

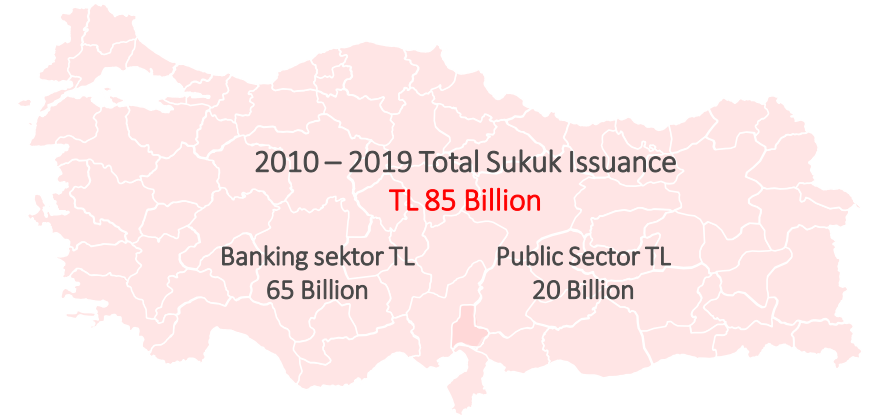
**AK**Portföy

Sukuk  
&  
Alternative Investment Instruments  
in Turkey

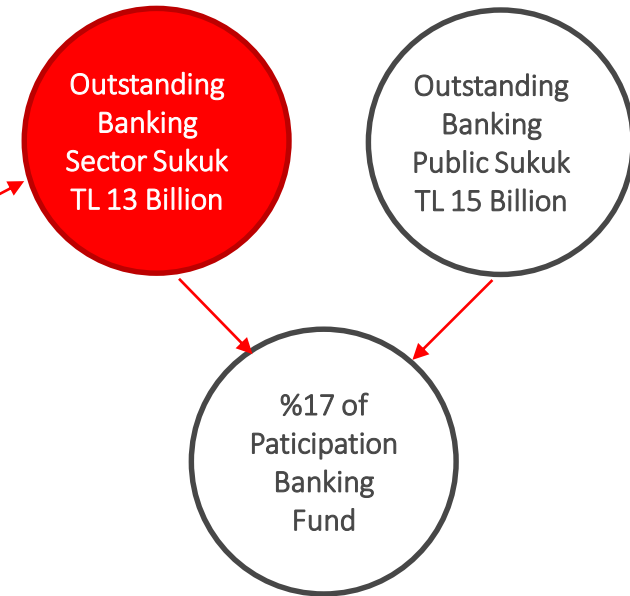
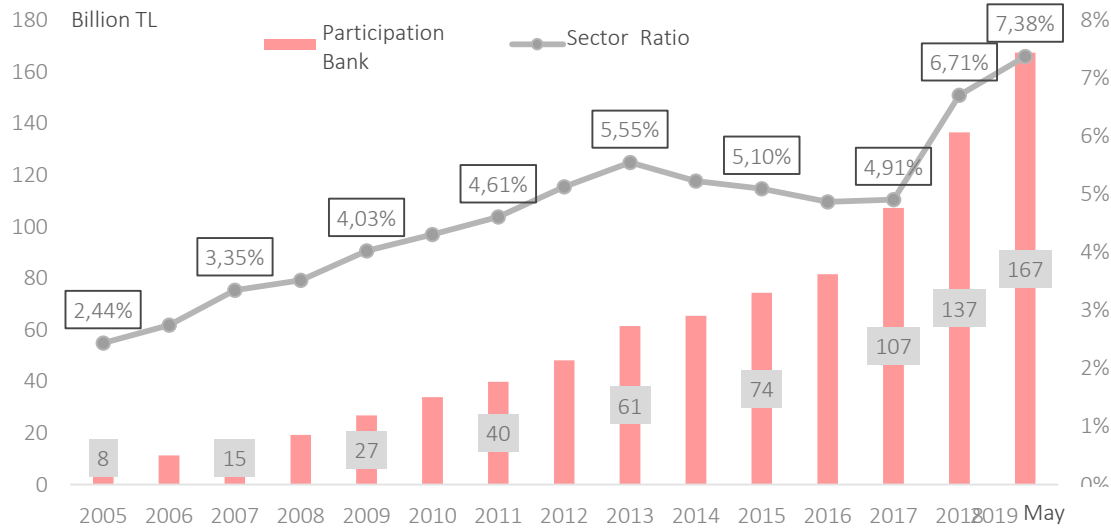


# Sukuk Market Outlook in Turkey

- Growth of Sukuk is driven by the demand for participation investment tools/instruments in the financial system
- Sukuk investors:
  - Investment Funds (TL 4,5 Billion)
  - Pension Funds (TL 15 Billion)
  - Individual Investors
  - Gulf Countries



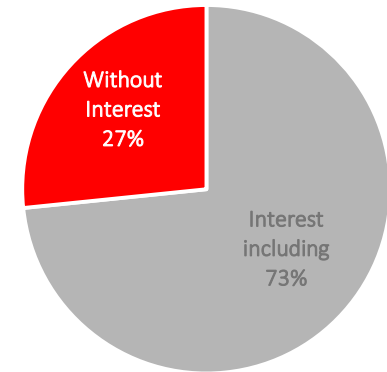
Participation Bank Fund Size in Turkey



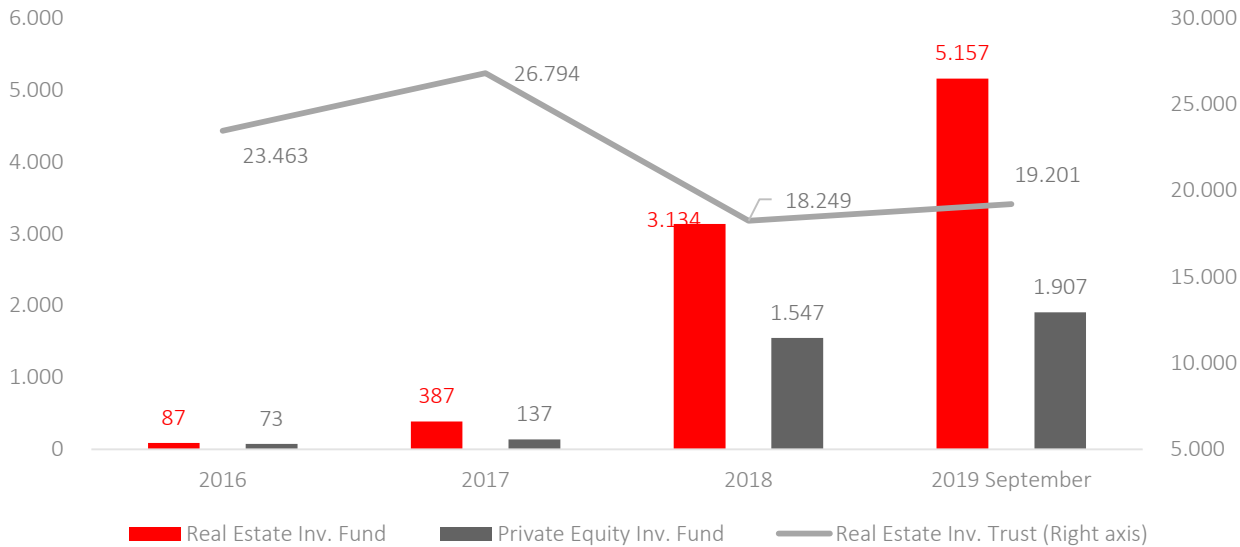
# Alternative Investments

- Alternative Participation Investments
  - Real Estate and Private Equity
  - Real Estate Investment Trusts
  - Real Estate Certificates
    - Enables the investor to invest in a specific development project
    - This is a great tool
    - But needs to be correctly priced
    - Requires more return than debt but not like equity
    - The market for the product should increase if return approaches equity kind

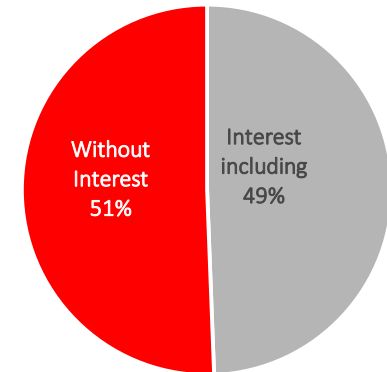
Private Equity Funds Breakdown



Alternative Investment Fund Size (Million TL)



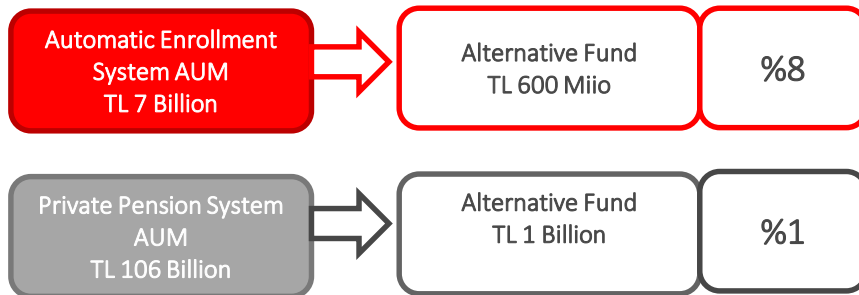
Real Estate Fund Breakdown



# Pension Funds : Hero of Alternative Investments

Pioneer Investor of Alternative Funds: Pension Funds

## Turkish Pension System Asset Class Distribution



## Global Pension Funds Alternative Investment Ratio

%10

11. Development Plan Pension System Target for 2023 TL 300 Billion

Global Alternative investment ratio %10  
TL 30 Billion Private Equity and Real Estate Fund AUM

TL 14 Bio Alternative Participation Funds

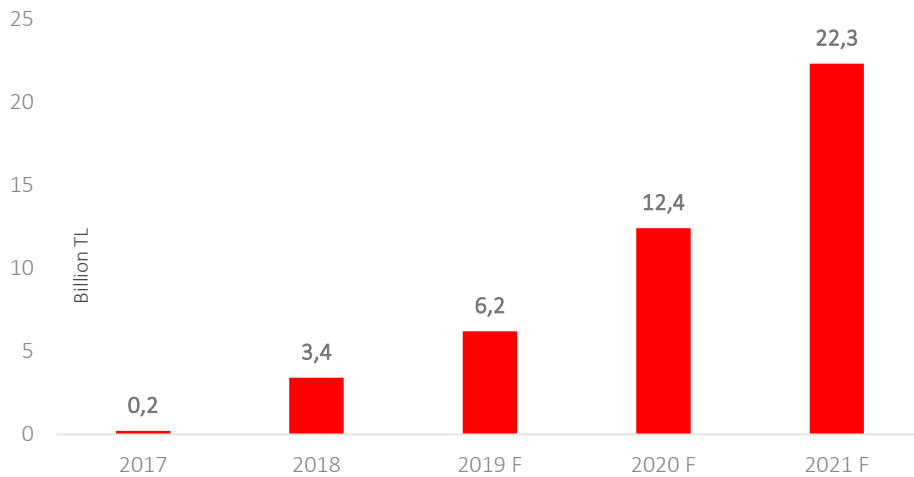
TL 39 Bio Sukuk in Pension System

- Private Pension System does not have compulsory alternative investment allocation
- In AES System only Standard Funds are required to invest in alternatives
- Global pension funds asset are invested in alternatives more than %10 of their portfolios
- Pension Funds are the most common capital market saving tool for Turkish Household (6% of total household saving)

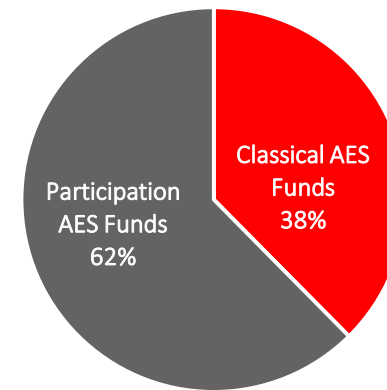
# Short Term Market Forecast

- For AES Standard Funds, 10% alternative investment is mandatory
- In 2021 real Estate and Private Equity Funds investment in AES Standard Funds are expected as TL 2,2 Billion

AES Standart Fund AUM Forecast



AES Funds Breakdown



**2021 Alternative Participation Fund Forecast in AES System :  
TL 1,5 Billion TRY  
Growth ratio : 300%**

# Long Term Sustainable Growth

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Global Trading Platform for Sukuk and Alternative Investment Instruments will make foreign investor access to non-interest instrument easier

Mandatory alternative investment allocation ratio should be extended to the Private Pension System

We welcome Treasury attempts to support VC landscape

## Areas to grow in Turkey:

- Start Up and VC Funds
- Growth Equity Funds
- Renewable Energy Funds
- Infrastructure Fund
- Real Estate Funds