

25th April 2012

Investor Relations Seminar

Targeting and Engaging with Investors in New Markets

Istanbul Stock Exchange

Agenda

8:30am – Registration

9:00am – **Welcome from Turkish Investor Relations Society & BNY Mellon**

9:15am – **Emerging Opportunity for Investor Relations**

Nina Pfifer, Managing Partner, TR Squared Capital

10:00am – **Themes in Global IR Trends Today and North American Opportunity,**

Michael Chojnacki, VP, BNY Mellon

10:45am – Coffee Break

11:15am – **Targeting and Engaging with Investors in Continental Europe,**

Patrick Hughes, Global Head of Advisory Service, Thomson Reuters

11:45am – **Today's Best Practices in Engaging with the Global Opportunity of Tomorrow**

Peter Kirkow, Partner, Makinson-Cowell

12:30pm – **Best Practice in Practice:** View from the buy side

Conversation with Mehmet Korut Bayraktar, Head of Research, IS Asset Management

13:15pm – Buffet Lunch

Nina Pfifer, Managing Partner, TR Squared Capital

Nina Pfifer studied International Relations and later specialized with a MBA Degree from London Business School, as well as Corporate Governance and Business Ethics from University of London. She has collected extensive international work experience in the financial sector and international organizations in Vienna, Brussels, London and for the last 4.5 years in Istanbul.

Her recent position as General Manager & Head of Business Development -Emerging Markets for an international investment company, included following responsibilities: Member of the London management team responsible for the emerging markets with focus on Turkey and the Balkan countries as well as General as to international investors investing in Turkey; investor relations specialist for Istanbul Stock Exchange (ISE) listed companies; advising to private companies on Initial Public Offering – listings on ISE, NYSE, LSE; and Fund raising activities for international asset managers based in Turkey.

Michael Chojnacki, Vice President, BNY Mellon

Themes in Global IR Trends Today and North American Opportunity

Michael Chojnacki is Vice President at the Bank of New York Mellon within Global Issuer Services, specializing in Global Depositary Receipts (GDRs) for issuers from the Emerging Markets. His role involves supporting and advising issuer clients with their capital market strategies and investor relations outreach programs. Michael is co-founder of Middle East Investor Relations Society based in Dubai and sits of on the Executive Committee of Arab Bankers Association in London. Michael grew up in Dubai and holds a degree in Economics and Management from Bocconi University in Milan, Italy. He enjoys playing tennis, sailing and photography.



BNY MELLON



Themes in Global IR and The North American Opportunity

Istanbul Stock Exchange
25th April 2012

Michael Chojnacki, VP

Global Capital Markets
BNY Mellon, London

michael.chojnacki@bnymellon.com
+44 20 7964 6241

Agenda

- Today's Risk On / Risk Off Investment Climate...
- and how are IR teams adapting their strategies?
- The Emerging “New” Pools of Liquidity
- North American Opportunity for Turkish Issuers today
- Summary

Quantitative data in this presentation is sourced from Bloomberg and Thomson Reuters DataStream. Quantitative investment data is sourced from DR Insight, utilizing publicly available filing information , as of Q1 2012.

Risk On / Risk Off Investment Climate

- Macro events continue to drive major market moves.
- EM stock correlations have reached all-time highs. This has a tendency to turn stocks into an “undifferentiated” basket of risk assets, which by some measures, should be bought during “risk on” regimes and sold or shorted during “risk off” episodes.
- Idiosyncratic or stock-specific drivers are near historic lows, making active stock picking (investor view) and differentiating an equity story (IR view) difficult at best.
- Reassessment of risk, global diversification and focus on costs remain important themes for the investment community in 2012.



Source: *The Economist*, “Investing during a crisis” – 15th October 2011

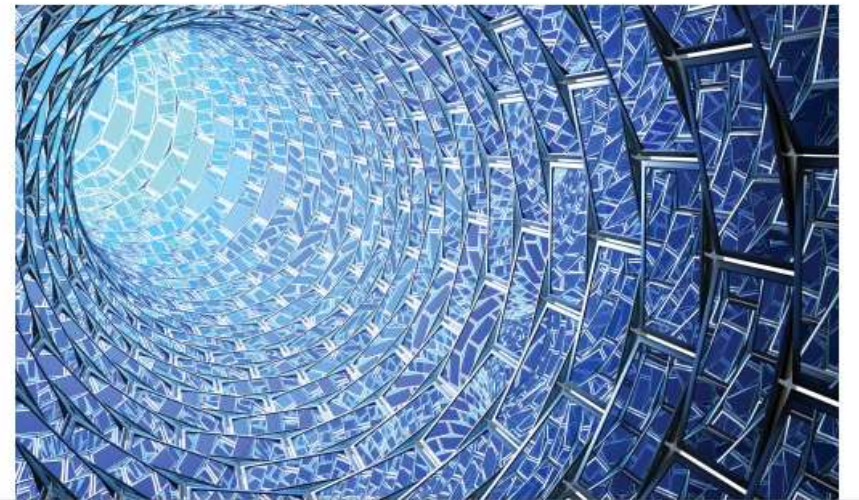
Legg Mason Capital Management “Navigating the Macro Storm” – 19th October 2011

... and how are IR teams adapting their strategies?

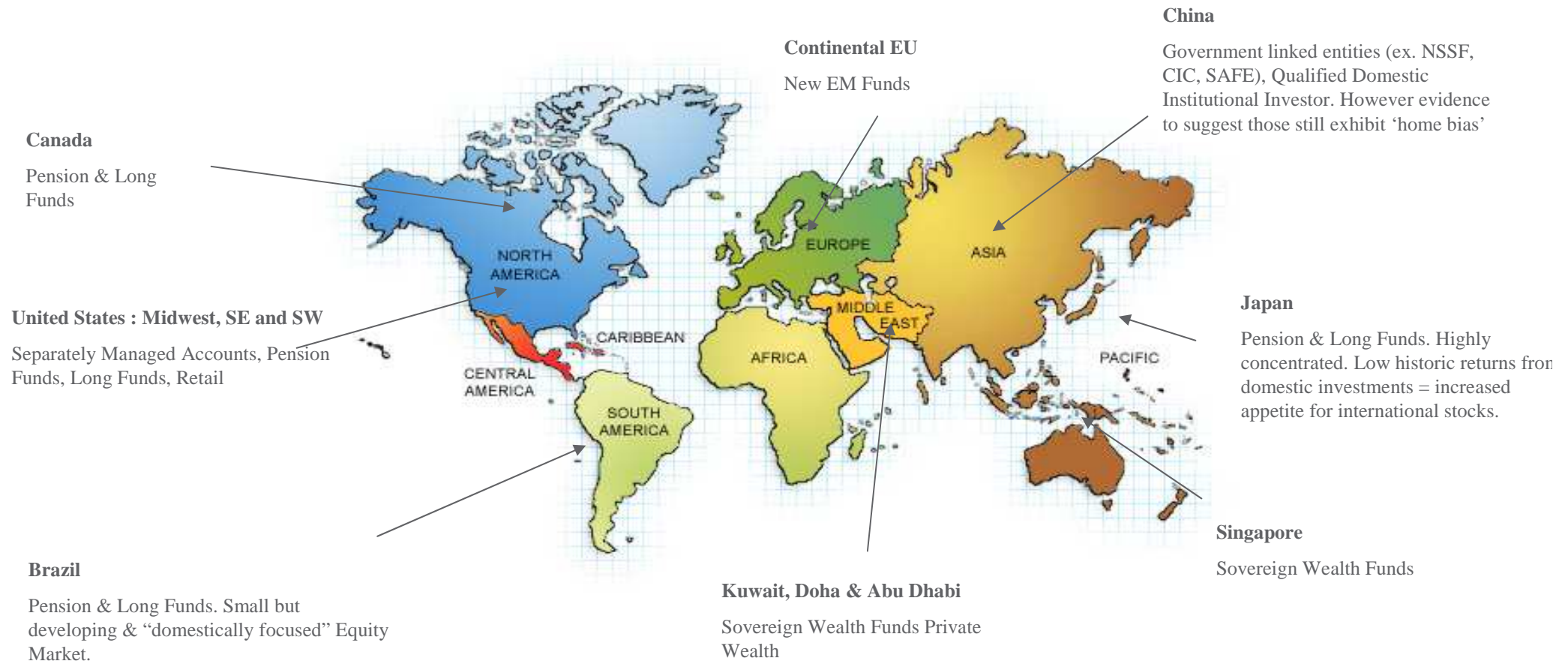
- Spending more time with the investment community
- Interest to have access for more information ... utilizing/relying on advisors more than before
- Increasingly connected with management and board team.
- Increasingly utilizing technology to engage with investors. Effective Technology often tipped to become key driver of IR success this decade.
- **Exploring and engaging with investors in “new markets” ...**

Global Trends In Investor Relations
A Survey Analysis of IR Practices Worldwide - Seventh Edition

October 2011



Emerging “New” Pools of Liquidity



The North American Opportunity for Turkish Issuers Today

- North America today represents deepest pool of actively managed investment for Turkish Issuers today.
- Tier 2/3 investors and institutions in ‘non-traditional’ investment centers in the United States are in this climate often considered as “new pools of liquidity”.
- ... complimented by world’s largest pool of assets invested by retail investors
- The growth trend set to continue as those investors continue to seek and add ‘global’ component to their investment strategies - to benefit the EMs, and in particular those who exhibit favorable growth prospects, liquidity, transparency & disclosure and high corporate governance standards.
- ... with regulation developments (ex. Canadian Pension Fund reforms) and new investment products supporting this trend.

Institutional Investors

- 2, 061 investors hold \$507 billion in DRs
- Tier 1,2,3 & 4 Investors

Intermediaries

- Agency only, bulge bracket and regional brokers
- 4,900 securities firms
- 172,000 branch offices
- 2,700 Independent Research providers

Institutional Retail

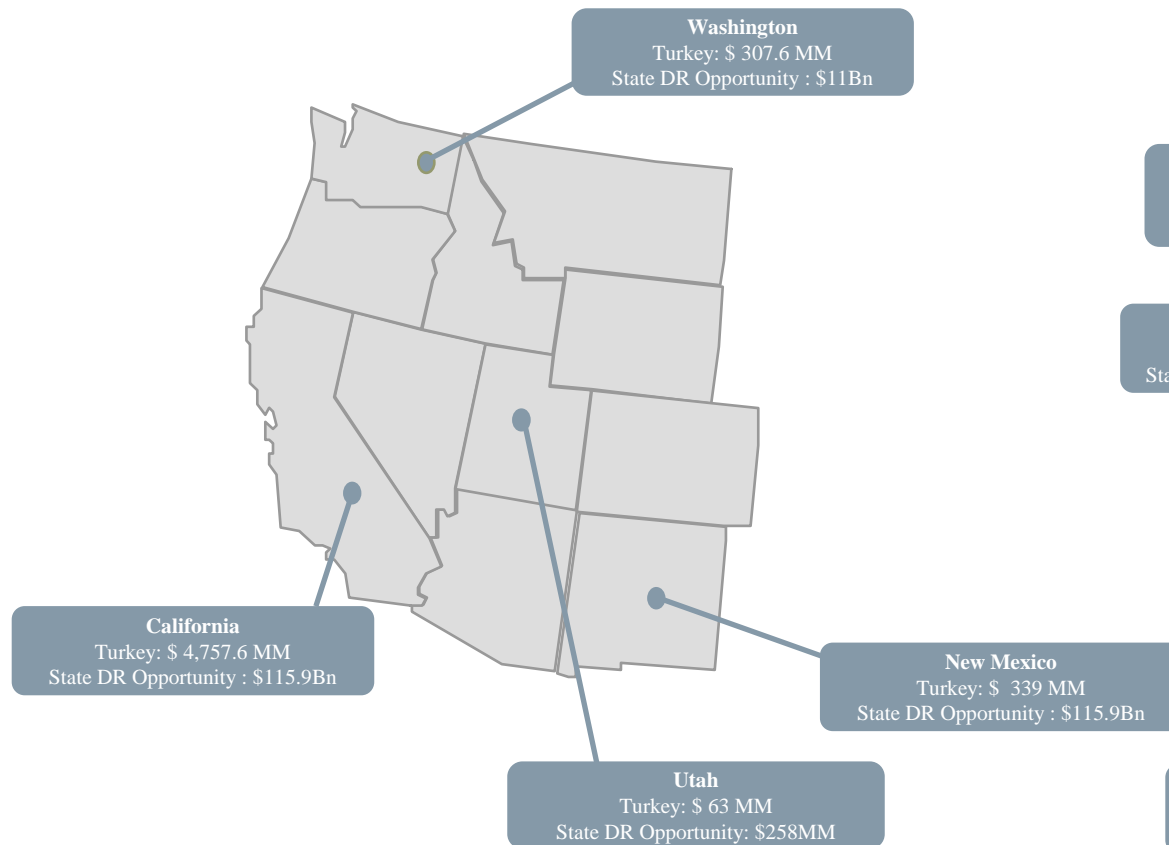
- 85, 000 financial advisors
- 773 of the top 1000 work for five institutions
- \$852 billion in Separately Managed Account assets

Retail/HNWI

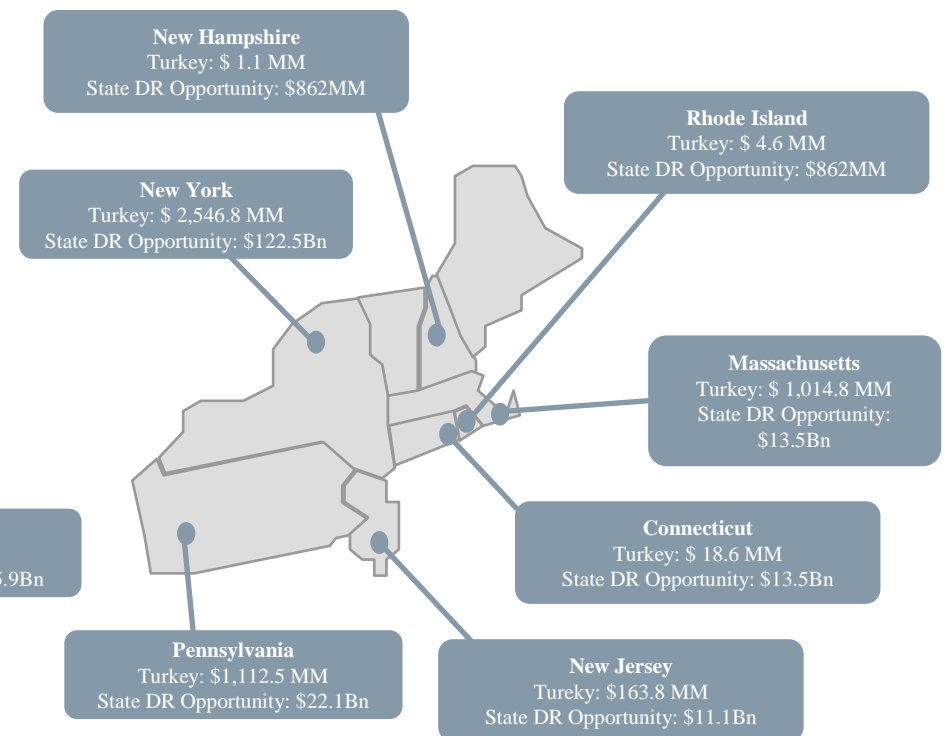
- 81 million individual investors
- Accounting for over 25% of all US equity investment
- \$4.5 trillion worth of equities directly or through mutual funds

North American Investment In Turkey is today predominantly concentrated on US East and West Coast...

West: \$5,467 MM



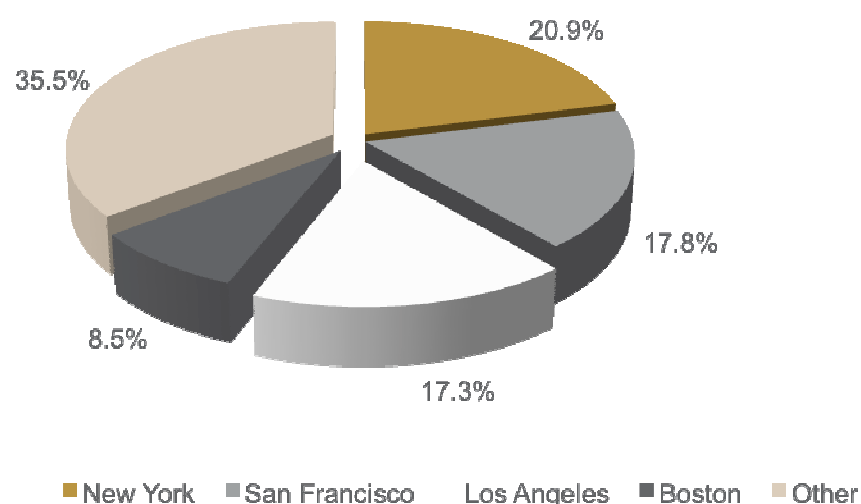
Northeast: \$4,862 MM



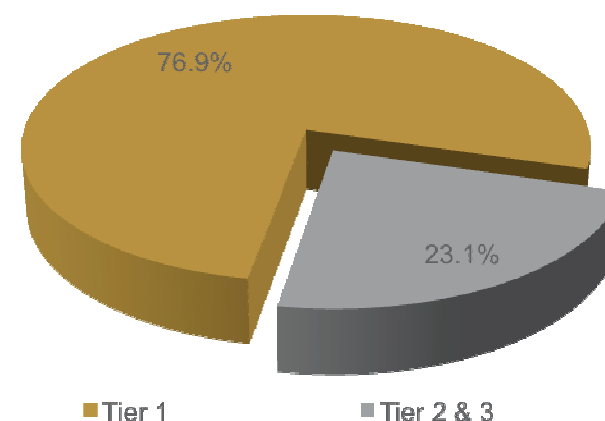
Midwest: \$356.5 MM
South: \$ 762.9 MM

... with Tier 2/3 institutional investors representing about a quarter of this investment...

Origin of US investment in Turkey by City



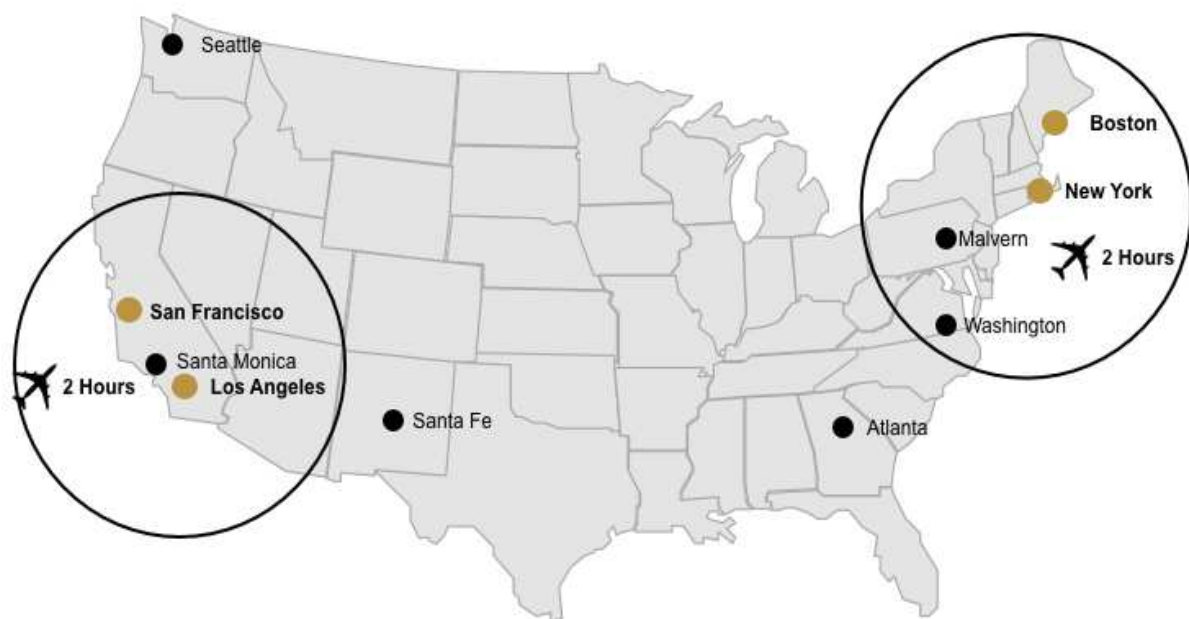
North American Institutional Investment in Turkey by AUM



Investor Tiers by AUM:

Tier 1: AUM > \$ 50 bn, **Tier 2:** \$ 10bn < AUM <\$50bn **Tier 3:** AUM < \$ 10bn

... 70% of Tier 2/3 institutions are located within 2 hour reach of main Tier 1 investor Concentrations

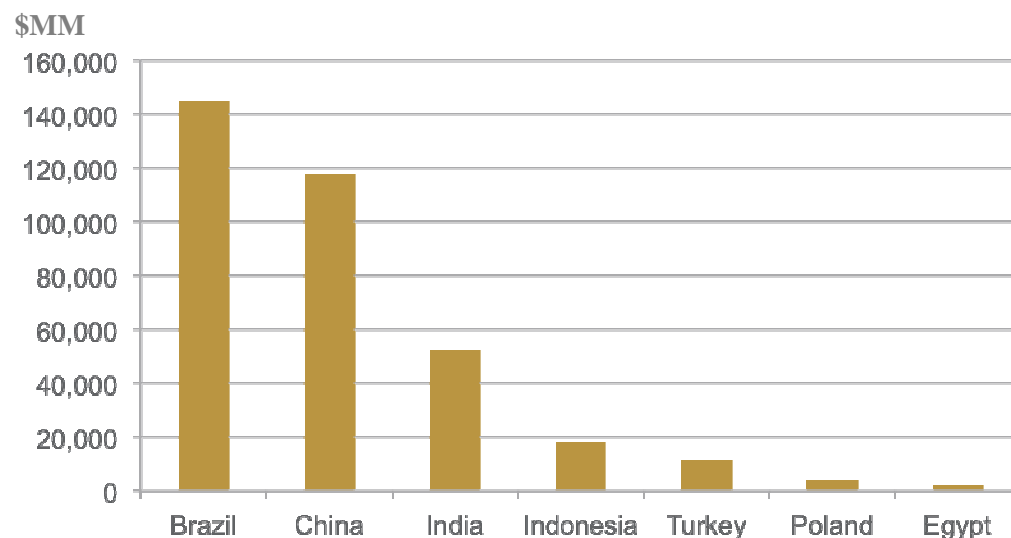


	City	State	Total
1	Malvern	Pennsylvania	1,035.02
2	Santa Monica	California	603.75
3	Santa Fe	New Mexico	325.53
4	Atlanta	Georgia	310.15
5	Washington	D. of Columbia	295.18
6	Seattle	Washington	251.06
7	Chicago	Illinois	216.58
8	Toronto	Ontario (Canada)	175.77
9	Montreal	Quebec (Canada)	104.32
10	Bridgewater	New Jersey	81.20
	Top 10		3,398.57

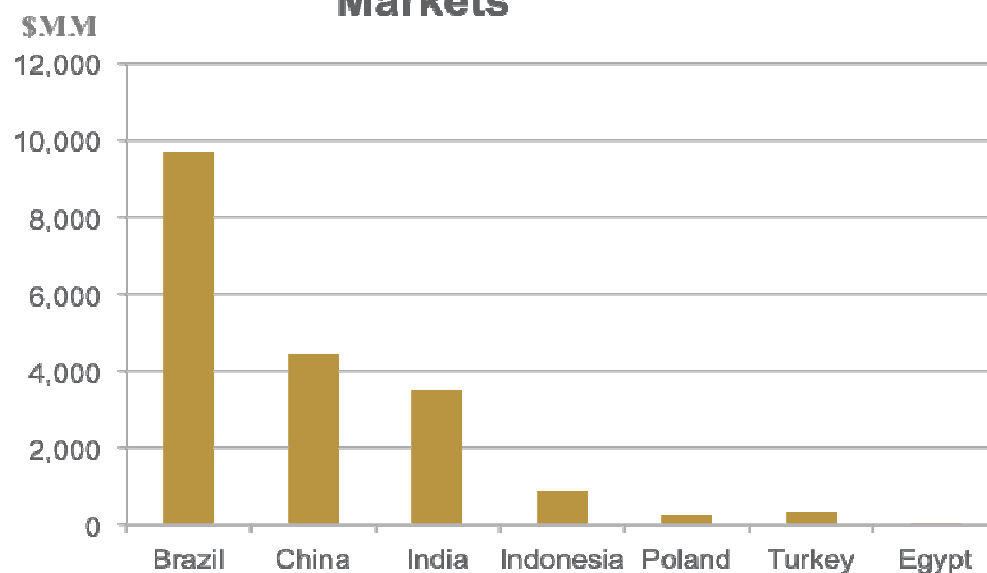
* Figures in \$MM

... and should it all go well... there is much room for growth

U.S. Investment in Emerging Markets

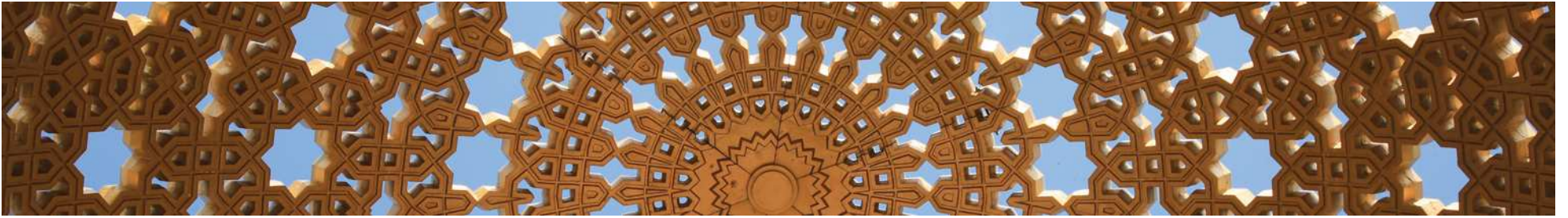


Canadian Investment in Emerging Markets



To summarise...

- Appetite for risk by global equity investors continues to be dominated by global macro events, often influencing appetite for Turkish securities in a “risk off/risk on” fashion.
- Availability of capital in such times becomes increasingly scarce, hence the competition more robust.
- Companies are therefore attempting to look deeper for this capital, understanding and engaging with investors in ‘new markets’, who in turn, are also looking to diversify their portfolios globally while favoring markets and companies with superior growth prospects, liquidity, disclosure and best practice corporate governance.
- While selected markets in Asia, Middle East and Continental Europe represent this ‘new’ opportunity for Turkish companies today - we believe North America, with largest pool of actively managed EM EAUM institutions and retail investors across large geography- to also play to this theme.
- BNY Mellon’s and its Depositary Receipts division supports issuers from around the globe in connecting them to investment opportunity, today and tomorrow.



25th April 2012

Investor Relations Seminar

Targeting and Engaging with Investors in New Markets

Istanbul Stock Exchange

Patrick Hughes, Global Head Advisory Services, Thomson Reuters

Targeting and Engaging with Investors in Continental Europe

Patrick Hughes is Head of Commercial and Development for Thomson Reuters Advisory Services EMEA. Patrick joined Thomson Reuters in 2008 from another investor relations consultancy, where he specialized in market intelligence for European companies. Patrick has over ten years combined investor relations, shareholder analysis and investor targeting experience. Patrick has a Bachelors degree in French, Spanish and European studies from Georgetown University



THOMSON REUTERS

Advisory Services



REUTERS/Tim Wimborne

INSIGHTS FROM THOMSON REUTERS

TARGETING & ENGAGING WITH INVESTORS IN CONTINENTAL EUROPE
APRIL 2012
PATRICK HUGHES



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AGENDA

Investor Relations Challenges

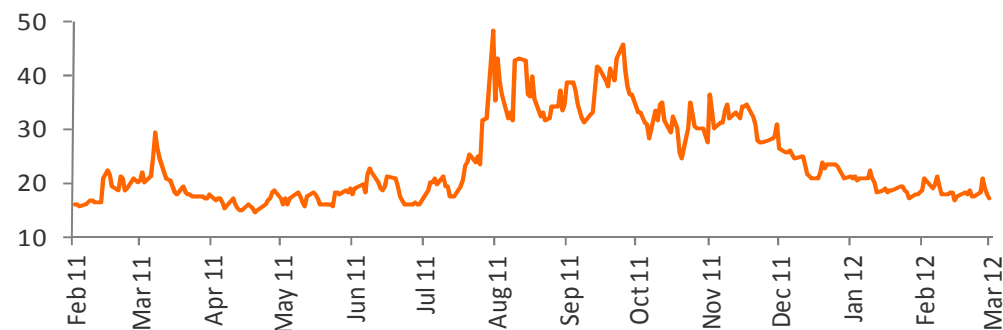
Targeting and Engaging with Investors in Europe

Recent Emerging Markets Fund Flows

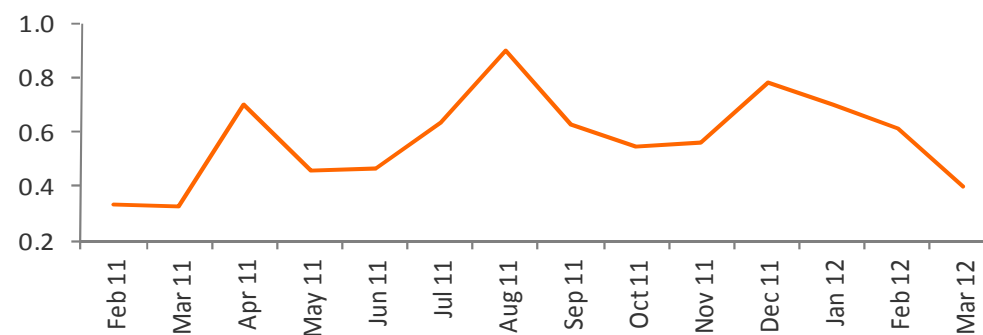
CHALLENGES FOR INVESTOR RELATIONS IN 2012

- Currently markets driven by broad, powerful factors
- Trends is positive, as volatility subsides
- Correlation between stocks has risen rapidly over the past decade
- In 2011, individual company share prices are increasingly **driven by the market** as a whole
- In second half of 2011 there were six days when 490 members of S&P500 moved in the same direction (this has only ever happened 11 times)
- Stock-specific factors are now reemerging in importance

CBOE VIX

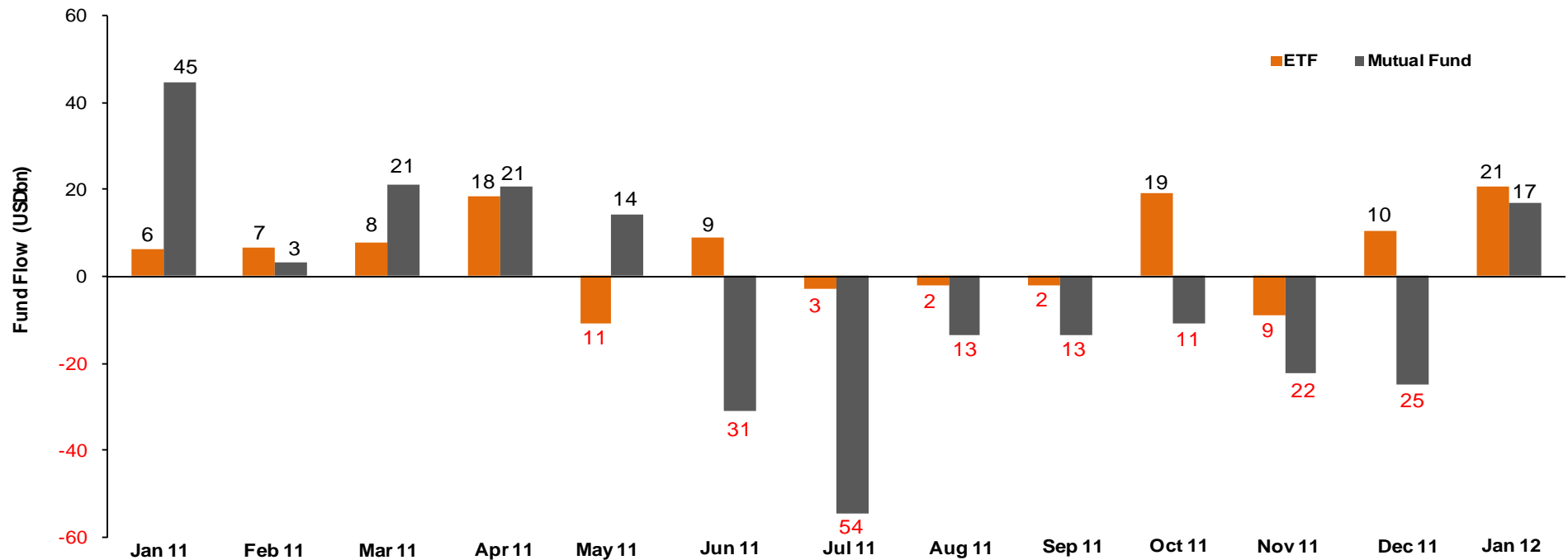


EuroStoxx 12m Implied Correlation



THE END OF STOCK PICKING?

- In 2011, **\$67 billion** was withdrawn from actively managed mutual funds, while ETF's enjoyed \$50 billion inflows
- Markets have not favoured stock picking approach – only 30% of US equity funds beat their benchmark in 2011 (after fees), 34% of UK funds



AGENDA

Investor Relations Challenges

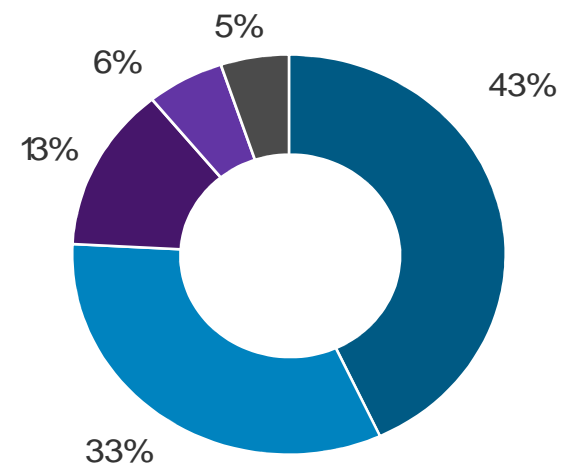
Targeting and Engaging with Investors in Europe

Recent Emerging Markets Fund Flows

TOP COUNTRIES INVESTING IN TURKISH EQUITIES

Country	Sum of Val (\$MM) - Turkey Most Recent	Count of Investors
Norway	1,736.44	4
France	738.78	10
Germany	586.34	22
Sweden	488.86	10
Netherlands	286.83	5
Denmark	275.55	7
Austria	219.28	12
Switzerland	199.86	22
Turkey	171.21	2
Belgium	161.80	5
Ireland	121.99	5
Estonia	64.25	1
Poland	53.78	7
Greece	47.68	5
Finland	36.22	6
Luxembourg	31.77	8
Italy	18.83	4
Spain	4.31	6
Portugal	1.99	3
Czech Republic	0.80	2
Cyprus	0.76	1
Liechtenstein	0.24	1
Hungary	0.00	1
Slovenia	0.00	1
Grand Total	5,247.60	150

■ Value
 ■ Growth
 ■ GARP
 ■ Index
 ■ Other



TOP EUROPEAN INVESTORS IN TURKEY

- Top-20 Continental European institutions have invested \$4.2 billion into Turkish equities
- Sovereign Wealth Investor Norges Bank Investment Management's exposure is double the size next largest investor, Norwegian firm Skagen AS
- Norges Bank recently announced plans to sharply reduce its European exposure while upping investments in emerging markets and Asia Pacific – this is a trend to watch

Fund Name	City	Country	Style	EAUM	Val (\$MM) - Turkey Most Recent	Change over the past 6 months
Norges Bank Investment Management (NBIM)	Oslo	Norway	Core Value	324,582	1,157.23	204.01
Skagen AS	Stavanger	Norway	Core Value	17,079	575.92	111.26
Lyxor Asset Management	Puteaux	France	Index	27,038	298.35	-1.85
DWS Investment GmbH	Frankfurt	Germany	GARP	51,743	295.68	-6.45
BNP Paribas Investment Partners (France)	Paris	France	Core Growth	31,546	273.39	12.91
East Capital Asset Management AB	Stockholm	Sweden	Growth	2,840	233.00	-135.18
Robeco Institutional Asset Management B.V.	Rotterdam	Netherlands	Core Growth	20,891	202.18	44.82
Swedbank Robur AB	Stockholm	Sweden	Core Growth	37,983	176.81	-15.03
Nordea Investment Management (Denmark)	Copenhagen	Denmark	Core Value	21,085	137.51	48.55
Raiffeisen Kapitalanlage-Gesellschaft mbH	Vienna	Austria	Core Value	4,392	127.00	4.18
Deka Investment GmbH	Frankfurt	Germany	Core Growth	18,197	102.28	-140.80
Pioneer Investment Management Ltd.	Dublin	Ireland	GARP	9,574	100.21	-76.80
BNP Paribas Investment Partners Belgium S.A.	Brussels	Belgium	Core Value	4,936	94.83	-2.03
Comgest S.A.	Paris	France	Core Growth	5,253	72.15	-4.11
Danske Capital	Copenhagen	Denmark	Core Growth	5,461	68.72	13.42
SEB Varahaldus	Tallinn	Estonia	Core Value	1,300	64.25	-2.40
Carmignac Gestion	Paris	France	Growth	26,164	63.14	-7.25
Allianz Global Investors Kapitalanlagegesellschaft mbH	Frankfurt	Germany	GARP	32,976	57.18	2.63
Union Bancaire Privée	Geneva	Switzerland	Core Growth	382	56.28	-3.93
ERSTE-SPARINVEST Kapitalanlagegesellschaft mbH	Vienna	Austria	Core Growth	1,614	54.42	-36.02



TOP EUROPEAN BUYERS OF TURKISH EQUITIES

- Nordic and Dutch investors top the tables amongst top buyers of Turkish equities over the past six months
- BNP Paribas Investment Partners only French net buyer, despite French investors being important region of Turkish shareholders

Investor Name	City	Country	Style	EAUM	Val (\$MM) - Turkey Most Recent	Change over the past 6 months
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Nordea Investment Management (Denmark)	Copenhagen	Denmark	Core Value	21,085	137.51	48.55
Robeco Institutional Asset Management B.V.	Rotterdam	Netherlands	Core Growth	20,891	202.18	44.82
Pioneer Investments Austria GmbH	Vienna	Austria	Core Growth	848	22.60	20.62
AEGON Investment Management B.V.	The Hague	Netherlands	Core Growth	6,159	17.64	17.64
Danske Capital	Copenhagen	Denmark	Core Growth	5,461	68.72	13.42
BNP Paribas Investment Partners (France)	Paris	France	Core Growth	31,546	273.39	12.91
Swisscanto Asset Management AG	Zurich	Switzerland	GARP	8,730	11.83	8.43
Raiffeisen Kapitalanlage-Gesellschaft mbH	Vienna	Austria	Core Value	4,392	127.00	4.18
Anima SGR S.p.A.	Milan	Italy	Core Growth	7,452	14.39	3.92
LBB-Invest	Berlin	Germany	Core Growth	8,903	21.49	3.32
Banque de Luxembourg Investments	Luxembourg	Luxembourg	n.a.	5,376	13.46	3.26
Dexia Asset Management Belgium S.A.	Brussels	Belgium	GARP	7,084	20.58	3.06
Jyske Invest Fund Management A/S	Silkeborg	Denmark	Core Growth	2,190	46.57	2.71
Allianz Global Investors Kapitalanlagegesellschaft mbH	Frankfurt	Germany	GARP	32,976	57.18	2.63
AmpegaGerling Investment GmbH	Cologne	Germany	GARP	648	6.35	2.49
Credit Suisse Asset Management	Zurich	Switzerland	Core Growth	26,709	30.38	2.19
Fideuram Asset Management (Ireland) Limited	Dublin	Ireland	GARP	5,058	19.51	1.55
SEB Asset Management (Stockholm)	Stockholm	Sweden	Core Growth	15,088	3.25	1.24



TOP EUROPEAN FUNDS BUYING TURKISH EQUITIES

- Norwegian investor Skagen A/S ranks as top buyer into Turkish equities over past six months. The firm has investments in Turkish companies including Haci Omer Sabanci Holding AS and Yazicilar Holding AS according to public information
- Funds managed by Copenhagen-based Nordea Investment Management (Denmark) and BNP Paribas Investment Partners (France) also feature amongst the top buyers.

Fund Name	City	Country	Style	EAUM	Val (\$MM) - Turkey Most Recent	Change over the past 6 months
Skagen Kon-Tiki	Stavanger	Norway	Specialty	9,092	421.73	83.23
Skagen Global Fund	Stavanger	Norway	Specialty	6,527	129.56	20.14
Nordea Osteuropa FI	Copenhagen	Denmark	Specialty	243	26.35	20.02
BNP Paribas L1 Equity Turkey	Paris	France	n.a.	214	213.66	16.10
Nordea Osteuropafond	Copenhagen	Denmark	Specialty	172	18.43	12.48
Swisscanto (CH) Equity Fund Emerging Markets	Zurich	Switzerland	Emerg. Mkts.	340	11.83	8.43
Nordea Kehittyvat Osakemarkkinat	Copenhagen	Denmark	n.a.	912	23.88	8.31
Skagen Vekst Fund	Stavanger	Norway	Specialty	1,642	24.63	7.89
Nordea European New Frontiers	Copenhagen	Denmark	n.a.	113	58.89	6.44
Raiffeisen Osteuropa Aktien	Vienna	Austria	Specialty	710	83.29	6.23
BNP Paribas B Fund I Equity Europe Emerging	Paris	France	Specialty	30	5.58	5.58
DWS Turkei	Frankfurt	Germany	n.a.	92	91.66	4.58
DWS Invest Emerging Markets Top Dividend Plus	Frankfurt	Germany	n.a.	200	11.44	4.46
LBB Invest Keppler Emerging Markets	Berlin	Germany	n.a.	273	18.82	3.84
PRIMA Geo Paesi Emergenti	Milan	Italy	Emerg. Mkts.	168	3.23	3.23
CS ETF (Lux) on MSCI Emerging Markets	Zurich	Switzerland	Index	1,557	18.24	3.15
Pictet European Equity Selection	Zurich	Switzerland	Specialty	197	3.04	3.04
DWS European Opportunities	Frankfurt	Germany	Specialty	700	16.41	2.60
Robeco Emerging Conservative Equities D EUR	Rotterdam	Netherlands	n.a.	334	5.70	2.58
Jyske Invest Nye Aktiemarkeder	Silkeborg	Denmark	Specialty	184	6.27	2.51



TOP EUROPEAN FUNDS SELLING TURKISH EQUITIES

- Frankfurt based Deka Investment's Convergence Aktien Fund was top seller of Turkish equities over the past six months; the fund recently cut its exposure to Turkish banks.
- A number of Russian domiciled funds, some managed by Russian and London based fund managers have sold down heavily Turkish stocks in recent months, perhaps to invest elsewhere.

Fund Name	City	Country	Style	EAUM	Val (\$MM) - Turkey Most Recent	Change over the past 6 months
Deka Convergence Aktien	Frankfurt	Germany	GARP	786	89.64	-134.93
East Capital Eastern European Fund (Sweden)	Stockholm	Sweden	Specialty	553	48.93	-76.82
JPMorgan Funds - Eastern Europe Equity Fund	Moscow	Russian Federation	Aggres. Gr.	839	118.06	-67.53
Vanguard Emerging Markets Stock Index Fund-EUR	Waterloo	Belgium	Index	5,578	72.52	-63.67
East Capital Turkietfonden	Moscow	Russian Federation	n.a.	155	148.10	-47.93
JPMorgan Funds - Emerging Europe, Middle East and Africa Equ	Moscow	Russian Federation	Emerg. Mkts.	545	43.23	-41.19
Deutsche DWS Russia Europe Rising Nation Eq Inv Tr Mother Fu	Frankfurt	Germany	n.a.	201	24.67	-36.67
OP Ita Eurooppa	Pohjola	Finland	Specialty	130	12.75	-26.78
Robeco Emerging Markets Equities	Rotterdam	Netherlands	Growth	3,240	71.04	-23.09
Central Europe and Russia Fund	Frankfurt	Germany	Specialty	475	54.33	-17.97
JPMorgan Fund - Europe Convergence Equity Fund	Moscow	Russian Federation	Specialty	100	37.85	-14.83
Amundi Actions Emergents	Paris	France	Emerg. Mkts.	2,039	4.03	-13.13
Danske Invest Osteuropa	Copenhagen	Denmark	Specialty	209	29.52	-11.89
HSBC GIF Turkey Equity	Istanbul	Turkey	n.a.	128	128.37	-11.59
Allianz Emerging Europe	Frankfurt	Germany	Emerg. Mkts.	297	41.26	-11.27
Metzler/Payden European Emerging Markets Fund	Frankfurt	Germany	n.a.	95	1.83	-11.02
East Capital (Lux) Eastern European Fund	Stockholm	Sweden	Yield	90	8.40	-10.32
Danske Invest Mustameri	Copenhagen	Denmark	n.a.	16	15.71	-9.97
ESPA Stock Istanbul	Vienna	Austria	Specialty	35	35.38	-9.50
JPM New Europe Fund	Moscow	Russian Federation	Specialty	276	37.68	-8.36



AGENDA

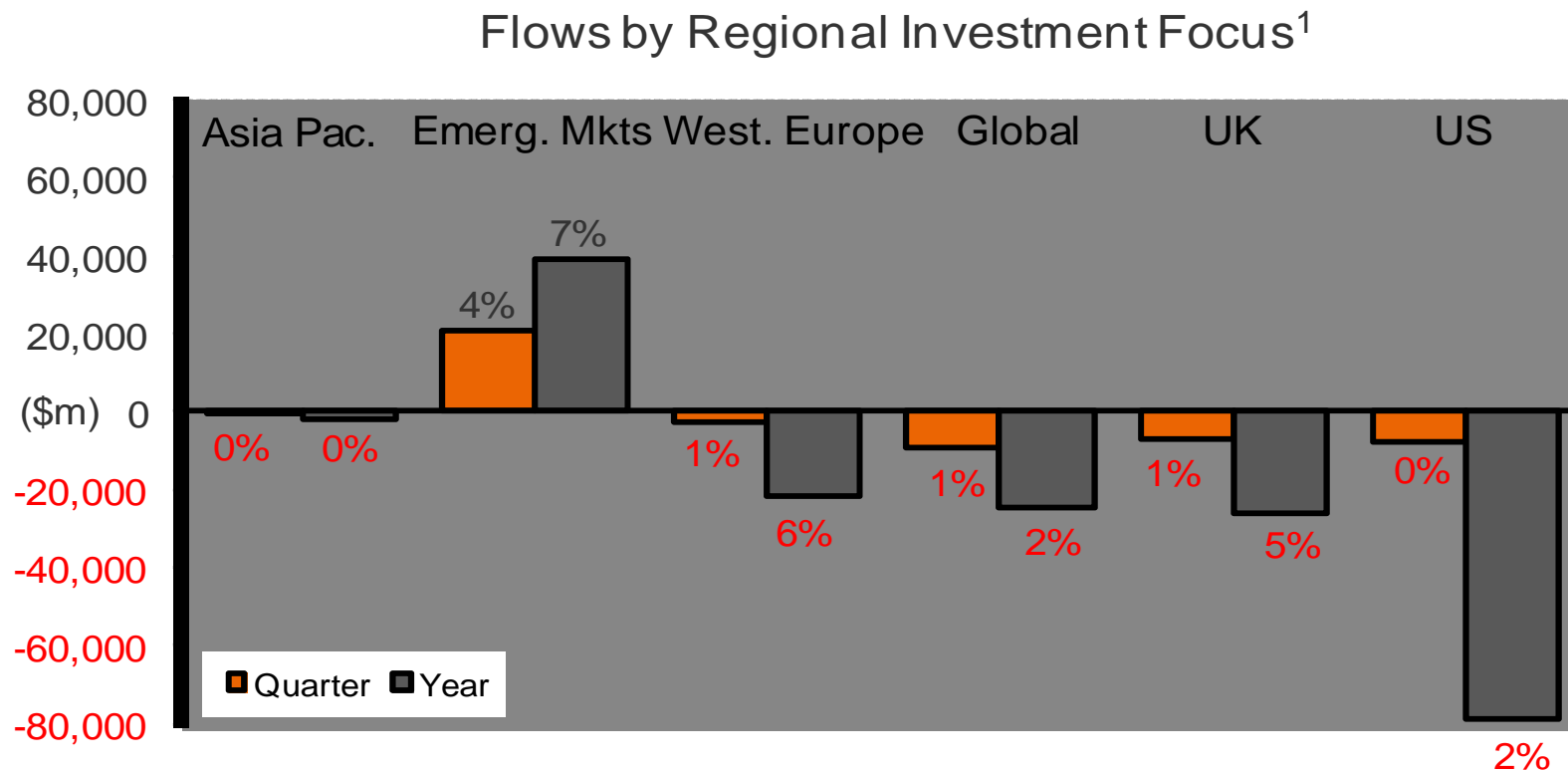
Investor Relations Challenges

Targeting and Engaging with Investors in Europe

Recent Emerging Markets Fund Flows

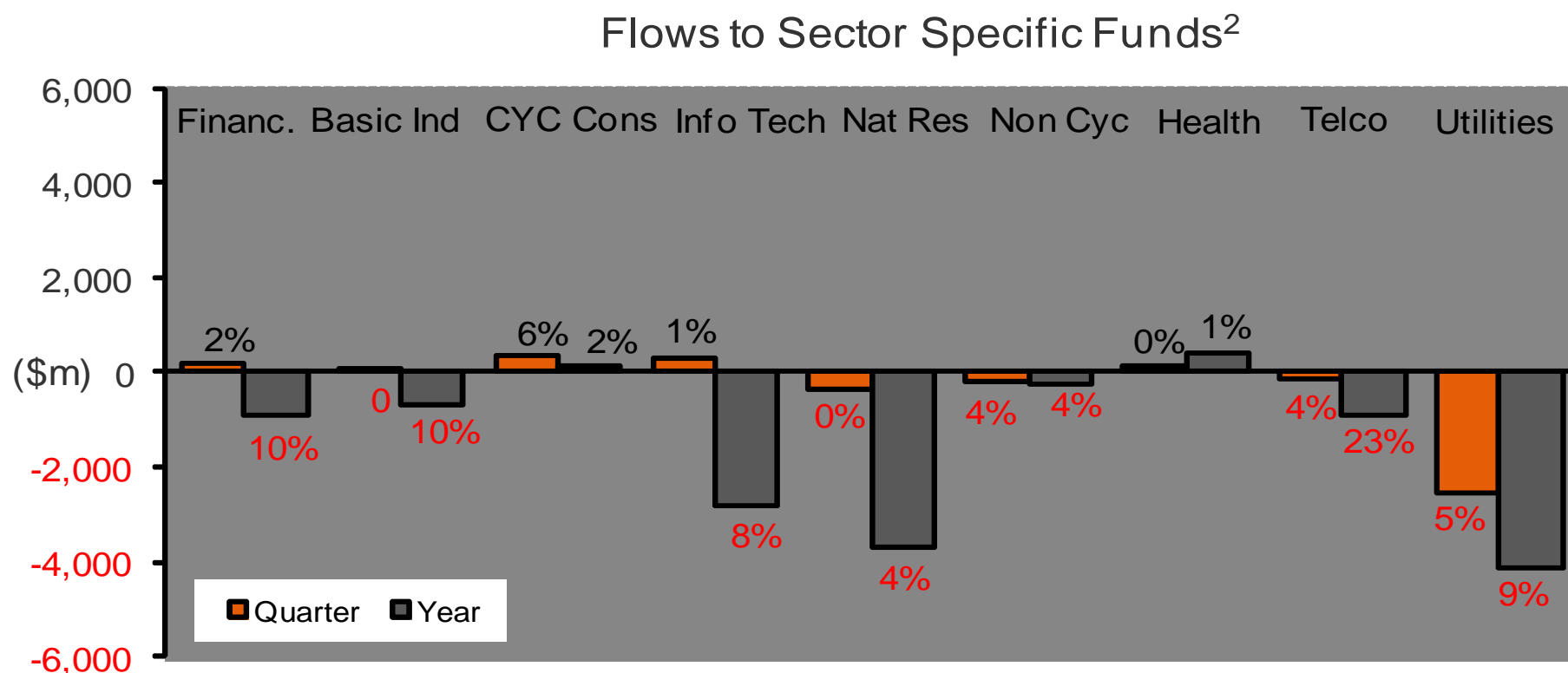
1Q12 LIPPER FUND FLOWS

- For the third consecutive quarter, there was inflows into actively managed emerging markets focused equity funds (+\$21bn) and outflows from actively managed US focused funds (-\$79bn).
- As in 2011, there continues to be steady inflows into Income and Dividend orientated mutual funds, with Vanguard's Dividend Growth and M & G's Global Dividend funds achieving net quarterly inflows of \$1.8bn and \$1.3bn respectively.



1Q12 LIPPER FUND FLOWS

- On a sector basis, consumer cyclical stocks saw new inflow in 1Q12 as well as slight upticks for financial stocks, many of which rebounded in Q1.
- Utilities focused funds saw largest redemptions, adding to continued redemptions over the past year.



TOP TEN EMERGING MARKETS FUNDS BY EUM

- Looking at the largest emerging markets funds by assets under management, quantitative Value investor Dimensional Fund Advisors, LP added significant money to its emerging market funds, as well as London-based T. Rowe Price.

Top 10 Emerg. Markets Funds by EUM

Rank	Name		EUM (Active)	Fund Flow (\$m)	
				Quarter	Year
1	Emerging Markets Growth Fund	Team Managed	14,432	-554	-777
2	Lazard Emerg. Markets Equity Portfolio	John R. Reinsberg	13,046	198	-493
3	American Funds New World	Team Managed	12,189	-183	-1,142
4	Oppenheimer Developing Markets	Justin Leverenz	11,115	208	-158
5	Skagen Kon-Tiki	Kristoffer Stensrud	8,117	434	493
6	DFA Emerg. Markets Core Equity Portfolio	Team Managed	7,570	1,239	2,969
7	T Rowe Price Emerg. Markets Stock	Gonzalo Pangaro	6,454	151	1,342
8	Aberdeen Global - Emerg. Markets Equity	Team Managed	6,352	651	1,347
9	GMO Emerg. Markets	Arjun Divecha	4,961	-75	-437
10	Russell IC Emerg. Markets Equity	Scott Crawshaw	3,927	-68	12



TOP TEN EMERGING MARKETS FUNDS BY FUND FLOW

- London-based Aberdeen Asset Management captured significant inflow in 1Q12, taking the top managed actively managed spot as well as 8th rank overall.
- New York City based Vontobel Asset Management, Inc. ranks third this quarter with it's Virtus Emerging Markets Opportunities Fund.

Top 10 Emerg. Markets Equity Funds by Inflow

Fund Flow (\$m)

Rank	Name	Fund Manager	EUM(Active)	Quarter	Year
1	DFA Emerg. Markets Core Equity Portfolio	Team Managed	7,570	1,239	2,969
2	Aberdeen Global - Emerg. Markets Equity	Team Managed	6,352	651	1,347
3	Virtus Emerg. Markets Opportunities	Team Managed	2,918	566	1,589
4	Skagen Kon-Tiki	Kristoffer Stensrud	8,117	434	493
5	First State Global Emerg. Markets Leaders	Asante & Finegan	3,882	405	1,018
6	Wells Fargo Emerg. Markets Equity	Jerry Zhang	473	271	451
7	Quoniam Fd Selection - EM Eq. MinRisk	Quoniam Team	433	260	385
8	Aberdeen Global - Emerg. Markets Smaller Cos	Team Managed	927	234	228
9	Oppenheimer Developing Markets	Justin Leverenz	11,115	208	-158
10	Lazard Emerg. Markets Equity Portfolio	John R. Reinsberg	13,046	198	-493



THANK YOU AND Q & A

Peter Kirkow, Partner, Makinson Cowell

Tapping New Capital Pools Around the Globe

Peter Kirkow joined Makinson Cowell's Continental European team in September 2001, following previous advisory and investment banking positions in London. Peter started his early professional career in academia, specialising in East European transition economies. He holds an MSocSc and PhD in Russian and East European Studies from the University of Birmingham, following earlier studies at Berlin (West) and Moscow State University.

Tapping New Capital Pools Around the Globe

Implications for Turkish Listed Companies

April 2012



MAKINSON COWELL

Agenda

Major global investment pools

Institutional ownership of Turkish companies

Emerging markets in Asia and Middle East

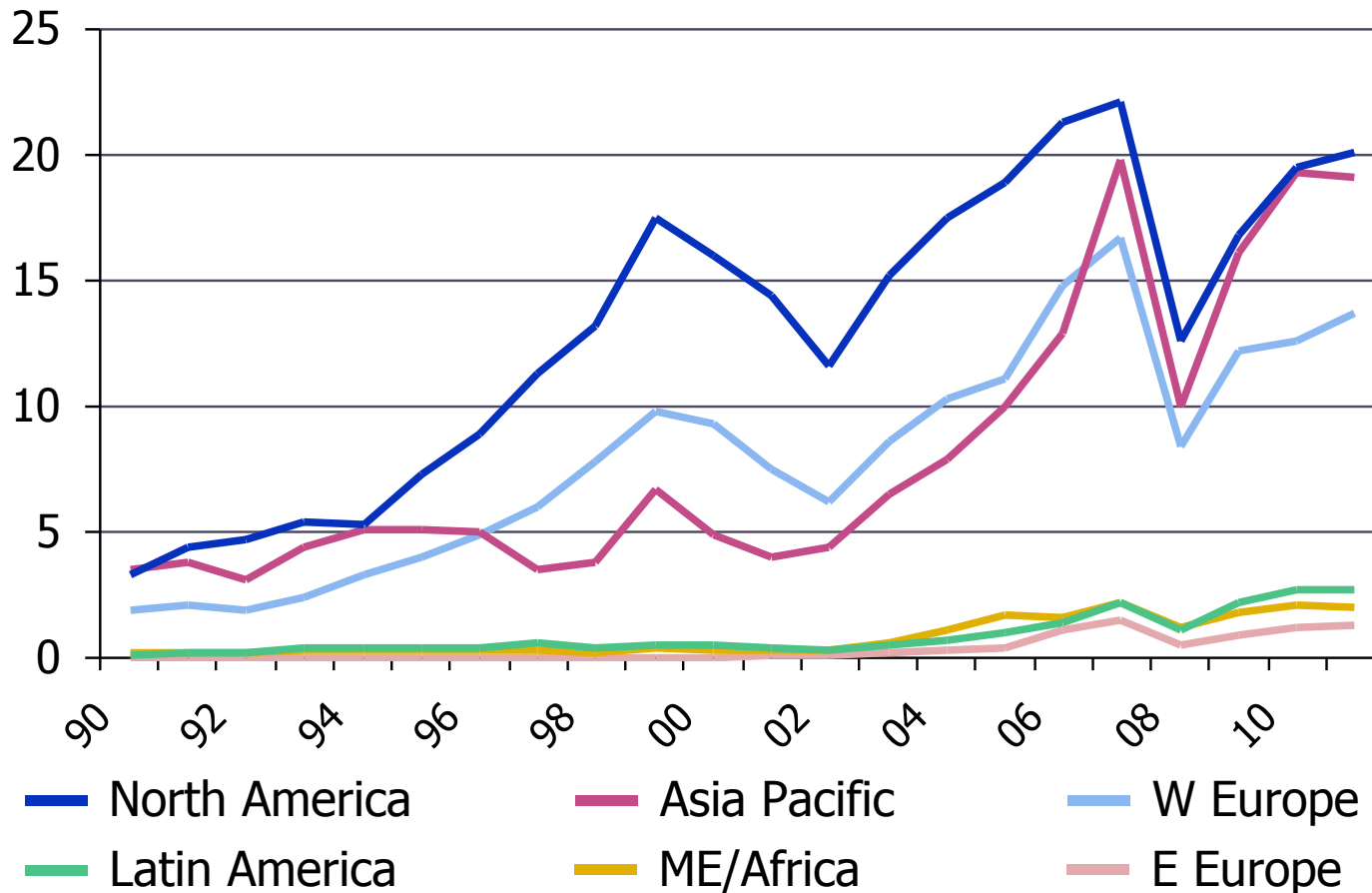
European emerging market investors in SEE

Second and third tier N. American institutions

Changing trading environment

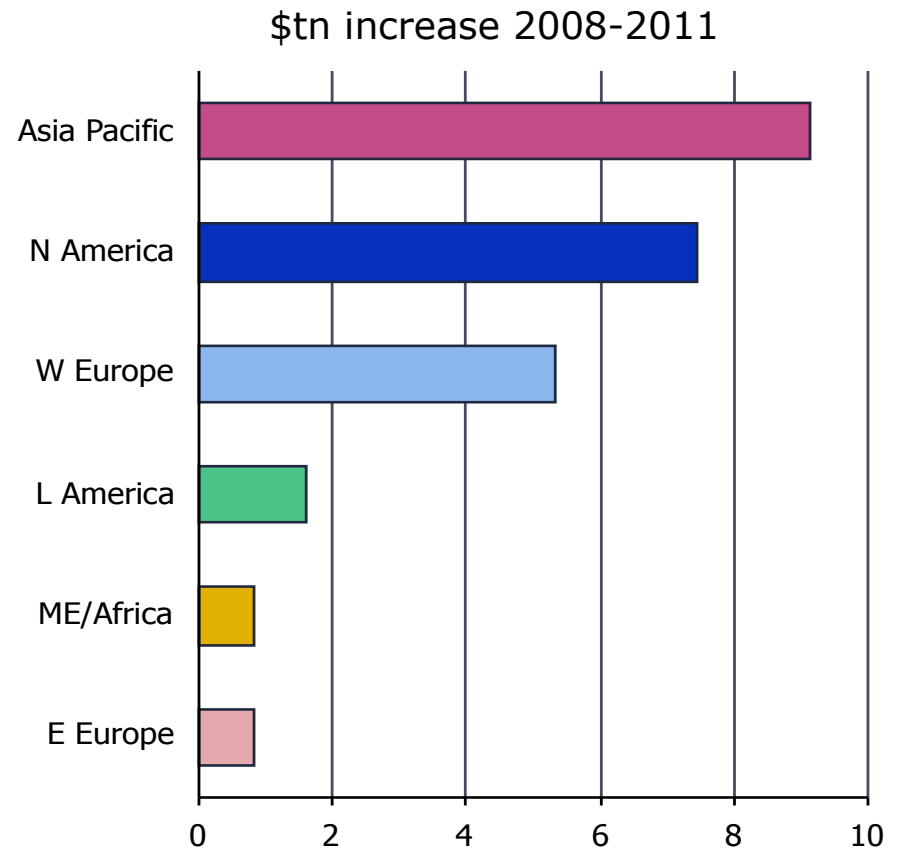
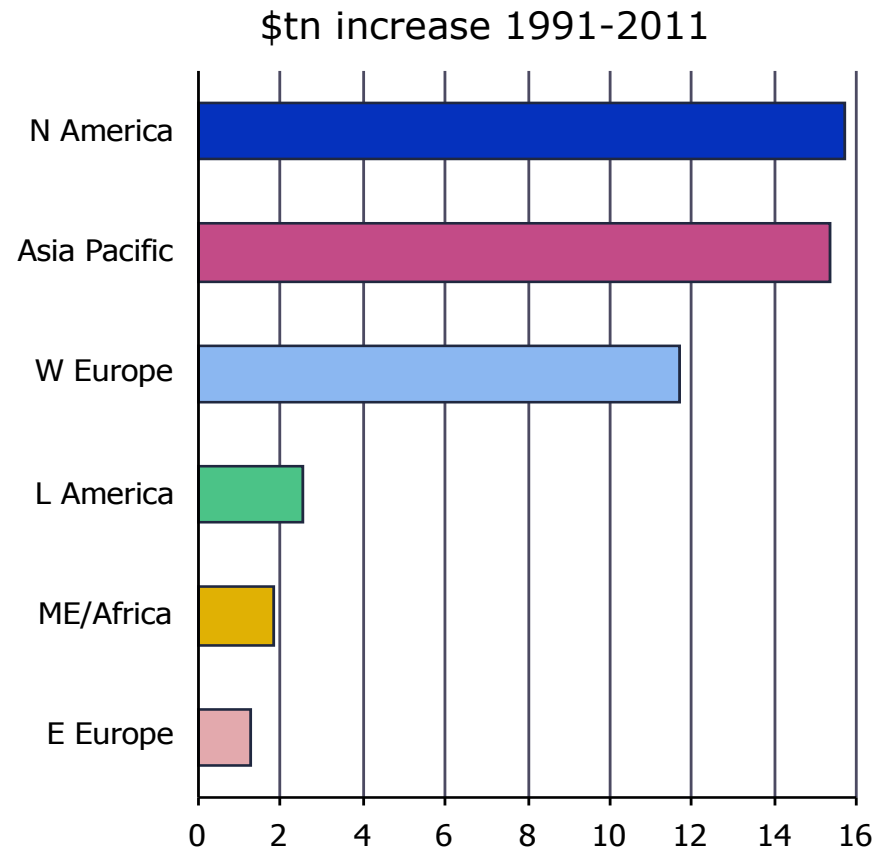
Growth trends in global equity markets

USD trillion value of domestic equities



Source: World Federation of Exchanges

Value increase in global equity markets



Source: World Federation of Exchanges

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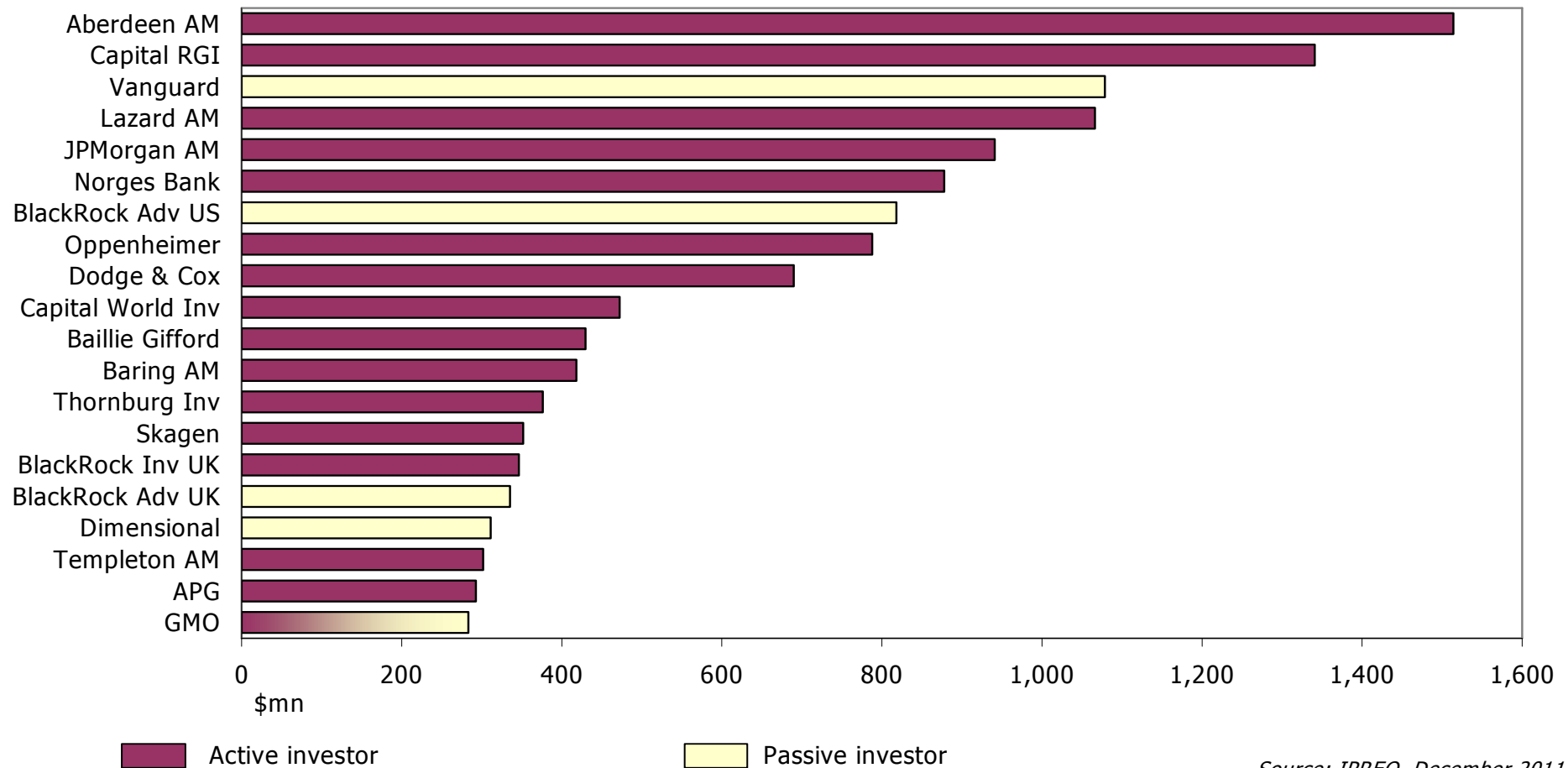
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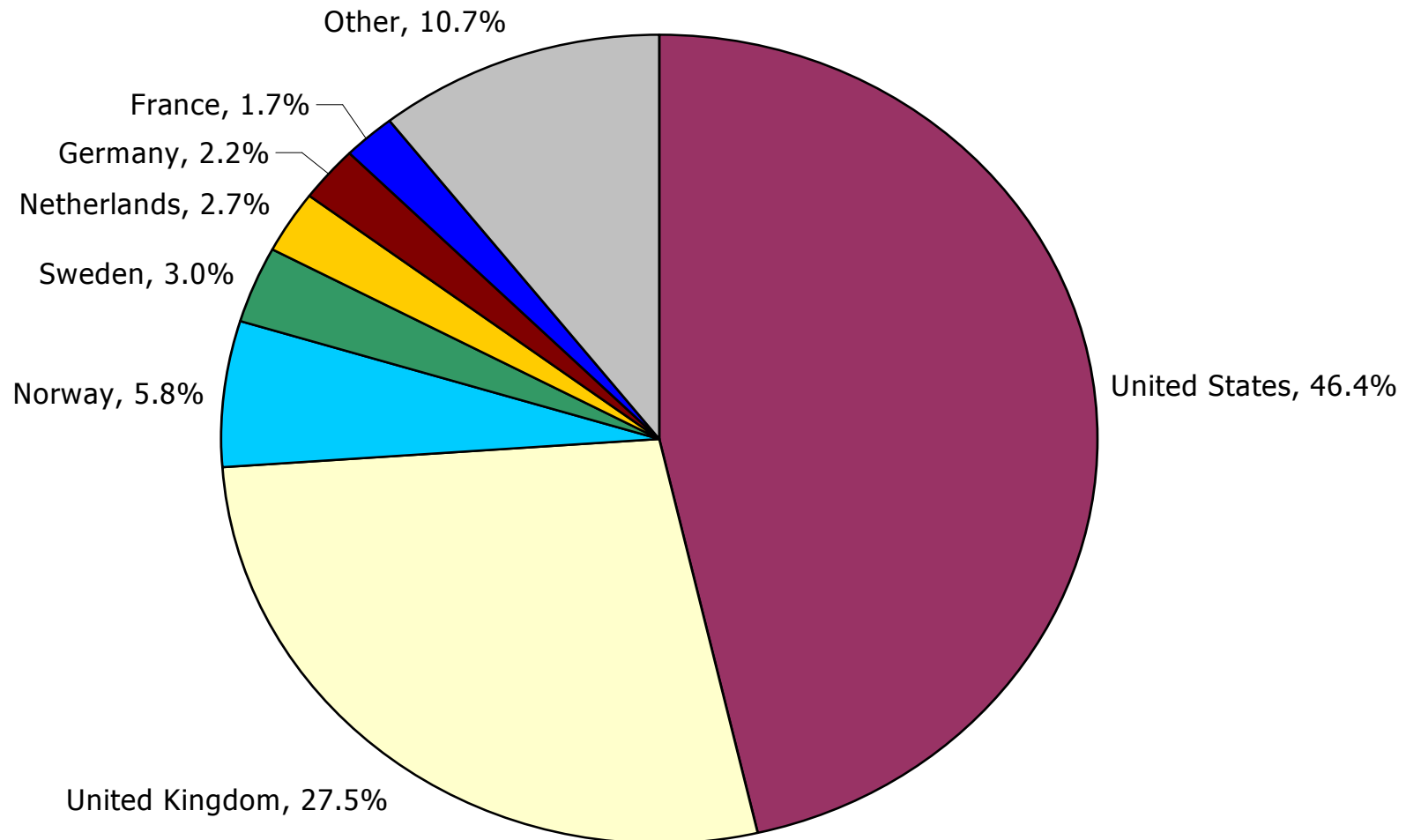
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Changing trading environment

Top 20 Turkish companies: Largest institutional investors



Top 20 Turkish companies: Location of institutional investors (Total: \$22bn)



Source: IPREO, December 2011

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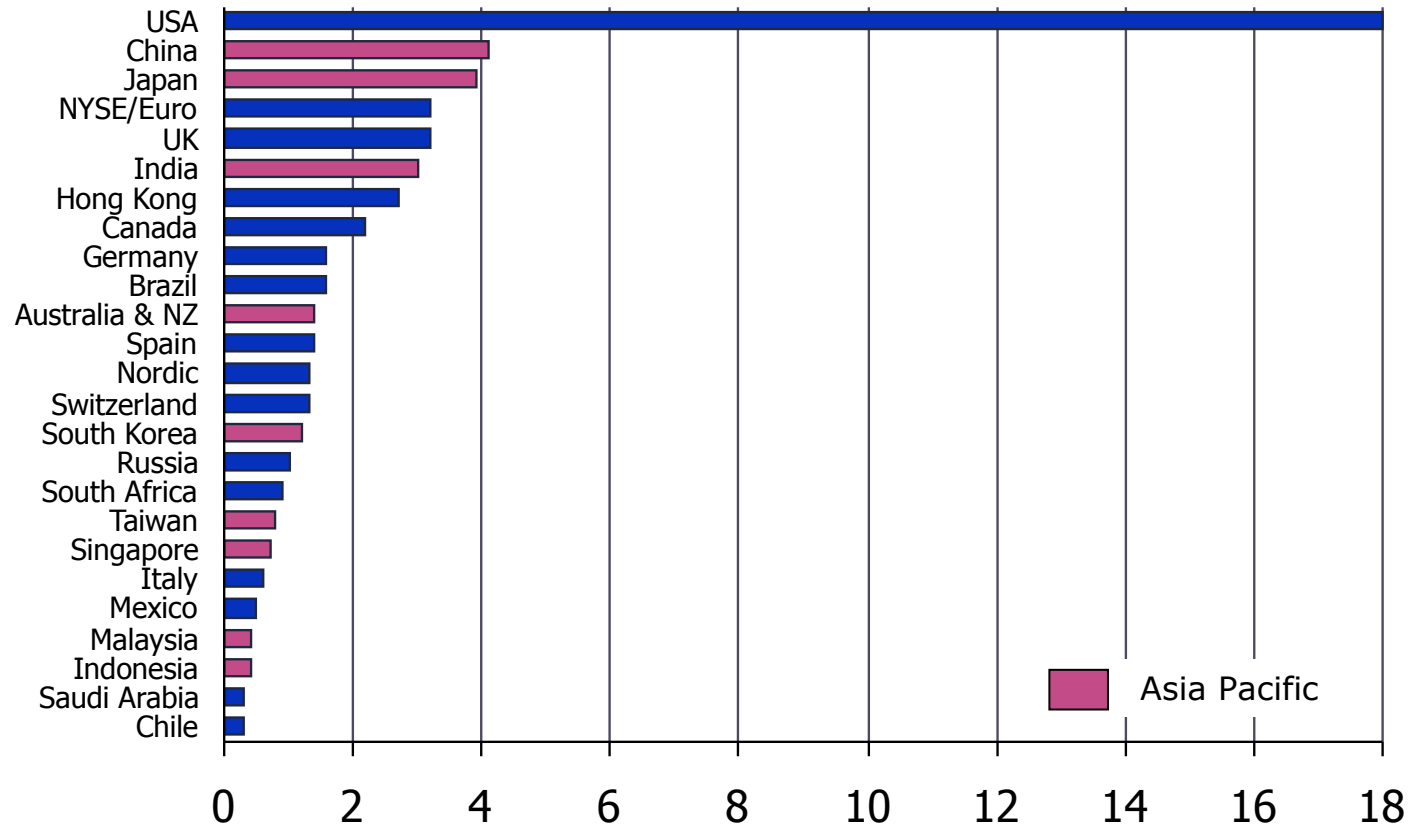
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Top 25 global capital markets

\$US trillion value of domestic equities: 2011



Source: World Federation of Exchanges

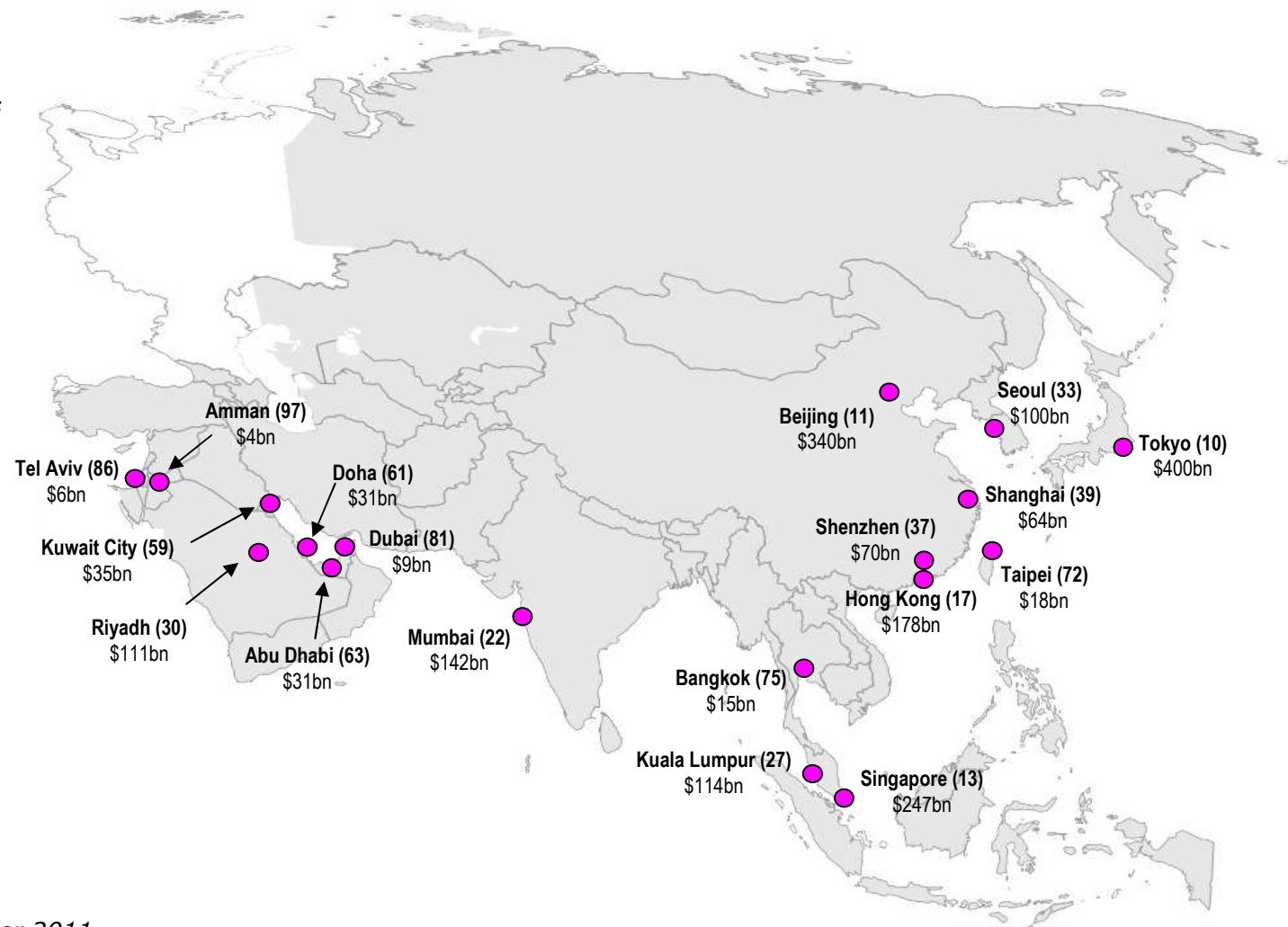
Asia Pacific & Middle East cities: Ranking in top 100 global investment centres

Dollar amounts are equity assets under management in each location.

Figures in brackets represent ranking in top 100 investment centres.

Selected European and North American cities:

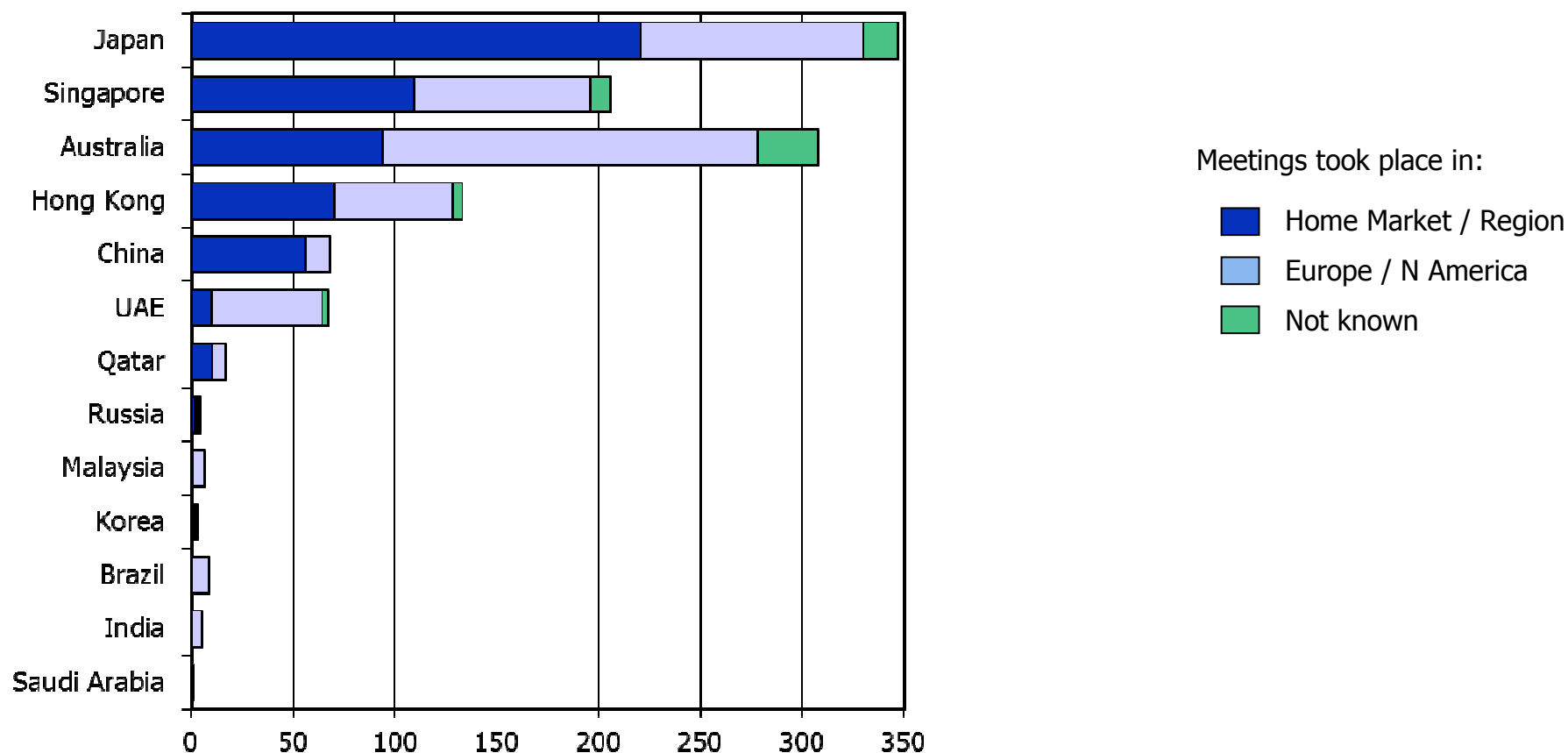
- New York (1) \$2,734bn
- Boston (2) \$1,831bn
- London (3) \$1,617bn
- San Francisco (4) \$1,187bn
- Los Angeles (5) \$1,101bn
- Toronto (8) \$488bn
- Paris (9) \$474bn
- Frankfurt (15) \$195bn
- Edinburgh (19) \$172bn
- Zurich (21) \$146bn



Source: IPREO, December 2011

Where locally based investors meet Europeans 1-1

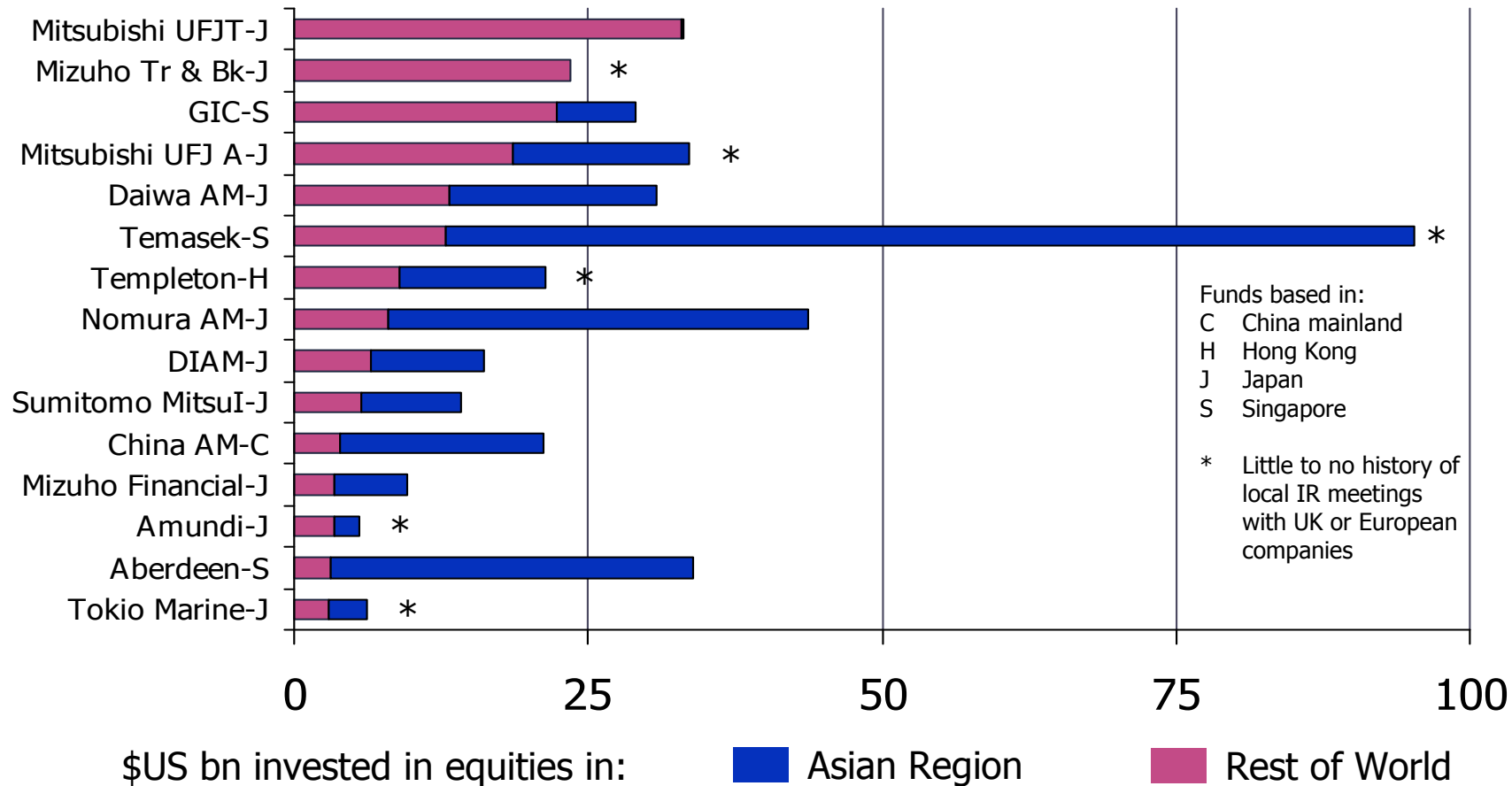
Number of 1-to-1 meetings with investor contacts based in the country



Source: Makinson Cowell (database of 2300 meetings covering 28 European companies)

Asian investors diversifying internationally

Largest Asian-based investors in actively managed international (non-Asian) equities

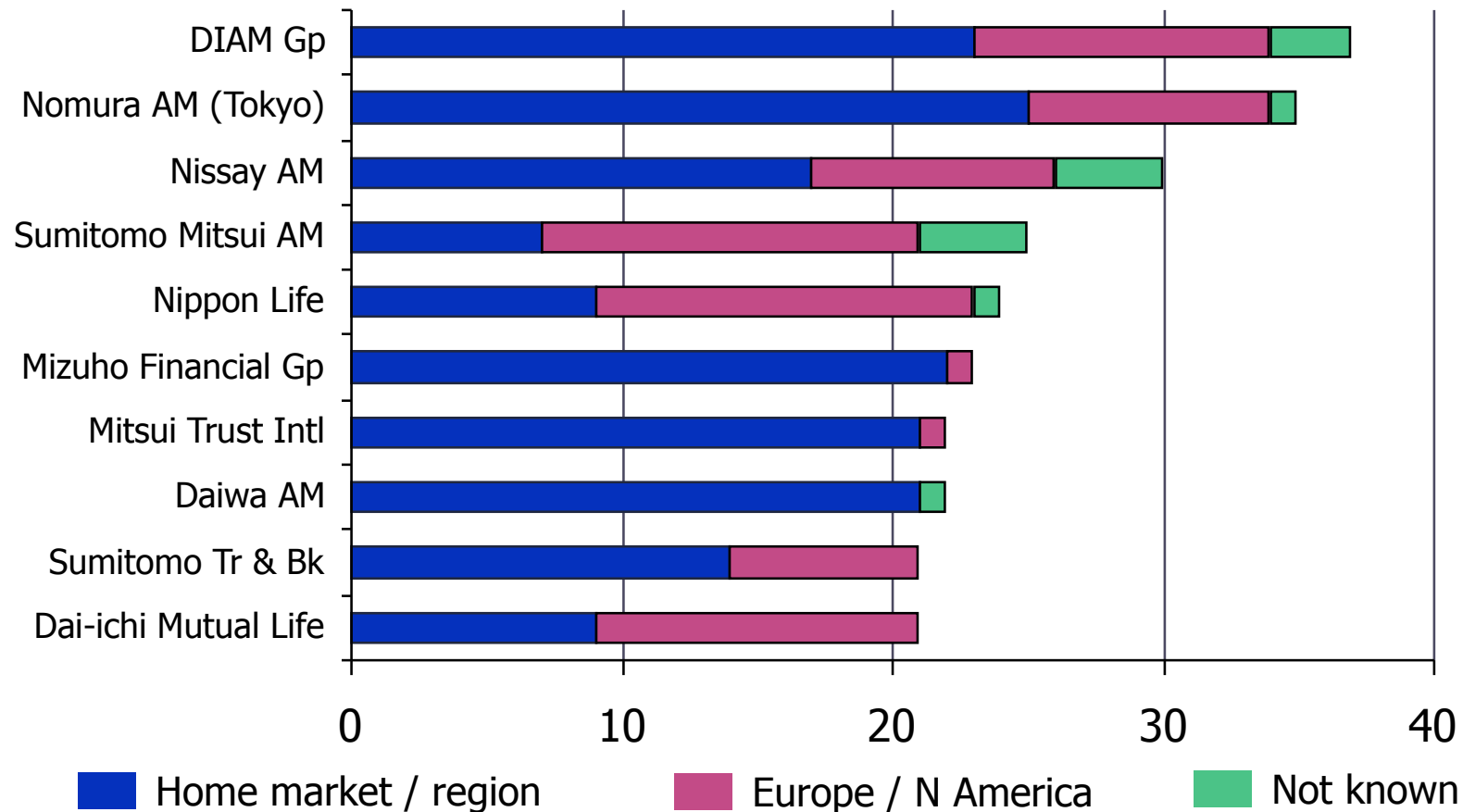


Source: IPREO

Excludes Chinese sovereign wealth funds due to lack of transparency

Japan: One-to-one meetings

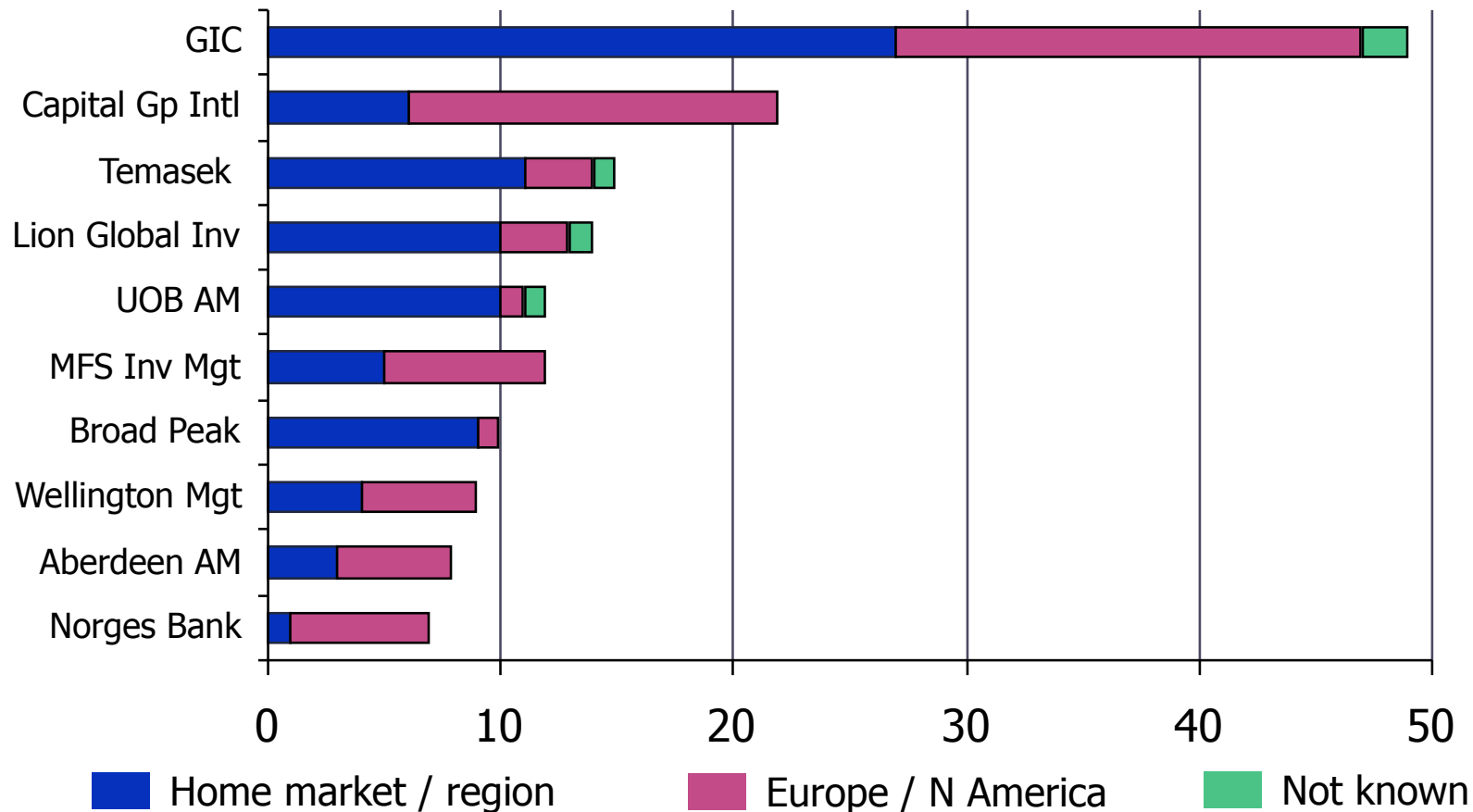
Number of one-to-one meetings held globally by Japan-based investors



Source: Makinson Cowell (database of 2300 meetings covering 28 European companies)

Singapore: One-to-one meetings

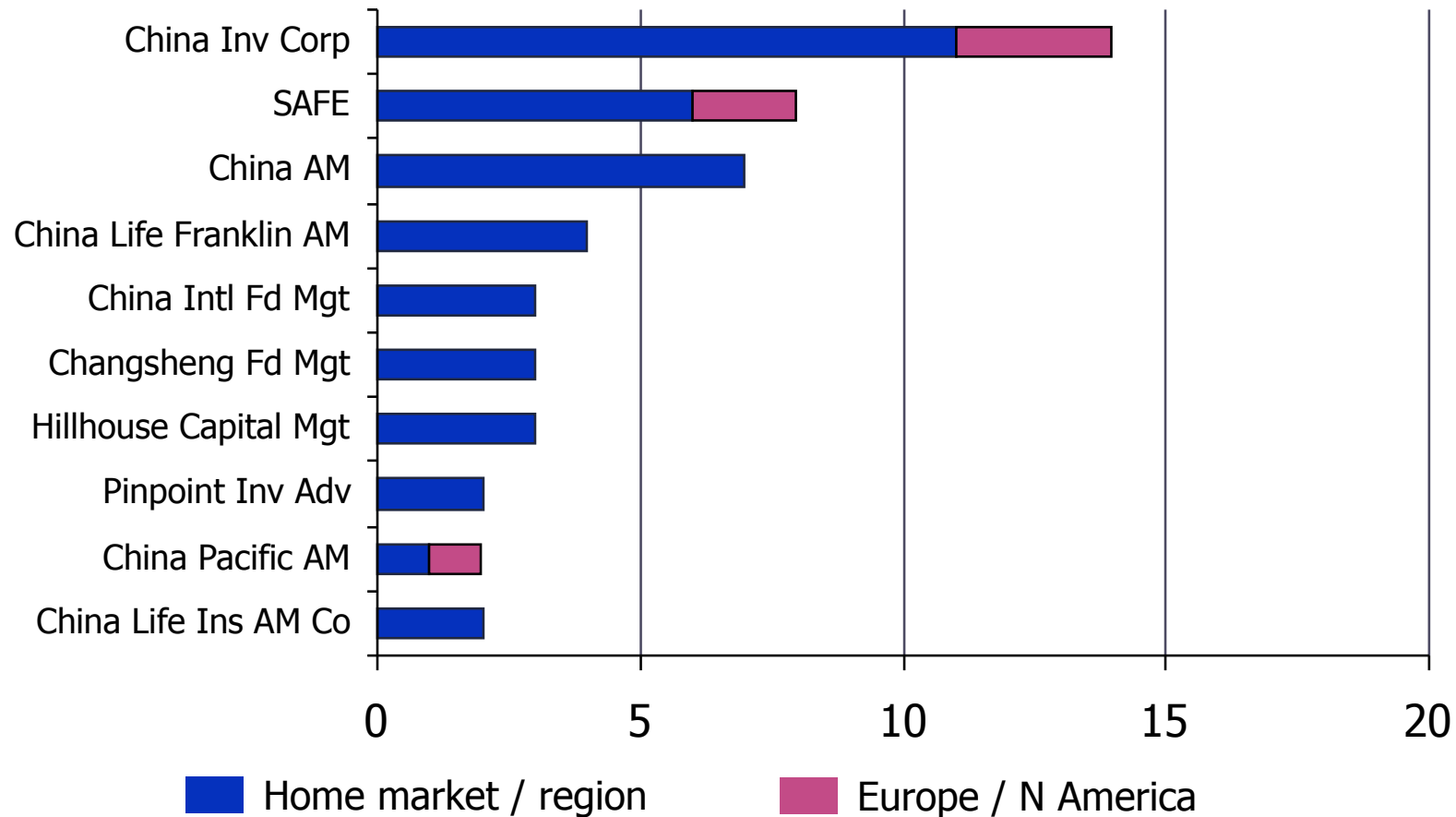
Number of one-to-one meetings held globally by Singapore-based investors



Source: Makinson Cowell (database of 2300 meetings covering 28 European companies)

China: One-to-one meetings

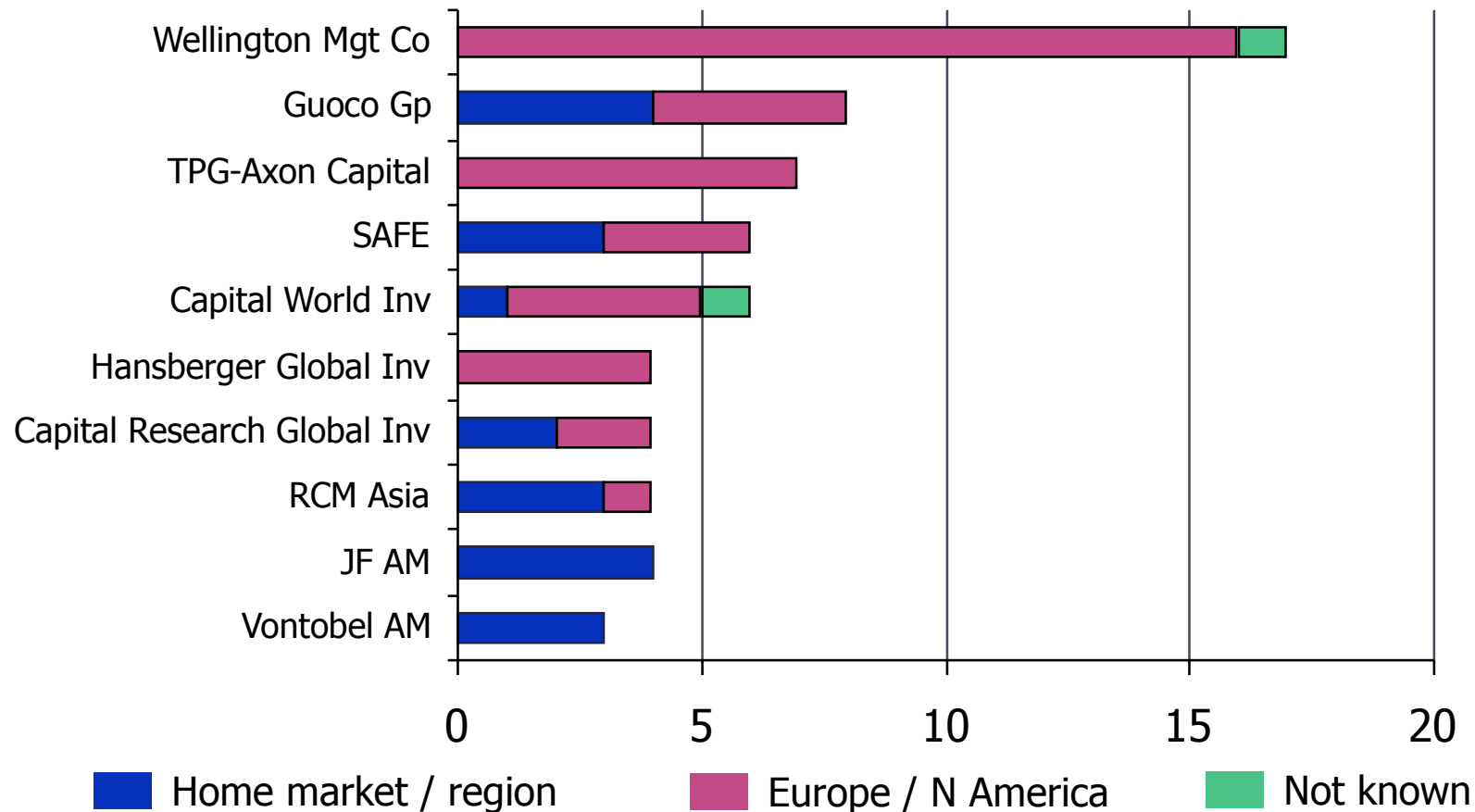
Number of one-to-one meetings held globally by China-based investors



Source: Makinson Cowell (database of 2300 meetings covering 28 European companies)

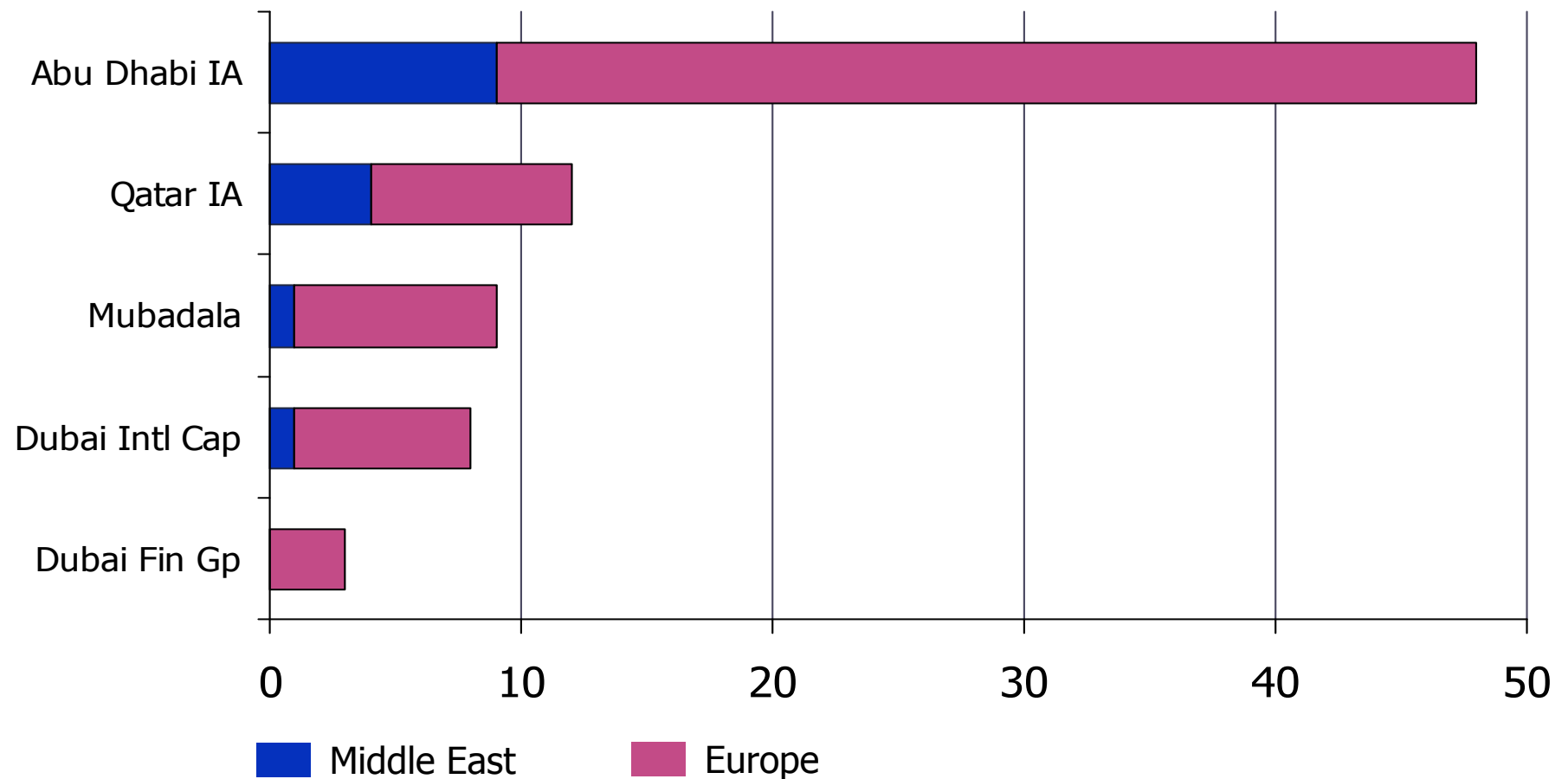
Hong Kong: One-to-one meetings

Number of one-to-one meetings held globally by Hong Kong-based investors



Source: Makinson Cowell (database of 2300 meetings covering 28 European companies)

Where meetings with ME-based investors take place



Source: Makinson Cowell (database of 2300 meetings covering 28 European companies)

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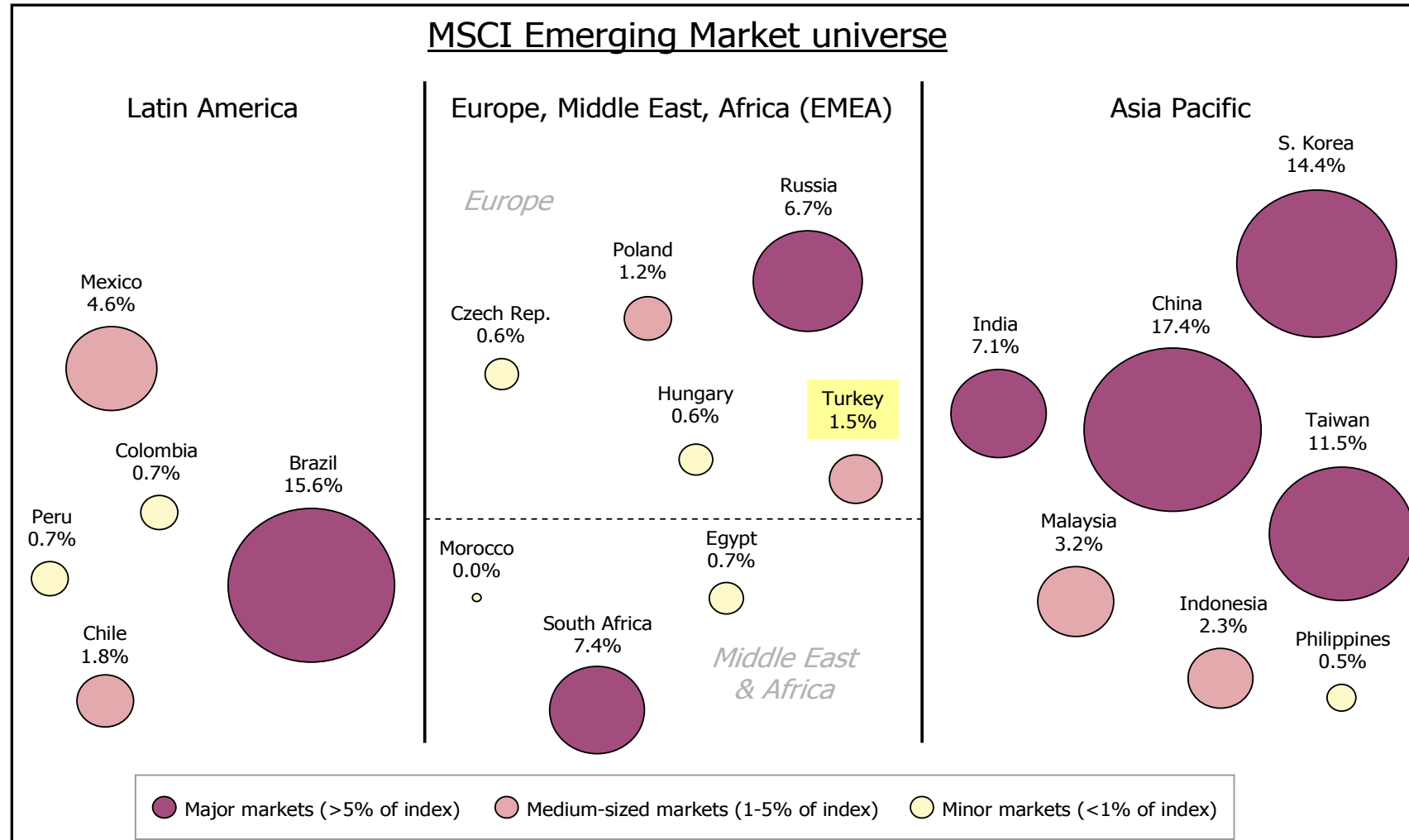
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Second and third tier N. American institutions

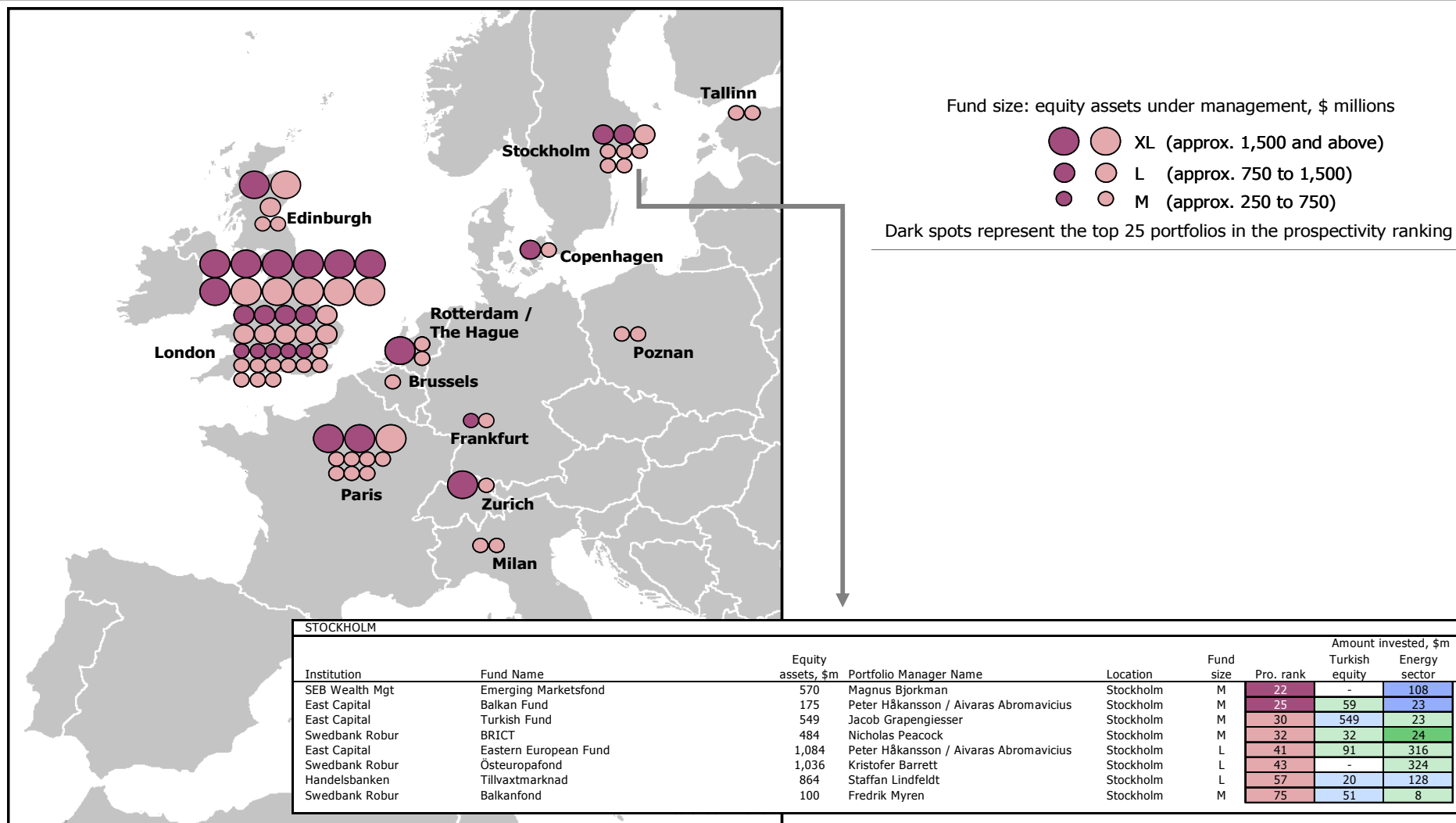
Changing trading environment

The Emerging Market benchmark index



European Emerging Market investors

Case study: Turkey and the Energy sector



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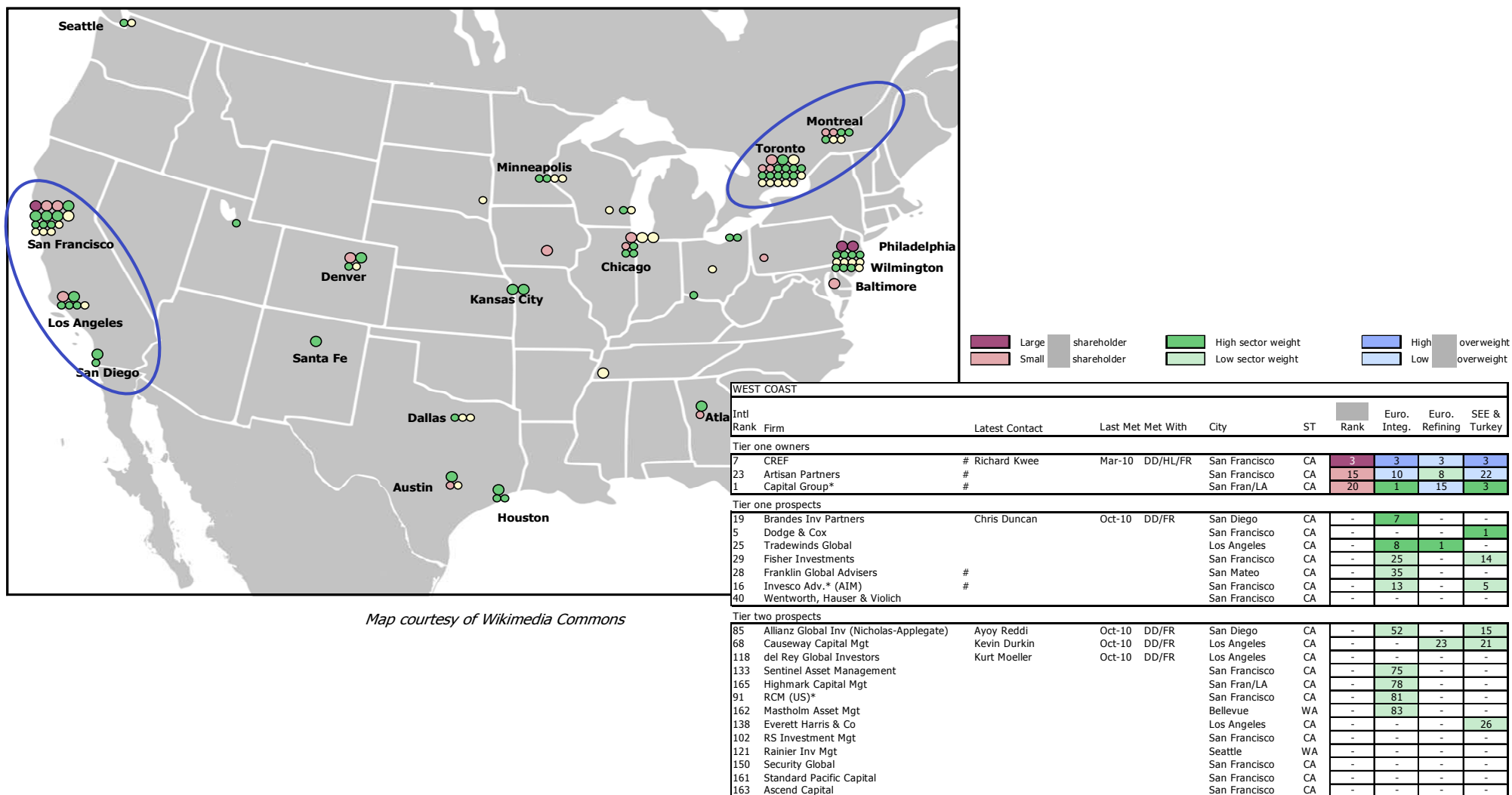
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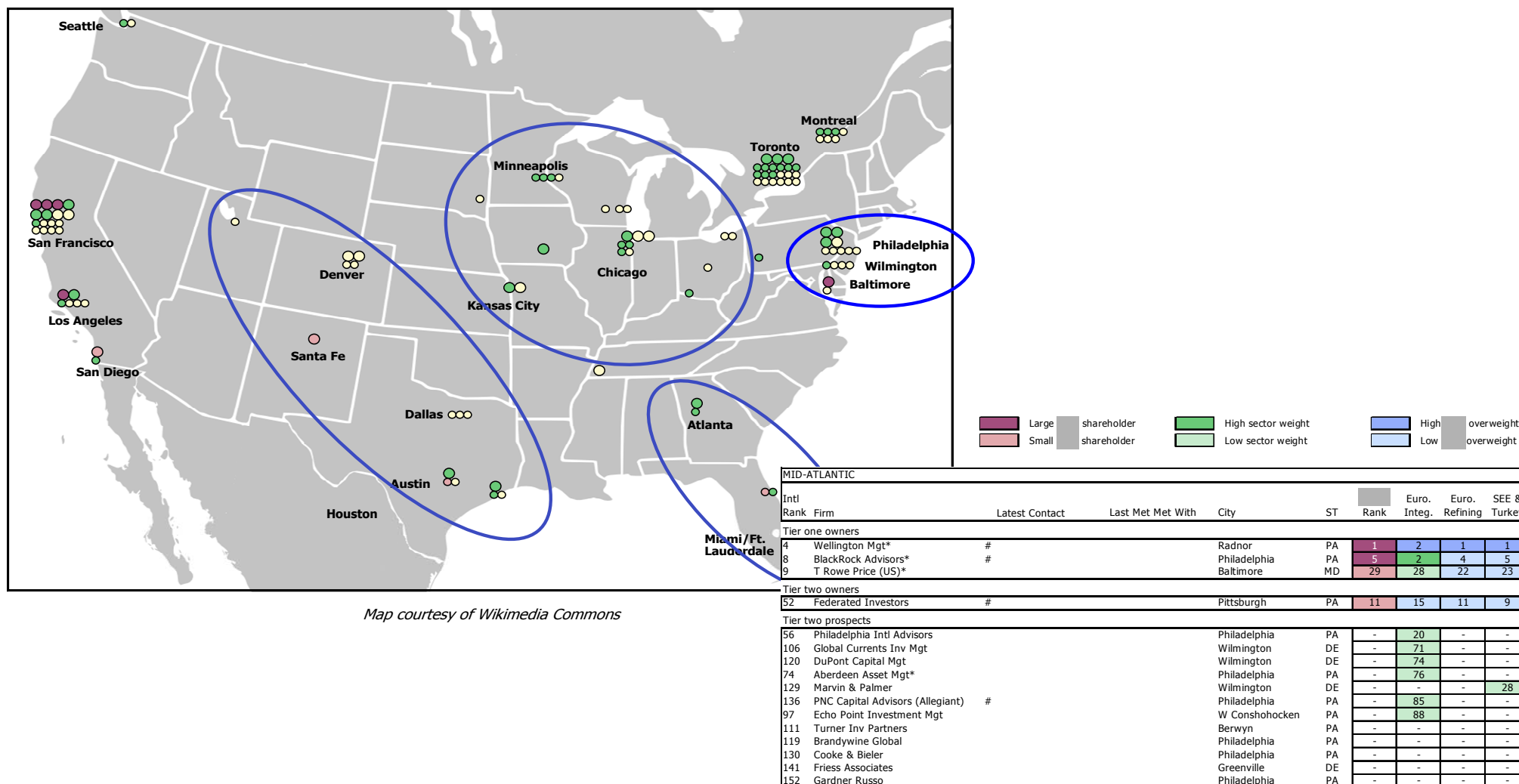
Second and third tier N. American institutions

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West Coast and Canada



Mid-Atlantic, Mid-West, West and South



Map courtesy of Wikimedia Commons

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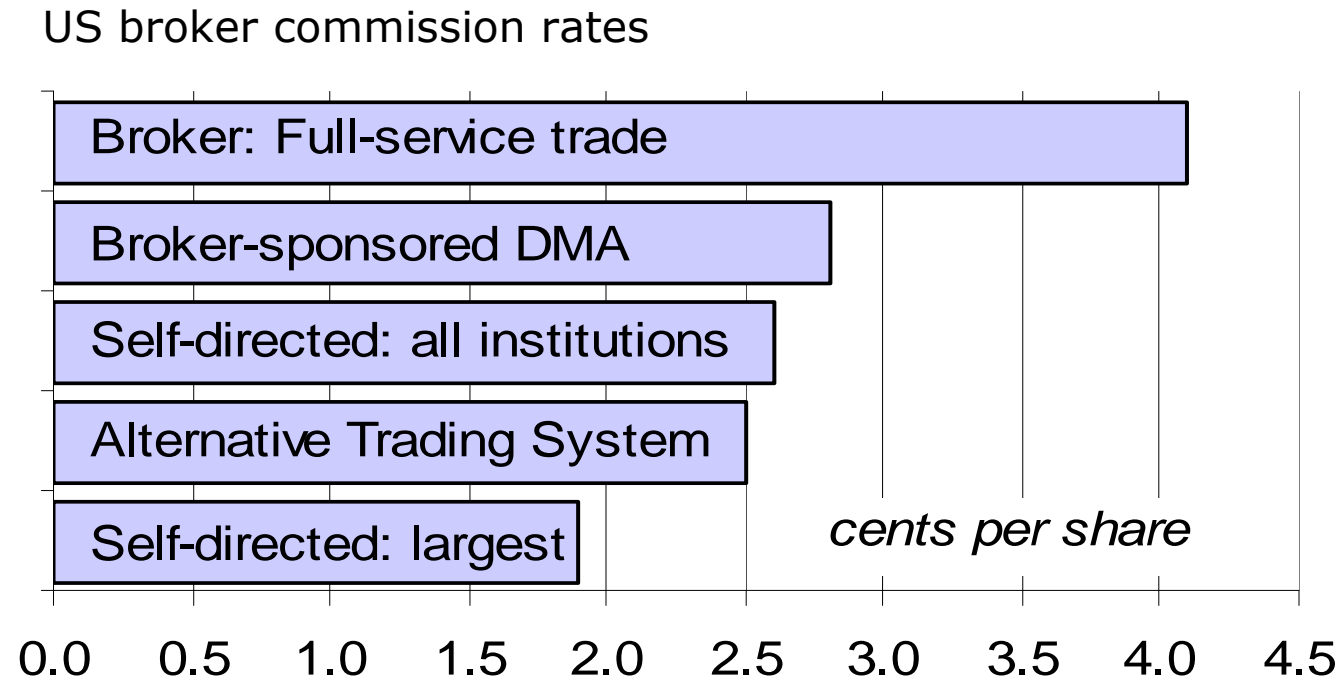
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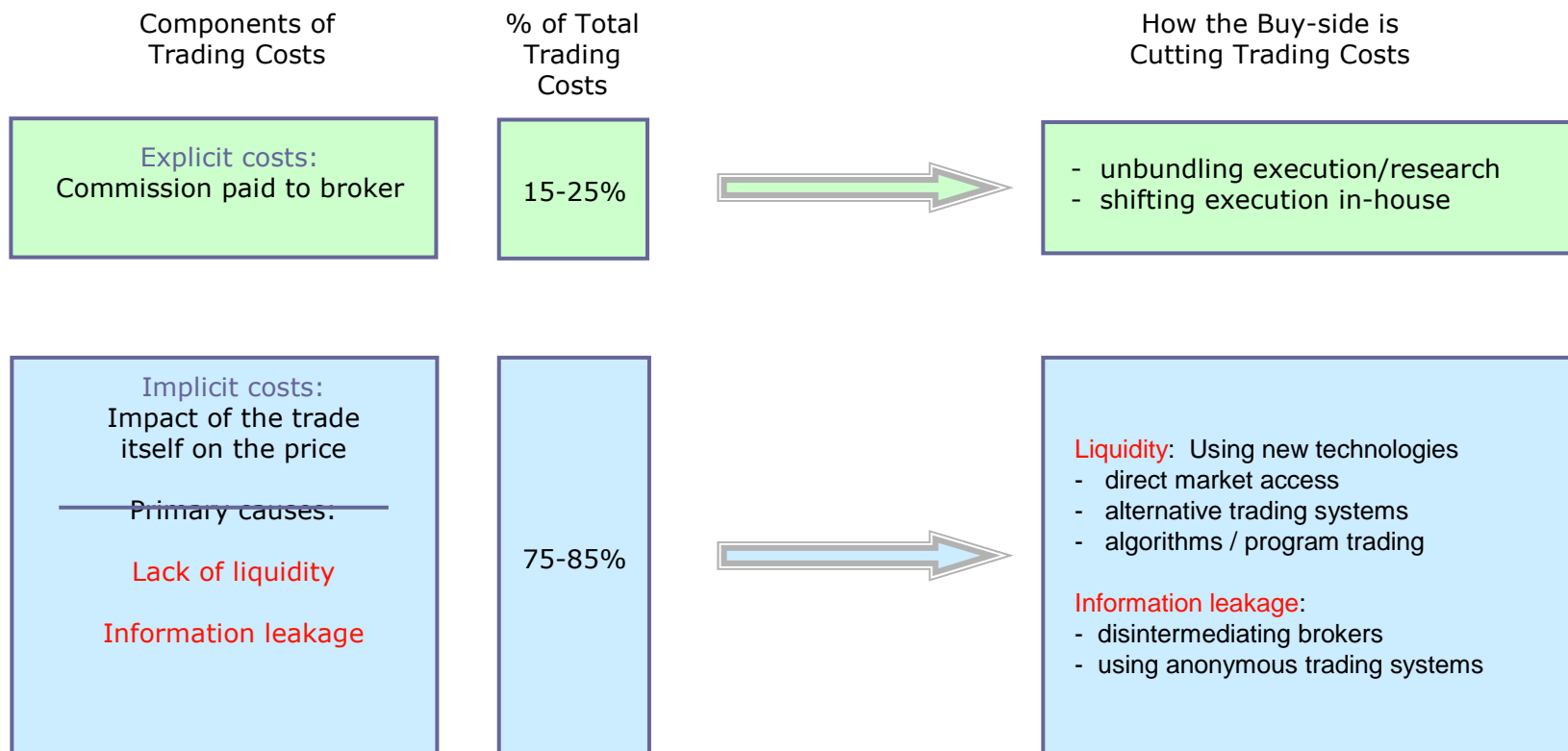
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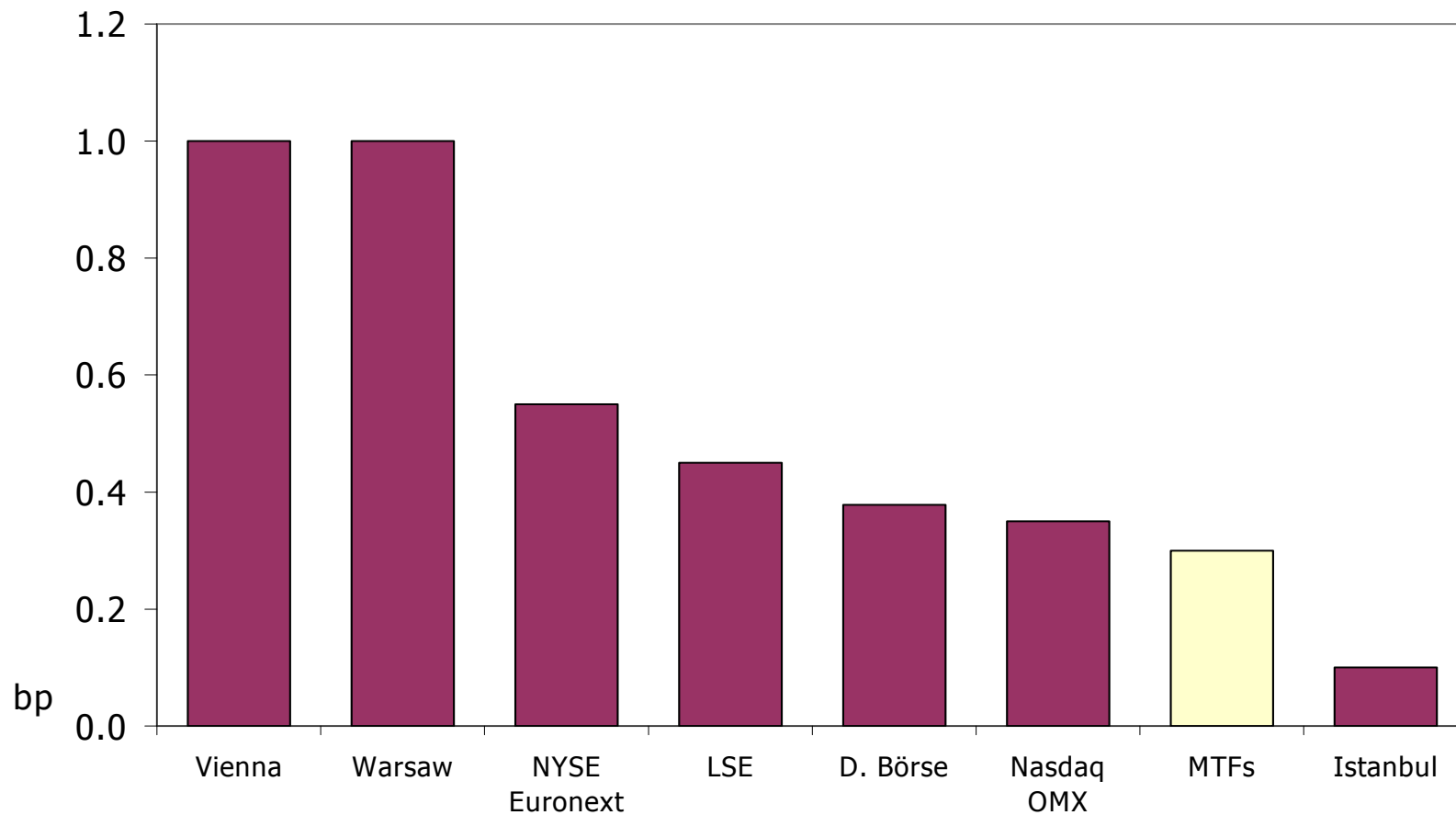
Technology driving trading economics



Buy-side Taking Control of Trading Costs

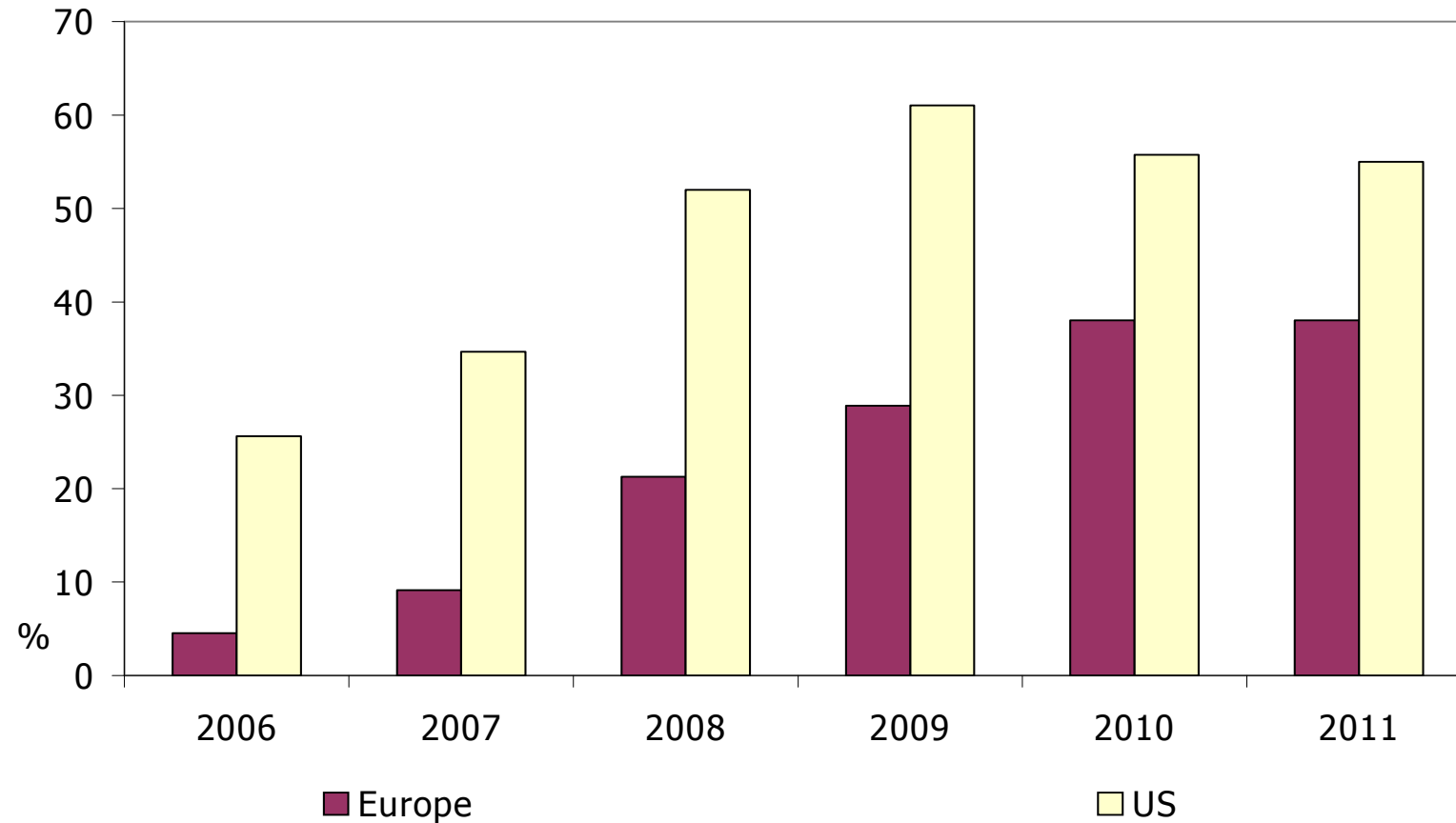


Trading venue transaction fees



Source: Exchange and MTF fee schedules at 31/12/11

High frequency trading: Share of total equity volumes



Source: Celent, TABB Group, Credit Suisse

Summary

- Nth American and UK investors overweight in Turkey
- Growing relevance of Asia Pacific equity capital
 - Mainly in Japan, Singapore, Hong Kong and China
 - Less evident in Middle East
- European EM specialist investors
 - Largely in UK but also Paris, Stockholm, Zurich
- Second and third-tier investment centres in Nth America
 - Preferably at CFO, operational mgmt and IR level
- Changing dynamics of trading economics and technology



MAKINSON COWELL

www.makinson-cowell.com

Conversation with Mehmet Korut Bayraktar, Head of Research, IS Asset Management

Best Practice in Practice: Views from the buy side

Mehmet graduated in 1996 from Bosphorus University with BA in Economics. After working for Vitra (a subsidiary of Eczacıbaşı) in Oxford, he received his MSc. degree in Finance and Economics from London School of Economics in 1998. Before starting his career in Wall Street as a risk manager at Goldman Sachs, Mehmet completed his MBA in University of Chicago in 2000. Mehmet joined Goldman Sachs Asset Management (GSAM) as a risk manager in 2000 and became a portfolio manager in 2003. He spent most of his career in New York working for Goldman Sachs responsible for European and UK equity portfolios as a senior portfolio manager. He was also the lead portfolio manager for Goldman Sachs Dynamic Allocation Fund. In 2011, Mehmet decided to move back to Turkey and started his career as Head of Research and Chief Economist at İş Asset Management in May 2011.



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