From Past to Present

MUTUAL FUNDS MARKET OF TURKEY

2 November 2017

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• Capital Markets Board (CMB)
  • New CM Law on Dec. 2012
  • Communiqués

• Borsa İstanbul (Stock Exchange)

• Takas İstanbul (Clearing and Settlement Bank, CCP)

• MKK (Central Securities Depository)

• Other Participants...
THE EVOLUTION OF MFM in TURKEY

• 1987 - First Mutual Fund Established

• 1997 – Banks are forbidden to trade equities

• 2001 – Investors’ Protection Fund established

• 2014 – Structural Amendments for MF

• 2015 - Electronic Funds Platform started
OUTLOOK FOR MUTUAL FUNDS IN TURKEY

Number of the Collective Investment Funds 2017-Q2

- Venture Capital Investment Fund: 1
- Real Estate Investment Fund: 8
- Investment Trusts: 9
- Exchange Traded Fund: 9
- Hedge Fund: 75
- Pension Funds: 292
- Securities Investment Fund: 350

Portfolio Size of the Collective Investment Funds (mio $) 2017-Q2

- Venture Capital Investment Fund: 23
- Exchange Traded Fund: 49
- Investment Trusts: 116
- Real Estate Investment Fund: 403
- Hedge Fund: 1,319
- Securities Investment Fund: 12,940
- Pension Funds: 19,734

Source: Turkish Capital Markets Association
OUTLOOK FOR MUTUAL FUNDS IN TURKEY

Mutual Funds Portfolio Value

Source: Takasbank
OUTLOOK FOR MUTUAL FUNDS INTO TURKEY

Mutual Funds Asset Allocation in Turkey 2017-Q2

- Corporate Bonds: 45%
- Overnight Lending: 17%
- Equity: 8%
- Eurobond and Foreign Securities: 11%
- Time Deposits: 8%
- Other: 11%

Worldwide Regulated Open-end Funds Net Assets Distribution 2017-Q2

- Equity: 40.6%
- Bond: 21.3%
- Money Market: 11.0%
- Balanced/mixed: 17.8%
- Guaranteed: 0.1%
- Real Estate: 1.4%
- Other: 7.6%

Source: Takasbank and European Fund and Asset Management Association (EFAMA)
OUTLOOK FOR MUTUAL FUNDS INTURKEY

Source: Takasbank and Turkish Statistical Institute AND Federal Reserve Bank of St. Louis
OUTLOOK FOR MUTUAL FUNDS IN TURKEY

Net Asset Values and Equally-Weighted Annual Fund Returns 2017-Q2

Source: Takasbank
OUTLOOK FOR MUTUAL FUNDS IN TURKEY

Ceiling Cost Boundaries by Fund Type as % of Net Asset Value

Equity, Hedge, Mixed, Longterm Fixed Income and Speciality Funds

Shortterm Fixed Income, Precious Metals and Index Funds

Fund of Funds

Money Market Funds

Source: Capital Markets Board Communique III-52.1
There are currently 41 actively operating Portfolio Management Companies.
OUTLOOK FOR MUTUAL FUNDS IN TURKEY

Numbers of Mutual Fund Investors by Fund Type

Source: Central Registry Agency of Turkey (CRA)
Residents' Portfolio Investment Assets in Foreign Securities

Source: Central Registry Agency of Turkey (CRA)
 Residents' Portfolio Investment Assets in Foreign Securities-Geographical Allocation

- Europe
- Africa
- America
- Asia
- Australia

Source: Central Registry Agency of Turkey (CRA)
Financial Literacy Score (Out of 21)

Note: "Average, All Countries" is calculated with the scores of 31 countries. Figures of the rest are not presented for the sake of visual convenience.

Source: OECD
THANK YOU,

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