

**İŞ YATIRIM- DOW JONES TURKEY EQUALLY WEIGHTED TYPE 15 A EXCHANGE TRADED FUND
INTERNAL STATUTE**

ARTICLE 1- OBJECTIVE OF THE FUND

1.1. İş Yatırım Menkul Değerler A.Ş has formed İş Yatırım- Dow Jones Turkey Equally Weighted Type 15 A Exchange Traded Fund which is based on Articles 37 and 38 of Capital Market Law No 2499 and which will be managed according to rules of this internal statute herein. The fund is an asset founded on the basis of principle of risk distribution and fiduciary ownership where authorized participants directly involved in creation of the fund obtain Fund Participation Certificates in return for collecting stocks traded in Exchange and cash component included in the portfolio or where the authorized participants return their Fund Participation Certificates amounting to at least 1 Minimum Creation Unit to the Depository Institution and get in return the stocks of the Fund pro rata.

1.2. **For the purposes of this Internal Statute;**

İş Yatırım Menkul Değerler A.Ş means "FOUNDER"

İş Yatırım Menkul Değerler A.Ş means "MANAGER"

Registered brokers and Banks which executed an Authorized Participant Agreement with the Founder and were authorized by the Board mean "AUTHORIZED PARTICIPANTS"

İMKB Takas ve Saklama Bankası A.Ş (ISE Settlement and Custody Bank) means "DEPOSITORY INSTITUTION",

İş Yatırım- Dow Jones Turkey Equally Weighted Type 15 A Exchange Traded Fund means "FUND",

Capital Markets Board means "BOARD",

The Communiqué of the Capital Markets Board on Basis Regarding Exchange Traded Funds Serial VII, no. 23 means "COMMUNIQUE"

The Communiqué of the Capital Markets Board on Basis Regarding Traded Funds Serial VII, no. 10 means "COMMUNIQUE SERIAL VII, NO. 10",

Istanbul Stock Exchange means "ISE"

Dow Jones Turkey Equally Weighted 15 Index means "INDEX",

Dow Jones & Company, INC. means "INDEX PROVIDER"

ARTICLE 2- NAME OF THE FUND AND TITLES AND ADDRESSES OF THE HEADQUARTERS OF THE FOUNDER, MANAGER AND DEPOSITORY INSTITUTION

2.1. Name of the Fund: "İş Yatırım - Dow Jones Turkey Equally Weighted Type 15 A Exchange Traded Fund". The managerial address of the fund: İş Kuleleri Kule 2 Kat: 12-13-14 34330 4.Levent/Istanbul

2.2. Title of Founder: İş Yatırım Menkul Değerler A.Ş.
Headquarters: İş Kuleleri Kule 2 Kat: 12-13-14 34330 4.Levent/Istanbul

2.3. Title of Manager: İş Yatırım Menkul Değerler A.Ş
Headquarters: İş Kuleleri Kule 2 Kat: 12-13-14 34330 4.Levent/Istanbul

2.4. Title of Authorized Participant: İş Yatırım Menkul Değerler A.Ş
Headquarters: İş Kuleleri Kule 2 Kat: 12-13-14 34330 4.Levent/Istanbul

2.5. Title of Depository Institution: İMKB Takas ve Saklama Bankası A.Ş (ISE Settlement and Custody Bank)

ARTICLE 3 – VALUE AND DURATION OF THE FUND

- 3.1. Value of the Fund is YTL 30,000,000 YTL (Thirty Million New Turkish Lira)
- 3.2. Duration of the Fund: Unlimited
- 3.3. The Fund is divided into 3,000,000 (Three Million) shares.
- 3.4. Minimum Creation Unit is 5,000 (Five Thousand) shares.

ARTICLE 4 – CREATION OF FUND’S PORTFOLIO AND THE PUBLIC OFFERING

- 4.1. The Founder, within the framework of Article 9 of Communiqué, shall make an allotment of prepayment in the amount of 2 minimum creation unit and shall form the Fund portfolio by purchasing, within three (3) days from date of prepayment, the shares which will represent “Dow Jones Turkey Equally Weighted 15 Index” and which will be included into the portfolio against the prepayment allotted. In this context, on the portfolio creation day, the weighting of shares composing the index, the cash component and the portfolio composition file in the amount of 1 Minimum Creation Unit shall be determined and the Fund shall invest in the amount of at least 2 Minimum Creation Unit based on portfolio composition determined. Such prepayment may exceed the amount of 2 Minimum Creation Unit until the time of public offering.
- 4.2. Following the prepayment and formation of fund portfolio, the Fund shall tender the Fund’s shares through public offering in accordance with Article 9 of the Communiqué on dates announced in public offering circular letter. The duration of public offering is two (2) workdays. Public offering shall be performed through the collection of demands from investors by the Consortium composed of registered brokers in the amount of multiples of 1 lot. In return for the collection of demands based on lots, the Consortium members shall collect cash from the investors in the amount of %110 of the net asset value of the Fund based on the previous day. In return for the cash money collected, new fund contribution shares are created in the name of investors by means of Authorized Participant and fund contribution shares created are transferred to the accounts of the investors.
- 4.3. Demands are collected between 09:00 – 15:00 hours on each day of the public offering. Consortium members shall submit the collected demands at the beginning of each hour (to the Consortium Leader and the Consortium shall submit them to the Fund Manager until the time is 15.00. In the event that the demands submitted stays below the amount offered to the public, the demands are compensated and public offering is maintained. In case the demands submitted exceed the amount determined for the public offering, the public offering shall be stopped and the demands submitted are to be compensated pro rata. The Fund Manager may also stop and finalize the public offering due to the reasons mentioned in the Offering Circular.
- 4.4. To be able to create fund shares in return for demands submitted, the Authorized Participant shall purchase stocks on the ISE. Even though the Fund’s portfolio is composed of liquid stocks listed on the ISE, the demand resulting from public offering may cause fluctuations in the markets. To prevent sharp price movements and any possible damages arising out of such price movements, the public offering shall be limited by an upper threshold.

- 4.5. At the end of each public offering day, the Consortium Leader shall notify the Consortium members about the share stocks purchased in return for finalized demands, the cash component related to the creation of participation certificates and the required total cash amount for the payment of commission fees. Consortium members shall transfer the total cash amount announced at the end of public offering day to the public offering account of the fund opened by consortium leader on the T+1 day. The Authorized participant shall use the proceeds to pay for equities purchased on the ISE and execute a T+0 creation with the addition of the cash component. On same day, fund shares created as such shall be delivered to the accounts of consortium leaders to transfer into investor accounts for fund share certificates. And thus the public offering shall be completed. Detailed information regarding the public offering shall be included in the Offering Circular.
- 4.6. Demands collected during public offering which will last two (2) days shall be treated separately and the amount to be collected from the investors shall be determined separately for each day. It is obligatory to reach 5.000 Fund shares or multiples on daily valuation at the end of demand collection period, due to the necessity to create a T+0 participation certificates on the T+2 day for any demand collected within one day. For that reason, in case the demands fall short of the level of 5.000 Fund shares or multiples, the Founder, Manager or Authorized Participant shall complete the amount required to reach 5.000 Fund shares or multiples and execute the creation of participation certificates.
- 4.7. The Founder shall purchase the Fund shares necessary for the Fund to reach the minimum fund size required by law, by underwriting the remainder, in the event that the Fund fails to attain the minimum fund size determined by the Board at the end of public offering. Following the completion of public offering and the beginning of the trading of the Fund shares on the ISE, the Founder shall sell the fund shares corresponding to prepayment allotted through redemption and /or through the sale on secondary market within the regulations of the Board.
- 4.8. The fund participation certificates do not have nominal value; instead, they are maintained as book shares. Fund participation shares representing fund amount are monitored by Merkezi Kayıt Kuruluşu A.Ş for each customer. Fund participation certificates cannot be printed or handed in a physical form.
- 4.9. Fund participation certificates are monitored in accounts opened in Merkezi Kayıt Kuruluşu A.Ş in terms of identity information and account codes and fund information of each customer.

ARTICLE 5 – FUND MANAGEMENT BASIS AND THE PRINCIPLES THAT THE MANAGER IS BOUND BY

- 5.1. Under the Capital Market Law, İş Yatırım Menkul Değerler A.Ş. is responsible for the management, representation and protection and safekeeping of assets on behalf of the holders of participation certificates and on the basis of principles of risk diversification and fiduciary ownership. The Fund portfolio shall be managed, under the provisions of this Internal Statute and the Communiqué, within the framework of a portfolio management agreement to be executed by İş Yatırım Menkul Değerler A.Ş. in accordance with the rules of Capital Market Board.
- 5.2. The transactions related to the Fund shall be managed by the Fund Board composed of at least three persons one auditor satisfying the minimum requirements indicated in Article 12 of the Communiqué Serial VII no.: 10. The members of the Fund Board and the auditor shall be appointed by the Founder.

- 5.3.** A fund service unit shall be established under the organization the Fund Manager to ensure efficient management of the Fund's transactions. Service unit services may be subcontracted to another institution under a contract. A Fund Managing Director satisfying the minimum requirements indicated in Article 12 of the Communiqué Serial VII no.: 10 shall be appointed to the Fund Service Unit and the necessary space, technical infrastructure, accounting systems and sufficient number of qualified personnel shall be provided.
- 5.4.** A "Participation Certificate Ledger" certified in accordance with Article 69 of the Turkish Trade Law shall be opened for the purpose of recording the issued participation certificates. The daily purchase and sale of the participation certificates shall be monitored by the participation certificate ledger. Any decision by the Fund Board shall be registered on the "Fund Board Decision Ledger" as approved. Additionally, a ledger journal (daily journal), general ledger (grand journal), cash book and inventory book shall be kept by the Founder regarding the Fund's transactions and in accordance with the provisions of the Turkish Trade Law, Code of Tax Procedure, and Capital Market Law. All the mandatory books under the Code of Tax Procedure that may be requested by the Ministry of Finance shall also be available.
- 5.5.** The Founder shall segregate the accounts of the Founder and Manager, and the accounts of the Fund, and the Fund's accounting, inspection, and auditing transactions shall be monitored by a special account as required by the Capital Market Law, Banking Law, Turkish Trade Law, Code of Tax Procedure and Code of Obligations. The Capital Market Board's "Communiqué on the Rules and Principles Regarding the Financial Statements and Reports of the Exchange Traded Funds" Serial XI No.: 6 shall govern the accounting method of the Fund.
- 5.6.** The Fund shall be managed by the following principles;
- 5.6.1.** The Manager is responsible for taking into consideration the interests of each and every fund that is managed by the Manager. The Manager shall not act for the sole interest of a fund or client if such acts would be detrimental to another fund or client. The Manager is obligated to abide by the management principles as defined by the agreement and to base its purchase and sale decisions on objective information and documents. The Manager is obliged to keep the analysis documents and reports upon which the said purchase and sale decision are based, for at least five (5) continuous years. The Manager shall record and sign its purchase and sale decisions.
- 5.6.2.** The Fund shall not purchase any asset with a price above the market price and no asset of the Fund shall be sold below the market price. The market price for the securities not traded on the exchange is determined as the lowest price on purchase and highest price on sale in favor of the Fund.
- 5.6.3.** The securities traded on the exchange should be purchased and sold on the Exchange. In case there is a necessity, due to the purchase and sale of the participation certificates, to purchase and sell the securities on the ISE Bonds and Bills Market with the same day value but outside the same day value order hours, the trading rules of the ISE shall govern such transactions. The Manager is obligated to ensure that the registered broker used for trading for the Fund portfolio, shall execute the transactions by using the client number assigned to the Fund.
- 5.6.4.** In case the Manager acquires an interest from an issuer or registered as a result of the transactions made on behalf of the Fund, the Manager shall inform the Founder about such conflict of interest.
- 5.6.5.** Assets in the Fund shall never be purchased or sold for the benefit of the Manager or third parties.

The necessary due diligence and care shall be demonstrated regarding the orders on behalf of the Fund. The general fund strategies and general decisions of the Founder shall be applied in the purchase and sale orders on behalf of the Fund.

- 5.6.6.** No written or oral guarantee as to a pre-determined Fund return may be given.
- 5.6.7.** The Founder, members of the Fund Board and the Manager shall not use the information acquired during the course of their duties towards the Fund, for their own or third party interest.
- 5.7.** The provisions of this Internal Statute, Capital Market Law and the provisions of the Code of Obligations regarding the powers of attorney shall be applicable to the relationships between the Founder and the holders of participation certificates. The Internal Statute is an adhesion contract between the Founder, Depository Institution, Manager and the holders of participation certificates, and is comprised of general provisions and provisions with respect to the safekeeping of the fund portfolio based on the principles of fiduciary ownership and management of the Fund in accordance with the proxy agreement provisions.
- 5.8.** The Fund may borrow cash and/or stocks subject to the Board's authorization and according to the rules of the Board provided that the amount to be borrowed does not exceed 10% of the Fund portfolio, to meet a possible shortage of cash and/or stocks during the Creation and Redemption of Participation Certificates. **The Board shall be informed during the phases of obtainment and repayment of the loan.**
- 5.9.** The Fund may borrow or lend its stocks and shares at any time up to 25% of total market values of its stocks and shares included in its portfolio under a contract to be concluded within the framework of Board's regulations. The fund may be lent or borrowed for 90 workdays at maximum. The fund portfolio may be lent provided that the warranty in form of either cash money or domestic government bonds equaling to 100% of the stocks and shares is blocked by Depository institution in the name of the fund. In the event that the warranty amount falls below 80 % of market value of stocks and shares lent, the portfolio management asks compensation of missing part of the warranty amount. The lending or borrowing contracts where the investment fund is a party shall obligatorily include a provision saying that the contract may unilaterally be terminated by the fund.
- 5.10.** The Founder is obliged to establish a system to monitor fund participant certificates kept as book values per each customer and to maintain such information for five (5) continuous years.

ARTICLE 6 – PROTECTION AND SAFEKEEPING OF FUND'S ASSETS

- 6.1.** The assets in the Fund Portfolio shall be protected and kept in the IMKB Takas ve Saklama Bankası A.Ş (ISE Settlement and Custody Bank).
- 6.2.** The Fund's assets may not be used for any purpose other than performing the obligations and satisfying the requirements of the Founder under the Law, Communiqué, and the Internal Statute. The Fund's assets may not be attached, seized or pledged as collateral.

ARTICLE 7- FUND MANAGEMENT STRATEGY

- 7.1.** The Fund is the "Index Fund" within framework of Article 5 of the Communiqué. The Fund Portfolio

management and the selection of capital market instruments for investment shall be performed with a view to create a fund portfolio suitable to the characteristics of "Type A Index Funds". The capital market instruments to be invested shall be selected among all of the securities listed on the index and by using the formula indicated in Article 15 of this Internal Statute which requires the correlation coefficient between the value of the index and fund unit price to be at least %90 (i.e. full copying). The index upon which the fund portfolio is based is the "Dow Jones Turkey Equal Weighted Index." At least %80 of the Fund shall be constantly invested in securities listed on "Dow Jones Turkey Equal Weighted Index" upon which the fund portfolio is based. The remaining portion not invested in stock shall be invested in reverse repo and/or ISE Money Markets.

ARTICLE 8 – THE SELECTION OF CAPITAL MARKET INSTRUMENTS TO BE INVESTED IN BY THE FUND AND THE PRINCIPLES OF RISK DIVERSIFICATION

- 8.1.** The Fund shall not invest in the securities of a single issuer more than 10% of its net assets. The Fund shall not purchase more than 9% of one issuer's shares. However, in the event that securities are listed on the index upon which the fund portfolio is based, an exception may be made subject to the upper limit of the largest permissible weighting of the said securities on the index. The Fund shall not be represented in the management of the companies whose shares are to be purchased by the Fund.
- 8.2.** The Fund shall not invest in the securities, bonds or debentures issued by the Founder or the Manager. However, in the event that securities are listed on the index upon which the fund portfolio is based, this limitation shall not be exercised subject to the upper limit of the largest permissible weighting of the said securities on the index.
- 8.3.** Regarding the issuers in which the Board chairman, Board members, president, vice-presidents of the Founder or Manager and the non-public shareholders holding more than 10% of outstanding shares of the Founder or Manager, hold jointly or severally more than 20% of all outstanding shares of such issuers, the weighting of the said issuers' securities in the fund portfolio may not exceed 20%. However, in the event that securities are listed on the index upon which the fund portfolio is based, this limitation shall not be exercised subject to the upper limit of the largest permissible weighting of the said securities on the index.
- 8.4.** The weighting of securities of issuers in which the Founder or Manager directly or indirectly hold shares may not exceed 20% of the total fund portfolio. However, in the event that securities are listed on the index upon which the fund portfolio is based, this limitation shall not be exercised subject to the upper limit of the largest permissible weighting of the said securities on the index.
- 8.5.** The value of the reverse repo based on the capital market instruments as permitted by the legislation, shall remain between 0% and 20% of total fund portfolio value.
- 8.6.** The Fund shall not hold saving deposits in the banks and shall not purchase securities of foreign issuers and foreign funds by using the deposit certificates. The volume of the investment of Fund's cash in money markets transactions by the ISE Settlement and Custody Bank may not exceed 20% of the fund portfolio value. The Fund may maintain cash reserves to fulfill the liquidity shortages arising due to Fund's operations.
- 8.7.** Without any prejudice to the principles set within the portfolio management strategy in Article 7 of this Internal Statute, at least 25 of portfolio value of the Fund is continuously invested each month on weighted average basis to shares of domestic issuers founded in Turkey including State Owned Enterprises taken under coverage

of privatization according to pertinent legislation.

- 8.8. Securities listed in the Exchange and traded at least for 5 days within recent 90 days are accepted into the portfolio. However, this condition is not applicable to the domestic issuers taken into coverage of privatization.

ARTICLE 9 – PROCEDURES FOR DETERMINING CREATION AND REDEMPTION PRICES OF PARTICIPATION CERTIFICATES AND PRINCIPLES FOR DETERMINING PORTFOLIO VALUE

- 9.1. The Participation Certificate shall have two separate values, the net asset value and the market price. . The Net Asset Value of the Fund is calculated daily at the close of the session in the Istanbul Stock Exchange (ISE). For the Exchanges having two sessions on a workday, the Net Asset Value of the Fund is calculated at the close of second session. The Intra-day Net Asset Value (INAV) of the Fund is calculated constantly by the Manager, under the Founder's responsibility, during each session of the ISE and is published every 15 seconds by at least two data providing firms and on the website of the Fund. The market price of the Fund is the last price traded on the Istanbul Stock Exchange Fund Market.
- 9.2. The "Fund Portfolio Value" represents the sum of the value of the assets in the portfolio. The "Fund Total Value" is calculated by including the receivables (if any) and excluding the payables and other costs of the Fund.
- 9.3. The assets in the portfolio shall be valued on the following basis:
- 9.3.1. Assets in the portfolio shall be recorded according to their purchase prices and weightings in the fund.
- 9.3.2. Assets in the nature of securities listed on the ISE shall be calculated according to the last market price during the session and the closing price at the end of the session. For the Exchanges having two sessions, the closing price shall represent the price at the end of the second session. The assets included in the indices included in the Fund portfolio shall be valued based on the principles for determining the index values.
- 9.3.3. Non-valued stocks acquired by the Fund shall be included in the Fund Total Value on the date their base value is determined, irrespective of the record date on the accounts.
- 9.3.4. In case of a change in the Fund portfolio due to the need for cash arising out of dividend payments of the securities in the Fund, interest payments, rights, issues of stocks, fund amount increases or other reasons and due to other issues that may affect the index, such changes shall be reflected in the Fund Portfolio within 5 workdays.
- 9.3.5. In case of a change in the Index upon which the portfolio is based, the trading regarding of stocks to be excluded from and to be included in the Index shall be performed within 30 days of the effective date of such changes.
- 9.3.6. Fund share certificates traded in the ISE but not subjected to trading in the ISE on valuation day are valued over its price in the ISE on last transaction day and the reverse repo and repo securities are valued over internal rate of return (discount rate equaling daily cash inflows to cash outflows) on last transaction day.

- 9.3.7** Repo and reverse repo transactions which cannot be valued as provided above are valued within the principles to be determined by Fund Board to ensure it reflects the market value best.
- 9.4.** Creation and Redemption of new Participation Certificates are realized “in kind” within the context of primary markets. The creation of participation certificates in the amount of minimum creation unit or its multiples is performed by means of collection and submission of the stocks and cash components and the Redemption is performed through exchange of participation certificates with stocks and cash in return for the fund shares submitted in the amount of minimum creation unit or its multiples. The Investors may also trade on the Fund shares in the secondary markets. The secondary market transactions are performed in the same way as the transactions on stocks and in accordance with “the Rules and Procedures of the ISE Regarding the Quotation and Trade of the Exchange Traded Fund Participation Certificates”.
- 9.5.** The Portfolio Composition File related to the Creation and Redemption of Participation Certificates shall be announced by the Manager to the website of the Fund or to the terminals of Takasbank every morning before the start of the session in the ISE. The Portfolio Composition File is composed of share lots and cash component. The cash component shall be calculated as the difference between the Fund total value and the value of the stocks in the Fund portfolio. The cash component shall have a negative value in cases where the Fund portfolio is greater than the fund portfolio value (sum of fund share certificates). In such cases, for the creation of participation certificates, the investors would deliver the shares to the Fund and receive cash in return, and for the redemption of participation certificates, the investors would deliver cash to the Fund and receive shares in return. The share lots included in the Portfolio Composition File shall not have any fractional value. The fractions acquired through capital increases shall be converted into cash and included within the cash component. The cash form of fractions is considered as cash component of the fund in Portfolio Composition File announced for respective day. In case of a discrepancy between the Portfolio Composition File and stocks and cash component during the Creation of Participation Certificates process, the investor’s order shall be executed after the elimination of the discrepancy by the investor.
- 9.6.** During the Creation and Redemption of Participation Certificates, the Authorized Participant is authorized to collect commission fees from investors in the amount indicated within the “Authorized Participant Agreement.”. Information on rate of commission is published in website of the Fund. 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 Participation Certificates in such events; the Fund reaching the number of shares in circulation, the order not complying with the structure announced through the Portfolio Composition File, the occurrence of extraordinary events referred in Article 47 of the Communiqué Serial VII No.10 such as armed conflict, economic crises, crash of the communication systems, close down of the relevant capital markets, and failures in the computer systems. The Manager shall check the orders related to the Creation and Redemption of Participation Certificates during the workday and inform the Fund Board when necessary. The Authorized Participant shall monitor the information with respect to the daily transactions regarding Creation and Redemption of Participation Certificates. The liabilities and responsibilities of the Authorized Participant shall be indicated in the Authorized Participant Agreement.
- 9.7.** The Creation and Redemption of Participation Certificates may only be performed by the Authorized Participant who executed an Authorized Participant Agreement. Such transaction shall be performed as per 1 Minimum Creation Unit or its multiples and 1 Minimum Unit shall be composed of 5.000 (Five

Thousand) Fund Shares.

9.7.1. The Procedure for the Creation of Participation Certificate is as follows:

1. General Provisions for the Creation of Participation Certificate

a. The Creation of Participation Certificate orders may be submitted to Takasbank by Authorized Participant between 9:30 and 16:30 on the ISE workdays and on the days when the participation certificates are traded. This time period may be extended in cases where the transactions cannot be completed. Order submitted shall be answered by the Fund Board within 30 minutes following the authorization by the authorized participant. Orders not answered within 30 minutes shall be deemed rejected.

b. The Creation of Participation Certificates orders are in fact executed as T+2. Nonetheless, transactions on T+0 are also permissible, excluding the index adjustment periods and rights and/or bonus issues of stocks. At the T+0 Creation of Participation Certificates, the Fund requires the investors to have the necessary stocks and cash component in the account of the investor. On a given day, the issue of whether T+0 transactions would be executed that particular day or not shall be indicated through the Portfolio Composition File announced daily. T+0 transactions may be executed by any registered broker through the Authorized Participant. As to the T+2 transactions on the other hand, the investor or registered broker is required to be holders of an account at the Authorized Participant.

c. The Authorized Participant shall be liable for the settlement responsibilities on behalf of the investors during the Creation of Participation Certificate and such liability is indicated within the Authorized Participant Agreement.

2. The Procedure for Creation of Participation Certificates

T+0 Participation Certificate Creation Procedures

a. The Creation of Participation Certificate Order is submitted to the registered broker through the investor's account located at the registered broker. In case the said registered broker is not an Authorized Participant, the registered broker shall perform necessary checks. In this context, the Registered Broker checks whether the portfolio composition created comply with Portfolio Composition File to be valid for that day and informs the investors to take corrective actions required if it does not comply.

b. The Registered broker shall inspect the existence of required stocks and cash in the investor's accounts and transfers the data regarding the Creation of Participation Certificates to the Authorized Participant and Takasbank through the terminal of the Takasbank (ISE Settlement and Custody Bank). Following the authorization of the Authorized Participant, the Takasbank (ISE Settlement and Custody Bank) shall inspect the asset composition of the account at the registered broker and if fund's capital is available for creation, the Takasbank shall transfer the stocks of the investor from investor's account to the escrow account and the cash component from registered broker's account to the escrow account; checks limits for trading and submits the transaction to the approval of the Fund Board if the volume of transactions remains within the limits. The Fund Board shall answer the order within 30 minutes and in case the order is authorized, then the Takasbank (ISE Settlement and Custody Bank) shall perform the required changes. Fund shares shall be transferred to the investor's account and stocks and cash shall be transferred to the Fund's account. Orders unanswered within 30 minutes shall be deemed rejected. The transaction is recorded and accounted in the books of the Fund on the same day.

c. In case the investor submits the Creation of Participation Certificate Order through the investor's account at the Authorized Participant, the Registered broker shall inspect the existence of required stocks and cash in the investor's accounts, defines escrow accounts within his own system required for portfolio composition to be traded and transfers the data regarding the Creation of Participation Certificates to Takasbank through the terminal of the Takasbank (ISE Settlement and Custody Bank). Following the authorization of the Authorized Participant, the Takasbank (ISE Settlement and Custody Bank) shall inspect the asset composition of the account at the registered broker and if fund's capital is available for creation, the Takasbank shall transfer the stocks of the investor from investor's account to the escrow account and the cash component from registered broker's account to the escrow account; checks limits for trading and submits the transaction to the approval of the Fund Board if the

volume of transactions remains within the limits. The Fund Board shall answer the order within 30 minutes and in case the order is authorized, then the Takasbank (ISE Settlement and Custody Bank) shall perform the required changes. Fund shares shall be transferred to the investor's account and stocks and cash shall be transferred to the Fund's account. Orders unanswered within 30 minutes shall be deemed rejected. The transaction is recorded and accounted in the books of the Fund on the same day.

d. The Investor shall have the right to complete the required stocks and cash through a wire transfer. In that case however, the order may not be submitted to the Takasbank (ISE Settlement and Custody Bank) before all the assets are fully transferred to the investor's account.

T+2 Participation Certificate Creation Procedures

a. In case the investor lacks some of the required stocks to attain the required portfolio of stocks for the Creation of Participation Certificate, the required stocks calculated based on Portfolio Composition File can be bought through the ISE.

b. In case the investor decides to complete the stocks through purchases on the ISE, the investor may perform 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 the registered broker at the Authorized Participant for the purchase of stocks on the ISE.

c. In case the investor would like to execute a partial purchase in order to attain the Portfolio Composition File, the necessary stocks and/or cash should be deposited in the account with the Authorized Participant.

d. The investor shall submit the Creation of Participation Certificate Order to the Authorized Participant. The Authorized Participant shall inform the investor regarding the required portfolio composition. The investor shall perform the necessary stock purchases on the ISE and create the Portfolio Composition File.

e. The Authorized Participant shall check whether the created portfolio composition conforms to the Portfolio Composition File effective the same day, and in case of non-conformity, informs the investor about the required changes.

f. The Authorized Participant shall check whether all the required transactions are executed for the order to be submitted to the Takasbank (ISE Settlement and Custody Bank) and within its own structure, blocks required shares.

g. The Authorized Participant shall submit the Creation of Participation Certificate Order to the ISE Settlement and Custody Bank through the terminal provided by the ISE Settlement and Custody Bank. The Takasbank (ISE Settlement and Custody Bank) shall inspect the asset composition of the account at the registered broker and if fund's capital is available for creation, the Takasbank shall transfer the stocks of the investor from investor's account to the escrow account and the cash component from Authorized Participant's account to the escrow account; checks limits for trading and submits the transaction to the approval of the Fund Board if the volume of transactions remains within the limits. The Fund Board shall answer the order within 30 minutes. In case the order is authorized by Fund Board, the order shall be recorded in the Fund's records and accounted on the same day. Orders unanswered within 30 minutes shall be deemed rejected.

h. The confirmation of the authorization of the order shall be delivered to the Authorized Participant by the Takasbank (ISE Settlement and Custody Bank) and the Creation of Participation Certificate Order shall be finalized.

i. Finalized Order is completed when Fund shares shall be transferred to the investor's account and stocks and cash shall be transferred to the Fund's account on the settlement date of the orders executed on the ISE.

j. The Authorized Participant shall be liable for the failure of the Participation Certificate Creation Order resulting from failing to perform settlement responsibilities on T+2 day. In such a case, the Authorized Participant shall apply to the Fund for borrowing fund participation certificate together with legal warranties required. The Fund Board shall approve borrowing provided that warranties required are submitted and shall enable the Authorized Participant creating

Participant Certificate Creation Order. Following completion of Participation Certificate Creation order, the Authorized Participant shall execute T+0 redemption for the same Participation Certificate Order. The Authorized Participant shall reimburse the amount borrowed from the fund using participation certificates and shall close the transaction. In the event that the investor partially performs its settlement responsibility, the participation certificates and cash component are returned to the accounts of the investor. Authorized Participant shall be liable for compensating the damages and losses incurred on part of the investor and the Fund arising due to changes in portfolio composition effective on dates of transaction and settlement. The Authorized Participant shall pay the default fee for the failure to create the Fund shares within the settlement period, to the Fund. In case the Authorized Participant has fully performed all the liabilities to the settlement bank and the default is due to another member's fault, the Founder shall have the right to refrain from demanding a default interest fee. The Founder shall have the right to request guarantees from the authorized participants against the possible damages arising from the abovementioned transactions.

9.7.2. The Procedure for Redemption is as follows:

1. General Provisions for Redemption

a. The Redemption orders may be submitted to Takasbank by Authorized Participant between 9:30 and 16:30 on the ISE workdays and on the days when the participation certificates are traded. This time period may be extended in cases where the transactions cannot be completed. Order submitted shall be answered by the Fund Board within 30 minutes following the authorization by the authorized participant. Orders not answered within 30 minutes shall be deemed rejected.

b. The Redemption orders are in fact executed as T+2. Nonetheless, transactions on T+0 are also permissible, excluding the index adjustment periods and rights and/or bonus issues of stocks.. At the T+0 Redemption, the Fund requires investor to have necessary fund shares in the account of the investor. On a given day, the issue of whether T+0 transactions would be executed that particular day or not shall be indicated through the Portfolio Composition File announced daily. T+0 transactions may be executed by any registered broker through the Authorized Participant. As to the T+2 transactions on the other hand, the investor or the registered broker is required to be holders of an account at the Authorized Participant..

c. The Authorized Participant shall be liable for the settlement responsibilities on behalf of the investors during the Redemption and such liability is indicated within the Authorized Participant Agreement.

2. The Procedure for Redemption

T+0 Redemption Procedures:

a. The Redemption Order is submitted to the registered broker through the investor's account located at the registered broker. In case the said registered broker is not an Authorized Participant, the registered broker shall perform necessary checks. The Registered broker shall inspect the existence of required Fund shares in the investor's account and transfer the data regarding the Redemption to the Authorized Participant through the terminal of Takasbank (ISE Settlement and Custody Bank). Following the authorization of the Authorized Participant, the ISE Settlement and Custody Bank shall inspect the existence of the Fund shares in the account at the registered broker and transfer the Fund shares of the investor from investor's account to the escrow account. The ISE Settlement and Custody Bank then shall submit the transaction to the Fund Board for authorization. The Fund Board shall answer the order within 30 minutes and in case the order is authorized, then the Takasbank (ISE Settlement and Custody Bank) shall perform the required changes. Stocks and cash shall be transferred to the investor's account and Fund shares shall be transferred to the account of "Participation Certificates out of Circulation" under the account of "Clients" on behalf of the Founder and removed from circulation. Orders unanswered within 30 minutes shall be deemed rejected. The transaction is recorded and accounted in the books of the Fund on the same day.

b. In case the investor submits the Redemption Order through the investor's account at the Authorized Participant, the Authorized Participant shall inspect the existence of required stocks and cash in the investor's accounts, defines escrow accounts within his own system required for portfolio composition to be traded and transfers the data regarding the Redemption Order to Takasbank through the terminal of the Takasbank (ISE Settlement and Custody Bank). Following the authorization of the Authorized Participant, the ISE Settlement and Custody Bank shall inspect the existence of Fund shares in the account at the registered broker and transfers the Fund shares of the investor from investor's account to the escrow account. The ISE Settlement and Custody Bank then shall submit the above transaction to the Fund Board for authorization. The Fund Board shall answer the order within 30 minutes and in case the order is authorized, then the Takasbank (ISE Settlement and Custody Bank) shall perform the required changes. Stocks and cash shall be transferred to the investor's account and Fund shares shall be transferred to the account of "Participation Certificates out of Circulation" under the account of "Clients" on behalf of the Founder and removed from circulation. Orders unanswered within 30 minutes shall be deemed rejected. The transaction is recorded and accounted in the books of the Fund on the same day.

c. The Investor shall have the right to complete the required Fund shares through a wire transfer. In that case however, the order may not be submitted to the Takasbank (ISE Settlement and Custody Bank) before all the assets are fully transferred to the investor's account.

T+2 Redemption Procedures:

a. In case the investor lacks some of the required Fund shares to attain the required number of fund shares for Redemption, the required Fund shares can be obtained through purchase transactions on the ISE.

b. In case the investor decides to complete the Fund shares through purchases on the ISE, the investor may perform 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 the registered broker 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 Creation Unit, the necessary Fund shares should be deposited in the account with the Authorized Participant.

d. The investor shall submit the Redemption Order to the Authorized Participant. The Authorized Participant shall inform the investor regarding the required minimum creation unit. The investor shall perform the necessary purchases of Fund shares on the ISE and create the Fund shares in the amount of a minimum creation unit or its multiples.

e. The Authorized Participant shall check whether all the required transactions are executed for the order to be submitted to the ISE Settlement and Custody Bank and within its own structure, blocks required shares.

f. The Authorized Participant shall submit the Redemption Order to the Takasbank (ISE Settlement and Custody Bank) through the terminal provided by the ISE Settlement and Custody Bank. Following inspection of Takasbank (the ISE Settlement and Custody Bank) on the existence of Fund shares in the account submitted, Takasbank transfers the Fund shares from investor's account to the escrow account and The ISE Settlement and Custody Bank shall submit the order to the Fund Board for authorization. The Fund Board shall answer the order within 30 minutes. In case the order is authorized by Fund Board, the order shall be recorded in the Fund's records and accounted on the same day. Orders unanswered within 30 minutes shall be deemed rejected.

g. The confirmation of the authorization of the order shall be delivered to the Authorized Participant by the ISE Settlement and Custody Bank and the Redemption Order shall be finalized.

h. Finalized Order shall be completed when stocks and cash shall be transferred to the investor's account and the Fund shares shall be transferred to the account of "Participation Certificates Out of Circulation" under the account of "Clients" on behalf of the Founder.

j. The Authorized Participant shall be liable for the failure of the Redemption Order resulting from failing to perform settlement responsibilities on T+2 day. In such a case, the Authorized Participant shall apply to the Fund for borrowing fund participation certificate together with legal warranties required. The Fund Board shall approve borrowing

provided that warranties required are submitted and shall enable the Authorized Participant creating Participant Certificate Creation Order. The Authorized Participant shall conclude the Redemption Order with participation certificates created on T+2 transaction day. The Authorized Participant shall close borrowing position with the Fund certificates created at the end of Redemption transaction. In the event that the investor partially performs its settlement responsibility, the Fund certificates or Participation certificates corresponding to relevant Fund shares within the framework of portfolio composition announced for respective transaction day and the cash component are returned to the accounts of the investor. Authorized Participant shall be liable for compensating the damages and losses incurred on part of the investor and the Fund arising due to changes in portfolio composition effective on dates of transaction and settlement. The Authorized Participant shall pay the default fee for the failure to perform Redemption order within the settlement period, to the Fund. In case the Authorized Participant has fully performed all the liabilities to the settlement bank and the default is due to another member's fault, the Founder shall have the right to refrain from demanding a default interest fee. The Founder shall have the right to request guarantees from the authorized participants against the possible damages arising from the abovementioned transactions.

ARTICLE 10 – INDEX UPON WHICH THE EXCHANGE TRADED FUNDS IS BASED AND PRINCIPLES ON CALCULATION OF THE INDEX

- 10.1. İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund is be based on the Dow Jones Turkey Equal Weighted 15 Index.
- 10.2. "Dow Jones Turkey Equal Weighted 15 Index", created by Dow Jones & Company, Inc and transferred to İş Yatırım Menkul Değerler A.Ş under a license contract, is created with equal weighing of biggest 15 securities made public and traded in ISE which of all are determined according to timing and methodology of the Index Provider. To exclude non-publicized part of the security from the calculation, the market values of securities deposited in Central Record Institution Inc. (Merkezi Kayıt Kuruluşu A.Ş) are used for the calculations.
- 10.3. TL Based index shall be calculated by Index Provider (Dow Jones Indexes) real-time within the trading hours of the ISE and published every 15 seconds through data providing firms.
- 10.4. The Index shall select the stocks by the following method and the selection list shall be changed only once in a year. The annual change shall be effective on the first workday following third Friday of December each year. Calculation of index, selection and change of stocks to be included in the Index are under the authority of Dow Jones. İş Yatırım Menkul Değerler A.Ş has no authority on selection or change of stocks to be included in the Index. In addition, stocks can be removed or added before annual revision time provided that the criteria to do so are fulfilled and the investors are informed earlier within the framework of the provisions specified in Article 10.5 of this Internal Status.

Following criteria shall be used in the selection of the stocks:

- a) All stocks traded in Istanbul Stock Exchange (ISE) are listed from biggest stock to the smaller ones according to market values of the stocks.
- b) If a stock included in the Index in previous period is below rank 20 in the list, it is changed with the stock on highest rank and not included in Index in previous period. The stock remains in Index in the event that it is listed above rank 20 in the list.
- c) In the event that a stock which was not included in the Index in previous period is in 10th or higher ranks in the list, then, it will be replaced with the stock ranked as last stock in the Index.
- d) 15 stocks determined using this method are included in the List.

Upon performing selection of annual shares, regular reviews are performed on first workday following third Friday of March, June and September in order to equal weights of the stocks creating the Index.

- 10.5.** The investors shall be informed about the changes happened in Index within the framework of following notification principles:

The investors shall be informed via website of the Index Provider;

- a)** on third Friday of the month when the equal weighing is reviewed in the event that the change is resulted from addition/ deletion of the stocks in annual period stock reviews or in quarterly reviews,
- b)** two days before merging/ deletion of records in the event stocks are deleted from the Index within the period due to merging or delisting from the exchange or any other similar cases,

The announcement is also published at website of the Fund following the declaration of the Index Provider.

- 10.6.** The terms and conditions for payment of Index license fee are determined under a License Agreement concluded with Dow Jones & Company Inc and this fee shall be paid by the Founder.

ARTICLE 11– PRINCIPLES ON DISTRUBUTION OF THE REVENUE- EXPENSE DIFFERENCES TO THE HOLDERS OF PARTICIPATION CERTIFICATES

- 11.1.** The calendar year shall constitute the accounting period for the Fund. Nonetheless, the first accounting period shall be the period between the foundation of the Fund and the end of December of the same year.
- 11.2.** The balance sheet and income statements shall be submitted, following the audit by the Fund's auditor, to the Board of Directors of the Founder and finalized by the approval of the Board. The balance sheet and income statements are submitted to Capital Market Board within period specified in Article 12.1 of this Internal Statute.
- 11.3.** Fund's profits shall be reflected on the prices of the participation certificates in predetermined intervals, in accordance with the principles indicated in Article 9 of this Internal Statute. The dividends of the stocks in the Fund portfolio shall be accounted on the first day of the distribution date, irrespective of the collection of dividend by the holders. The holders of participation certificates shall receive the profit that corresponds to their units during the period they have invested in the Fund, when they sell or redeem their certificates redeem with stocks. No other dividend shall be paid at the end of accounting period. Secondary market transactions regarding buying and reselling participation certification are performed in Istanbul Stock Exchange (ISE) and there may be differences between net active value of Fund per share and its share price in ISE may differ. As the share price created in secondary market may be below or above the net active value per share, the amounts received or paid by the investors during purchasing/selling participation certificate purchases or Creation and/or Redemption Participation Certificates may not fully represent the changes in price of the Fund shares.
- 11.4.** Expenses Allowed out of Fund's Assets,
- a.** Costs related to participation certificates
 - b.** Costs related to portfolio management,
 - i.** Insurance premiums regarding the transfer of Fund's assets and documents related to such assets
 - ii.** All fees regarding custody services
 - iii.** All taxes, stamp duties and commission fees regarding the transfer of assets into cash
 - iv.** Interest payments of credits,
 - v.** Commissions regarding the purchases for the Fund and the sales from the Fund
 - vi.** Portfolio Management Fees
 - c.** Costs of announcements as required by the legislation and other costs,
 - i.** Notary fees regarding tax payments and registration and amendments to the internal statute,
 - ii.** Management fees paid to the Founder,

- iii. Independent Auditors' Fees,
- iv. Costs of announcements as required by the legislation,
- v. License fee paid to Index Provider for the announcement and creation of real-time Index upon which the portfolio is based.

11.5. A management fee in the amount of 0.00274 % (two point seventy four in hundred thousand) shall accrue every day in return for the management and representation services and services for the infrastructure, staff and accounting. This fee is calculated at the end of each month and paid within following the week. This fee is distributed between the Founder and Manager.

ARTICLE 12–ANNOUNCEMENT METHOD OF THE INFORMATION RELATED TO THE FUND

12.1. The Founder shall be responsible for submitting the monthly reports within the fifteen (15) days following the relevant month, and the annual reports within three (3) months following the end of the relevant accounting period, to the Board and to the relevant Exchange for publication. The annual report shall include audited fund balance sheet, income statements and statements as to the fund portfolio value and fund total value, which shall be prepared by comparison with the last year. Information regarding the developments during the year shall also be included in the annual report. Monthly report shall include the price movements of securities and participation certificates during the month and the information regarding the fund's performance. Information regarding the correlation coefficient calculated every month and every three months shall also be included in the monthly report. The referred reports shall be available in the headquarters of the Founder, in places where the participation certificates are sold, and on the website of the fund. The monthly report to be submitted to the investor shall not include the purchase and sale details about the relevant month.

12.2. The Fund shall announce other matters that are required to be registered in the Trade Registry under the relevant rules, by publishing them on the Turkish Trade Registry Gazette and on at least two newspapers published nation-wide. Other publications may also be used for the announcement of information related to the Fund.

12.3. The matters such as preparation of the Fund's financial statements and reports, auditing of the Fund and publication of the financial statements shall be governed by the "Communiqué on the Principles Regarding the Financial Statements and Reports of the Exchange Traded Funds" Serial XI No.: 6 and the "General Communiqué on the Determination of the Responsibilities of Issuers as to the Preparations of Financial Statements and Reports, Public Announcements and Independent Auditing" Serial XII no.: 1. In addition to the provisions of the abovementioned Communiqués, the Fund shall be liable for submitting the audited financial statements, prepared six monthly and annually, to the Board and the relevant Exchange for publication in the Exchange bulletin, within the time period indicated in the rules regarding the joint stock companies listed on the Stock Exchange.

12.4. The Founder shall submit the daily reports of the previous day, indicating the fund portfolio value, fund total value and daily prices of the participating certificates, to the Capital Markets Board in accordance with the principles determined by the Board.

- 12.5. The Founder and the Manager shall inform the Board in writing about the information regarding the titles and addresses of the issuers in which the persons indicated in Article 42 section (e) of the relevant Communiqué Serial VII no.: 10 hold shares, and their share weightings, every January and within 6 days in case of changes about such information.
- 12.6. The provisions of the Communiqué shall govern all written, oral or visual advertisements in the printed or electronic media, all notices, calls, brochures, posters and other advertorials addressed to an indeterminate number of people, excluding the periodical publications published for public offerings and for the general public awareness.
- 12.7. The Board shall have the right to request information regarding the Fund, without being subject to the time periods indicated in the Communiqué. In case of extraordinary events such as armed conflict, economic crises, crash of the communication systems, close down of the relevant capital market, failures in the computer systems, the investors shall be informed about such events in accordance with Article 33 of the Communiqué Serial VII no.: 10.
- 12.8. Regarding the public announcement of important events and developments that may affect the prices of participation certificates or investors' decisions or investors' rights, the rules of the Capital Markets Board shall be binding.

ARTICLE 13– RISKS REGARDING INVESTMENT IN THE FUND, CONDITIONS OF PARTICIPATING TO AND DISSOCIATION FROM THE FUND, TERMINATION AND LIQUIDATION OF THE FUND

- 13.1. Investing in the Fund involves the same risks associated with investing in stocks. Investors may lose money due to the fluctuations in the markets. The net asset value of the fund portfolio may move positively or negatively. The Fund is not an actively managed fund and the Fund's principal objective is to reflect the changes in the Index upon which the portfolio is based, to the investors.
- 13.2. The scope of the tax liability related to the transactions on the participation certificates may change in the future. The investors shall be liable for the taxation of their transactions. The provisions of the legislation on Tax Law are reserved.
- 13.3. The Intra-day Net Asset Value, the Net Asset Value and the market price of the Fund at the ISE may temporarily vary subject to the market conditions. The Intra- day Net Asset Value of the Fund calculated constantly by the Manager during each session of the ISE and published every 15 seconds, is solely an indicative value. The Founder shall be liable for the accurate calculation of the said value. Nonetheless, the problems caused by technical failures or deficiencies in the data received by the distributing firms are not totally impossible. The Founder and/or the Manager shall not be liable for the inaccurate calculation and publication of the Intra-day Net Asset Value due to technical failures or errors in data.
- 13.4. The announcement and publication of the information such as Intra-day Net Asset Value or prices of participation certificates may be delayed or temporarily halted due to technical reasons, and consequently the ISE may temporarily halt the trading on the Fund shares in the markets.
- 13.5. The purchase and sale of the participation certificates shall be governed by the general provisions of the Istanbul Stock Exchange principles regarding the quotation and trading of the Exchange Traded Funds

participation certificates. The Redemption shall be effectuated through the application to the authorized participant, which executed an Authorized Participant Agreement with the Founder.

- 13.6. The Fund shall be terminated in accordance with Articles 52 and 53 of the Communiqué of the Capital Markets Board Serial VII no.: 10. In case of complete and indefinitely halt of the real-time calculation and dissemination of the Index upon which the portfolio is based, the Fund Board shall decide on issues such as transfer, merger, transformation, termination or selection of another Index and shall submit the decision to the Board. Following the approval by the Board, the Fund Board shall take a formal decision about the aforementioned issues and apply the decision.
- 13.7. In case of termination of the Fund due to reasons mentioned in Article 53 of the Communiqué of the Capital Markets Board Serial VII no.: 10, the trading of the Fund's shares on the ISE shall be closed. The Fund shall inform the investors and assure their dissociation from the Fund within 30 days of the announcement. Following the end of the 30-day period, the remaining assets of the Fund shall be liquidated and sold in the ISE. The assets that may not be sold in the ISE, shall be liquidated and transferred into cash by public auction or negotiation or both. The assets that are transferred into cash through the abovementioned methods shall then be distributed pro rata to the holders of the participation certificates. No Creation or Redemption order shall be executed starting from the moment of termination.
- 13.8. Following the liquidation and termination, the Founder shall register and announce the state of affairs in the Trade Registry for the deletion of the Fund's title from the Trade Registry, and the Capital Markets Board together with the Banking Regulation and Supervision Agency shall be informed of such deletion.
- 13.9. In case of termination of the Fund based on Article 52 of the Communiqué of the Capital Markets Board Serial 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 Depository Institution.

ARTICLE 14 – LEGAL DISCLAIMER REGARDING THE FUND

- 14.1. İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund is not owned, supported, sold or marketed by Dow Jones. "Dow Jones" does not engage in any kind of promotion activities with the purpose of recommending any person about an investment in the Fund, including the holders of participation certificates of İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund. The relationship between Dow Jones and the license holder is limited to the use of the names and trademarks registered under the name of "Dow Jones" and "Dow Jones Turkey Equal Weighted 15 Index". "Dow Jones" determines the context of "Dow Jones Turkey Equal Weighted Type 15 A Index" and all calculations are made by "Dow Jones". "İş Yatırım Menkul Değerler A.Ş. or "İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund" has no rights or privileges concerning or in connection to the calculation of "Dow Jones Turkey Equal Weight 15 Index". "Dow Jones" shall have no liabilities or responsibilities arising from or in connection to the calculation, trading on the ISE, creation of portfolio and the scale of portfolio of "İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund". "Dow Jones" shall have no liabilities or responsibilities arising from or in connection to the marketing, management, and operation of "İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund". In case of termination of the Fund based on Article 52 of the Communiqué of the Capital Markets Board Serial 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 depository institution.

14.2. "Dow Jones" does not guarantee in any way whatsoever the accuracy or the scale of "Dow Jones Turkey Equal Weight 15 Index" and shall not be liable for the problems caused by inaccuracies or deficiencies in data. "Dow Jones" shall not be liable in any way whatsoever for direct or indirect damages and other results, including profit losses, arising from the use of "Dow Jones Turkey Equal Weighted 15 Index" by İş Yatırım Menkul Değerler A.Ş and/or the investors of "İş Yatırım - Dow Jones Turkey Equal Weighted Type 15 A Exchange Traded Fund". The Agreement executed between "Dow Jones" and "İş Yatırım Menkul Değerler A.Ş" is bilateral agreement and does not grant any rights to third parties.

ARTICLE 15 – DETERMINATION OF CORRELATION COEFFICIENT

15.1. The correlation coefficient is a value indicating the correlation between the value of the Index upon which the portfolio shall be based and the net asset value of the Exchange Traded Fund, and shall be calculated as follows:

$$r = \frac{\sum(x_t - x_{ort}) \times (y_t - y_{ort})}{\sqrt{\sum(x_t - x_{ort})^2} \times \sqrt{\sum(y_t - y_{ort})^2}}$$

r: Correlation Coefficient,

xt: Unit share price of the Fund at day t,

yt: Value of the Index at day t,

xort: Average unit share price during the calculation period
($\sum x_t$ / Number of days in the calculation period),

yort: Average Index value during the calculation period
($\sum y_t$ / Number of days in the calculation period),

In case of any discrepancy between the provisions of this Internal Statute and regulations of Capital Market Board, the regulations of Capital Market Board shall prevail. Capital Market Board may, at any time, request changing the provisions of this Internal Statute and can alter standards of Internal Statute.