

THIS PROSPECTUS SHALL BE KEPT BY THE FOUNDER, FUND MANAGER AND FUND AUTHORIZED PARTICIPANTS IN SUFFICIENT NUMBER FOR REVIEW BY, AND SUBMISSION FREE OF CHARGE TO, SHAREHOLDERS ALONG WITH THE FUND BY-LAW AND MONTHLY REPORTS THAT CONTAIN FINANCIAL INFORMATION ABOUT THE FUND PREPARED FOR EACH MONTH. THIS PROSPECTUS IS VALID UNTIL A NEW CAPITAL INCREASE, AND CHANGES IN THE PROSPECTUS SHALL BE APPENDED HERETO AFTER SUCH CHANGES ARE REGISTERED WITH THE TRADE REGISTRY AND ANNOUNCED AT THE TURKISH TRADE REGISTRY JOURNAL. AS OF EVERY JANUARY THE PROSPECTUS IS PREPARED AS A SINGLE TEXT WITHOUT REGISTERING THE CHANGES THEREIN AGAIN, AND REPRINTED FOR SUBMISSION TO SHAREHOLDERS.

AT THE MEETING OF THE EXECUTIVE COUNCIL OF THE ISE DATED 22/09/2004, IT WAS DECIDED THAT SHARES OF EXCHANGE TRADED FUNDS CAN BE TRADED ON THE FUND MARKET WITHIN THE ISE STOCK MARKET.

“PROSPECTUS FOR PUBLIC OFFERING OF 90,000,000 PIECES OF 3rd SERIES SHARES OF FİNANSBANK A.Ş. DOW JONES ISTANBUL 20 TYPE A EXCHANGE TRADED FUND ”

This is the prospectus for public offering of the 3rd series shares of the fund which was founded by Finansbank A.Ş. pursuant to articles 37 and 38, Capital Markets Board law numbered 2499, was caused to be registered on 26/10/1993 under registration number of Istanbul Trade Registry Office 237525-185092, and was founded for distribution of risk and managing the portfolio composed of capital market instruments according to fiduciary property principles in the account of shareholders, with the monies to be collected from public in return for shares for management according to fund by-law that was announced on Turkish Trade Registry Journal dated 02.11.1993 and numbered 3396 and of which full text is available at the back of shares, and was turned into Finansbank A.Ş. Type A Mixed Fund under permission of Capital Markets Board dated 25/09/2004 and numbered KYD/416 ¹ and then was converted into Dow Jones Istanbul 20 Type A Exchange Traded Fund under permission of Capital Markets Board dated 17/09/2004 and numbered KYD/627.

30.00.000 shares of Dow Jones Istanbul 20 Type A Exchange Traded Fund which was, in line with permission of Capital Markets Board dated 17.9.2004 and numbered KYD/627, caused to be registered on 26/10/1993 under registration number of Istanbul Trade Registry Office 237525-185092, and was converted from Finansbank A.Ş. Type A Mixed Fund into Type A Exchange Traded Fund for distribution of risk and managing the portfolio composed of capital market instruments according to fiduciary property principles in the account of shareholders, with the monies to be collected from public in return for shares for management according to fund by-law that was announced on Turkish Trade Registry Journal dated 24.09.2004 and numbered 6143 and of which full text is available at the back of shares were

¹ Under permission of our Board dated 07.08.1997 and numbered KYD/438, it was deemed proper to convert Commercial Union Sigorta A.Ş. Primary Mutual Fund that was allowed to be founded under letter of our Board dated 25.10.1993 and numbered OFD/1563 into Type A Variable Mutual Fund pursuant to provisional article 1, Series: VII No: 10 Communiqué; Commercial Union Sigorta A.Ş. Type A Variable Fund was taken over by Finansbank A.Ş. under resolution of Board of Directors of Commercial Union Sigorta A.Ş. dated 23.06.2003 and numbered 2003/13 and resolution of Board of Directors of Finansbank A.Ş. dated 27.06.2003 and numbered 109 in line with permission obtained from our Board dated 25.09.2003 and numbered KYD-416 and its name was changed as Finansbank A.Ş. Type A Mixed Fund.

entered into Board registry by the Capital Markets Board with date 08/12/1993 / number KB 99/908 and date 4/10/1995 / number KB 99-2/1347 and shares were sold within framework of provisions of Communiqué Series: VII , No: 10. Board granted permission for public offering of Fund shares within framework of Series: VII, No:23 Communiqué on Principles of Exchange Traded Funds, article 9 on 06/01/2005 under number KYD/13.

The table below shows, in chronological order, the information about public offerings of Dow Jones Istanbul 20 Type A Exchange Traded Fund which have been registered by the Board prior to this increase.

PUBLIC OFFERING DATE	CMB REGISTRATI ON DATE	CMB REGISTRATI ON NUMBER	SERI ES	PREVIOUS AMOUNT (FROM TRY)	NEW AMOUNT (TO TRY)
10/12/1993	8/12/1993	KB 99-908	1	100.000.000.000	100.000
16/10/1995	4/10/1995	KB 99-2/1347	2	200.000.000.000	200.000

This time 90,000,000 pieces of 3rd series shares which are to be issued due to increase of fund amount from TRY 300,000 to TRY 1,200,000 and which show the ratio of participation in the fund assets have been registered by the Capital Markets Board on 12.07.2005 under number KB.99-3/843. However, such registration does not mean that the Fund and shares are guaranteed by the Board or the public.

I. INFORMATION ABOUT THE FUND

1. Fund Type : Exchange Traded Fund
2. Fund Type : Type A
3. Current Fund Amount : TRY 300,000.-
4. Fund Amount Increased : TRY 900,000.-
5. Fund Amount After Increase : TRY 1,200,000.-
6. Current Number of Shares : 30.000.000
7. Number of Shares Increased : 90,000,000 Pieces
8. Share Amount After Increase : 120,000,000 Pieces
9. Series of Shares Increased : 3.
10. Fund's Duration : Indefinite

II. FUND PORTFOLIO STRATEGY

The assets in the fund portfolio are chosen in accordance with the arrangements of the Capital Markets Board and the Fund Bylaw, and the Fund portfolio is managed by the Manager in accordance with the provisions of Article 5 of the Bylaw and article 41 of the Capital Markets Board's Communiqué Series: VII, No: 10.

Pursuant to Article 5 of the Communiqué on Principles Regarding Exchange Traded Funds, Series: VI, No: 23, an exchange traded fund is established as an Index Fund of which 80% of the portfolio is constantly comprised of securities covered by an index on which it is based upon and which is acceptable by the Board and which follows such underlying index in such a manner that the correlation coefficient between the value of the underlying index and the fund unit share price shall be minimum 90% as calculated by the formula given in appendix number 1 to the Communiqué.

Accordingly, in the management of the fund portfolio and selection of capital market instruments to be invested in, a portfolio structure consistent with "Type A Index Fund" described in article 5 of Communiqué Series VII, No: 10 series is taken as a basis. The capital market instruments to be invested in during the management of the fund are selected (via full copying) from among all securities included in the index so that the correlation coefficient between value of the underlying index as calculated in accordance with the formula given in article 15 herein and the fund unit share shall be minimum 90%. Base index is "Dow Jones Turkey Titans 20 Index" price index. Minimum 80% of the fund assets are constantly invested in the securities covered by "Dow Jones Turkey Titans 20 Index, the index upon which the portfolio is based.

Besides, the value of reverse repo that may be invested in based on capital market instruments authorized by the legislation can be minimum 0% and maximum 20% of the value of the fund portfolio. The Fund may not hold time deposits at banks, or purchase depository certificates, or stocks of foreign investment trusts, or shares of mutual funds. Up to 20% of the value of the fund portfolio can be comprised of the exchange money market transactions in cash before the ISE Settlement and Custody Bank, Inc. Cash may be held to meet the liquidity requirement of the Fund likely to arise from its operational transactions.

III. MANAGEMENT AND SAFEKEEPING OF FUND PORTFOLIO

1. Founder: Finansbank A.Ş., the Founder, is responsible for managing and representing the fund in a manner to protect the benefits of the shareholders in accordance with risk diversification and fiduciary ownership principles.
2. Manager: The fund portfolio shall be managed by Finans Portföy Yönetimi A.Ş. in accordance with the Capital Market Code, the relevant Communiqués and the fund bylaw under a portfolio management agreement executed with the founder.
3. Depository Institution: The assets in the fund portfolio shall be kept at ISE Settlement and Custody Bank, Inc. provided that the Founder shall retain the responsibility for the protection and safekeeping of the fund assets.

IV. INFORMATION ABOUT FUND MANAGEMENT:

Details of the people who assume duties in the fund are given below:

Name - Surname	Position	Jobs in the Last 5 Years	Experience (Years)
Celalettin Özgür Güneri	Chairman of the Fund Board	March 2000-...-Finans Portföy Yönetimi A.Ş.- Executive Vice President	12 Years
Fırat Selli	Member of the Fund Board	February 2000-..... Finans Portföy Yönetimi A.Ş.-Senior Vice President, Marketing	9 Years
Hüseyin Gökhan Çeşmeli	Member of the Fund Board	November 2002 -..... Finans Yatırım Menkul Değerler A.Ş. – Executive Vice President 1999-2002 Finans Yatırım Ortaklığı A.Ş. Senior Vice President	13 Years
Edibe Özlem Ünal	Fund Auditor	2001-... Finans Yatırım, Internal Audit Department, Manager 1997-2001 Demir Yatırım Internal Audit Department,	8 Years
Munise Pınar	Fund Manager	July 2000-.....-Finans Portföy Yönetimi A.Ş. –	8 Years

Yıldırım		Operation Assistant Manager May 1999 – June 2000 – Ege Portföy Yönetimi A.Ş.- Operation Assistant Manager	
Neslihan Çimen	Fund Accountant	April 2000 - Finans Yatırım Menkul Değerler A.Ş. Operation / Supervisor February 1997 – March 2000 Demir Yatırım Menkul Değerler A.Ş./Operation/Supervisor	6 Years
Seda Akın	Fund Specialist	November 2001 - Finans Portföy Yönetimi A.Ş. – Specialist/Marketing May 1997 – November 2001 - Türk Dış Ticaret Bankası A.Ş. – Specialist/Operation	6 Years
Murat İnce	Portfolio Manager	July 2000-...-Finans Portföy Yönetimi A.Ş.- Senior Portfolio Manager June 1998- March 2000- Finans Yatırım Menkul Değerler A.Ş. –Manager / Treasury	9 Years
Celalettin Özgür Güneri	Portfolio Manager	March 2000-...-Finans Portföy Yönetimi A.Ş.- Executive Vice President	12 Years

V. INFORMATION ABOUT FUND PORTFOLIO RESTRICTIONS:

By-law restrictions designated for assets that may be available in the portfolio are shown in the table below as the lowest and highest percentage of portfolio. For further details on this issue, please refer to fund’s web site and Fund By-law that can be available at authorized participants.

ASSET TYPE	THE LOWEST %	THE HIGHEST %
Stocks	80	100
Reverse Repo Transactions	0	20
Money Market Transactions	0	20

VI. COMPOSITION AND DISTRIBUTION OF FUND PORTFOLIO

The composition of the fund portfolio as of 05/07/2005 is given below. Monies to be collected through the increase of fund amount shall be invested in those assets set out in the bylaw in 3 business days.

1. Information relating to Stocks in the Portfolio

COMPANY NAME:	NOMINAL VALUE (TRY)	MARKET VALUE (TRY)
Anadolu Efes	44.854	1.323.193
Akbank	440.422	2.950.827
Arçelik	99.712	777.753
Doğan Holding	223.696	756.092
Doğan Yayın Holding	157.440	525.849
Enka İnşaat	70.684	1.060.260
Eregli Demir Çelik	231.896	1.402.970
Finansbank	222.876	1.392.975
Ford Otosan	55.350	487.080
Garanti Bankası	439.438	2.482.824
İş Bankası	357.110	2.785.458
Koç Holding	298.644	1.747.067
Sabancı Holding	530.704	2.759.660

Şişecam	126.608	529.221
Turkcell	270.928	1.842.310
Tofaş Otomobil Fabrikaları	97.498	213.520
Tüpraş	108.240	2.110.680
Ülker Gıda	119.966	489.461
Vestel	67.896	340.837
Yapı Kredi Bankası	307.910	1.631.923

2. Information relating to Debt Instruments in the Portfolio

TYPE OF ASSET	DESCRIPTION	DUE DATE	MARKET VALUE (TRY)
Reverse Repo	TRB270705T15	05/07/05	18.007

3. Information relating to Foreign Assets in the Portfolio

TYPE OF ASSET	DESCRIPTION	DUE DATE	MARKET VALUE (TRY)
Foreign Share Certificate:		-	
Foreign Debt Instrument :			

4. Summarized Portfolio Chart

	AMOUNT (TRY)	RATIO (%)
Total Share Certificates	27.609.967,44	99,93
Total Domestic Debt Instruments		0
Total Public Foreign Debt Instruments		0
Total Private Sector Debt Instruments		0
Total Reverse Repo Transactions	18.007,47	0,07
Total Foreign Share Certificates		0
Total Foreign Debt Instruments		0
Fund Portfolio Value	27.627.974,91	
Cash	285,80	
Money Market Transactions	0	
Total Liquid Assets	285,80	
Due from Settlement	2.367,90	
Other Receivables	57,60	
Total Receivables	2.425,50	
Due to Settlement	0	
Provision for Management Fee	3.469,62	
Provision for Tax	0	
Other Liabilities	16.381,89	
Total Liabilities	19.851,51	
Fund Total Value	27.610.834,71	
Number of Shares Outstanding	4.100.000	
Unit Share Price	6,734350	

5. Ratios Relating to the Portfolio

Ratios calculated for the last month as of 30/06/2005 are given below.

Conversion Ratio of Share Certificates (Total buy sell amounts of share certificates / Average share certificate amount)	:	%7,22
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Average Ratio of Share Certificates (Average daily ratio of share certificates)	:	%99,90
Conversion Ratio of Debt Instruments (Total buy sell amounts of debt instruments / Average debt instrument amount) *Reverse Repo Transactions are excluded	:	0
Average Ratio of Debt Instruments (Average of daily debt instruments ratio)	:	0
Foreign Securities Conversion Ratio (Total buy sell amounts of foreign securities / Average foreign securities amount)	:	0
Average Ratio of Foreign Securities (Average of daily ratio of foreign securities)	:	0
Unit Price Increase Ratio of the Last Month	:	%6,08
Average Portfolio Size of the Last Month (TRY)	:	
Average Term of Debt Instruments in the Portfolio during Past Month	:	0

VII. INFORMATION ABOUT THE INDEX UPON WHICH THE FUND IS BASED

Index upon which is Dow Jones Istanbul 20 Tipi A Exchange Traded Fund is based is “Dow Jones Turkey Titans 20 Index (“ENDEKS”)” and has been developed by CME Indexes.

Index is composed of 20 share certificates² and is weighed and calculated over total market value of share certificates held in Takasbank. CME Indexes may make changes in use of companies’ rate of being public.

In selection of shares, index takes the following criteria as basis;

1. Market value of companies’ public portions as calculated with CME Indexes method,
2. Average daily trading volume of the companies in the preceding index calculation period,
3. Whether or not companies have financial or legal problems,

Index of which starting date is 31.12.2002 is being broadcast since 19.07.2004. Turkish Lira based Index is calculated by CME Indexes in real time within the trading hours of ISE and it is announced via data distribution companies every 15 seconds.

Index shares selected according to foregoing criteria will be changed once a year. These replacements take effect once a year in March . Effective date is notified to the investors 5 business days earlier

Weight of a company in the index is limited to 10% at the beginning of term. Weights on index will be reviewed on quarterly basis .

² Currently, stocks found in the index include Akbank T.A.Ş., Anadolu Efes Biracılık ve Malt Sanayi A.Ş. , Arçelik A.Ş., Doğan Şirketler Grubu Holding A.Ş., Doğan Yayın Holding A.Ş., Enka İnşaat ve Sanayi A.Ş., Ereğli Demir ve Çelik Fabrikaları T.A.Ş., Finansbank A.Ş., Hacı Ömer Sabancı Holding A.Ş., Koç Holding A.Ş., Turkcell İletişim Hizmetleri A.Ş., Türkiye Garanti Bankası A.Ş., Türkiye İş Bankası A.Ş., Türkiye Petrol Rafineri A.Ş., Türkiye Şişe ve Cam Fabrikaları A.Ş, Türk Otomobil Fabrikası A.Ş., Ülker Gıda Sanayi ve Ticaret A.Ş., Vestel Elektronik Sanayi ve Ticaret A.Ş., Yapı ve Kredi Bankası A.Ş.

VIII PRIMARY AND SECONDARY MARKET TRANSACTIONS OF THE FUND:

Pursuant to Article 12 of the Communiqué on “Principles Regarding Exchange Traded Fund” Series: VII, No: 23, primary market transactions of exchange traded fund comprise fund share creation and fund share redemption transactions in kind which are executed between authorized participants and the depository institution. After the creation of fund shares, the new fund shares acquired through authorized participants are subject to trading on the exchange, which constitute the secondary market transactions of the fund.

Principles related to primary and secondary market transactions of Dow Jones Istanbul 20 Type A Exchange Traded Fund are given in detail below:

8.1 PRINCIPLES REGARDING PRIMARY MARKET TRANSACTIONS OF THE FUND

In article 3, Communiqué on Principles Regarding Exchange Traded Funds Series: VII, No:23 ;

CREATION OF NEW FUND SHARES is described as the process of creation of new fund shares in minimum trading unit quantity or multiples thereof through the delivery of securities and cash by the authorized participant to the depository institution in such a manner to reflect the fund composition;

REDEMPTION OF FUND SHARES is described as delivery of shares which at least constitute the minimum trading unit to the depository institution by the authorized participant and the taking of the corresponding securities and cash in return for such shares.

In accordance with article 15 of the Communiqué, authorized participants carry out creation and redemption of shares only in the form of blocks comprising minimum trading unit. The minimum trading unit has been set as 50,000 (fifty thousand) fund shares by the Fund Bylaw.

On the other hand, pursuant to article 3 of the Communiqué, primary market transactions of exchange traded funds are performed through authorized participants and authorized participants who shall act as intermediary for primary market transactions of the Fund are stated in article 2 of the Fund Bylaw.

New share creation and redemption principles which have been determined by the Dow Jones Istanbul 20 Type A Exchange Traded Fund Bylaw are as follows:

1. Creation and redemption of new share certificates are realized “in kind” within the context of primary markets. The Fund is authorized to perform share creation in return for the stocks and cash component comprising the fund and redemption by recalling the stocks and cash component comprising the fund portfolio in return for fund shares. The investors may also trade on the Fund shares through secondary markets. The secondary market transactions are performed in the same way as share

certificate transactions and in accordance with the procedures and principles of the Istanbul Stock Exchange regarding the listing and trade of the exchange traded fund shares.

2. The portfolio composition related to the creation and redemption of shares are published by the Manager every morning before the start of the ISE session. The indicative portfolio composition is composed of share certificate lots and cash component. The cash component is calculated as the difference between the Fund total value and the value of share certificates in the fund portfolio. The cash component has a negative value in cases where the Fund portfolio value is greater than the Fund total value. In such cases, for the creation of shares, the investors deliver the share certificates to the Fund and receive cash in return, and for the redemption of shares, the investors deliver cash to the Fund and receive share certificates in return. The lots of share certificates included in the indicative portfolio composition cannot contain odd lots. Odd lot shares arising due to capital increase are sold and added to the cash component. The cash consideration of odd lot shares are considered as the cash component of the Fund in the composition announced for that day. In case of a difference between the indicative portfolio composition and the share certificates and cash component demanded from investor during the creation of shares process, the investor's order is executed after the elimination of the difference by the investor.
3. During the creation and redemption of shares, the Authorized Participant is authorized to charge commissions to investors in the amount indicated in the Authorized Participant Agreement. The Fund Board shall have the right to limit temporarily halt or reject the transactions of the Authorized Participant as they relate to the creation and redemption of shares in the event that the Fund reaches the number of shares in circulation, the order does not comply with the structure published through the indicative portfolio composition, or the extraordinary events referred to in Article 47 of the Communiqué Series VII No: 10 such as war, economic crisis, crash of the communication systems, close down of the market related to securities, and failures in the computer system occur. The Manager shall check the orders related to creation and redemption of shares during the day and inform the Fund Board if necessary. The Authorized Participant shall monitor the information with respect to the daily transactions regarding Creation and Redemption of Shares. The liabilities and responsibilities of the Authorized Participant shall be indicated in the Authorized Participant Agreement.
4. Share creation and redemption procedures are only mediated by Authorized Participants who executed an authorized participant agreement. Such transactions shall be performed as 1 minimum transaction unit or its multiples and 1 minimum transaction unit shall be composed of 50,000 (fifty thousand) Fund Shares.

a. The procedure for the creation of shares is as follows:

1. General Provisions for the Creation of Shares

- a. Creation of shares orders may be submitted to Takasbank between 9.30 and 16.30 hrs on the ISE workdays and on the days when the fund shares are traded. Orders submitted are answered by the Fund Board within 30 minutes following the approval of the authorized participant. Orders not answered within that time frame are deemed to have been rejected.
- b. The creation of share orders may be executed as T+2. During index change periods, apart from periods of capital increase with or

without consideration, T+0 transactions may be conducted. In T+0 Share Creation Transactions, the share certificates and the cash component are required to be available in the account of the investor. At each transaction day, by means of indicative portfolio composition, it is specified whether a T+0 transaction is permitted or not on that day. T+0 transactions may be conducted via all brokerage houses through authorized participant, yet investor or brokerage houses where investor works at is required to have an account at Authorized Participant in order to conduct T+2 transactions.

- c. In share creation, the Authorized Participant is liable to ensure that the settlement obligations arising on the part of the investor are fulfilled, and the conditions of this liability are specified in the Authorized Participant Agreement.

2. The Procedure for Creation of Shares

T+0 Share Creation Procedures:

- a. The Investor notifies the share creation request to the brokerage house where the account through which the transaction is to be conducted is held. If the brokerage house where the account is held is not the Authorized Participant, the brokerage house makes the necessary checks. Brokerage House checks existence of share certificates and cash components required in investor's account and notifies Authorized Participant of information regarding procedure of Share Creation via Takasbank terminal. Following the authorization by the Authorized Participant, Takasbank inspects the existence of the share certificates and cash component in the account at brokerage house whose number is notified and then transfers the share certificates from the investor's free account to the escrow account if there is fund share that is desired to be created and submits the transactions to the fund Board. The fund board answers the order within 30 minutes of receipt, and in case the order is authorized, then Takasbank makes the required changes. The fund shares are recorded in the investor's account whilst share certificates and cash component are recorded in the Fund account. Orders not answered within 30 minutes are deemed to have been rejected.
- b. Upon the order given by the investor for Share Creation from the account opened in the Authorized Participant, the Authorized Participant makes the necessary inspections and transfers the order to Takasbank. Following the authorization by the Authorized Participant, Takasbank inspects the existence of the share certificates and cash component in the account at brokerage house whose number is notified and then transfers the share certificates from the investor's free account to the escrow account if there is fund share that is desired to be created and submits the transactions to the fund Board for authorization. The fund board answers the order within 30 minutes of receipt, and in case the order is authorized, then Takasbank makes the required changes. The fund

shares are recorded in the investor's account whilst share certificates and cash component are recorded in the Fund account. Orders not answered within 30 minutes are deemed to have been rejected.

- c. The Investor shall have the right to complete the shortfall of share certificates and/or cash component through a wire transfer. In that case however, the order may not be transferred to Takasbank before all the assets are fully transferred to the investor account who shall perform the transaction.

T+2 Share Creation Procedures:

- a. In case, the investor lacks some of the required share certificates to attain the required amount of Share Creation Procedure Unit, the required share certificates can be obtained through purchase transactions on the Istanbul Stock Exchange.
- b. In case the investor decides to complete the Fund shares through purchases on the ISE, the investor may conduct such transaction through the investor's account at the Authorized Participant. In case, the investor has no account with the Authorized Participant, then the investor may use the account of its intermediary institution at the Authorized Participant for the purchase of share certificates.
- c. In case the investor would like to execute a partial purchase in order to attain the Indicative Portfolio Composition, the share certificates and/or cash owned by him should be deposited to the account with the Authorized Participant where transaction is to be conducted.
- d. The investor submits the order to the Authorized Participant in order to conduct Share Creation Transaction. The Authorized Participant informs the investor regarding portfolio composition that is required to be formed. Investor conducts necessary share certificate purchases at ISE and forms the Indicative Portfolio Composition.
- e. Authorized Participant checks whether or not portfolio composition formed complies with Indicative Portfolio Composition that will be effective on that day and , if it does not comply, informs the investor for necessary corrections.
- f. The Authorized Participant checks whether all the required transactions are executed for the order to be submitted to Takasbank, and within its own system, blocks the required portfolio composition.
- g. Authorized Participant notifies Takasbank of demand for Share Creation transaction within the transaction hours specified in the By-law through terminal given by Takasbank. Takasbank checks limit in order for transaction to be conducted and submits the order to Fund Board if it is within limits of transaction size. The Fund Board answers the order within 30 minutes. If the order is authorized by the Fund Board, the order is included in the Fund's records and accounted for on the same day. Orders not answered within 30 minutes are deemed to have been rejected.
- h. The confirmation of the authorization of the order is delivered to the Authorized Participant and thus the Share Creation transaction is finalized.

- i. The confirmed order is finalized with transfer of transactions conducted at ISE and fund shares to investor's account and transfer of share certificates and cash to account of Fund on settlement date.
- j. In the event that the creation of shares cannot be realized, all the responsibility rests with the Authorized Participant, and the responsibilities of the Authorized Participant are set out in the Authorized Participant Agreement. In the event share creation transactions with T+2 value date are not realized, on T+3 day, Fund Board allows buy and sell on exchange through use of fund shares and ensures that fund share creation transaction is completed or terminates the transaction through purchase with same day value date (T+0). The Authorized Participant makes a default payment to the Fund due to its failure to perform the fund share creation transaction within the settlement period. If the default results from the default of another member although the Authorized Participant fulfills its responsibilities to the clearing house, the Founder may elect not to require the penalty interest to be paid. The Founder may demand a collateral from the Authorized Participant to cover the losses likely to arise from such transactions.

b. The procedure for redemption is as follows:

1. General Provisions for Redemption

- a. Redemption orders may be submitted to Takasbank between 9.30 and 16.30 hrs on the ISE workdays and on the days when the fund shares are traded. Orders submitted are answered by the Fund Board within 30 minutes following the approval of the authorized participant. Orders not answered within that time frame are deemed to have been rejected.
- b. The redemption orders may be executed as T+2. During index change periods, apart from periods of capital increase with or without consideration, T+0 transactions may be conducted. In T+0 redemption transactions, the Fund shares are required to be available in the account of the investor. At each transaction day, by means of indicative portfolio composition, it is specified whether a T+0 transaction is permitted or not on that day. T+0 transactions may be conducted via all brokerage houses through authorized participant, yet investor or brokerage houses where investor works at is required to have an account at Authorized Participant in order to conduct T+2 transactions.
- c. In share redemption, the Authorized Participant is liable to ensure that the settlement obligations arising on the part of the investor are fulfilled, and the conditions of this liability are specified in the Authorized Participant Agreement.

2. The Procedure for Redemption

T+0 Redemption Procedures:

- a. The investor notifies the share redemption request to the brokerage house where the account through which the transaction is to be

conducted is held. If the brokerage house where the account is held is not the Authorized Participant, the brokerage house makes the necessary checks. Brokerage House checks existence of necessary fund shares in investor's account and notifies Authorized Participant of information regarding procedure of Share Redemption via Takasbank terminal. Following the authorization by the Authorized Participant, Takasbank inspects the existence of the Fund shares in the account off intermediary institution whose number is notified and then transfers the Fund shares from the investor's free account to the escrow account and submits the transactions to the fund Board for authorization. The fund board answers the order within 30 minutes of receipt, and in case the order is authorized, then Takasbank makes the required changes. Share certificates and cash component are entered into investor's account and fund shares are entered into account of "Shares Non-Outstanding" to be opened under "Customers Account" to be opened under Founder at Takasbank and are taken out of circulation . Orders not answered within 30 minutes are deemed to have been rejected.

- b. Upon the order given by the investor for Share Redemption from the account opened in the Authorized Participant, the Authorized Participant makes the necessary inspections and transfers the order to Takasbank. Following the authorization by the Authorized Participant, Takasbank inspects the existence of the Fund shares in the account off intermediary institution whose number is notified and then transfers the Fund shares from the investor's free account to the escrow account and submits the transactions to the fund Board for authorization. The fund board answers the order within 30 minutes of receipt, and in case the order is authorized, then Takasbank makes the required changes. Share certificates and cash component are entered into investor's account and fund shares are entered into account of "Shares Non-Outstanding" to be opened under "Customers Account" to be opened under Founder at Takasbank and are taken out of circulation . Orders not answered within 30 minutes are deemed to have been rejected.
- c. The Investor shall have the right to complete the shortfall of Fund shares through a wire transfer. In that case however, the order may not be transferred to Takasbank before all the assets are fully transferred to the investor account who shall perform the transaction.

T+2 Redemption Procedures

- a. In case, the investor lacks some of the required Fund shares to attain the required minimum number of Trading Unit amount, the required Fund shares can be obtained through purchase transactions on the Istanbul Stock Exchange.
- b. In case the investor decides to complete the Fund shares through purchases on the ISE, the investor may conduct such transaction through the investor's account at the Authorized Participant. In case, the investor has no account with the Authorized Participant,

then the investor may use the account of its intermediary institution at the Authorized Participant for the purchase of Fund shares.

- c. In case the investor would like to execute a partial purchase in order to attain the Minimum Trade Unit, the necessary Fund shares should be deposited to the account with the Authorized Participant.
- d. The investor submits the redemption order to the Authorized Participant. The Authorized Participant informs the investor regarding the required minimum trading unit. The investor performs the necessary purchases of Fund shares on the ISE and creates the Fund shares in the amount of a minimum trading unit or its multiples.
- e. The Authorized Participant checks whether all the required transactions are executed for the order to be submitted to Takasbank, and within its own system, blocks the required shares.
- f. Authorized Participant notifies Takasbank of demand for Share Redemption transaction within the transaction hours specified in the By-law through terminal given by Takasbank.
- g. Takasbank submits the order to the Fund Board for authorization. The Fund Board answers the order within 30 minutes. If the order is authorized by the Fund Board, the order is included in the Fund's records and accounted for on the same day.
- h. The confirmation of the authorization of the order is delivered to the Authorized Participant by Takasbank and thus the Redemption order is finalized.
- i. On the settlement day of transactions conducted on ISE, confirmed order is finalized when share certificates and cash component are entered into investor's account and fund shares are entered into account of "Shares Non-Outstanding" to be opened under "Customers Account" to be opened under Founder at Takasbank .
- j. In the event that the Share Redemption transaction cannot be realized, all the responsibility rests with the Authorized Participant, and the responsibilities of the Authorized Participant are set out in the Authorized Participant Agreement. In the event share redemption transactions with T+2 value date are not realized, on T+3 day, Fund Board allows buy and sell on exchange through use of fund shares and ensures that fund share redemption transaction is completed or terminates the transaction through purchase with same day value date (T+0). The Authorized Participant makes a default payment to the Fund due to its failure to perform the redemption transaction within the settlement period. If the default results from the default of another member although the Authorized Participant fulfills its responsibilities to the clearing house, the Founder may elect not to require the penalty interest to be paid. The Founder may demand a collateral from the Authorized Participant to cover the losses likely to arise from such transactions.

8.2 PRINCIPLES REGARDING SECONDARY MARKET TRANSACTIONS OF THE FUND

Within scope of secondary market transactions, Fund shares are traded at Fund Market within ISE Stocks Market, procedures and principles regarding listing and trading of exchange traded funds' shares on Fund Market have been set out in the circular letter of ISE related to the issue.

Some of the general principles relating to the secondary market transactions of the exchange traded funds as per the ISE Circular Letter are given below:

- Fund shares which are created by the Founder and registered by the Board and in respect of which an application is lodged for the trading of such shares on the Fund Market of the Exchange in accordance with Article 7 of the Listing Regulation are listed on the Exchange and started to be traded thereat with the resolution of the Executive Council of the Exchange in accordance with article 17 of the Listing Regulation.
- All the shares which represent/shall represent the maximum fund amount set out in the fund bylaw are initially listed on the Exchange by the Executive Council of the Exchange, and shares that have been issued as of the initial listing date are traded on the Fund Market of the Exchange. Pursuant to the relevant Communiqué of the Board, additional shares to be issued not to exceed the maximum fund amount can be traded on the Exchange.
- In case the fund amount is increased, the shares to be issued and offered to public to represent the increased portion are listed pursuant to article 11 of the Listing Regulation.
- The assets of the fund portfolio shall be kept at a safekeeping account to be opened at ISE Settlement and Custody Bank Inc..
- Shares which are deemed to be eligible for being traded on the Exchange are traded with the feature code (F) on the Fund Market within the body of the Exchange. Buy and sell transactions are performed in the transaction hours of the market to which securities forming the index fund takes as basis belong.
- The base price is determined by rounding the weighted average of the transactions during the previous session to the nearest price tick as in the stocks. In the first trading session and the session following the session in which a price has not been formed in the Exchange, base price is declared over the fund unit share price declared before the respective session by the founder and/or authorized participant.
- Amount of the lot has been determined as 1 share. The maximum amount of orders that can be submitted to the system at any one time is determined by the Stock Market Management.
- On the Fund Market, the price margin applicable to the National Market shall apply.
- Odd lot orders cannot be submitted.
- Special order transactions are performed as per the present rules in the Stock Market.
- Price ticks are applied as specified in the table below:

Base Price Range (TRY.)		Price Tick (TRY)
0,00	5,00	0,01
5,02	10,00	0,02
10,05	25,00	0,05
25,10	50,00	0,10
50,25	100,00	0,25
100,50	250,00	0,50
251,00	500,00	1,00
502,50	1.000,00	2,50
1.005,00	and above	5,00

- The settlement of the fund transactions is realized on the second business day following the transaction day (T+2). Principles of “Fund Share Creation and Redemption Transactions” are regulated and announced to members by Takasbank A.Ş..
- All other transaction rules are same with the Stock Market trading rules.

IX. PRINCIPLES ON DETERMINATION OF SHARE VALUE AND PORTFOLIO VALUE

The fund share has two separate values, the net asset value and the market price. Net Asset Value of Fund is calculated following end of session on days when Istanbul Stock Exchange is open for trading, at exchanges with two sessions, Net Asset Value is announced following the second session. The “Indicative Net Asset Value” of the Fund is calculated constantly by the Manager under the Founder’s responsibility within the trading session hours on such days when the ISE is open for trading, and is announced at 15 second intervals via Euroline, Foreks, IBS, Matrix and Reuters and through the Fund’s website www.djist.com . Trading price of the Fund is the price that is formed in the Istanbul Stock Exchange Fund Market.

“Fund Portfolio Value” is the sum of the assets in the portfolio. “Fund Total Value” is found by adding, if any, other assets to and deducting any debts from, the Fund Portfolio Value.

The value of the assets in the portfolio is determined according to the following principles:

- a. The assets included in the portfolio are registered with their purchase prices and their proportion in the fund during the exchange.
- b. Assets traded at Exchange are appraised over the last trade price within trading hours and over closing prices following end of session. In those exchanges where two sessions are applied, closing price is the second session’s closing price. Assets of the fund which are included in the underlying index are appraised by the principles that are used in calculating the index. Of the share certificates found in the portfolio of fund, share certificates which are not subject of buy-sell on appraisal day are appraised over the last price they have been traded with.

- c. Bonus share certificates obtained during the existence of the fund are included in the Fund total value on such date when the share base price is corrected irrespective of the date such shares are registered to the account of the fund.
- d. If any change is necessary in the portfolio due to cash requirements arising from dividend payments related to the shares in the portfolio, interest payment, rights issues, increases in amount and other reasons and from other issues that affect the monitoring of the Index, such changes are reflected to the Fund portfolio in 5 business days.
- e. In case of change of companies in the scope of the underlying index, the changes related to the shares to be excluded from, and included in index are realized in 30 business days as from the first day when such changes in the Index are effective.

In case of extraordinary events such as war, economic crisis, crash of the communication systems, close down of the relevant capital market, failures in the computer system, the unit share values might not be calculated if it is deemed appropriate by the Capital Markets Board.

X. EXPENDITURES TO BE CHARGED TO THE FUND:

1. Determination Principle and Rate of Management Fee Payable to the Founder: 10% (ten percent) of 0.0026%/day(twenty six ten-thousandths the total fund value for each day).
2. Determination Principle and Rate of Fee Payable to the Fund Portfolio Manager: 90% (ninety percent) of 0.0026%/day(twenty six ten-thousandths the total fund value for each day).
3. Share Certificate Brokerage Fee: 0.2% (two thousandths)
4. Fixed Securities Brokerage Fee: 0.03% (three ten-thousandths)
5. Expenses and Amounts for which Provision is Set Aside:
 - a. Index License Fee: 0.04%/year (four ten thousandths / year)
6. Provision for Tax: Not Set Aside.

XI. EXPENSES REGARDING ISSUANCE:

Estimated expenses related to amount increase are given below :

EXPENSE TYPE	AMOUNT (TRY)
CMB Registration Fee Payable in Cash	1.800
Financial Activity Fee Payable in Cash	900
CMB Registration Fee upon Sell of Shares	1.078.200
Financial Activity Fee Payable upon Sell of Shares	539.100
Share Printing Expenses	1.500
Registration and Announcement Expenses	2.000
Newspaper Advertisement Expenses	5.000
Other Expenses	10.000
TOTAL	1.638.500

The first part of CMB registration fee which is paid in cash in the amount of TRY 10.000 by the founder is shown in this section. Furthermore, during the first-time sale of new

shares which are issued as a result of amount increases, if the sales price is above TRY 10.000, additional registration fee and financial activity fee shall be charged over the amount of difference.

Expenses related to amount increase are first borne by the founder and these expenses are collected from the investors buying the shares the moment shares are sold. Expenses related to increase must be collected within maximum one year. Founder is deemed to have waived from increase expenses which have not been collected in such period of time.

XII. TAXATION OF EXCHANGE TRADED FUNDS

Principles regarding taxation of Securities Mutual Funds have been differentiated for the years 2005 and 2006-2015 . Securities Mutual Funds and Exchange Traded Funds have not shown any differences in terms of taxation during the year 2005. Principles on taxation of securities mutual funds and exchange traded funds which will be effective in 2005 and during 2006-2015 period are as follows.

TAXATION PRINCIPLES ON MUTUAL FUNDS AND EXCHANGE TRADED FUNDS FOR THE YEAR 2005

1. Taxation of Fund Portfolio Management Revenues

- a. In terms of Corporate Tax Regulations:** Pursuant to clauses 4/a and 4/b, article 8, Corporate Tax Law, revenues of securities mutual funds whose portfolio is composed of share certificates by 25% as a minimum (Type A) and the other securities mutual funds which arise out of portfolio operating are exempt from corporate tax. In this scope, revenues of Type A Exchange Traded Funds which arise out of portfolio operating are exempt from corporate tax.
- b. In terms of Income Tax Regulations:** The portfolio management revenues of type A mutual funds are subject to a tax withholding of 0% while the other mutual funds are subject to a tax withholding of 10%, pursuant to the Income Tax Code, article 94, paragraph 6/a.

2. Taxation of Share Buy – Sell

- a. Resident Real Person Taxpayers** Dividends of fund shares are considered revenue of security capital as per Income Tax Law, article 75/1, however, pursuant to Provisional article 55 of Income Tax Law which was amended by Law numbered 5281 that became effective after being published on Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687, no annual return is filed for dividends paid for shares of securities funds which have been earned between 01.01.1999 and 31.12.2005 and taxed by means of withholding or revenues gained from buy – sell of these fund shares at Istanbul Stock Exchange and if return is filed due to the other revenues, these revenues are not included in the return.
- b. Limited Real Person Taxpayers** Pursuant to Income Tax Law, article 86/2, in respect of limited tax payers, no annual return is filed for fees, self-employment revenues, security and property capital revenues as well as the other earnings and

revenues which have been taxed by withholding in Turkey, if a return is filed for the other revenues; these revenues are not included in the return.

- c. **Resident Legal Entity Taxpayers** Type A and B mutual funds' dividends are subject to corporate tax at the rate of 30% as per article 25, Corporate Tax Law.
- d. **Limited Legal Entity Taxpayers** Pursuant to article 24, Corporate Tax Law, it is not imperative for resident legal entity taxpayers to file tax returns for dividends earned from mutual fund shares. However, in the event limited taxpayer entities file tax return for other revenues, it is imperative to include dividends gained from mutual fund shares in the returns to be filed.

3. Principles on Taxation of Primary Market Transactions

- a. Revenues to be earned from share certificates given to Exchange Traded Fund which will be disposed of for Share Creation transaction due to difference between costs on buying date and value on date of transfer to fund are taxed based on principles for taxation of share certificates.
- b. Revenues to be earned from share certificates given to Exchange Traded Fund which will be disposed of for Share Redemption transaction due to difference between costs on buying date and value on date of transfer to fund are taxed as explained above in respect of Resident Legal Entity Taxpayers but is exempt from tax for the other investors.

TAXATION PRINCIPLES ON MUTUAL FUNDS AND EXCHANGE TRADED FUNDS FOR THE YEARS 2006-2015

Principles on taxation of Securities Mutual Funds and Exchange Traded Funds which will be effective between 2006 and 2015 have been differentiated. During this period, principles on taxation of Securities Mutual Funds and Exchange Traded Funds are as follows.

TAXATION PRINCIPLES FOR MUTUAL FUNDS

1. Taxation of Fund Portfolio Management Revenues

- a. **In terms of Corporate Tax Regulations:** Pursuant to clauses 4/a and 4/b, article 8, Corporate Tax Law, revenues of securities mutual funds whose portfolio is composed of share certificates by 25% as a minimum (Type A) and the other securities mutual funds which arise out of portfolio operating are exempt from corporate tax.
- b. **In terms of Income Tax Regulations:** Pursuant to Law number 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and clause numbered (8), provisional article 67 added to Income Tax Law, portfolio revenues of securities mutual funds (except for exchange traded fund) which are founded according to Capital Markets Law , which have been exempted from corporate tax are subject to withholding at the rate of 15% no matter whether or not they are distributed and no other withholding is made from these revenues pursuant to article 94 of the same law.

2. Taxation of Share Buy – Sell

- a. **Resident Real Person Taxpayers** Dividends of fund shares are considered security profit revenue pursuant to article 75/1 of Income Tax Law. Pursuant to Law number 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and clause numbered (1), provisional article 67 added to Income Tax Law, return of shares of securities mutual funds (except for exchange traded fund) which are founded according to Capital Markets Law to respective fund is not subject to withholding pursuant to provisional article 67. Pursuant to paragraph numbered (8) of the same article, no return is filed for these revenues and in the event a return is filed for the other revenues, these revenues are not included in the return.
- b. **Limited Real Person Taxpayers** Dividends of fund shares are considered security profit revenue pursuant to article 75/1 of Income Tax Law. Pursuant to Law number 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and clause numbered (1), provisional article 67 added to Income Tax Law, return of shares of securities mutual funds (except for exchange traded fund) which are founded according to Capital Markets Law to respective fund is not subject to withholding pursuant to provisional article 67. Pursuant to paragraph numbered (8) of the same article, no return is filed for these revenues and in the event a return is filed for the other revenues, these revenues are not included in the return.
- c. **Resident Legal Entity Taxpayers** Type A and B mutual funds' dividends are subject to corporate tax at the rate of 30% as per article 25, Corporate Tax Law.
- d. **Limited Legal Entity Taxpayers** Pursuant to Law numbered 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and paragraphs (1) and (2), provisional article 35 added to Corporate Tax Law, no annual or special return is filed for revenues gained by limited legal entity tax payers which have been subjected to withholding within framework of provisional article 67, Income Tax Law.

TAXATION PRINCIPLES FOR EXCHANGE TRADED FUNDS

1. Taxation of Fund Portfolio Management Revenues

- a. **In terms of Corporate Tax Regulations:** Pursuant to clauses 4/a and 4/b, article 8, Corporate Tax Law, revenues of securities mutual funds whose portfolio is composed of share certificates by 25% as a minimum (Type A) and the other securities mutual funds which arise out of portfolio operating are exempt from corporate tax. In this scope, revenues of Type A Exchange Traded Funds which arise out of portfolio operating are exempt from corporate tax.
- b. **In terms of Income Tax Regulations:** Exchange traded funds are not subject to withholding as per Law numbered 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and provisions within parenthesis of paragraph (8), provisional article 67 added to Income Tax Law.

2. Taxation of Owners of Shares

- a. **Resident Real Person Taxpayers** Dividends of fund shares are considered security profit revenue pursuant to article 75/1 of Income Tax Law. Pursuant to Law numbered 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and provisions within parenthesis of paragraph (1), provisional article 67 added to Income Tax Law and the first paragraph of the same article, with regards to shares of the exchange traded funds founded according to Capital Markets Law, banks and intermediary institutions makes a withholding at the rate of 15% over the difference between buy and sell amounts of exchange traded fund shares whose buy and sell has been mediated by them. Pursuant to paragraph numbered (7) of the same article, no return is filed for these revenues and in the event a return is filed for the other revenues, these revenues are not included in the return.
- b. **Limited Real Person Taxpayers** Dividends of fund shares are considered security profit revenue pursuant to article 75/1 of Income Tax Law. Pursuant to Law numbered 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and provisions within parenthesis of paragraph (1), provisional article 67 added to Income Tax Law and the first paragraph of the same article, with regards to shares of the exchange traded funds founded according to Capital Markets Law, banks and intermediary institutions makes a withholding at the rate of 15% over the difference between buy and sell amounts of exchange traded fund shares whose buy and sell has been mediated by them. Pursuant to paragraph numbered (7) of the same article, no return is filed for these revenues and in the event a return is filed for the other revenues, these revenues are not included in the return.
- c. **Resident Legal Entity Taxpayers** Type A and B mutual funds' dividends are subject to corporate tax at the rate of 30% as per article 25, Corporate Tax Law. In respect of Resident Legal Entity Taxpayers, buy-sell transaction of Exchange Traded Fund Shares is subject to withholding tax at the rate of 15%, and withholding tax is set off against corporate tax.
- d. **Limited Legal Entity Taxpayers** In respect of Limited Legal Entity Taxpayers, buy-sell transaction of Exchange Traded Fund Shares is subject to withholding tax at the rate of 15%, .
- e. Pursuant to Law numbered 5281 which became effective after being published on the Official Gazette dated 31.12.2004 and the 3rd repetition numbered 25687 and paragraphs (1) and (2), provisional article 35 added to Corporate Tax Law, no annual or special return is filed for revenues gained by limited legal entity tax payers which have been subjected to withholding within framework of provisional article 67, Income Tax Law.

1. Principles on Taxation of Primary Market Transactions

- a. Revenues to be earned from share certificates given to Exchange Traded Fund which will be disposed of for Share Creation transaction due to

difference between costs on buying date and value on date of transfer to fund are taxed based on principles for taxation of share certificates.

- b.** Revenues to be earned from share certificates given to Exchange Traded Fund which will be disposed of for Share Redemption transaction due to difference between costs on buying date and value on date of transfer to fund are subject to withholding tax at the rate of 15% in respect of Resident Real Person Taxpayers, Limited Real Person Taxpayers, Resident Legal Entity Taxpayers and Limited Legal Entity Taxpayers. In respect of Resident Legal Entity Taxpayers, Redemption transaction is subject to withholding tax at the rate of 15%, and withholding tax is set off against corporate tax.

(In the event share certificates are kept for a period longer than 3 months, for 2005 and for a period over 2 years during the period between 2006 and 2015, no tax is levied upon share certificate trades.)

XIII. PRINCIPLES REGARDING MATERIAL DISCLOSURES ABOUT EXCHANGE TRADED FUNDS

Under resolution of Capital Markets Board dated 30.12.2004 and numbered 51/1746, principles on material disclosures for exchange traded funds are given below.

SPECIAL SITUATIONS THAT WILL BE ANNOUNCED TO THE PUBLIC IN CASE OF EVENTS AND DEVELOPMENTS THAT MAY AFFECT VALUE OF EXCHANGE TRADED FUND SHARES AND DECISION OF INVESTORS TO MAKE INVESTMENT OR ARE CONNECTED WITH EXERCISE OF RIGHTS BY THE INVESTORS AND PRINCIPLES ON THEIR DISCLOSURE

A) SPECIAL SITUATIONS

In the event following special situations related to exchange traded funds (Fund) take place, an announcement is made to the public in line with principles explained in this resolution. However, announcements to be made are not limited to the situations defined below, and any and all information that may affect investment decisions and value of shares must be disclosed to the public within framework of this resolution.

a) REMARKS ABOUT THE INDEX UPON WHICH THE FUND IS BASED

- 1) Change of index upon which the fund is based,
- 2) In the event of deciding to make a revision in the index and change in securities found in the scope of index, information on securities to be excluded from index and securities to be included in the index,
- 3) If a limitation is stipulated for weight of securities that are within scope of index inside the index, a change in such limitation; information regarding regular controls made for protection of such limit,
- 4) A change in manner of explaining the index and changing the data distribution channels where it is explained,

b) Remarks regarding fund founder, manager, authorized participant, depository institution and safekeeping of the assets in Fund portfolio;

- 1) Change in fund manager,
- 2) Change in fund's authorized participant,
- 3) Occurrence of situations listed in article 52, "Communiqué on Principles Related to Mutual Funds" Series: VII, No:10 in respect of Founder and depository institution,
- 4) Changes in safekeeping principles of assets found in the fund portfolio and changes related to depository institution,
- 5) Change in contact details of founder, manager and authorized participant such as address of corporation or headquarters where operations are run, phone or fax numbers,
- 6) Sanctions imposed upon founder, manager and authorized participant with regards to operations of fund,
- 7) With regards to fund founder, manager and authorized participant, including public joint stock companies, special situations listed in "Communiqué on Principles for Disclosure of Special Situations to the Public" Series: VIII, No:39 which directly or indirectly affect value of fund shares, investment decisions of the investors and primary and secondary market transactions of fund,

c) Remarks regarding fund amount and Fund duration;

- 1) Increasing of fund amount, deciding to file an application at the Board for this purpose, filing an application and conclusion of such application,
- 2) Change in duration of fund,

d) Remarks regarding fund trading principles and fund price;

- 1) A change in principles on primary and secondary market trades of fund,
- 2) Discontinuation of fund's primary market trades or limitation of such trades,
- 3) Changes introduced by respective Exchange in connection with fund's secondary market trades,
- 4) Change in minimum unit of trade,
- 5) Developments which may give rise to failure to calculate or publish net asset value,
- 6) Changes made in data channels where indicative net asset value of fund is disclosed,

e) Remarks regarding fund's portfolio structure and management strategy;

- 1) Developments such as dividend payment related to securities found in the portfolio, interest payment, bonus share and rights issuance as well as other matters that may affect monitoring of index and a change in portfolio structure of fund due to reasons listed above,
- 2) Change in appraisal principles of fund portfolio,
- 3) A change in fund's portfolio structure,
- 4) A change in limitations stipulated for fund portfolio in the by-law ,

f) Remarks regarding fund's administrative structure and organization;

- 1) Appointment, resignation or replacement of fund board members, fund auditor, fund manager and the other persons with responsibility for significant decisions and powers within fund,
- 2) Institution of actions against fund board members, fund auditor, fund manager and the other persons with responsibility for decision and powers within fund owing to breach of capital markets legislation, and crimes such as embezzlement, defalcation dishonesty, bribery, fraud, abuse of power, theft, trafficking except for production trafficking, swindle, fraudulent or swindled bankruptcy and finalization of court decrees in these actions,

g) Remarks regarding fund's financial structure,

- 1) Change in expenses allowed out of the fund's assets:
- 2) Taking loan in the account of fund and failure to repay the loan,
- 3) Change in principles of use for profit that takes place in the fund ,
- 4) Change in accounting policies of fund ,
- 5) Change in management fee of fund,
- 6) If index licensing fee is paid by fund, a change regarding such fee,
- 7) Change in independent auditing company which audits fund's financial statements, withdrawal of Board within framework of regulations regarding independent external audit or termination of audit contract or reluctance of independent audit company to provide opinion on financial statements of fund or provision of a negative opinion, and inclusion of matters in the independent audit report that show symptoms threatening continuity of fund,

h) Disclosures to be made by owners of fund shares;

- 1) A real person and legal entity or the other real persons and legal entities acting together with these real persons and legal entities' owning, directly or indirectly, at least 5%, 10%, 15%, 20%, 25, 1/3, 50%, 2/3 and 75% or more of total shares of fund or their shares within total number of shares falling below the said rates,
- 2) Buy or sell of the fund shares by fund board members, fund auditor, fund manager and the other persons with responsibility for decisions and powers within fund as well as persons owning directly or indirectly 5% or more of the total number of fund shares or the persons acting jointly with the said persons,
- 3) Buy or sell of the exchange traded fund shares by founder, authorized participant as well as chairman and members of board of directors, general manager and assistant thereof and the other persons with responsibility for decisions and powers within corporations fund as well as persons owning directly or indirectly 5% or more of capital or total voting rights or the persons acting jointly with the said persons,
- 4) A mutual fund's owning directly or indirectly 10% and 20% of total number of shares of exchange traded fund, and their share in the overall number of shares falling below the said rates,
- 5) Owning by a mutual fund which belongs to a founder and / or is managed by the same manager, directly or indirectly, of 10% , 20% and 30% of total number of shares of exchange traded fund, and their share in the overall number of shares falling below the said rates,

i) The other remarks;

- 1) Arising of situations listed article 53, Communiqué Series: VII, No:10,
- 2) In the event reasons for termination of fund arise, principles that will apply in liquidation process of the fund;
- 3) Deciding for merger of fund with another fund founded by the same founder or deciding to convert the fund into another fund, filing an application at the Board for this purpose and conclusion of respective application,
- 4) Listing of fund shares at exchanges and organized markets including the ones in foreign countries or filing an application for listing of such shares, conclusion of application, termination of trades, loss of quotation conditions or removal of capital markets instruments from quotation, and change of markets where they are traded,
- 5) Disclosure at foreign exchanges and/or markets where fund shares are traded,
- 6) Becoming aware that fund's activities will be affected substantially due to changes in legislation,
- 7) Correlation coefficient between underlying index value which will be calculated on a monthly basis and unit share value of fund,
- 8) Occurrence of extraordinary events such as war, economic crisis, crash of the communication systems, close down of the relevant capital market, failures in the computer system.
- 9) A change in fund by-law under approval of Board and filing an application at the Board for these changes although these have not been mentioned above,
- 10) Although these have not been mentioned in the other clauses, a development that may substantially affect fund's activities and financial condition of the fund or occurrence of a substantial change in reports, financial statements, financial statement footnotes, prospectus regularly disclosed to the public or in a situation disclosed by other means,

B) SCOPE AND QUALITY OF DISCLOSURES

In respect of scope and quality of disclosures, principles of article 10, Communiqué Series: VIII, No:39 shall be relied upon.

C) MANNER AND PUBLIC ANNOUNCEMENT OF DISCLOSURES:

In respect of manner and public announcement of disclosures, principles of articles 12 and 16, Communiqué Series: VIII, No:39 shall be relied upon.

Disclosures in the scope of Article (A), clause (b)/7 must be made with fund code.

In respect of disclosures to be made within scope of article (A), clause (b), principles of article 14, paragraphs 1 and 2, Communiqué Series: VIII, No:39 shall be relied upon.

D) LIABILITY TO DISCLOSE:

Liability to make material disclosures regarding exchange traded funds rests with the Founder. In case of exchange traded funds with more than one founder, all founders are severally liable for material disclosures regarding Fund. The Founder may delegate duty of material disclosures to the Fund Board, however, such delegation does not relieve the Founder(s) of their responsibility.

Disclosures in the scope of Article (A), clause (b)/7 must be made by founder. In case of exchange traded funds with more than one founder, all founders are severally liable. Manager and authorized participant are liable to convey matters that must be disclosed about themselves to founder(s); however, this does not relieve founder(s) of their responsibility.

E) THE OTHER PRINCIPLES REGARDING MATERIAL DISCLOSURE

With regards to exchange traded funds, in case of material disclosures to be made within scope of this resolution and respective articles of Communiqué Series: VIII, No:39; article 7 entitled “Extraordinary Price and Amount Movements”, article 8 entitled “Liability of Confirmation”, article 11 entitled “Notifications regarding Meetings” and article 17 entitled “Confidentiality” as well as article 18 entitled “Foundation Authority” of Communiqué Series: VIII, No:39 shall apply.

XIV. PRINCIPLES ON PREPARATION, ANNOUNCEMENT AND NOTIFICATION OF FINANCIAL STATEMENTS AND REPORTS IN EXCHANGE TRADED FUNDS

With the decision of the Capital Markets Board decision dated 30.12.2004 and Number 51/1746, the principles of preparation, announcement and notification of the financial statements and reports of the exchange traded funds have been determined as follows.

Pursuant to the “Communiqué on Principles Regarding Exchange Traded Funds” Series: VII, No: 23, Article 22 entitled “Common Provisions”, exchange traded funds that are subject to the provisions of the Communiqué Series: VII; No: 10, Article 46 entitled “Principles Regarding Periodic Reports” are, in addition to the provisions of this article, obliged to send their monthly reports in 15 days following the respective month, and their annual reports in 3 months following the expiry of the fiscal year, to the Board and to the relevant exchange for publication.

With regards to matters such as preparation, independent audit and announcement of financial statements and reports, exchange traded funds are subject to the provisions applicable to mutual funds as set out in the “Communiqué on the Principles Regarding the Financial Statements and Reports of Mutual Funds” Series: XII, No: 6 and the “General Communiqué on the Determination of the Responsibilities of Corporations and Entities Subject to the Capital Market Code as to the Preparation of Financial Statements and Reports, Public Disclosures and Independent Audit” Series XII, No: 1. In addition to the provisions of the Communiqués aforementioned, exchange traded funds are liable for submitting independently audited financial statements, prepared on a semi-annual and annual basis, to our Board and the relevant exchange for publication in the exchange bulletin within the time period indicated in the regulations of the Board regarding the joint stock companies listed on the exchange.

The responsibility for preparation, announcement and notification of financial statements and reports of exchange traded funds rests with the Founder. In case of exchange traded funds with more than one founder, all founders are severally liable. The Founder(s) may delegate such duty to the Fund Board, however, such delegation does not relieve the Founder(s) of their responsibility.

XV. RIGHTS OF SHAREHOLDERS:

1. The Fund's profits are reflected on the daily prices of the shares determined in accordance with the principles of the Fund Bylaw and the regulations of the Capital Markets Board. The shareholders receive their share of the profit generated in the Fund throughout the time they are in possession of their shares when they sell their shares to Fund on any business day. No other dividend is paid at the end of the accounting period.
2. Matters such as preparation, independent audit and announcement of the Fund's financial statements and reports are subject to the provisions applicable to mutual funds as set out in the "Communiqué on the Principles Regarding the Financial Statements and Reports of Mutual Funds" Series: XII, No: 6 and the "General Communiqué on the Determination of the Responsibilities of Corporations and Entities Subject to the Capital Market Code as to the Preparation of Financial Statements and Reports, Public Disclosures and Independent Audit" Series XII, No: 1. In addition to the provisions of the Communiqués aforementioned, the Fund is liable for submitting independently audited financial statements, prepared on an semi-annual and annual basis, to the Board and the relevant exchange for publication in the exchange bulleting within the time period indicated in the regulations of the Board regarding the joint stock companies listed on the exchange. Also, the Founder shall announce independently audited fund balance-sheets and income statements prepared in comparison with the previous year as well as statements showing the fund portfolio and total value on the Turkish Trade Registry Gazette along with the result of the independent audit report, and announces the same to its customers at places where shares are sold traded in no later than 3 months succeeding the expiry of each fiscal period.
3. Issues registered with the Trade Registry and announced on the Turkish Trade Registry Gazette which are likely to affect investors' decisions and must be known in advance are advertised by the founder on the national reprint of at least 2 newspapers which are circulated Turkey-wide. Such issues shall become effective no less than 10 business days after the advertisement.
4. In case any of the issues registered in the prospectus is to be amended, it shall be registered with the trade registry, and appended to the prospectus. This prospectus is effective until a new amount increase, and is drawn up a single text to include its appendices at the beginning of January every year. However, a new registration is not required due to such consolidation. The prospectus, bylaw and the most recent monthly report can be acquired free of charge at places where shares are traded.
5. The Founder is responsible for submitting the monthly reports within 15 days following the relevant month, and the annual reports within 3 months following the end of the relevant accounting period to the Board, and send the same to the relevant exchange for publication. The annual report includes the audited balance-sheet, income statement and statements as to the fund portfolio value and fund total value, which are prepared by comparison to the pervious year. Information regarding the developments during the year is also included in the annual report. The monthly report includes the movements of securities and shares during the month and the

information regarding the fund's performance. Information regarding the correlation coefficient calculated for the last one month and quarter is also included in the monthly report. The reports in question should be available in the headquarters of the Founder, at places where the shares are sold, and on the website of the fund for review by the investors. The monthly report to be submitted to the investor does not include the purchase and sale details about the relevant month.

6. In case of extraordinary events such as war, economic crisis, crash of the communication systems, close down of the relevant capital market, failures in the computer system, the trading of shares may be suspended with the permission of the Capital Markets Board and by informing investors in accordance with the regulations of the Capital Markets Board.
7. In case of important events and developments that are likely to affect the prices of shares or the investor's decisions or investors' rights, the rules of the Capital Markets Board are to be followed with regards to material disclosures and the principles of such disclosure.

XVI. BALANCE SHEET AND INCOME STATEMENT OF THE FUND

	Independently Audited	
	2004	2003
Assets		
Liquid Assets	99	1.006
Other Liquid Assets	99	1.006
Securities	1.235.647	2.691.094
Stocks	1.223.641	998.471
Public Sector Debt Instruments	12.006	1.692.623
Receivables	31	20.158
Receivables from Stock Sell	-	20.158
Receivables due from Commission Refund	31	-
<hr/>		
Total assets	1.235.777	2.712.258
 Liabilities		
Fund Management Fee:	752	10.819
Debts for Shares	-	5.960
Audit Fees Payable	124	1.666
Other Liabilities	10.083	544
<hr/>		
Total Liabilities	10.959	18.989
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Total net assets	1.224.818	2.693.269
 Fund Total Value		
Shares	(8.059.253)	(6.362.254)
Shares Value Increase (Decrease)	95.265	186.246
Fund Income – Expense Difference	9.188.806	8.869.277
Fund Income – Expense Difference for Current Period	319.529	606.540
Fund Income – Expense Difference for Past Years	8.869.277	8.262.737
<hr/>		
Fund Total Value	1.224.818	2.693.269

	Independently Audited	
	2004	2003
Fund Revenues :		
Interest and Dividends from Securities Portfolio	2.253	1.500
Private Sector Securities Interest and Dividends	2.253	1.500
Dividends from Stocks	2.253	1.500
Securities Sales Profits	34.104	99.845
Private Sector Profit on Sale of Securities	33.719	98.960
Profits from Selling of Stocks	33.719	98.960
Public Sector Profit on Sale of Securities	385	885
Value Increases	516.169	939.827
Other Income	15.840	-
Total Fund Revenues :	568.366	1,041.172
Fund Expenses		
Rises on Securities Sales	34.572	78.814
Private Sector Rises on Securities Sales	33.942	77.731
Losses from Selling of Stocks	33.942	77.731
Public Sector Losses on Sale of Securities	630	1.083
Value Decreases	116.463	184.232
Other Expenses	97.802	171.586
Fund Management Fee Expenses	60.179	105.264
Intermediary Commission Expenses	13.020	26.489
Expenses such as Tax, Duties, Fees	17.392	28.528
Bills, Exchange Transaction Fee Expenses	3.759	7.402
Audit Fee Expenses	2.270	1.935
Other Expenses	1.182	1.968
Total Fund Expenses	248.837	434.632
Fund Income – Expense Difference	319.529	606.540

XVII. PARTICIPATION IN LIQUIDATION:

1. The Fund is terminated in accordance with Articles 52 and 53 of the Communiqué of the Capital Markets Board, Series: VII, No: 10. These elements are as follows:
 - a. Expiry of a duration, if any, which has been stipulated in the Fund Bylaw;
 - b. If the Fund has been established for an unlimited period of time, a notice of termination to be issued by the Founder 6 months in advance subject to approval of the Board;
 - c. The Founder no longer meeting the requirements of establishing a fund;
 - d. A determination made by the Board that the maintenance of the Fund is not beneficial for the investors due to deterioration of the financial condition of the Founder, the fund becoming unable to meet its own costs, or for similar reasons.
2. In case the real-time calculation or announcement of the index upon which the Fund is based is stopped for an indefinite period of time, the Fund Board makes a decision about matters such as transfer, merger, conversion, discontinuation, another index to be based upon, and applies to the Board. Subject to approval of the Board, the Fund Board takes the necessary decision about the aforesaid issues and conducts the transactions.
3. In case of termination of the Fund due to reasons set forth in article 53 of the Communiqué of the Capital Markets Board Series: VII, No: 10, the trading of the Fund shares on the ISE is closed. The Founder informs the investors and assures their dissociation from the Fund within 30 days of the announcement. In 5 business days after the lapse of the 30 days, the remaining assets of the fund are sold on the ISE. The assets that may not be sold in such a way may be sold and converted into cash by public auction or negotiation or using both methods. The Fund asset that is converted into cash through the above mentioned methods is distributed to the shareholders pro rata to their shares. No creation or redemption order is executed starting from the moment of termination.
4. Following the completion of the liquidation, the Founder registers and announces the state of affairs in the Trade Registry for the deletion of the Fund's title from the Trade Registry, and the Capital Markets Boards and the Banking Regulation and Supervision Agency are informed of such deletion.
5. In case of termination of the Fund due to reasons set forth in article 52 of the Communiqué of the Capital Markets Board Series: VII, No: 10, the termination procedure shall be determined by the authority that decided on the bankruptcy and liquidation of the Founder and/or the Custodian Institution.

XVIII. INFORMATION ABOUT PUBLIC OFFERING:

1. As of sale starting date:/...../20.... , shares will be sold over their value on date of selling by collecting respective amounts fully and in cash.
2. Places where Fund Bylaw and Prospectus are Available as well as Share Value will be declared:

Title	ADDRESS	TELEPHONE NO
FİNANSBANK A.Ş.	Büyükdere Caddesi No:129 80300 Mecidiyeköy İstanbul	0-212-216-7070
FİNANS PORTFÖY YÖNETİMİ A.Ş.	Nispetiye Caddesi Akmerkez B Kulesi Kat:7 Etiler 80600 İSTANBUL	0-212-336-7171
FİNANS YATIRIM MENKUL DEĞERLER A.Ş.	Nispetiye Caddesi Akmerkez B Kulesi Kat:2-3 Etiler İSTANBUL	0-212-282-1700
GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.	Nispetiye mahallesi Aytar Caddesi No:2 34340 Levent-Istanbul	0.212-318-2838
OYAK YATIRIM MENKUL DEĞERLER A.Ş.	Akatlar, Ebulula Cad. F2 C Blok 34335 Levent – Beşiktaş/Istanbul	0-212-319-1200
RAYMOND JAMES YATIRIM MENKUL KIYMETLER A.Ş.	Nispetiye Caddesi A. Nail Gönenli Sokak No:6 34337 Etiler-Istanbul	0-212-359-1000

3. Head Office Addresses and Telephone Numbers of the Founder, Manager and Authorized Participants:

FOUNDER'S TITLE	ADDRESS	TELEPHONE NO
FİNANSBANK A.Ş.	Büyükdere Caddesi No:129 80300 Mecidiyeköy İstanbul	0-212-216-7070

MANAGER'S TITLE	ADDRESS	TELEPHONE NO
FİNANS PORTFÖY YÖNETİMİ A.Ş.	Nispetiye Caddesi Akmerkez B Kulesi Kat:7 Etiler 80600 İSTANBUL	0-212-336-7171

AUTHORIZED PARTICIPANT'S TITLE	ADDRESS	TELEPHONE NO
FİNANS YATIRIM MENKUL DEĞERLER A.Ş.	Nispetiye Cad. Akmerkez B Kulesi Kat:2-3 Etiler İstanbul	0-212-282-1700
GARANTİ YATIRIM MENKUL KIYMETLER A.Ş.	Nispetiye mahallesi Aytar Caddesi No:2 34340 Levent-Istanbul	0.212-318-2838
OYAK YATIRIM MENKUL DEĞERLER A.Ş.	Akatlar, Ebulula Cad. F2 C Blok 34335 Levent – Beşiktaş/Istanbul	0-212-319-1200

RAYMOND YATIRIM KIYMETLER A.Ş.	JAMES MENKUL	Nispetiye Caddesi A. Nail Gönenli Sokak No:6 34337 Etiler-Istanbul	0-212-359-1000
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We hereby certify that the information contained in the prospectus are true in the framework of our legal authorities and responsibilities. 06/07/2005

FIRAT SELLİ

MEMBER OF THE FUND BOARD

C. ÖZGÜR GÜNERİ

CHAIRMAN OF THE FUND BOARD

We hereby certify that financial statements connected with financial situation and operation results pertaining to period between 31/12/2004 and 31/12/2003 which are available in this report we have audited comply with independent audit report drawn up by our institution.

Güney S.M.M.M (Independent Accountant and Financial Advisor Office)
Selim Elhadeif
Responsible Partner, Chief Auditor

This is the copy of a By Law approved by the Capital Markets Board (CMB) which is translated from the original Turkish version into English by certified interpreter