund, it is under obligation to disclose such benefits to the public.

e) The manager shall not engage in trading of the assets included in the portfolio of the fund in order to provide benefits to itself or to third persons in any way. It is obliged to exercise due diligence and foresight in the orders to be placed on behalf of the fund. General fund strategies and the general guidelines of the founder to be specified in the contract shall be observed for purchases and sales carried out on behalf of the fund.

f) No verbal or written guarantee shall be offered to the effect that the fund portfolio will bring in a pre-determined return.

g) The founder, fund council members, the manager, as well as the persons who are, on their professional capacities, in a position to gain information regarding the management of the funds, shall not use such information to obtain benefits for themselves or a third party.

Limitations regarding the fund portfolio

ARTICLE 42- The following portfolio limitations are required to be observed in the management of mutual funds.

a) No more than 10% of the portfolio value of mutual funds shall be invested in the securities of any single corporation.

b) The mutual fund, singlehandedly, shall not have more than 9% of the capital or all voting rights in any given corporation, while the mutual funds founded by a given founder and managed by a given manager collectively shall not have more than 20% of the capital or all voting rights in any given corporation.

c) **(Amended: As amended in the Communiqué Series: VII, Nr.: 38)(*)** The inclusion of assets traded in the exchange into the fund portfolio are of priority. Indeed, a maximum of 10% of the fund portfolio value can be invested in the joint stock corporations' stocks which are not traded in the stock exchange, and in debt instruments which are not traded in the exchange. However, this requirement to be traded in the stock exchange shall not apply for reverse repurchase agreements and capital market instruments included into the portfolio by guaranteed mutual funds and protective mutual funds within the framework of the second paragraph of sub-paragraph (b) of the first paragraph of article 43 of the present Communiqué.

The investment made into the stocks of which public offering the founder or the manager serves as financial intermediary shall not exceed 10% of the issue volume, and 5% of the fund portfolio, provided that the stocks are quoted in the stock exchange.

Securities may be purchased into the fund portfolio at issue and tender prices in the public offerings made by the Prime Ministry Undersecretariat of Treasury as well as tenders organized by the Central Bank of Turkey. The purchase prices shall be registered by quotation of the securities in ISE. Such securities shall not be subject to the limitation specified in sub-paragraph (a) of the first paragraph of the present article.

d) **(Abrogated in the Communiqué Series: VII, Nr.: 38.)**

e) **(Amended: As amended in the Communiqué Series: VII, Nr.: 13)** The total of the securities of the corporations where the founder's and the manager's,

i) Shareholders other than government agencies holding more than 10% of its capital,

(*) Sub-paragraph (c) was previously amended in the Communiqué Series: VII, Nr.: 37.

ii) Board of directors chairman and members,
iii) General manager and deputy general managers,
hold singlehandedly or collectively more than 20% of the capital shall not exceed 20% of the fund portfolio.

f) **(Amended: As amended in the Communiqué Series: VII, Nr.: 13)** The sum of the securities issued by direct or indirect affiliates of the founder and manager shall not exceed 20% of the fund portfolio. In private funds, the total value of the securities issued by companies defined as unit holder in the fund rules of the fund shall not exceed 25% of the portfolio value, while the total value of the securities issued by a single company with the said status shall not exceed 5% of the fund portfolio.

g) **(Amended: As amended in the Communiqué Series: VII, Nr.: 38)(*)** Except for the stocks of the real estate investment trusts where the founder, the manager, and direct and indirect affiliates thereof are shareholders in, the units of different types of mutual funds, stock exchange mutual fund units and the stocks of investment trusts shall not exceed 10% of the fund portfolio. The sum of the mutual fund units or stock exchange mutual fund units included in the portfolio shall not exceed 20% of the total shares of the fund which had issued the units in question. Mutual funds of a single founder and/or under the management of the same manager, collectively, shall not have more than 30% of the total number of shares of any mutual fund or stock exchange mutual fund.

h) In case the value of the assets included in the portfolio falls below the minimum limits set in the fund rules or the present Communiqué, or exceeds the maximum limits set therein, due to price movements or exercise of pre-emptive right, the rate is required to be made compliant with the limits set in the fund rules or the Communiqué within a maximum of 30 days. In case the sale of the assets for this purpose within the specified period is found to be impossible or to cause substantial damage, the Board may grant an extension. Funds which do not apply to the Board at the end of the said period, or which were not granted an extension by the Board shall be converted ex officio by the Board to another type, and announcement to that effect shall be caused.

i) Fund shall not engage in short selling or margin trading.

j) **(Amended: As amended in the Communiqué Series: VII, Nr.: 38)(*)** Mutual funds may lend or borrow securities at a rate not to exceed at any time 50% of the market value of the securities in the portfolio, through a contract to be executed within the framework of article 11 of the Series: V, Nr.: 65 "Communiqué on the Margin Buying, Short Selling, Borrowing or Lending of Capital Market Instruments". Borrowing and lending shall be subject to maximum a period of 90 work days. Lending from the fund portfolio shall only be allowed with the condition that collateral composed of cash or government debt instruments amounting to at least 100% of the borrowed securities is blocked by the depository institution on behalf of the fund. In case the amount of collateral falls below 80% of the market value of the loaned securities, the management of the fund shall require the collateral to be increased to the requirement. A provision allowing for unilateral termination of the lending contracts to the benefit of the fund is required in all lending contracts in which the mutual fund is a party.

(*) Sub-paragraphs (g) and (j) have previously been amended in respectively the Communiqués Series: VII, Nr.: 25 and Series: VII, Nr.: 11.

Mutual funds may lend or borrow at the Precious Metals Lending Market of Istanbul Gold Exchange, up to a maximum of 25% of the market value of the precious metals in their portfolios. Furthermore, they may include, at the same rate, in the portfolio the certificates issued to represent the receivables they had loaned in the market, and remove from the portfolio the same by selling them in the market. Precious metal lending and precious metal loan certificates trading shall be subject to the trading principles and collateral system applied in the market in question.

k) **(Amended: As amended in the Communiqué Series: VII, Nr.: 13)** In index funds, whenever changes in the portfolio are required due to changes in the scope of the index serving as the basis, dividend payment regarding the securities included in the portfolio, interest payment and rights issue, growth of the portfolio caused by a volume increase or cash flows, or to provide the cash needed for other purposes, as well as when other issues to affect the alignment with the index should arise, the said changes shall be reflected on the portfolio within the framework of the principles specified in the fund rules.

l) **(Added: As amended in the Communiqué Series: VII, Nr.: 13) (Amended: As amended in the Communiqué Series: VII, Nr.: 39)(*)** Sub-paragraph (e) of the first paragraph of the present article shall not apply for private funds, while sub-paragraphs (f) and (g) shall not apply for funds of funds and sub-paragraphs (e) and (f) shall not apply for subsidiary funds. In case of index funds, the sub-paragraphs (a), (e) and (f) as well as the 9% limitations specified in sub-paragraph (b) shall not apply in case the securities in question are included in the index taken as the basis. When calculating the 20% limitation specified in sub-paragraph (b) of the present article, the stocks included in the portfolio of index funds shall not be taken into account provided that they are also included in the index. Limitation specified in sub-paragraph (a) of the first paragraph of the present article for sector funds shall be 15% for the corporations in the relevant sector.

m) **(Added: As amended in the Communiqué Series: VII, Nr.: 13)** Funds shall not, in any way, seek participation in the management of the corporations of which stocks they purchase, and shall not be represented in the management of such corporations.

n) **(Added: As amended in the Communiqué Series: VII, Nr.: 24)** A maximum of 20% of the fund portfolio value shall be composed of money market transactions carried out in order to invest cash before ISE Settlement and Custody Bank Inc.

o) **(Added: As amended in the Communiqué Series: VII, Nr.: 25) (Amended: As amended in the Communiqué Series: VII, Nr.: 38)** In case the fund portfolio structure no longer complies with the provisions of sub-paragraphs (a), (b), (e), (f) and (g) of the present article as a result of stock exchange and/or unit trading carried out within the framework of primary market trading of stock exchange mutual fund units, sub-paragraphs (a), (b), (e), (f) and (g) of the present article shall not apply provided that the required orders regarding the primary market trading are given to the authorized participant, and the said non-compliance has been corrected within the same work day.

(Added paragraph: As amended in the Communiqué Series: VII, Nr.: 29) Hedge funds shall not be subject to the portfolio restrictions provided in the present article.

Special provisions regarding funds of funds

ARTICLE 42/A – (Added: As amended in the Communiqué Series: VII, Nr.: 30) The following provisions are required to be observed with respect to funds of funds.

a) The value of the units of any given mutual fund shall not exceed 10% of the fund portfolio.

(*) Sub-paragraph (l) was previously amended in the Communiqué Series: VII, Nr.: 30.

b) Investments in other funds of funds as well as funds which invest more than 10% of the portfolio into mutual fund units shall be prohibited.

c) Mutual fund units and stock exchange mutual fund units included in the fund portfolio shall not exceed 20% of the total number of shares of the fund which had issued them.

d) In case units of the funds established or managed by the founder, the manager, or those directly or indirectly affiliated with such with respect to management or capital are included in the fund basket portfolio, the fund basket shall not pay entry or exit commissions for such funds.

e) **(Amended: As amended in the Communiqué Series: VII, Nr.: 39)** The portfolio of the fund shall be composed of units accorded Board registration. Whereas, units of exchange traded funds traded at foreign exchanges may be included in fund portfolio without registration with the Board.

The principles regarding the preparation of the prospectus and circular regarding funds of funds shall be established by the Board.

In case the value of the units of hedge funds included in the portfolio exceeds 10% of the total fund value, such funds of funds shall be subject to the Communiqué provisions regarding the hedge funds. Provisions of the first paragraph shall not apply for such funds of funds.

Funds of funds which include in the portfolio the units of the mutual funds of which share price is not calculated daily, are required to provide on monthly reports and continuous notification forms the details regarding the share price calculation periods of the fund invested in, and the potential impact of this on the share price of the fund basket in question.

Funds of funds are required to state in their prospectuses the highest management, entry and exit fees to be paid for the mutual funds to be included in the portfolio. Furthermore, it is required to notify the share holders in the annual reports, about the rate of the fees paid within the year in relation to the funds included in the portfolio for each share, along with the management fee charged by the fund itself.

Other transactions the funds may engage in

ARTICLE 43- The funds may engage in the following transactions.

a) **(Abrogated through the Communiqué Series: VII, Nr.: 11.)**

b) **(Amended: As amended in the Communiqué Series: VII, Nr.: 39)** Option contracts, forwards, futures and futures-backed options based on foreign currencies, precious metals, interest, financial indicators and capital market instruments may be included in the fund portfolio for the purposes of investment and/or protection against risks. The short position exposed due to futures contracts shall not exceed the total value of the fund. Futures contracts included in the portfolio are required to comply with the investment strategy and benchmark of the fund. Option contracts and commodity based futures contracts may be included in the portfolios of guaranteed mutual funds and protective mutual funds, without determining a benchmark, and for both protection and investment purposes.

In case no equivalents traded in the exchange are in existence in terms of term and other contract provisions, guaranteed mutual funds and protective mutual funds may become parties in reverse repurchase agreements outside the exchange, may purchase derivative instruments based on indices, assets, commodities and economic indicators specified in the first paragraph of the present sub-paragraph, and may invest in other capital market instruments approved by the Board. Reverse repurchase agreements made by guaranteed mutual funds and protective mutual funds and the foreign agencies outside exchanges may only involve foreign securities equivalent to securities which may be involved in reverse repurchase agreements as per the Board regulations.

The agreements outside the exchange, in which the guaranteed mutual funds and protective mutual funds are parties, shall be governed by the following principles:

1) The agreements are required to be in compliance with the investment purpose of sub funds.

2) The other party in the agreement is required to be a financial institution which has been given a rating at least equal to investable by the rating agencies permitted by the Board to operate in Turkey.

3) The agreements are required to be executed objectively and in a manner immune from any relationship, and include a fair price. Reliable methods to be applied to ensure that the agreements are compliant with these principles, as well as the general principles regarding the agreements shall be set in the prospectuses of sub funds, and disclosed to the public.

4) The agreements are required to allow cashing in at a decent value at the times where the price of the sub fund is to be announced.

All details and documents certifying that the agreements included from outside exchanges into the portfolio of sub funds of guaranteed mutual funds and protective mutual funds comply with the attributes specified in indents (2) and (4) of the fourth paragraph of the present sub-paragraph shall be sent to the Board within 10 work days following the inclusion of the agreements into the portfolio. Agreements found by the Board not to comply with the requirements shall be removed from the fund portfolio, and agreements compliant with Board regulations shall be included in the portfolio. The costs and losses caused by the removal of agreements from the portfolio shall not be reflected on the assets of the fund.

The total risk exposure caused by option contracts included in the portfolios of guaranteed mutual funds and protective mutual funds as well as other Board approved capital market instruments shall not exceed the total value of the fund.

c) **(Amended: As amended in the Communiqué Series: VII, Nr.: 39)** Funds are allowed to have repurchase agreements in ISE repo and reverse repo market amounting to 10% of the current value of the securities which are involved in the repurchase transaction included in the portfolio, with the purpose of providing for the cash requirements concerning the redemption of units.

d) Board may allow obtaining loans for the fund, provided that the loans do not exceed 10% of the fund assets. In such cases, the Board shall be notified of the obtaining and payment of the loan.

(Added paragraph: As amended in the Communiqué Series: VII, Nr.: 29) Hedge funds may carry out the transactions stated in the present article, without being subject to the specified limitations, and in accordance with the investment strategies and limitations to be specified in the fund rules of the fund,

e) **(Added: As amended in the Communiqué Series: VII, Nr.: 39)** Intermediary institution's and corporation's warrants may be included in fund portfolio. Investments in intermediary institution's and corporation's warrants in the aggregate shall not exceed 15% of fund portfolio. Also, the sum of intermediary institution's and corporation's warrants issued based on same asset shall not exceed 10% of the fund portfolio while the sum of intermediary institution's and corporation's warrants issued by same issuer shall not exceed 5% of fund portfolio. In calculation of short position of the fund, warrants and reverse positions taking in derivatives executed on Turkish Derivatives Exchange based on same asset shall be netted.

f) **(Added: As amended in the Communiqué Series: VII, Nr.: 39)** Reverse repurchase agreements executed on the exchange or outside exchange, based on the assets specified in sub-paragraphs (c) and (e) of 5th article of Communiqué on Repurchase And Reverse Repurchase Agreements Serial: V, No: 7 may be included in fund portfolio. The counterparty of outside exchange reverse repurchase agreements shall have qualifications determined by the Board. In the framework of outside exchange

reverse repurchase agreements assets subject to reverse repurchase agreement and borrowed from the counterparty shall be kept under an account in the name of fund at ISE Settlement and Custody Bank Inc.

No more than 10% of fund portfolio shall be invested in outside exchange reverse repurchase agreements.

Fund may become a part of repurchase agreements based on assets specified in sub-paragraphs (c) and (e) of 5th article of Communiqué on Repurchase And Reverse Repurchase Agreements Serial: V, No: 7, executed on the exchange or outside exchange within the framework of sub-paragraph (c) of first paragraph of present article.

The maturity and interest rate of outside exchange repurchase and reverse repurchase agreements shall be determined in the framework of 6th article of Communiqué on Repurchase And Reverse Repurchase Agreements Serial: V, No: 7. Whereas, determination of interest rate shall be in responsibility of the board of the fund with the condition that interest rates of same kind agreements executed on the exchange with similar term structure are taken into account. In the case of becoming a part of off-exchange repurchase and reverse repurchase agreements, the asset subject to the agreement, the maturity, interest rate and counterparty of agreement shall be disclosed to public in official web site of corporation, at the latest, in the work day following the agreement date. Information and documents about the agreement in question shall also be stored in the headquarter of corporation within five years following the agreement date.

Principles regarding valuation of outside exchange repurchase and reverse repurchase agreements shall be determined and written by the board of the fund in a manner that they reflect market values of agreements most accurately.

g) **(Added: As amended in the Communiqué Series: VII, Nr.: 39)** Foreign debt securities traded at exchange may be included into or removed from fund portfolio with outside exchange transactions.

Principles regarding valuation of transactions made at exchange or outside exchange and foreign debt securities included into fund portfolio shall be determined and written by the board of the fund in a manner that they reflect market values of agreements most accurately.

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Contingency reserves

ARTICLE 44- Provided that the fund rules has a provision to that effect, the part of the price of the unit which exceeds the value of the unit on the previous day by more than 2% may be set aside as contingency reserves to compensate falls in the value of the unit on days in which the value fall by more than 2% compared to the previous day. The contingency reserve in question shall not exceed 10% of the fund portfolio value, and shall be announced daily.

Portfolio valuation principles

ARTICLE 45- The value of the assets in portfolio shall be determined in accordance with the following principles.

a) The assets included in the portfolio shall be recorded with their purchasing prices. The purchasing price of the assets priced in foreign currency shall be determined by multiplying the price in foreign currency on the date of the purchase with the currency selling rate of the Central Bank of Turkey.

b) Starting with the purchasing date, the assets in the portfolio shall be valued in accordance with the following principles;

i) **(Amended: As amended in the Communiqué Series: VII, Nr.: 16)** Assets traded in exchange shall be valued on the basis of the weighted average price and rates to occur on the date of valuation. (*)

ii) Prices to occur in ISE Small Trades Market shall not be taken into consideration during the valuation.

iii) Stocks, which have not been traded in the stock exchange on the date of valuation, though being traded in the stock exchange, shall be valued on the basis of the stock exchange price at the date of the last trading, while debt instruments, reverse repurchase and repurchase agreements shall be valued on the basis of the internal yield rate (discount rate to render the daily cash flow in equal to cash flow out).

iv) **(Abrogated in the Communiqué Series: VII, Nr.: 22.)**

v) Assets included in the portfolio and issued in foreign currencies shall be valued by multiplying the prices which had occurred as of the valuation date in the exchange where they had been purchased, by the currency selling rate of the Central Bank of Turkey for the relevant foreign currency.

vi) Revenue sharing certificates shall be valued by adding the revenue estimated on the basis of the actual revenue in the previous period for each revenue sharing certificate, to the capital in accordance with the number of days passed.

vii) Foreign currency based revenue sharing certificates shall be valued by multiplying the capital with Central Bank of Turkey's currency buying rate on banknotes, and adding it to the amount to be calculated on the basis the estimated revenue and the number of the days passed.

viii) The valuation of bonds in foreign currency shall be made on the basis of the internal yield rate calculated in the foreign currency as of the purchasing date, and by multiplying its value on the basis of compound interest by currency selling rate of the Central Bank of Turkey.

ix) Others shall be valued on the basis of their purchasing values or the latest exchange prices.

c) **(Added: As amended in the Communiqué Series: VII, Nr.: 13)** Of the assets included in the index fund portfolios, those included in the index which constitutes the basis shall be valued in accordance with the principles used in the calculation of the index, while others shall be valued in accordance with the principles specified in sub-paragraph (b).

(*) The amendment of indent (i) of sub-paragraph (b) of article 45 as amended in the Communiqué Series: VII, Nr.: 16 shall enter into effect on 1/1/2001.

d) **(Amended: As amended in the Communiqué Series: VII, Nr.: 34)(**)(***)**
Capital market instruments other than the abovementioned shall be valued in accordance with the principles to be determined by the fund council, in order to reflect their market prices in the best way possible. Other Board approved capital market instruments and reverse repurchase, option and forward contracts included from outside exchanges into the portfolios of guaranteed mutual funds and protective mutual funds shall be subjected to valuation as per a reliable and verifiable method. The founder is under obligation to take necessary measures to ensure that the valuation methods are reliable and verifiable.

e) **(Added: As amended in the Communiqué Series: VII, Nr.: 37)** Valuation of the stocks of the joint stock corporations not traded in the stock exchange is required to be carried out in accordance with the principles to be specified by the Board, at the time of their inclusion in the portfolio and at least once every six months on the basis of the calendar year, till they are removed from the fund portfolio.

PART VII PROVISIONS REGARDING PUBLIC DISCLOSURE

Principles regarding periodical reports

ARTICLE 46 - (Amended first paragraph: As amended in the Communiqué Series: VII, Nr.: 33) Funds shall prepare daily, monthly and annual reports within the framework of periodical reports. Hedge funds shall be free from the obligation to prepare daily reports. Guaranteed mutual funds and protective mutual funds shall prepare a report containing the fund portfolio value and total fund value tables used in determining the price announced within the framework of article 36 of the present Communiqué.

The daily report comprises the fund portfolio value and total fund value as well as the daily price of units, and shall be prepared in accordance with Annex 1 of the present Communiqué. The daily report shall be sent to the Board on the work day following the valuation date, in accordance with the principles specified by the Board.

(Amended third paragraph: As amended in the Communiqué Series: VII, Nr.: 40) Monthly reports shall be drawn up in accordance with annex 2 of the present Communiqué, cover the details regarding the performance of the fund as well as the unit and securities movements which took place within the month, and announced in KAP within 6 days following the month in question. The reports in question shall also be made available for the review of investors at the registered office of the founder and at locations where the units are offered for sale. The trading details for the relevant month may not be included in the monthly report copies to be presented to investors. Moreover, the monthly reports are required to cover the details regarding the correlation factors calculated for the last month and the last quarter in case of index funds, as well as the security lending, borrowing, future, forward and option purchases.

(**) This sub-paragraph (formerly sub-paragraph "e") has previously been amended in the Communiqué series: VII, Nr.: 33.

(***) Sub-paragraph (d) added previously through the Communiqué Series: VII, Nr.: 33, has been abrogated in the Communiqué Series: VII, Nr.: 35, and the former sub-paragraph (e) has been re-ordered as sub-paragraph (d).

(Amended fourth paragraph: As amended in the Communiqué Series: VII, Nr.: 40) Annual report shall include the past fund balance sheet and financial statements which had undergone independent audit, in comparison with that of the previous year, as well as the fund portfolio value and total fund value tables. The annual report shall also include the details explaining the developments within the financial period. The annual report shall be announced in KAP within 3 months following the end of each accounting period. Independent audit reports regarding private funds and hedge funds shall also be sent within 15 days to unit holders via return registered mail.

Principles regarding the publication on ISE bulletin of the fund portfolio composition with reference to asset types shall be determined by the Board.

(Added sixth paragraph: As amended in the Communiqué Series: VII, Nr.: 29) Interim financial statements of hedge funds are not required to be subjected to independent audits, sent to the Board, and announced.

Special provisions regarding the independent audit principles regarding guaranteed mutual funds and protective mutual funds

ARTICLE 46/A – (Amended: As amended in the Communiqué Series: VII, Nr.: 34) In times of independent audits, a report including the details regarding the following issues, as well as the opinion of the independent auditor shall be prepared and sent to the Board along with the independent audit report.

a) Whether the assets included in the fund portfolio are deposited in accordance with the principles specified by the Board.

b) Whether unit price value is calculated in accordance with the valuation principles specified in the legislation, fund rules and prospectus, including the consideration whether the methods specified in the fund rules to ensure the compliance of contracts entered into outside exchanges with the indent (3) of sub-paragraph (b) of article 43 of the Communiqué are applied.

c) Internal audit system including also the risk control system.

The independent audit reports to be prepared within the framework of the present article shall comply with the independent audit standards of the Board.

Furthermore, guaranteed mutual funds and protective mutual funds to be transformed to another fund at the end of the term specified in the fund rules shall be subject to special independent audit within the framework of the independent audit standards of the Board.

Obligation to notify

ARTICLE 47- The founder and the manager are under obligation to notify the Board in writing, in the January of each year the titles, addresses, subsidiary rate concerning the persons stated in sub-paragraph (e) of article 42 of the present Communiqué as well as their own subsidiaries, and the changes to occur regarding such within 6 work days following the date of change.

(Added second paragraph: As amended in the Communiqué Series: VII, Nr.: 13) The Board, when necessary, may request information about funds, regardless of the periods specified in the present Communiqué.

(Added third paragraph: As amended in the Communiqué Series: VII, Nr.: 13) In case of extraordinary circumstances such as wars, economic crises, break down of communication systems, closing of the market related to securities, break downs in IT systems, the investors shall be notified within the framework of the principles specified in article 33 of the present Communiqué.

Principles regarding advertisements and announcements(*)

ARTICLE 48 – (Amended: As amended in the Communiqué Series: VII, Nr.:

37) Announcements made on all kinds of written, audio and visual media as well as IT environments, all kinds of letters, calls, booklets, posters directed to indefinite numbers of persons shall observe the principles below.

a) Phrases to mislead or deceive the public, or to take advantage of lack of knowledge or experience shall not be used,

b) Promises and undertakings not allowed in the legislation shall not be made,

c) Subjective information shall not be given,

ç) Minimum required information shall not be concealed.

d) Exaggerated texts, images and pictures to affect the unit price shall not be included.

e) Information in contradiction with the fund rules or the prospectus shall not be provided.

f) In announcement and notice texts, phrases such as "the largest", "best", "most trustworthy", "most profitable", "most secure" and such, aiming to create a subjective and exaggerated image shall not be used in relation to the mutual fund, founder and manager.

g) The advertisements and announcements may include the figures regarding the fund's financial condition, portfolio, yield, position in the industry, comparison with other investment instruments, and the comparison of its revenue with funds of similar characteristics, as well as phrases such as "with the largest volume of transaction", "highest number of clients", "with the largest portfolio" and so on in relation with the mutual fund, its founder or manager, indicators which may be backed by official statistics, with the proviso that references to such statistics are also provided. The provisions of Series: V, Nr.: 60, Communiqué on the Principles Regarding the Performance Presentation of Personal and Institutional Portfolios and Performance Based Charging and Ordering Activities shall apply with respect to the advertisements concerning the fund yields. Data regarding portfolio volumes shall be published by references to official sources.

ğ) Graphs and figures to visually mislead the investor through scaling shall not be used in the announcements and advertisements.

h) Announcements and advertisements shall not include phrases to imply that a specific institution is the guarantor of the fund. The guarantee provided by the guarantor regarding the guaranteed mutual funds shall not be subject to the present sub-paragraph.

Announcements and notifications shall be sent to the Board within 7 days following publication.

In no way shall be made announcements and advertisements regarding private funds and hedge funds.

**PART VIII
Other Provisions**

Board oversight

ARTICLE 49- All accounts and proceedings of the founder, manager and depository regarding the fund shall be subject to Board oversight.

Public disclosure of fees and commissions and determination of the upper limit of management fee

ARTICLE 49/A- (Added: As amended in the Communiqué Series: VII, Nr.: 39)

Management fees and entry and exit commissions executed on funds shall be disclosed as easily accessible by the investors in web site of the founder. In the announcement to

be made information about in which circumstances daily and annually management fee rates and entry and exit commissions are collected from the investors shall be included.
The Board may set upper limit for management fees executed on funds.

(*) ARTICLE 48, along with its title, was amended in the Communiqué Series: VII, Nr.: 37.

Change of the members of the fund council, the auditors and fund manager

ARTICLE 50- Removal of the fund council members, auditors and fund manager, regardless of the reason, from their posts shall be notified to the Board within one week from the event.

Fee to be paid to the Board fund

ARTICLE 51– (Amended: As amended in the Communiqué Series: VII, Nr.: 31) The registration fee to be calculated as per third paragraph of paragraph (b) of article 28 of the Law, on the last work day of the quarterly periods of the calendar year, on the basis of the net asset value of the fund shall be deposited in the Special Board Account within ten work days, and a copy of the bank receipts and the calculation sheets shall be submitted to the Board.

In case the fund has offered its units to the public, or was liquidated within the relevant calculation period, the rate of the days in which the fund units were offered for sale over the number of days in the quarterly period shall be taken into consideration when calculating the registration fee.

Merger of funds as well as change of type and category shall not be subject to a separate fee.

Bankruptcy or liquidation of the founder or the depository institutions and founder changes(*)

ARTICLE 52 – (Amended: As amended in the Communiqué Series: VII, Nr.: 21) In case of bankruptcy or liquidation of the founder, the Board shall transfer the fund to another institution it shall deem appropriate. In case of depository institution's bankruptcy, the assets of the fund shall be transferred by the founder to another Board approved institution.

The transfer of the fund to another founder, except in cases of bankruptcy or liquidation, shall be only possible through the approval of the Board.

(Amended third paragraph: As amended in Communiqué Series: VII, Nr.: 40)

Founder changes also require fund rules amendments, hence founder changes shall be governed by article 19 of the present Communiqué. However, the 10 work day period specified in the third paragraph of the said article shall be applied as 30 days within the framework of the present article. Notices of fund rules change regarding the founder change is required to be announced in KAP as well as in at least two of the 5 highest selling national newspapers in Turkey for 2 days.

The expenses to be made within the framework of the present article shall not be reflected on the fund.

Both founders shall be held liable severally for the obligations to arise out of the legislation before the founder change.

Expiration of the fund

ARTICLE 53- In addition to the event mentioned in article 52 of the present Communiqué, the fund shall expire due to the following reasons.

- a) Expiration of the term of the fund, in case one has been specified in the fund rules,
- b) With respect to funds of indefinite term, termination notice with 6 months notice to be issued by the founder after the Board opinion on the issue is obtained,
- c) The event that the founder no longer meets the requirements for establishing funds.

(¹)Article 52, along with its title was amended through the Communiqué Series: VII, Nr.: 21.

d) **(Added: As amended in the Communiqué Series: VII, Nr.: 19)** The event that the Board has determined that the continuation of the fund shall be detrimental to investors on grounds that the founder's financial standing has weakened or the fund is rendered incapable of meeting its own expenses,

(Second paragraph has been abrogated in the Communiqué Series: VII, Nr.: 19.)

(Amended paragraph: As amended in the Communiqué Series: VII, Nr.: 19) In case the correlation factor among the unit share value of the index fund and the index as of the end of the month for the last quarter is lower than the correlation factor specified in the fund rules, the Board may request the liquidation of the fund or change of its category, and have an announcement to be made to the public to that effect. The fund auditor, in case the correlation factor calculated as of the last one month or quarter drops below the rate specified in the fund rules, is under obligation to report the issue to the Fund Council and the Board within the first 6 work days of the following month. The Board, with respect to the application of this provision, may disregard the periods where extraordinary events specified in the third paragraph of amended article 47 took place.

(The fourth paragraph was abrogated in the Communiqué Series: VII, Nr.: 19.)

The assets of the fund shall be liquidated in accordance with the principles specified in the fund rules, and the remainder after liquidation shall be distributed to unit holders in accordance with their shares. After the termination, no units shall be issued or redeemed.

Merger of funds

ARTICLE 54- The funds established by a single founder may be merged upon the request of the founder or in case the Board deems necessary, upon the request of the Board.

For this purpose;

a) An application to the Board shall be made for fund rules amendments for the funds managed by the founder and which will undergo merger, except the one in which the other funds will merge.

b) **(Amended: As amended in Communiqué Series: VII, Nr.: 40)** Upon the affirmative opinion of the Board, the fund rules amendment shall be registered with the trade registry of the place where the registered offices of the founder is located and announced in TTSG and KAP. Furthermore, with the aim of informing investors, notices regarding above mentioned changes are announced in KAP and at least two of the 5 highest selling national newspapers in Turkey.

c) The founder shall apply with a petition to the Board regarding the fund rules amendment concerning the fund volume and number of shares in the merged fund, as well as the distribution of the units to be issued as a result of the merger. The following documents shall be added to the abovementioned petition;

i) TTSG regarding the registration and publication of fund rules amendments,

ii) Announcements on dailies,

iii) Latest "Fund portfolio value" and "total fund value" statements regarding the funds to be merged,

iv) Documents concerning the number of units in circulation,

v) Other documents to be required by the Board,

d) The sale of units for the merging funds other than the one in which the others shall be merged shall be halted after the date of registration of the fund rules amendments in the trade registry.

e) After necessary review by the Board, the units to be issued as a result of the merger shall be granted Board registration. The calculation method of the exchange rate, exchange period, and the merger date shall be specified in the announcements regarding the merger.

f) **(Amended first paragraph: As amended in the Communiqué Series: VII, Nr.: 18)** The founder shall determine the exchange rate by dividing the unit share price of the fund in which the merger shall be effected, with the unit share price of the fund to be terminated, as of the date of merger. After the application is approved by the Board, the fund rules amendment shall be approved and the shares to be issued as a result of the merger shall be accorded Board registration. The calculation regarding the number of shares to be registered by the Board shall be based on the exchange rates as of the decision date. The total number of shares of the fund to expire shall be divided to the exchange rate, and the number of shares found thus shall be added to the number of shares of the fund in which the merger shall be carried out, to come up with the number of new shares. The merger shall be carried out on the basis of the exchange rates as of the merger date. The merger date shall be based on the publication date of the investors circular to be published due to registration of units to be issued as a result of the merger.

The investors which return, for exchange or redemption, the units they hold shall be given units for the fund in which the merger was carried out, representing the number of shares obtained by dividing the number of shares represented in the unit the investor had brought in by the exchange rate. In case of redemption, the corresponding amount shall be paid. The fraction shall be paid in cash, or rounded up to a share, at the discretion of the investor. The amount corresponding to fraction shall be calculated on the basis of the unit share price as of the date of exchange.

All assets of the expired fund shall be transferred on the merger date to the fund in which the merger was carried out.

g) Units which had not returned by the merger date shall be exchanged with new units on the exchange rate as of the merger date, whenever requested. The number of shares covered by units to be exchanged in this respect shall be added to the number of shares in circulation for the purposes of calculating the share price of the fund in which the merger was carried out.

Abrogated provisions

ARTICLE 55- Communiqués Series: VII, Nr.: 3, 4, 5, 6, 7, 8, and 9, as well as the amended Communiqué Series: VII, Nr.: 2 and articles 10, 11, and 12 of the Communiqué Series: XI, Nr.: 6 published prior to the publication of the present Communiqué have been abrogated.

PROVISIONAL ARTICLE 1- Mutual Funds established prior to the publication of the present Communiqué are required to render their fund rules and fund organizations compliant with the present Communiqué, within a period of 6 months following the publication of the Communiqué.

PROVISIONAL ARTICLE 2- (Added: As amended in the Communiqué Series: VII, Nr.: 37) Compliance with the present Communiqué's provisions regarding guaranteed funds and protective funds is required to be ensured at the investment periods specified in the fund rules and prospectuses of the said funds.

PROVISIONAL ARTICLE 3- (Added: As amended in the Communiqué Series: VII, Nr.: 39) (Amended: As amended in Communiqué Series: VII, Nr.: 40)

Within the promulgation date of this Communiqué and 31/12/2011, from mutual funds except liquid funds, at most 0,00010 management fee can be executed on a daily basis. For liquid funds, management fee within the promulgation date of this Communiqué and 30/06/2011 at most 0,00010, between 1/7/2011-31/12/2011 0,000075 management fee can be executed on a daily basis. Mutual funds which have higher management fees in their fund rules/prospectuses than aforementioned ones, in this

period, shall apply management fees on these ratios without any amendment of fund rules/prospectuses

PROVISIONAL ARTICLE 4- (Added: As amended in the Communiqué Series: VII, Nr.: 40) Announcements of mutual funds to KAP, will be taken into effect following the regulation of ISE. Until the implementation of this rule, mutual funds will continue to announce circulars and notifications at least two of the national daily newspapers in Turkey.

Enforcement

Article 56 – This Communiqué takes effect on the date it is published.

Execution

ARTICLE 57 – The provisions of this Communiqué shall be executed by the Capital Markets Board of Turkey.

..... A.S.
MUTUAL FUND DAILY REPORT DATED

FUND PORTFOLIO VALUE STATEMENT

Security	Issuer	Term	Definition of the Security	Nominal Interest Rate	Number of Interest Payments	Nominal Value(1)	Unit Purchase Price(2)	Purchasing Date(3)	Internal Discount Rate	Exchange Contract Nr.(4)	Repurchase Guarantee Amount(5)	Daily Unit Price	Total Value	Group (%)	Total (%)
A.STOCK															
-															
-															
-															
GROUP SUB-TOTAL															
B.DEBT INSTRUMENTS															
GOVERNMENT BONDS															
-															
TREASURY BONDS															
-															
-															
GROUP SUB-TOTAL															
C.OTHER ASSETS															
-															
GROUP SUB-TOTAL															
FUND PORTFOLIO VALUE															

- (1) Regarding repurchase transactions, the repurchase return value shall be noted in this column.
- (2) This column shall be used to denote only the value as of the date of purchase. Weighted average price of the security shall be entered for back-dated purchases.
- (3) This column shall be used to denote only the value as of the date of purchase.
- (4) This column shall be used to denote only the value as of the date of purchase.
- (5) This column shall be used to denote the securities subject to the repurchase agreement, with their nominal values.

..... A.Ş.
MUTUAL FUND DAILY REPORT DATED

TOTAL FUND VALUE STATEMENT

	AMOUNT (TL)	GROUP %	TOTAL %
A.FUND PORTFOLIO VALUE			
B. LIQUID ASSETS			
a) Cash			
b) Banks			
c) Other Liquid Assets			
C.RECEIVABLES			
a) Receivables in Settlement			
b) Other Receivables			
D. MISCELLANEOUS ASSETS			
E. LIABILITIES			
a) Payables to Settlement			
b) Management Fee			
c) Tax to be Paid			
d) Contingency Reserves			
e) Loans			
f) Other Payables			
TOTAL FUND VALUE			
Total Number of Shares			
Number of Shares in Circulation			
Number of Shares Held by the Founder			

MODEL MONTHLY REPORT FOR MUTUAL FUNDS

I-INTRODUCTORY DETAILS REGARDING THE FUND		:
A-	NAME OF THE FUND	:
B-	TITLE OF THE FOUNDER	:
C-	TITLE OF THE MANAGER	:
D-	FUND VOLUME	:
E-	TOTAL FUND VALUE	:
F-	NUMBER OF SHARES IN CIRCULATION	:
G-	FUND ESTABLISHMENT DATE	:
H-	DURATION OF THE FUND	:

II-DETAILS REGARDING THE FUND PERFORMANCE

A-	SHARE PRICE AT THE END OF THE MONTH	:
B-	SHARE PRICE AT THE END OF THE PREVIOUS MONTH	:
C-	MONTHLY INCREASE RATE IN SHARE PRICE	:
D-	PRICE INCREASE RATE SINCE THE BEGINNING OF THE YEAR	:
E-	ANNUAL INCREASE RATE IN SHARE PRICE	:
F-	MONTHLY AVERAGE IN PORTFOLIO PERCENTAGE OF SECURITIES	:
G-	MONTHLY AVERAGE CIRCULATION RATE	:
H-	MONTHLY AVERAGE PORTFOLIO TURNOVER RATE	:
I-	AVERAGE TERM OF THE PORTFOLIO	:

III-FUND PORTFOLIO VALUE STATEMENT

	Nominal Value (1,000 TL)	Current Value (1,000 TL) (%)
A) STOCKS		
1. Bank Affiliate and Shareholders	
a) .....A.Ş.	
b) .....A.Ş.	
2. Other Corporations		
a).....A.Ş.	
b).....A.Ş.	
B) GOVERNMENT AND TREASURY BONDS		
C) REVENUE SHARING CERTIFICATES (TL)		
D) REVENUE SHARING CERTIFICATES (FOREIGN CURRENCY)		
E) FOREIGN EXCHANGE BASED BONDS		
F) COMMERCIAL PAPERS		

1. Bank Affiliate and Shareholders		
a).....A.Ş.	.....	.....
b).....A.Ş.	.....	.....
2. Other Corporations		
a).....A.Ş.	.....	.....
b).....A.Ş.	.....	.....
G) PRIVATE SECTOR BONDS		
1. Bank Affiliate and Shareholders		
a).....A.Ş.	.....	.....
b).....A.Ş.	.....	.....
2. Other Corporations		
a).....A.Ş.	.....	.....
b).....A.Ş.	.....	.....
H) FOREIGN SECURITIES		
I) GOLD AND OTHER PRECIOUS METALS		
J) OTHER		
FUND PORTFOLIO VALUE	.....	.....

IV. TOTAL FUND VALUE STATEMENT

	<u>AMOUNT</u>	<u>(%)</u>
A-FUND PORTFOLIO VALUE		
B- LIQUID ASSETS (+)		
C- RECEIVABLES (+)		
D- MISCELLANEOUS ASSETS (+)		
E- PAYABLES (-)		
1)		
2)		
	_____	_____
TOTAL FUND VALUE	_____	_____

V. EXPENSES MADE WITHIN THE MONTH

<u>DESCRIPTION</u>	<u>AMOUNT</u>

	TOTAL
VI. - A- NOTES REGARDING THE USE OF PRE-EMPTIVE RIGHTS, BONUS SHARE ISSUE, DIVIDEND AND CAPITAL COLLECTION WITHIN THE PAST MONTH	
B- NOTES REGARDING THE CHANGES IN THE LEGISLATION CONCERNING MUTUAL FUNDS AS WELL AS LEGAL DISPUTES	

VII-SALES FROM THE PORTFOLIO

<u>SECURITIES TYPE</u>	ISSUER	<u>PURCHASING DATE</u>	<u>NOMINAL VALUE</u>	<u>SALE PRICE</u>
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VIII-REDEMPTION

<u>SECURITIES TYPE</u>	<u>REDEMPTION DATE</u>	<u>NOMINAL PRICE</u>
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IX-PURCHASES INTO THE PORTFOLIO

<u>SECURITIES TYPE</u>	ISSUER	<u>PURCHASING DATE</u>	<u>NOMINAL VALUE</u>	<u>PURCHASING PRICE</u>
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CALCULATION OF THE CORRELATION FACTOR**(Annex-3 has been added in the Communiqué Series: VII, Nr.: 13.)**

Correlation factor is a value in the range of (+1) and (-1), indicating the correlation between the unit share price of the index fund and the value of the index which constitutes the basis of the fund, calculated at specific intervals.

$$r = \frac{\sum (X_t - X_{ort}) X (Y_t - Y_{ort})}{\sqrt{\sum (X_t - X_{ort})^2} X \sqrt{\sum (Y_t - Y_{ort})^2}}$$

- r : Correlation factor
- X_t : Unit share price of the fund at date t
- Y_t : Value at date t of the index which constitutes the basis of the fund
- X_{ort} : Average unit price during the calculation period
($\sum x_t$ /Number of days in the calculation period)
- Y_{ort} : Average index value during the calculation period
($\sum Y_t$ /Number of days during the calculation period)

**DETAILS AND DOCUMENTS TO BE REQUIRED IN APPLICATIONS
FOR THE ESTABLISHMENT AND REGISTRATION OF GUARANTEED
MUTUAL FUNDS AND PROTECTIVE MUTUAL FUNDS**

a) A notarized copy of the decision by the authorized body of the founder on the establishment of the mutual fund.

In the very least, the following shall be required in the decision by the authorized body:

- 1) Name of the fund,
- 2) Amount of the fund,
- 3) Members of the fund council and the auditor,
- 4) Manager,
- 5) Title of the guarantor (for guaranteed mutual funds)

b) Founder's;

1) Shareholding structure as of the application date,
2) Most recent general assembly certified financial statements, and the general assembly meeting minutes,

- 3) Latest financial statements which had undergone independent audit,
- 4) Activity report,

c) Certified resolution of signatory authority for the officials of the founder, members of the fund council, and the auditor,

d) **(Amended: As amended in the Communiqué Series: 36)** Notarized declarations by the officials of the founder, stating that they meet the requirements specified in sub-paragraphs (e) and (f) of the first paragraph of article 10 of the Communiqué,

e) Résumés and notarized declarations by the members of the fund council and fund auditor stating that they are not among the persons who had been found liable in organizations which lost temporarily or permanently one or more capital market activity licenses, or expelled from exchange membership permanently or on a provisional basis,

f) Guarantee agreement drawn up in accordance with the minimum standards determined by the Board (for guaranteed mutual funds)

g) Guarantor's latest financial statements which had undergone independent audit (for guaranteed mutual funds)

ğ) Documents certifying that the guarantor has the rating specified in article 5/b of the Communiqué (for guaranteed mutual funds)

h) Résumés of and documents certifying that at least one director of the manager company and one member of the fund council, and all managers of the fund portfolio have passed the exams for advanced license in capital market activities as well as a license in derivative instruments, and have the necessary expertise and experience.

ı) Documents explaining the internal audit system comprising the elements stated in articles 12/A and 13 of the Communiqué.

i) Fund rules, prospectus and circular drawn up in accordance with Board standards.

j) Contracts, if any, containing the minimum elements specified in article 39 of the Communiqué, signed with the financial intermediaries to serve in the trading of the units, and the documents certifying the sales personnel of the intermediaries in question have the necessary expertise and experience within the framework of the same article, as well as the details regarding the trainings given to or planned for the aforementioned personnel.

k) In case the fund is a party to agreements outside exchanges, such certificates, as well as the documents certifying that the said contracts comply with the attributes specified in article 43 of the present Communiqué. (documents describing the differences of the contracts with those traded in the exchange, with respect to their terms and other conditions, and certifying that the securities subject to reverse repurchase contracts are in accordance with the Board regulations, that the other parties of the contracts bear the attributes specified in article 43 of the Communiqué, and that the contracts are standardized contracts compliant with international standards

l) Contracts made in relation with the fund;

1) Custody contract

2) Portfolio management contract

3) Financial intermediation contract regarding the trading of securities

4) Repurchase and reverse repurchase contract

5) Financial intermediation contract regarding the trading of units

m) List of the subsidiaries with respective shareholding rate in which the shareholders who hold more than 10% of the founder's capital have shares,

n) The list of the chairman and members of the board of directors of the founder, its general manager and deputy general managers, as well as the subsidiaries with respective shareholding rates in which they have shares,

o) Organization chart for the fund, and job descriptions of the fund employees,

ö) Details and documents specified in sub-paragraphs (c) and (e) in article 16 of the present Communiqué for the fund manager,

p) Other details and documents to be required by the Board.