



# **ISE TRENDS REPORT**

by

**TÜYİD – TURKISH INVESTOR RELATIONS  
SOCIETY**

&

**MKK – CENTRAL REGISTRY AGENCY**

**Volume 3: January – December 2012**

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Dear Readers,

We proudly present Volume III of the Istanbul Stock Exchange Trends Report 2012, which provides information on public offerings, market capitalization, free floats, trade volumes and holding periods by investor type -domestic vs. foreign and individual vs. institutional, facilitating analysis on the current and historical trends and giving the investment community a more thorough understanding of the market.

With the motivation of your positive feedback and interest, we are working to produce further detailed analysis every time. In this report, we added the holding period comparisons for domestic and foreign investors.

The Report has been prepared by TÜYİD (Turkish IR Society) and MKK (Central Registry Agency), using MKK's database, which comprises important statistics on ISE, the second best-performing stock market in the world in terms of returns in 2012.

Going forward, we will continue to publish the ISE Trends Report on a quarterly basis. We trust it will provide an important insight for the market players.

MKK General Manager and BoD Member

Doç. Dr. Yakup ERGİNCAN

TUYID Turkish IR Society Chairman

Funda GÜNGÖR AKPINAR

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The evaluations and the information in the Report are prepared based on Central Registry Agency's database. Investment information, comment and advices are not in the enclosure of investment consultancy and do not comprise information for buying and selling decisions in the capital markets. The data and the information in the Report cannot be guaranteed to be correct; the content can be changed without announcing. All the data are taken from the sources thought to be reliable. MMK and TÜYİD cannot be taken responsible for the problems that might emerge out of using these sources.

## 1. PUBLIC OFFERINGS BY INDEX

	31.12.2011	31.12.2012
ISE-ALL	329	352
XUSIN	170	180
XUHIZ	53	58
XTCRT	18	20
XUMAL	90	98
XBANK	16	16
XHOLD	31	38
XUTEK	16	16

***26 initial public offerings took place in 2012, generating TL 619 million proceeds.***

The year 2012 was busy with public offerings; 26 companies started trading at the ISE, 16 of them were initial offerings and 10 were in Emerging Companies Market. Looking at the pipeline of companies that have applied for ISE for listing, it is expected that the public offerings will continue at the same speed in 2013. As compared to previous years, the performance of ISE in 2012 with 26 IPO's similar to 36 IPOs in 2010 and 27 IPOs in 2011, represents a satisfactory progress for the capital market players. Beyond doubt, the IPO Campaign and incentives supported by the CMB and ISE during the last one year period have significantly encouraged the companies in their decisions to list their shares.

The proceeds generated from the public offerings in 2012 reached TL619 million (USD352 million). In 2012, a significant amount of investors (30.272) participated in the secondary public offering of Halkbank, generating TL4,515 billion. Sanifoam Sünger Tic. ve San. A.Ş. had the highest float with 37.91% while the highest foreign interest was seen in Teknosa İç ve Dış Tic. A.Ş. Other offerings generated interest mainly from domestic investors.

The details of 2012 are available in the below table:

Company Name	Nominal Value (TL)	Float (%)	Total Proceeds (TL)	Total Proceeds (USD)	Price (TL)	First Trade Date	Number of Investors	
							Foreign	Domestic
<b>IPOs</b>								
Özak GMYO	39,250,000	25.00	98,125,000	55,670,600	2.50	15.02.2012	-	6,143
Taraf Gazetecilik	1,600,000	16.67	6,880,000	3,924,029	4.30	29.03.2012	0	130
Niğbaş Niğde Beton	5,000,000	18.52	10,200,000	5,828,571	2.04	05.03.2012	3	1,107
Oylum Sınai Yatırımlar	2,750,000	30.99	6,325,000	3,594,771	2.30	04.05.2012	2	1,464
Orge Enerji Elektrik Taahhüt	3,000,000	30	10,680,000	6,054,422	3.56	15.05.2012	4	466
Prizma Pres Matbaacılık	3,600,000	26.47	14,400,000	14,400,000	4.00	15.05.2012	4	2,385
Teknosa	12,650,000	11.50	98,037,500	54,821,618	7.75	17.05.2012	41	9,368
Polisan Holding	19,750,000	5.34	44,437,500	24,385,392	2.25	24.05.2012	-	5,584
Ar Tarım Organik Gıda	8,050,000	35.78	15,214,500	8,274,596	1.89	31.05.2012	3	131
TGS Dış Ticaret	2,500,000	33.33	14,000,000	7,609,109	5.60	07.06.2012	-	2,351
Flap Kongre Toplantı Hizmetleri	4,000,000	16.00	19,600,000	10,849,709	4.90	29.06.2012	-	504
Akdeniz Güvenlik Hizmetleri	1,500,000	12.30	16,350,000	9,006,776	10.90	03.07.2012	3	753
Karakaş Atlantis Kuyumculuk	16,750,000	25.09	41,875,000	22,970,378	2.50	03.08.2012	-	4,651
Ulaşlar Turizm Yatırımları	3,500,000	31.37	6,650,000	3,674,439	1.90	06.08.2012	-	210
Atlantik Petrol Ürünleri Ticaret ve Sanayi A.Ş.	1,950,000	32.50	8,775,000	4,852,892	4.50	15.10.2012	-	387
Tümosan Motor ve Traktör Sanayi A.Ş.	30,000,000	26.09	120,000,000	67,514,347	4.00	05.12.2012	-	9,791
<b>Emerging Companies Market</b>								
Osmanlı Menkul Değerler	1,315,500	21.57	3,288,750	1,881,867	2.50	27.02.2012	0	24
Hitit Holding	5,000,000	25	18,000,000	10,264,013	3.60	09.03.2012	0	484
Beyaz Filo Oto Kiralama	3,528,000	9.73	15,876,000	8,793,619	4.50	28.03.2012	1	456
Sanifoam Sünger San. ve Tic.	4,000,000	37.91	10,000,000	5,561,426	2.50	18.04.2012	1	446
Mega Polietilen Köpük San. ve Tic.	4,000,000	30.25	8,000,000	4,497,414	2.00	18.05.2012	0	199
MCT Danışmanlık	771,000	15	2,791,020	1,532,938	3.62	30.05.2012	1	367
Etiler İnci Büfe Gıda San. ve Dış Tic.	2,500,000	33	7,025,000	3,873,938	2.81	16.07.2012	2	474
Denge Yatırım Holding	3,000,000	37.5	10,050,000	5,552,486	3.35	02.08.2012	1	405
Taze Kuru Gıda Sanayi ve Ticaret A.Ş.	293,764	32.99	2,632,125	1,459,130	8.96	19.10.2012	2	108
Baysan Trafo Radyatörleri Sanayi ve Ticaret A.Ş.	2,215,620	26.69	9,416,385	5,292,780	4.25	07.12.2012	0	236

## 2. FREE FLOAT

*The effective free float of the companies traded at the ISE is 29%.*

INDEX	FREE FLOAT		EFFECTIVE FREE FLOAT	
	31.12.2011	31.12.2012	31.12.2011	31.12.2012
ISE-30	37.22%	38,08%	31.13%	34,18%
ISE-50	35.97%	38,47%	29.75%	33,28%
ISE-100	37.10%	39,56%	29.37%	32,61%
ISE-ALL	36.85%	38,67%	25.74%	29,19%
XUSIN	38.39%	40,03%	25.89%	26,51%
XUHIZ	30.49%	33,23%	22.17%	26,18%
XCRT	48.30%	48,34%	38.95%	41,77%
XUMAL	39.06%	40,35%	27.33%	31,92%
XBANK	39.57%	42,01%	26.82%	33,22%
XHOLD	38.12%	37,04%	32.35%	31,77%
XUTEK	26.56%	24,51%	22.90%	20,82%

The IPO Campaign has not only been effective in informing and educating the public and the companies on the benefits of public offering, but also encouraged companies in increasing their float. ISE-All's effective free float as of the end of 2012 is 29%. ISE-30, which is mostly preferred by foreign investors and that consists of the 30 highest valued companies, has 34% effective free float. In our previous report dated 30 September, the rate was 31%. The main reason for this increase is the secondary public offering of Halkbank by Privatization Administration in the last quarter.

When we look at the sub-indices, the highest float is observed in the Commercial and Bank indices with 48% and 42%, respectively. In terms of the rate of free float compared to the previous year, ISE Service index (XUHIZ), shows the highest increase by 2.74%. The highest year-to-date increase in effective free float took place in the Banks index with 6.40 pps.

Note: The difference between free float and effective free float is attributable to owners' shares, individual and institutional shareholders with over 5% share, and pledged/collateralized shares.

### 3. MARKET CAPITALIZATION

*In 2012, as a result of the positive decoupling from the global and regional exchanges, ISE became the second best performing stock exchange in the world. Market capitalization of ISE-ALL reached USD307 billion, up by 45% on TL basis and 54% year-on-year.*

MILLION TL	31.12.2011	31.12.2012	Annual Change	Monthly Change
ISE-30	220.525	359.153	63%	7,6%
ISE-50	253.180	408.838	61%	7,4%
ISE-100	296.116	453.911	53%	7,6%
ISE-ALL	376.888	545.341	45%	7,5%
XUSIN	106.090	147.606	39%	5,8%
XUHIZ	83.466	108.960	31%	8,4%
XTCRT	17.029	27.163	60%	7,4%
XUMAL	183.721	282.780	54%	7,8%
XBANK	122.602	190.077	55%	7,8%
XHOLD	42.933	69.323	61%	8,0%
XUTEK	3.611	5.994	66%	19,2%

MILION USD	31.12.2011	31.12.2012	Annual Change	Monthly Change
ISE-30	116.748	202.044	73%	7,6%
ISE-50	134.036	229.994	72%	7,3%
ISE-100	156.766	255.350	63%	7,6%
ISE-ALL	199.528	306.785	54%	7,5%
XUSIN	56.165	83.037	48%	5,8%
XUHIZ	44.188	61.296	39%	8,3%
XTCRT	9.015	15.281	69%	7,4%
XUMAL	97.263	159.080	64%	7,8%
XBANK	64.906	106.929	65%	7,8%
XHOLD	22.729	38.998	72%	8,0%
XUTEK	1.912	3.372	76%	19,2%

In the beginning of the year current account deficit, concerns on the soft-landing scenario and low growth expectations comprised the main issues of the agenda. The unorthodox monetary policy implemented by the Central Bank of Turkey was approached by low conviction and much skepticism. The negative repercussions of the situation in Europe caused a slow down in this period.

In the second half of the year, strong financial and operational performances of the companies helped Turkey to positively

decouple from other markets and the ISE rallied on the expectations of a rating upgrade. As Fitch upgraded Turkey's credit rating to investment grade, the ISE witnessed successive records. ISE-100 index reached historical levels in 9 of the last 12 trading days; increasing by 54%, and the market capitalization of ISE-ALL reached 307 billion dollars.

On TL terms, the highest increase was recorded in the Technology index with 66%. ISE-30, comprising 30 companies with highest market capitalization, recorded 63% increase. On an annual basis, the lowest increase was in the Services index with 31%. On a monthly basis, the highest increase was in the Technology index with 19%.

#### 4. TRADE VOLUME

*The TL based trading volume in ISE fell by 10% in 2012 as compared to 2011.*

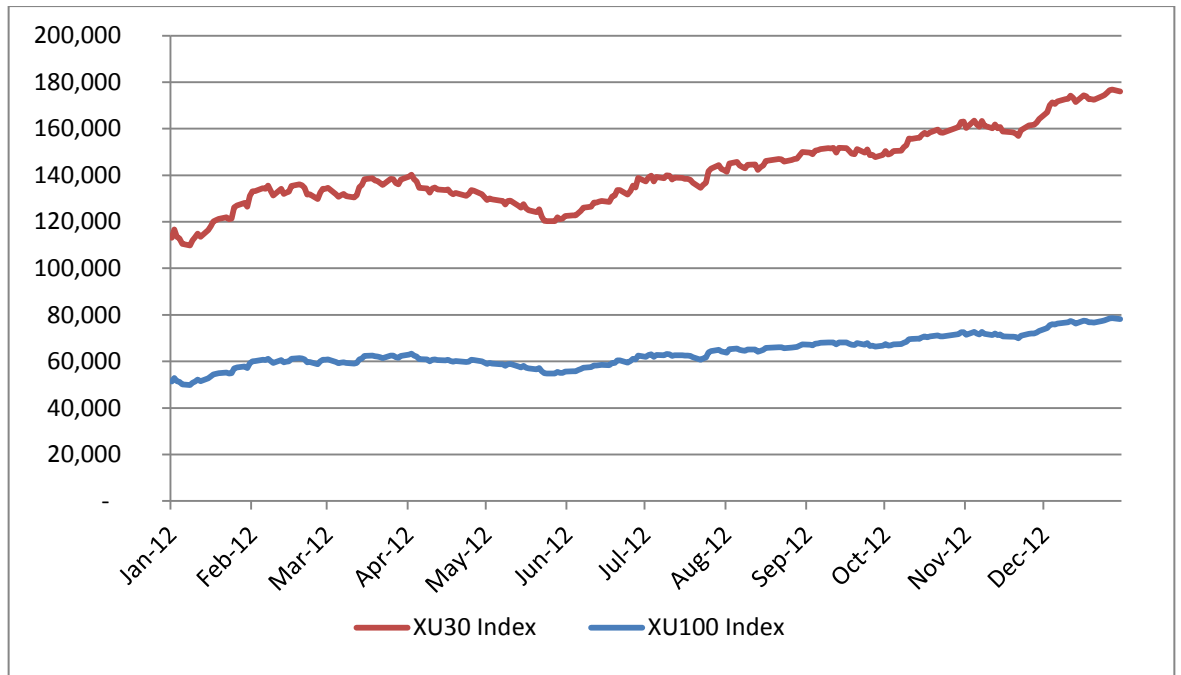
NOMINAL VALUE (Mn)	2011	2012	Annual Change
ISE-30	101.209	94.325	-7%
ISE-50	112.334	105.586	-6%
ISE-100	145.812	125.447	-14%
ISE-ALL	189.038	160.650	-15%
XUSIN	58.783	45.339	-23%
XUHIZ	20.324	17.874	-12%
XTCRT	3.958	3.219	-19%
XUMAL	108.085	95.760	-11%
XBANK	46.349	49.836	8%
XHOLD	37.250	29.943	-20%
XUTEK	1.846	1.678	-9%

MILLION TL	2011	2012	Annual Change
ISE-30	393.750	407.899	4%
ISE-50	456.537	473.273	4%
ISE-100	564.201	523.392	-7%
ISE-ALL	676.424	606.213	-10%
XUSIN	187.912	167.952	-11%
XUHIZ	106.042	83.579	-21%
XTCRT	25.483	20.490	-20%
XUMAL	364.485	337.139	-8%
XBANK	242.774	256.382	6%
XHOLD	69.215	50.605	-27%
XUTEK	17.985	17.543	-2%

MILLION USD	2011	2012	Annual Change
ISE-30	238.592	227.855	-5%
ISE-50	276.872	264.410	-5%
ISE-100	343.658	292.478	-15%
ISE-ALL	412.174	338.808	-18%
XUSIN	115.269	93.950	-18%
XUHIZ	65.113	46.746	-28%
XTCRT	15.596	11.458	-27%
XUMAL	220.828	188.310	-15%
XBANK	145.998	143.151	-2%
XHOLD	42.531	28.286	-33%
XUTEK	10.965	9.802	-11%

Comparing the trading volumes of ISE in general, there is a 10% decrease in 2012 as compared to 2011. The share of ISE-30 in the total trading volume was 57% in 2011, which increased to 67% in 2012.

Comparing the two years, the highest positive increase was realized in banking index by 6%. The secondary public offering of Halkbank in November 2012 is considered as the facilitator of this increase.



## 5. FOREIGN TRANSACTIONS

**Foreign investors were net buyers in all indices in 2012, with the highest inflow taking place in ISE-100 with 5.4 billion USD.**

INDEX	2012 NET INFLOW-OUTFLOW FOREIGN (TL)	2012 NET INFLOW-OUTFLOW FOREIGN (USD)
ISE-30	5.417.316.193,10	3.020.731.999,66
ISE-50	8.991.725.187,60	5.023.727.798,77
ISE-100	9.643.533.768,11	5.388.924.676,46
ISE-ALL	9.674.719.706,41	5.406.668.345,95
XUSIN	3.599.362.118,93	2.013.111.572,81
XUHIZ	1.177.637.055,81	658.804.619,63
XTCRT	292.671.543,74	163.870.020,76
XUMAL	4.848.372.352,23	2.706.643.430,60
XBANK	3.935.165.721,75	2.194.258.808,99
XHOLD	378.012.718,44	211.347.199,33
XUTEK	49.348.179,44	28.108.722,92

2012 (USD mn)	1Q <sup>s</sup>	2Q	3Q	4Q	TOTAL
<b>ISE-030</b>	632,3	193,0	1.090,2	1.105,3	3.020,7
<b>ISE-050</b>	2.534,6	244,0	1.126,0	1.119,1	5.023,7
<b>ISE -100</b>	2.584,6	225,5	1.138,1	1.440,7	5.388,9
<b>ISE-ALL</b>	2.596,8	226,1	1.132,9	1.450,9	5.406,7
<b>XUSIN</b>	1.700,3	- 72,0	229,6	155,3	2.013,1
<b>XUHIZ</b>	97,5	100,8	214,9	245,6	658,8
<b>XTCRT</b>	77,9	26,0	-26,5	86,4	163,9
<b>XUMAL</b>	755,9	214,1	700,3	1.036,3	2.706,6
<b>XBANK</b>	585,4	177,6	592,4	838,9	2.194,3
<b>XHOLD</b>	165,9	- 8,8	-0,4	54,7	211,4
<b>XUTEK</b>	43,2	-16,8	-2,0	13,8	28,1

Foreign investors were net buyers in all indices in 2012. Total net foreign inflow in ISE-ALL reached USD 5.4 billion. On a quarterly basis, there was a net inflow in all indices in Q1 and Q4, while in Q2 and Q3 there was a net outflow in the Industrial, Holding, Technology and Commercial indices. The highest inflows took place in the financials index (XUMAL).

When the sub-indices are analyzed, highest net inflow is observed in the financial index due to the highest concentration of the banking shares. This is the reason why throughout the whole year, in terms of money inflows into financial index, banking index was the closest follower.

2012	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
<b>ISE-030</b>	432,4	242,4	-42,5	-184,4	-482,4	859,7	480,4	427,8	181,9	454,8	202,7	447,8	3.020,7
<b>ISE -050</b>	453,6	279,2	1801,9	-172,1	-488,6	904,7	506,3	444,1	175,7	444,3	200,9	473,9	5.023,7
<b>ISE -100</b>	474,4	291,6	1818,6	-191,1	-492,4	909,0	532,2	464,8	141,2	472,9	240,6	727,2	5.388,9
<b>ISE -ALL</b>	480,7	301,7	1814,4	-183,9	-488,2	898,2	537,2	451,9	143,8	502,3	218,6	729,9	5.406,7
<b>XUSIN</b>	39,1	63,3	1597,9	-95,7	-39,1	62,8	108,6	49,6	71,4	79,0	106,8	-30,6	2.013,1
<b>XUHIZ</b>	45,0	59,1	-6,6	31,1	-68,5	138,3	130,3	5,3	79,4	13,4	-29,2	261,3	658,8
<b>XTCRT</b>	32,9	24,1	20,9	31,2	10,2	-15,4	22,2	-43,1	-5,6	44,7	7,6	34,2	163,9
<b>XUMAL</b>	388,5	168,2	199,2	-125,7	-379,0	718,8	305,2	393,5	1,5	405,3	140,9	490,1	2.706,6
<b>XBANK</b>	287,9	71,8	225,7	-146,1	-330,0	653,7	234,8	350,1	7,4	312,2	94,0	432,7	2.194,3
<b>XHOLD</b>	91,9	60,6	13,3	-27,0	-36,9	55,1	6,3	1,1	-7,8	56,0	5,1	-6,4	211,4
<b>XUTEK</b>	8,2	11,0	24,0	6,4	-1,6	-21,7	-6,9	3,5	-8,6	4,6	0,1	9,1	28,1

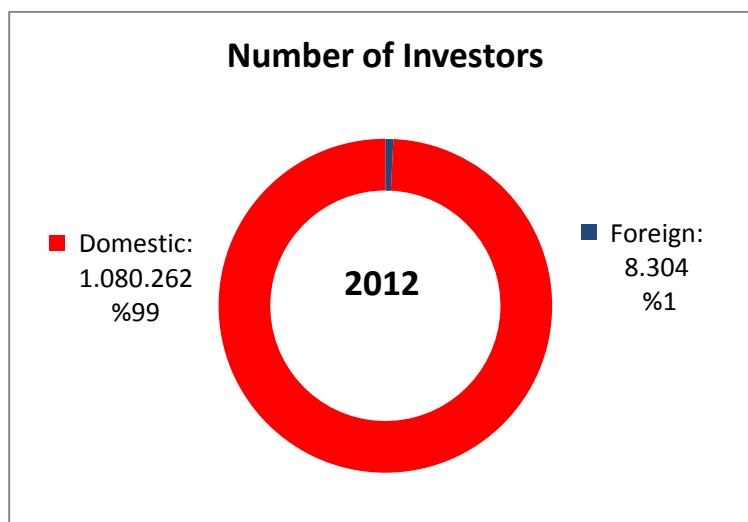
## 6. TRADE VOLUME BY TYPE OF INVESTOR (TL)

INDEX	Dec.11		Mar.12		June12		Sept.12		Dec.12	
	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC
ISE-ALL	13%	87%	20%	80%	18%	82%	19%	81%	16%	84%
ISE-030	19%	81%	26%	74%	25%	75%	23%	77%	19%	81%
ISE-050	17%	83%	25%	75%	21%	79%	22%	78%	19%	81%
ISE-100	16%	84%	23%	77%	20%	80%	21%	79%	17%	83%
XUSIN	9%	91%	18%	82%	10%	90%	11%	89%	8%	92%
XUHIZ	14%	86%	13%	87%	21%	79%	23%	77%	18%	82%
XTCRT	20%	80%	14%	86%	30%	70%	21%	79%	17%	83%
XUMAL	15%	85%	23%	77%	22%	78%	22%	78%	19%	81%
XBANK	17%	83%	27%	73%	24%	76%	24%	76%	21%	79%
XHOLD	15%	85%	18%	82%	20%	80%	15%	85%	16%	84%
XUTEK	3%	97%	4%	96%	2%	98%	6%	94%	2%	98%

*In 2012, domestic investors generated 84% of the trade volume*

Although the share of foreigners in trading volume falls in December due to the Christmas holidays compared to the rest of the year, foreign trading volume increased to 16 % by the end of 2012, compared to 13% in 2011. 84% of the trading volume in 2012 was generated by domestic investors, where the share of foreign investors was 16%. Foreign investors had the highest share in banking index in 2012 as was the case in 2011 but in 2012, there is a 3 points decrease compared to the previous year, to 24% of share in average. In 2012, the highest increase in the foreign trade volume was realized in Services index with 3 points, up to 19%. Foreign investors had the lowest share in technology index, with 3%.

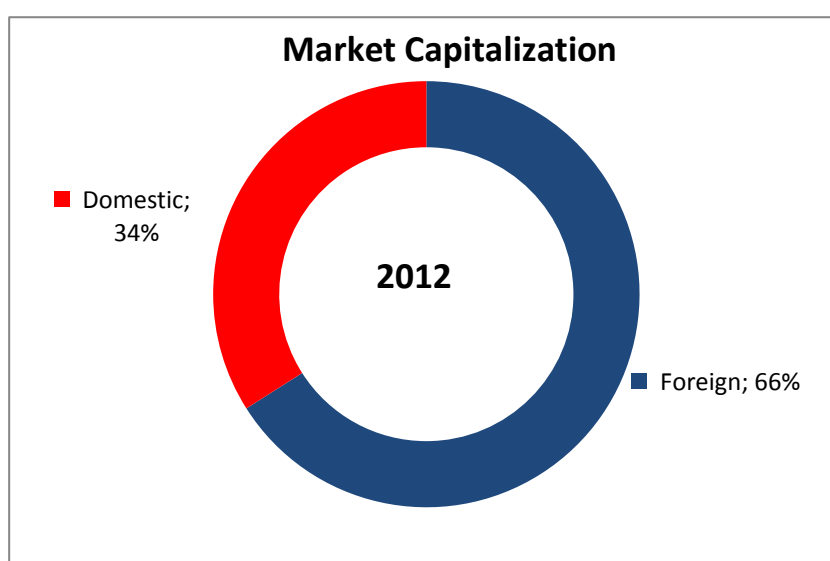
## 7. NUMBER OF INVESTORS AND MARKET CAPITALIZATION



***8,304 of the total 1 million 80 thousand investors at ISE are non-residents.***

***The share of foreign investors in trading volume is limited to 16%, while their share in market cap is at 66% levels.***

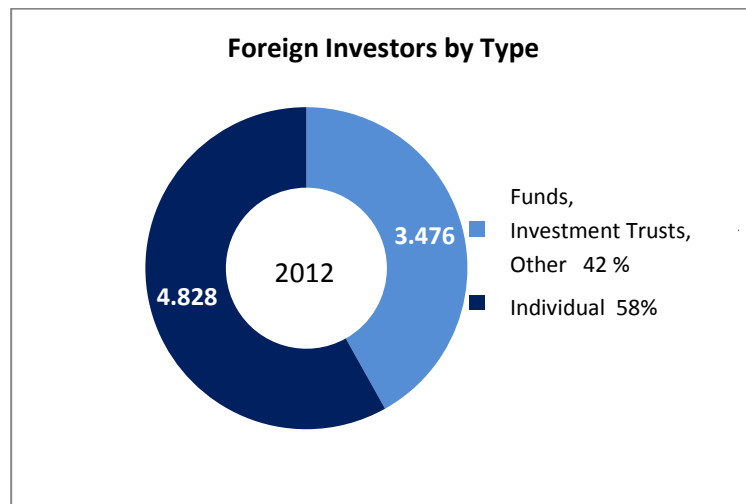
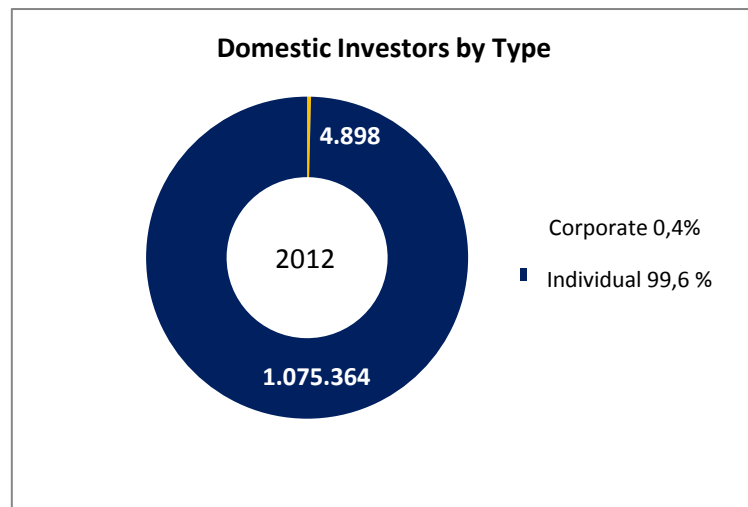
As of the end of 2012, there are 1 million 80 thousand domestic investors at the ISE versus 7,865 foreign investors. Compared to the previous quarter, the number of foreign investors remained relatively stable, while the number of domestic investors increased by around 8 thousand. However, the number of domestic investors, compared to the end of 2011, contracted by 10 thousand.



Foreign investors have 18% share in trade volume. Their share in market capitalization was 62% as of the end of 2011, 64% in September and 66 % in December.

*Despite the 34% increase since the end of 2011, the number of domestic and corporate investors is still low.*

*Individual investors comprises 99.6% of the domestic investor base.*



99.6% of the domestic investor base is composed of individual investors. Despite the increase in the number of corporate investors by 34% to 4.898, they only hold 16% of the market capitalization. The Private pension incentive scheme that was recently introduced by the government in order to increase private savings is expected to increase the domestic institutional equity investments in this low interest rate environment. However, among foreign investors, corporate investors hold the lion's share.

As of the end of 2012, there is a 140,522 decrease in the number of accounts with balance as compared to the end of 2011.

## 8. NUMBER OF DOMESTIC AND FOREIGN INVESTORS BY INDEX

	Dec.11		Dec.12	
	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC
ISE-All	7.646	1.072.116	8.222	1.060.923
XU100	6.916	905.829	7.307	882.119
XU030	5.881	713.692	6.055	671.788
XU050	6.207	774.155	6.460	740.770
XUSIN	4.198	618.894	4.398	608.415
XUHIZ	2.999	347.119	3.316	331.355
XUMAL	5.601	672.016	6.040	651.659
XUTEK	349	55.491	471	64.295
XTCRT	1.351	103.213	1.552	94.436
XBANK	3.958	396.231	4.042	366.594
XHOLD	2.926	309.823	3.398	314.209

*ISE has reached historical high levels in 2012., The market caps of all indices increased on annual basis; while the number of foreign investors increased, the number of domestic investors fell in all indices other than Holding and Technology.*

The ISE posted the second best returns among all stock market indices worldwide in 2012. The market capitalization of all indices increased annually. While the number of foreign investors was on the rise, the number of domestic investors fell in all indices other than Holding and Technology. The number of domestic investors increased most in the Technology index by 16%, while the highest decline occurred in Trade Index by 9%. Due to low base effect, the highest increase was observed in Technology index by 35 %, where the number of investors reached 471.

82% of the total 1.1 million investors preferred to invest in ISE-100.

## 9. MARKET CAPITALIZATION BY INDEX AND NATIONALITY

	Dec.11		Dec.12		Annual Change	
	Foreign (TL)	Domestic (TL)	Foreign (TL)	Domestic (TL)	Foreign	Domestic
<b>ISE-All</b>	86.537.181.309,58	52.115.122.272,42	140.200.907.809,70	70.596.667.035,40	62%	35%
<b>XU100</b>	71.548.725.401,03	38.282.791.999,72	126.124.917.629,49	53.380.459.924,27	76%	39%
<b>XU30</b>	58.564.869.538,52	23.483.742.090,54	103.922.656.193,43	32.791.027.504,71	77%	40%
<b>XU50</b>	63.102.970.453,52	27.927.285.647,13	116.555.103.783,80	40.686.219.981,24	85%	46%
<b>XUSIN</b>	22.523.949.522,03	18.146.622.513,08	33.732.889.871,18	25.325.536.658,08	50%	40%
<b>XUHIZ</b>	17.949.002.711,67	7.423.352.155,69	27.340.499.588,09	8.851.703.266,69	52%	19%
<b>XUMAL</b>	45.936.576.404,76	25.714.219.310,10	78.620.723.269,56	35.457.920.893,55	71%	38%
<b>XUTEK</b>	127.652.671,12	830.928.293,55	506.795.080,87	961.506.217,08	297%	16%
<b>XTCRT</b>	6.542.429.760,56	1.682.734.545,17	11.136.305.188,20	1.994.770.767,06	70%	19%
<b>XBANK</b>	34.927.079.376,27	13.578.902.788,02	60.283.161.592,57	19.556.173.211,12	73%	44%
<b>XHOLD</b>	8.871.310.260,83	7.403.006.514,68	14.736.710.602,67	10.936.667.723,21	66%	48%

As ISE has reached historical high levels in 2012, the market capitalizations have increased annually in all indices.

## 10. FOREIGN INVESTORS BY PORTFOLIO VALUE AND RESIDENCE

**1,302 investors resident in the US hold one third of the foreign investment at the ISE while US and UK investors hold more than half of the total foreign investment.**

LOCATION	PORTFOLIO VALUE (MILLION TL)	SHARE
<b>USA</b>	46.027	33%
<b>UK</b>	25.939	18%
<b>LUXEMBOURG</b>	10.339	7%
<b>NETHERLANDS</b>	4.816	3%
<b>NORWAY</b>	4.699	3%
<b>IRELAND</b>	4.479	3%
<b>FRANCE</b>	4.037	3%
<b>SAUDI ARABIA</b>	3.747	3%
<b>GREECE</b>	3.113	2%
<b>SINGAPORE</b>	2.911	2%
<b>OTHER</b>	30.421	22%

As of December 2012, the highest portfolio values belong to investors residing in US, UK and Luxembourg. The total number of investors in US increased from 1182 as of the end of 2011, to 1302 as of the end of 2012. One third of the total foreign investment at the ISE belongs to investors resident in US, while US and UK investors hold more than half of the total foreign investment at the ISE.

## 11. INVESTORS BY HOLDING PERIODS<sup>1</sup>

	2011		2012	
	Foreign	Domestic	Foreign	Domestic
ISE-All	316	37	389	46
XU100	275	35	343	40
XU30	251	35	305	33
XU50	261	35	330	35
XUSIN	510	43	639	54
XUHIZ	431	33	533	46
XUMAL	254	37	302	43
XUTEK	218	17	324	21
XCRT	453	34	837	41
XBANK	243	32	272	31
XHOLD	330	53	481	83

It is observed that foreign investors, which are mostly institutional investors, invest in stocks in a longer term view; while domestic investors focus more on the short-term investments and sell their stocks within a year's horizon. This trend clearly explains why domestic investors have 82% of the trading volume.

In 2011, domestic investors had the shortest holding period with 17 days in Technology index and the longest holding period with 53 days in Holding index. In 2012, we observe that the holding period in Holding index increased, reaching up to 83 days. Holding periods increased slightly, except for ISE-30 and ISE-50 and Banking indices. In the upcoming period, as the alternative investment opportunities lose their appeal in the low interest rate environment, and the share of domestic institutional investors increases with the new investment incentive schemes, domestic investors will also be encouraged to invest for the longer term.

The shortest holding period of foreign investors that was 218 days in 2011, extended to 272 days in 2012. The longest holding period increased from 510 days to 817 days, longer than 2 years. It was observed that foreign investors' investment horizon extended across all indices.

<sup>1</sup> For the calculation of the holding period, the holding period formula of the SEC (Securities and Exchange Commission of USA) applied for the funds, is used. The formula is based on the equation that the smallest value of buying and selling transaction, divided to the annual average value of the portfolio, multiplied by 365 (days).