

**ANNUAL REPORT OF BOARD OF DIRECTORS
PREPARED AS PER COMMUNIQUE SERIAL XI NO. 29**

INTRODUCTION

1- Reporting Period: 01.01.2008-31.12.2008

2-Commercial Title of the Company: Varlık Yatırım Ortaklığı A.đ.

3-Names and surnames, authorities, terms of office (beginning and ending dates) of the chairman and members, actively serving in the Board of Directors (BOD) and board of auditors within the reporting period as of 31.12.2008:

Chairman of the BOD:	Tan EGELİ	26.05.2008 – By the Initial Ordinary General Assembly
Member of the BOD:	Johan Christiaan HATTINGH	26.05.2008 - By the Initial Ordinary General Assembly
Member of the BOD:	Ersoy OBAN	26.05.2008 – By the Initial Ordinary General Assembly
Member of the BOD:	Murat İLİNGİR	26.05.2008 - By the Initial Ordinary General Assembly
Auditor:	Zeynep AYGÜL	26.05.2008 - By the Initial Ordinary General Assembly

Members of the Board of Directors serve with the limits of authority determined by Board Resolution no. 215 dated 17.09.2008.

4-Main factors affecting performance of the Company

An asset management agreement was signed with Ashmore Portföy Yönetimi A.đ. on 01.08.2008.

5-Risk management policies:

Our company established a risk management procedure regarding internal control, asset management, futures contracts.

6- Material events occurred from the closing of the fiscal period until the general assembly meeting where the relevant financial statements are to be discussed:

The address of the registered office was transferred to Tamburi Ali Efendi Street. No:13 Store:1 Etiler-Beşiktaş as published on Trade Registry Gazette dated 31.01.2009 and numbered 7239.

As a continuation of the actions relating to Banking Insurance Transaction Taxes, total amount of the Banking Insurance Transaction Tax, declared with prejudice and paid for January 2009 and subsequently made subject matter of a legal action totals TRL 4,023.-.

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7- Amendments to Articles of Association within the reporting period, rationale and nature of these amendments:

It was unanimously resolved at Ordinary Shareholders General Assembly's second meeting dated 26.05.2008 and Privileged Shareholders Meeting that the 3rd, 7th, 10th, 12th and 16th items of Articles of Association would be amended. Amendments to the Articles of Association are stated below:

**FORMER FORM
PURPOSE AND SCOPE**

Article 3- Purpose of the Company is to purchase capital market instruments within the frame of the principles and rules determined by relevant legislation, provided that such purchase would not result in control over the share capital or management of the companies whose instruments are purchased, and to create portfolio consisting of these instruments, to manage the same, to enable account holders to invest in instruments and to offer professional asset management services.

For this purpose, the Company;

- a) Creates, manages company portfolio and changes it if necessary.
- b) Reduces investment risks to minimum amounts by means of portfolio diversification according to subject of activities and status of the companies.
- c) Continuously monitors developments concerning instruments, financial market and corporations and takes necessary actions related to asset management.
- d) Makes research in order to maintain and increase the value of portfolio.
- e) At least 25% of the company portfolio value shall be invested in the capital of companies established in Turkey.

**AMENDED FORM
PURPOSE AND SCOPE**

Article 3- The Company was incorporated to engage in the business the PURPOSE AND SCOPE of which are specified in the legislations related to the Investment Trusts of Capital Markets Board; and the Company's operating principles, portfolio investment policies and management constraints of the Company shall be subject to and comply with the related laws and regulations of the Capital Markets Board.

Within this framework, the Company;

- a) Creates, manages company portfolio and changes it if necessary.
- b) Reduces investment risks to minimum amounts by means of portfolio diversification according to subject of activities and status of the companies.
- c) Continuously monitors developments concerning instruments, financial market and corporations and takes necessary actions related to asset management.
- d) Makes research in order to maintain and increase the value of portfolio.

The company does not pursue a goal of controlling the capital or management of the companies, in which it holds shares.

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FORMER FORM**RESTRICTED ACTIVITIES**

Article 7- The Company shall not particularly;

- a) Engage in lending cash.
- b) Collect deposits and carry out activities and transactions resulting in collecting deposits, as defined by the Banking Law,
- c) carry out commercial, industrial or agricultural activities
- d) engage in intermediary activities.

The Company also shall comply with other operating principles and prohibitions to be determined by the Capital Markets Board and other related public authorities.

AMENDED FORM**RESTRICTED ACTIVITIES**

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- a) engage in lending cash.
- b) Collect deposits and carry out activities and transactions resulting in collecting deposits, as defined by the Banking Law
- c) carry out commercial, industrial or agricultural activities
- d) engage in intermediary activities.

FORMER FORM**BORROWING LIMIT AND ISSUANCE OF SECURITIES**

Article 10- The Company may obtain credit from credit institutions up to the 20% of the sum total of its paid-in capital and reserve funds in order to cover short term fund requirements or on condition that it stays within the same limits or complies with the legislation of Capital Market; it may issue debt securities for 360 days or shorter term upon the resolution of the board of directors. The Company may not issue founder dividend share, non-voting share or preferred shares except for the preferred shares used in the election of members of the Board of Directors or it may not issue debt instruments with maturity exceeding 360 days.

AMENDED FORM**BORROWING LIMIT AND ISSUANCE OF SECURITIES**

Article 10- In order to cover its short term fund requirements, the Company may obtain credit from credit institutions in the amount, form and under the conditions specified in the Capital Market Laws and Regulations or it may issue debt instrument on condition that it stays within the same limits and complies with the Capital Market Laws and Regulations.

The Company shall not issue,

- a) Founder dividend share,
- b) Non-voting share,
- c) Preferred share apart from the preferred share used for the election of members of the board of directors,

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d) Debt instrument with maturity 360 days.

FORMER FORM

PRINCIPLES FOR CREATING COMPANY PORTFOLIO AND RISK ALLOCATION

Article 12- Following the incorporation procedures, the Company creates its portfolio within maximum three months, provided that it complies with the rules stated in the related legislation and articles of incorporation. One week after its incorporation, it shall notify the Capital Market Board and the Company of the Portfolio's composition. In selecting the securities to invest, following principles should be taken into consideration within the framework of risk distribution principles.

- a) When selecting the securities that the Company would invest in, the ones that would be easily converted into cash and carry less risk would be preferred; and related articles of Capital Market Law and management principles set forth in related communiqués and regulation are abided.
- b) More than 10% of Portfolio value may not be invested in any capital stock of partnership. Additionally, the Company may not have more than nine percent of the capital and all the voting rights in any partnership.
- c) Buying into and selling from company portfolio are made at current market value. Current market value is the stock price for the securities traded on the stock exchange, but for others it is Company's minimum price in buying, maximum price in selling, which happens on the transaction day. In security sales, sale cost is taken totally in cash.
- d) The buying or selling of the securities traded on stock exchange or other organized markets should be done by the stock exchange or these other markets.
- e) At least 25% of the portfolio value is continuously invested in the equity share of the companies established in Turkey including public economic enterprises taken under privatization.
- f) Adequate amount of cash is kept for Company's daily needs.
- g) The Company may not invest in share equities and investment fund letter of applications of Turkish and foreign companies apart from risk capital investment companies.
- h) Out of the foreign capital market instruments in the form of debt securities, the ones traded in the secondary market and subjected to grading are bought. When there is no grading mechanism in countries where foreign capital market instruments are bought or issued, grading condition is not expected.
- ı) The Company may invest in the total amount of capital and reserved fund, with proportion enabled by the Capital Market legislation, in capital market instruments that are able to buy and sell within the framework of the Resolution 32 of Protection of the Value of Turkish Currency Law. For the purpose of protecting securities in its portfolio, it may add foreign forward contracts to its portfolio; provided that contract cost would not exceed the total amount of capital and reserve fund amount specified

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by the Capital Market Law and this amount is taken into consideration for calculation of the rate set forth in the first sentence.

j) The Company may invest just in foreign securities issued with currencies bought and sold by the Central Bank of the Republic of Turkey.

k) Foreign securities of the Company portfolio may be sold in the stock exchange or in other stock exchanges where they are listed. These assets may not be sold to and bought from the persons resident in Turkey or abroad.

l) Foreign instruments quoted on the stock exchange of OECD countries within the frame of the Capital Market legislation and Resolution 32 of Protection of the Value of Turkish Currency Law may be involved in the Company Portfolio. The ones belonging to OECD countries may be taken from Foreign State (public) instruments.

AMENDED FORM

**PRINCIPLES FOR CREATING COMPANY PORTFOLIO AND RISK
DISTRIBUTION**

Article 12- Following the incorporation procedures, the Company creates its portfolio within maximum three months; provided that it complies with the rules stated in the related legislation and articles of incorporation. One week after its incorporation, it notifies the Capital Market Board and shareholders of the Portfolio's composition. Selecting the securities to invest, following principles should be taken into consideration within the framework of risk distribution principles. One week after its incorporation, it notifies the Capital Market Board and shareholders of the Portfolio's composition.

In selecting the securities to invest, following principles should be taken into consideration within the framework of risk distribution principles.

a) When selecting the securities that the Company would invest in, the ones that would be easily converted into cash and carry less risk would be preferred; and the Article 36 of Capital Market Law and management principles determined in related communiqués and regulation are abided.

b) It may not be invested in any capital stock of a company having more than 10% of Portfolio value. What is more, the Company may not have more than nine percent of the capital and all the voting rights in any partnership. If this limit is exceeded because of any change in portfolio degree and exercise of new share right, the extra amount should be discharged in three months at the latest. The time may be extended by the Board when it is documented that it is impossible to discharge it within the specified period of time or if so, it would result in arise of great loss.

c) The Company may not buy or sell any asset that is above or below its current market value for its portfolio. Current market value is the stock price for the securities traded at the stock exchange, but for others, it is Company's minimum price in buying, maximum price in selling, which happens on the transaction day. In capital sales, selling cost is taken totally in cash.

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- d) The buying or selling of the securities traded at stock exchange or other organized markets must be done by the stock exchange or these other markets. The company may buy instruments sold to the public as offering out of the stock exchange, provided that they would be listed on the stock exchange. However, it may invest in instruments that are intermediated by corporations having more than ten percent of the concessionaire capital in the election of member of the Board of Directors and by the corporations from which it gets consultancy service, with maximum 10% of the export amount and 5% of the company portfolio.
- e) Adequate amount of cash is kept for the Company's daily needs. The Company may not keep time deposit or buy certificate of deposit before the banks.
- f) The Company may not invest in Turkish or foreign investment company shares or in investment fund shares apart from venture capital investment trusts shares. The Company may invest maximum 25% of its portfolio value in venture capital investment trusts shares.
- g) Out of the foreign capital market instruments in the form of debt securities, the ones traded in the secondary market and subjected to grading are taken. When there is no grading mechanism in countries where foreign capital market instruments are bought or issued, grading condition is not expected.
- h) The Company may invest the 25% of total amount of capital and reserved funds in capital market instruments that are able to be bought and sold with Capital Market legislation and Resolution 32 of Protection of the Value of Turkish Currency Law.
- i) The Company may just invest in foreign securities issued with currencies bought and sold by the Central Bank of the Republic of Turkey.
- j) Foreign securities of the Company portfolio may be sold in the stock exchange or in other stock exchanges where it is listed. These assets may not be sold to and bought from the persons resident in Turkey or abroad.
- k) Within the framework of Capital Market legislation and Resolution 32 of Protection of the Value of Turkish Currency Law, the Company may buy foreign capital instruments listed in the stock exchanges of OECD countries, EU countries, Russia, Romania, Bulgaria, Kazakhstan, Azerbaijani, Turkmenistan, Morocco, Tunisia, Algeria, South Korea, Thailand, Taiwan, Indonesia, Malaysia, China, Indian, Brazil, Argentine, and buy public capital market instruments belonging to these countries. Public capital market instruments issued by other countries' public authorities may not be invested in.
- l) As a protection from risk and/or investing, precious metals, interest, financial indicators, option contract organized with capital markets instruments, forward, financial future deliveries and option transactions depended on future deliveries may be added to the Portfolio. Open position cost may not exceed written down value. The forward contract involved in the portfolio must be suitable for the Company's investment strategies and comparison criteria.
- m) It may not be invested in gold or other precious metals.

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FORMER FORM**BOARD OF DIRECTORS AND TERM OF OFFICE**

Article 16- The works and administration of the Company is carried out by minimum five, maximum eight members constituting the Board of Directors elected by the General Assembly for three years at the most. Routines and term of offices of the Member of Board of Directors are determined by the General Assembly before the elections. The term of office for the Board of Directors is three years. At the end of this term, it is possible for the members whose office has finished to be elected again. When one member is dismissed for any reason, the Board of Directors chooses one person among the shareholders who is subject to legal conditions of the Turkish Code of Commerce and Capital Market Law pro temp and offers his/her for the approval of the First General Assembly. As a result, the elected member completes previous member's term. The Members of the Board of Directors may be taken from office by the General Assembly at any time. First Members of the Board of Directors appointed with this contract officiate until the Company's Initial Ordinary General Assembly Meeting. After term ends, new members are chosen for the General Assembly.

AMENDED FORM**BOARD OF DIRECTORS AND TERM OF OFFICE**

Article 16- The works and administration of the Company is carried out by minimum three maximum seven members constituting the Board of Directors elected by the General Assembly for three years at the most. The Board of Directors chooses a chairman and vice-chairman at the first meeting. The term of office for the Board of Directors is min. one year, max. three years. When one member is dismissed for any reason, the Board of Directors chooses one person among the shareholders who is subject to legal conditions of the Turkish Code of Commerce and Capital Market Law pro temp and offers his/her to the approval of the First General Assembly. As a result, the elected member completes previous member's term. The Members of the Board of Directors may be taken from office by the General Assembly at any time.

The reason of such a change is to provide the shareholders with minimum amount of risk and maximum amount of profit by increasing the Company's return potential and risk distribution opportunities.

8-Capital and Dividends of the Company:

The Capital of the Company is TRL 9,027,000.- as of 31.12.2008 and the Company completed the period of 01.01.2008-31.12.2008 with the loss of TRL 1,953.451.- (according to the financial statements issued as per Communiqué Serial XI, No.29).

9-Changes in the capital of the Company within the relevant period, if capital increase is made, whether or not shares are distributed; if distributed, the reasons of the distribution; number of shareholders; movements in share certificate prices within the year; dividend distributed in the last three years; names of the

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shareholders holding more than 10% of the capital; amount of their shares; and their shareholding rates.

Existing capital of the Company is TRL 9,027,000. Tan Egeli has all the Class A registered shares amounting to 36,000 TL which are privileged in election of the Members of the Board of Directors.

The shares of the Company are registered and bearer shares and issued in coupons representing the capital of TRL 9,027,000.- as follows:

Class/Group	Registered/Bearer	Amount/Nom/TRL
A	Registered	36,000 Nom/TRL
B	Bearer	8,991,000 Nom/TRL

The price of the Company shares, quoted on Istanbul Stock Exchange, varies between TRL 0.32 and TRL 1.64.

Distributable profit remained after deduction of previous years' losses and setting aside legal reserves from the period profit amounting to TRL 615,327.37.- for the year 2005 was transferred to Extraordinary Legal Reserves as per Decision dated 27.01.2006 and no. 4/67 since 30% obligated to be distributed amount remains below 5% of the Company's issued capital, according to the same decision.

Cash dividend of TRL 313,117.81.- was distributed to our shareholders from the TRL 360,721.-, profit of 2006

Out of the period profit amounting to TRL 1,554.768.10.- for the year 2007;

- TRL 346,315.34.- was distributed as cash dividend at the rate (gross=net) of 5.77192% to our shareholders holding shares representing our paid-up capital, as of 31.12.2007.

According to Resolution of the Company's Board of Directors dated February 19, 2008 and No. 194, it was resolved that the issued capital TRL 6,000,000.- of the Company would be increased up to TRL 15,000,000.- at the increase rate of 150% by the way of use by the shareholders of pre-emptive rights in cash consideration for TRL 9,000,000.-; and accordingly, the shareholders shall be enabled to use for 15 days between 25.02.2008-10.03.2008 pre-emptive rights relating to the sales of the shares, issued in representation of TRL 9,000,000.- as a result of capital increase and to be taken under custody at the Central Registrar and registered by the CMB with the date 12.02.2008 and number YO-153/1280.

As a result of use of pre-emptive rights by the shareholders between 25.02.2008 – 10.03.2008, the capital increase of TRL 3,026,194.- was deposited to the Company's bank account.

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The shares of the shareholders who did not use their rights of priority for capital increase amounting to TRL 5,919,606.21 was put onto the market with the intermediary corporation on the primary market of Istanbul Stock Exchange and capital increase of TRL 806,21 was carried out by depositing into the Company's Istanbul Stock Exchange currency account.

10-Amount of securities (bonds, profit loss shares, financial papers, participation bonds, convertible bonds, redeemed shares and similar securities issued, if any, and burden and payment opportunities brought onto the Company by the same:

None.

11- Information on the sector where the company is active and position of the Company in this sector:

There are 34 securities investments trusts regulated by the The Capital Markets Board as of 31.12.2008 and the total value of these trusts is TRL 551,299,923.73.- The share of Varlık Yatırım Ortaklıđı A.Ő. in the sector is 1.7% with TRL 9,399,348.31.-

II- ACTIVITIES

1-Investments, current period and previous period capital increases

The Company was incorporated with the authorized capital of TRL 1,000,000.- on 08.01.1998. The initial capital was TRL 500,000 and the capital was increased up to TRL 1,000,000.- made through bonus shares at the rate of 100% in 2003; the paid up capital was increased through bonus shares at the rate of 80% and subsequently increased up to TRL 3,750,000.- through right issues by the increase rate of 195% in 2005; and the capital was increased up to TRL 6,000,000.- through right issues by the increase rate of 60% in 2007.

According to Resolution of the Board of Directors dated February 19, 2008 and No. 194, it was unanimously resolved that the shareholders would be allowed to use their pre-emptive rights for 15 days between 25.02.2008- 10.03.2008 relating to the shares registered by the Capital Market Board with the date 12.02.2008 and No.YO-153/1280 and to be taken under custody in book entry at the Central Registrar in representation of the capital of TRL 9,000,000.- increased due to increase of the Company's Capital from TRL 6,000,000.- up to TRL 15,000,000.- at the increase rate of 150% by the way of allowing the shareholders to use pre-emptive rights in cash consideration for TRL 9,000,000.-.

The capital increase of TRL 3,026,194.- was realized as a result of use by the shareholders of the pre-emptive rights by the way of depositing the same to the Company's account held with the Bank between the dates 25.02.2008 – 10.03.2008.

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The capital increase of TRL 3,026,194.- was realized as a result of use by the shareholders of the pre-emptive rights by the way of depositing the same to the Company's account held with the Bank between the dates 25.02.2008 – 10.03.2008.

The shares of TRL 5,919,606.21.- of the shareholders, not used their pre-emptive rights with regard to the capital increase, were offered for sale through a broker at the primary market of the ISE between 31.03.2008-14.04.2008 and the capital increase of TRL 806,21 was carried out by depositing into the Company's Istanbul Stock Exchange currency account.

After the exercise of the pre-emptive rights by the shareholders and sales of the unused shares on the Istanbul Stock Exchange primary market, capital increase of TRL 3.027.000 TL was realized and the amount of TRL 5,973,000 was not used by the shareholders.

The capital increase was completed as TRL 9,027,000 with the complementary document dated of the Capital Markets Board, dated 05.06.2008 and no: 310.

2. Benefiting from incentives:

None

3. Disclosures including qualification of the production units of the Company, capacity utilization rates, developments in goods and services production which constitute subjects of activity, amounts, quality, circulation and comparison of the prices compared to previous years:

None

4. Developments in the sales prices of goods and services – subject matter of activity – sales revenues, sales terms, coefficient numbers of performance and productivity:

None

5-Information on financial structure:

The sales of the Company were disclosed as TRL 259,732.326 between 01.01.2008-31.12.2008 and the cost of sales were TRL 260,623.665.-

The sales of the Company consist of treasury bills and government bonds. Total interest income of the Company was TRL 503,407.-, dividend income was TRL 135.092.- and total value decrease 268,886.- for the period.

Operating Expenses of the Company for the period between 01.01.2008-31.12.2008 were disclosed as TRL 1,065.590.-

The Period Loss of the Company was disclosed as TRL 1,953.451.-

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As of 31.12.2008, the Company's issued and entirely paid up capital was TRL 9,027,000.- and the total assets were TRL9.438.654. The short term debt to equity ratio is % 0.53 as of 31.12.2008.

Basic Ratios:

Current Assets/ Short Term Liabilities: 188.49
Total Liabilities/Shareholders' equity : % 0.55
Shareholders' Equity/Total Assets: % 99.45

Investment Trusts Tax Monitoring

The Company has been giving the declarations of banking and insurance transaction taxes (BSMV) to the tax office with reservation and opening cases against such taxes as of January, 2008. The cost of BSMV at issue declared and paid in the 12 month period of the year 2008 is TRL 82.168. Out of the cases opened, the one relating to January 2008 resulted in company's favor. No decision was concluded concerning the cases of other months as of the date of the report.

Annual activities of the Company between 2003-2007 was examined within sectorial monitoring in terms of banking and insurance transaction taxes by Ministry of Finance of the Revenue Administration and finally conciliation before assessment was reached on 28.11.2008. After the conciliation, the liability of the BSMW for 2003-2007 was removed by paying TRL 66,916.- constituting taxpayer's primary cash of TRL 47,418.- and interest for delay of TRL 19,498.-

6. Measures planned to be taken for optimization of the financial structure of the Company:

The operating capital of the Company is anticipated to be adequate and there is no need to take any measures.

7. Changes in the top executives in the relevant year and the executives still in charge:

Semen Son was appointed as Chief Executive Officer as of 04.08.2008 in lieu of Ersoy ÇOBAN, having served as CEO until that time.

The management staff of the Company is as follows:

Name-Surname	Task	Occupational Experience	Commencement of the Office
Senem Son	Deputy Chief Executive Officer	8 years	04.08.2008

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8. Personnel and labor movements:

Our Company employs 4 personnel as of 31.12.2008.

9. Collective bargaining:

There is no collective bargaining agreement.

10. Employee Benefits:

The personnel are provided private health insurance and food allowance.

11. Donations made within the year:

None.

12. Off-center organizations:

None.

III-CORPORATE GOVERNANCE PRINCIPLES

CORPORATE GOVERNANCE COMPLIANCE REPORT

1. CORPORATE GOVERNANCE DECLARATION

In the fiscal period of January 1, 2008- December 31, 2008, some of the Corporate Governance Principles published by the Capital Market Board were applied but some were not.

The reason for failure in full application of the relevant principles is that the Company has no good or service production as it acts as portfolio manager and has only 4 personnel and majority of the transactions are conducted by outsourcing.

However, the failed principles are not detrimental to the shareholders or stakeholders and have not caused any conflict of interest up to date either.

SECTION I – SHAREHOLDERS

2. Investor Relations

As the Company has only 4 personnel and the transactions are carried out as service purchasing, the duty of providing communication with the shareholders was undertaken by one of the company workers.

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Varlık Yatırım Ortaklıđı A.Ő
Shareholder Relations Responsible

Name, Surname : Semen SON
Mobile : 212-349 40 58
Fax : 212-349 40 98
e-mail : info@varlikyatirim.com

Shareholder responsible is to provide written and oral communication of shareholders, Istanbul Stock Exchange, CMB and Takasbank.

Major activities conducted within the relevant period:

- Information demands transmitted by phone calls were answered.
- The General Assembly was enabled to be held in compliance with the laws and regulations in force, articles of association and other inter-company arrangements.
- The document from which the shareholders would benefit at the General Assembly was arranged.
- The voting results were registered. No one requested these entries from the shareholders.
- Each matter relating to public disclosure was observed and monitored.

With the communiqué on the Principles for the Joint Stock Companies being subject to Capital Market Law Serial IV and no 41, investor relations department would be founded in our Company.

3. Shareholders' Right to Information

Written information has not been requested within the reporting period. The shareholders, demanding information by phone calls, were provided necessary information. Developments affecting the use of shareholders' rights are announced to the public by Istanbul Stock Exchange.

There is no arrangement in our articles of association regarding appointment of private auditor. No request was demanded on this matter within the relevant period.

4. Information on the General Assembly

It was resolved that Shareholders General Assembly Meeting would be held within the period on 05.05.2008; the meeting could not be held since the minimum quorum is failed to be reached. 2nd Ordinary Shareholders General Assembly concluded on 26.02.2008. Attendants consist of the holders of publicly offered shares and there was no attendant from the media. The invitation was made through Istanbul Stock Exchange (IMKB) and press.

Annual report and financial statements, articles of association, profit distribution recommendation were made available for review at the headquarters of the Company before the General Assembly.

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The meetings are held at the city centers in order to facilitate attendance and the invitation announcement to the general assembly was published in the newspapers published nationwide. Minutes of General Assembly are sent to Istanbul Stock Exchange and Capital Markets Board and were made available for review at the headquarters of the Company.

5. Voting Rights and Minority Rights

Totally 3,600,000 Class A shares have the privilege in voting rights. This privilege is only valid in the election of members of the board. Reciprocal shareholding is not discussed. Up to date, no beneficiary claimed to have minority share. Cumulative voting system is not applicable.

6. Dividend Policy and Dividend Distribution Date

It was resolved that dividend policy of our Company for the year 2008 and subsequent years would be formed as follows: upon consideration of the Company's financial structure, profitability and general economic conjecture, if the net profit is generated each year, distribution of dividend in cash, at the rate not to adversely affect the shareholding structure and portfolio value of the Company or distribution of bonus shares would be submitted to the General Assembly for ratification"; this policy would be revised by the Board of Directors each year according to national and international economic conditions and financial markets; the dividend policy was submitted to the information of the shareholders at the General Assembly meeting held on 26.05.2008.

7. Transfer of shares

There is no provision in our articles of association, restricting share transfer.

SECTION II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Policy

In case of request for information by the press, shareholders or potential investors, the authorized personnel provide information in writing or verbally.

9. ISE Significant Event of Disclosures (Material Disclosures)

53 significant events of disclosure were made within the reporting period.

10. The Company's Website and its Contents

The website of our company is www.varlikyatirim.com, and in the website Corporate Governance Principles of the Capital Market Board and the information stated in the Section II in the article of 1.11.5 was provided.

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11. Disclosure of Real Person(s) Ultimate Controlling Individual Shareholder(s)

There exists information regarding the known shareholders in the Company's web site

12. Disclosure of Insiders to Public

The insiders are the members of the Board of Directors and top executives of the Company. Names of these persons are set forth in our annual report.

SECTION III – BENEFICIARIES**13. Stakeholders Disclosure**

The stakeholders are informed on the matters related to them verbally or in writing, if requested.

14. Participation of Stakeholders in the Company Management

Non-managerial company employees and other stakeholders don not have a significant level of participation in the management of the Company, since there was no request.

15. Policy of the Human Resources

Human resources policy of Varlık Yatırım Ortaklığı A.Ő. is applied within the scope of Labor Law in force. No complaint was transmitted by the employees relating to discrimination up to date.

16. Information on Relations with the Customers and Suppliers

Since our Company has no goods and services production, it has no customer and supplier; accordingly, no effort was made relating to this matter.

17. Social Responsibility

Since the subject of activity of our Company is limited by the legislation, it is not possible for our Company to make any effort within the scope of the social responsibility. Furthermore, since our Company has no production, environmental pollution or damage is not in question.

CHAPTER IV-BOARD OF DIRECTORS**18. Structure and Constitution of the Board of Directors and Independent Members**

There is no independent member in the Board of Directors of our Company. This is because there is no demand or need for appointment of an independent member and opinions of our shareholders are closely followed up and in case of need, consulting services are outsourced.

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19. Qualifications of the Members of the Board of Directors

Minimum requirements, sought for appointment of members of the board of directors, correspond with the qualifications set forth in Articles 3.1.1, 3.1.2 and 3.1.5 of Section IV of the Corporate Governance Principles of the Capital Market Board. In our articles of association, it is stated: "majority of the Board of Directors members are required to have the qualifications stipulated by the Turkish Commercial Code and capital market law".

20. Vision, Mission and the Strategic Aims of the Company

Portfolio management, being the main function of the investment partners, protection of the value of the portfolio in this respect and the operation to increase it are all determined by the legal arrangements. These principles have been stated in the articles of association of the Company and all the works have been carried out in terms of these arrangements.

21. Risk Management and Internal Control Mechanism

In the Company, internal control, portfolio management and future contracts risk management procedures are available and there are audit committee and internal controller to maintain the operation of the system in the most effective manner.

22. Rights and Responsibilities of the Members of the Board of Directors and Administrators

Authorities and responsibilities of the members of the Board of Directors and managers are expressly set forth in the articles of association.

23. Authorities and Responsibilities of the Board of Directors and Managers

Agenda of the Board of Directors meetings are determined by the Chief Executive Officer as appointed and authorized by the Chairman of the Board of Directors. Our Board of Directors held 29 meetings within the relevant period. The calls for the meetings are made by telephone and/or e-mail. The Chief Executive Officer is responsible for information of and communication with the members of the Board of Directors.

At the Board of Directors meetings held in the period, the resolutions were passed without any opposition annotation.

The members of the Board of Directors do not have weighted voting right and veto right.

24. Prohibition of Deal and Non-Compete

Although Members of our Board of Directors were authorized by the General Assembly within the frame of the regulations, the members of the Board of Directors do not take action with the Company in line with the general principles of Varlık Yatırım Ortaklığı.

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25. Codes of Conduct

Codes of conduct, formed by Varlık Yatırım Ortaklığı, are applicable. These rules were notified to the employees of our Company in writing; however, these were not disclosed to the public

26. The Number, Structure and Independency of the Committees formed within the Board of Directors

There is not governance committee or any other committee in our Company other than the supervisory committee. Since necessary consulting services and other services are outsourced in order to ensure fulfillment of the duties and responsibilities of the Board of Directors in a sound manner, then corporate governance committee has not been constituted.

27. Financial Rights Provided to the Board of Directors

None of the members of the board of the directors has executed any kind of financial operation related with the company. There is not a performance-related reward system. In 2008, the Company did not extend any surety or loan or credit to any of the members of the Board of Directors or any manager within this period.