



Bizim Menkul Değerler A.Ş.

BMD Securities, Inc.

The First Islamic ETF, Participation Index and ETF Experience

IFN Islamic Finance News Roadshow
Turkey 2012
6th December 2012
Istanbul Stock Exchange



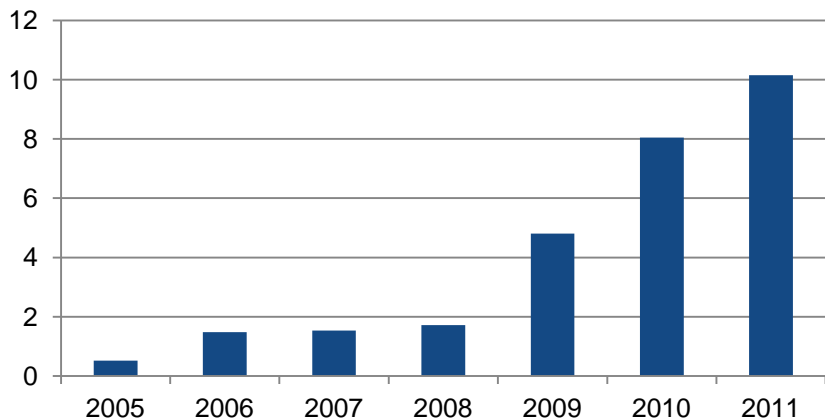
Issuer: BMD Securities

- Brokerage company with integrated investment banking services
- Has agency agreements with all of four participation banks, unique in Turkey
- Particularly specialized on compliant investment products and services
- Issuer and manager of mutual funds

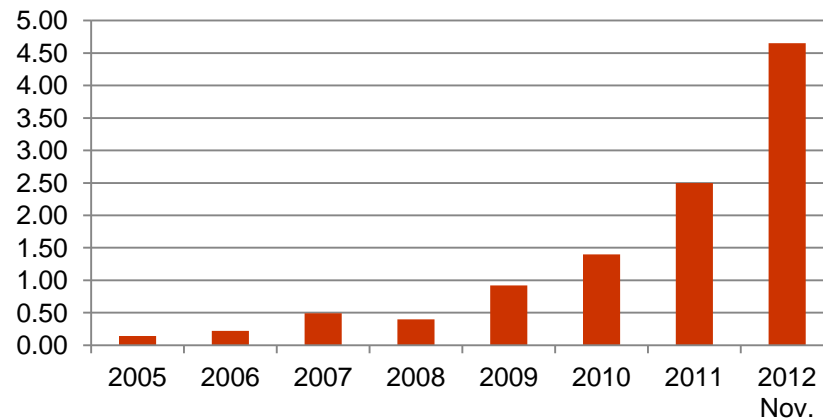


Key Figures

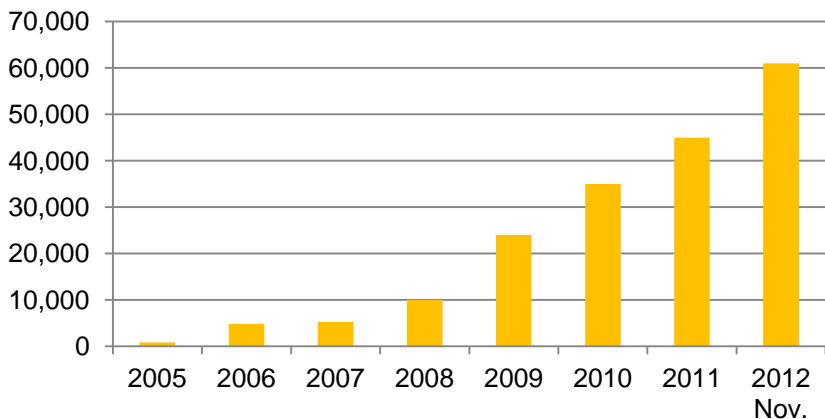
Trading Volume (bln TL)



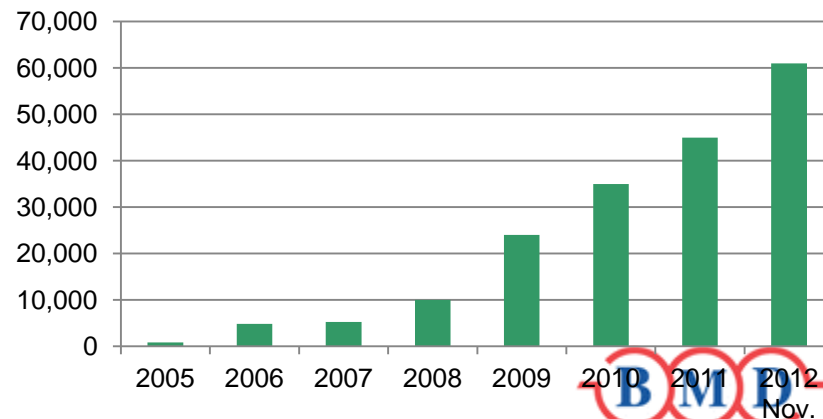
Asset in Custody (bln TL)



Client Accounts

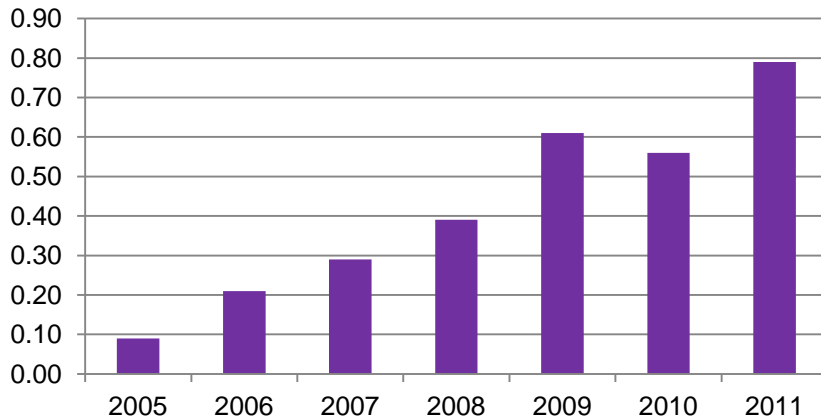


Brokerage Revenues

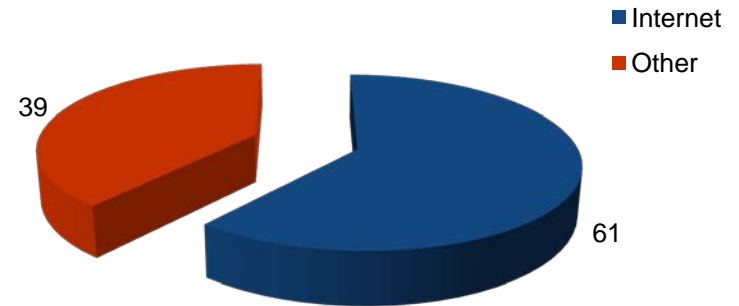


Key Figures

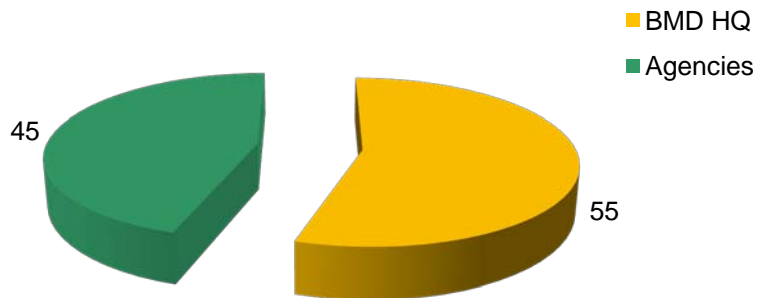
Market Share



Share in Volume



Share in Volume



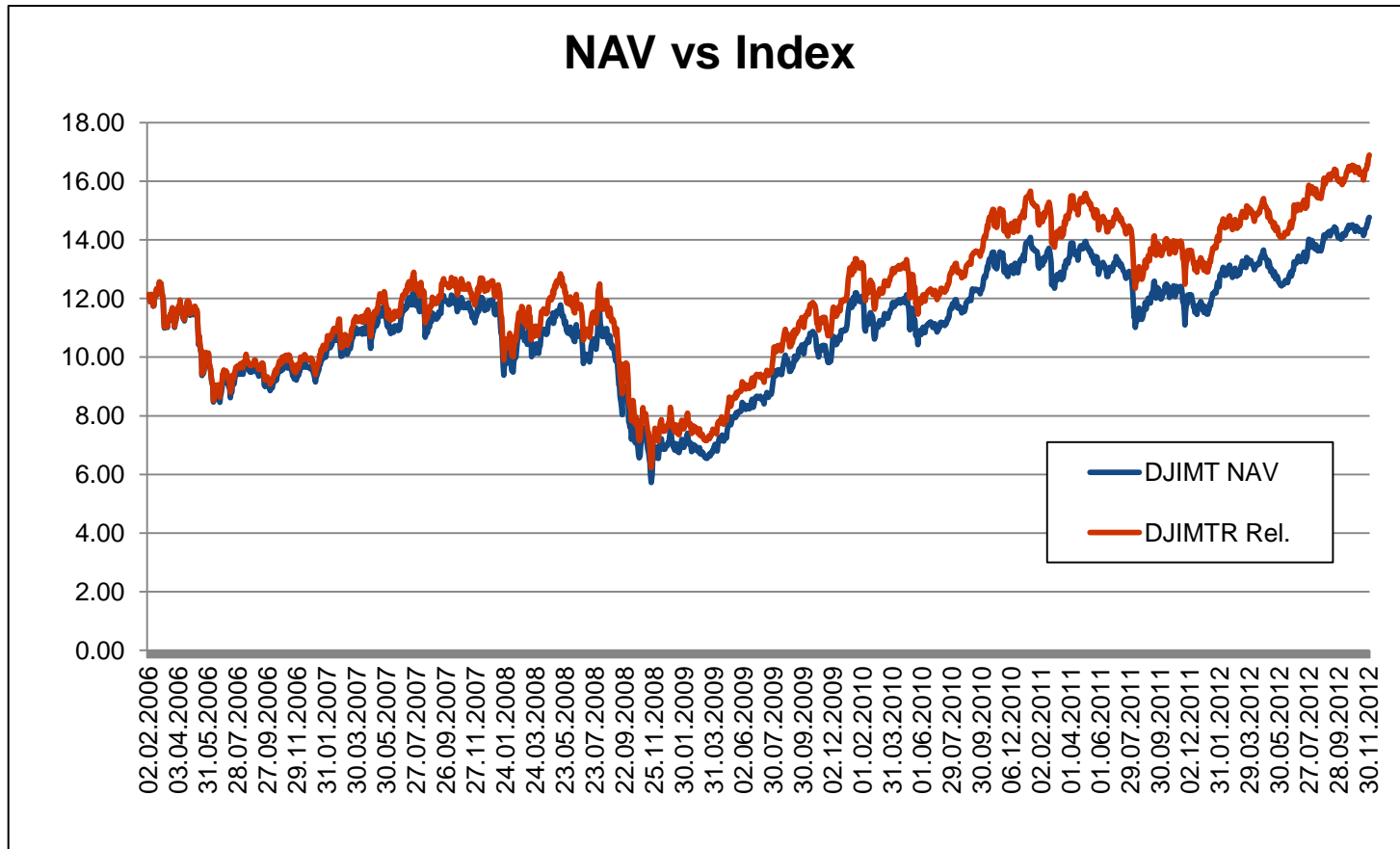
The First Islamic ETF

 DJIM TURKEY
EXCHANGE TRADED FUND

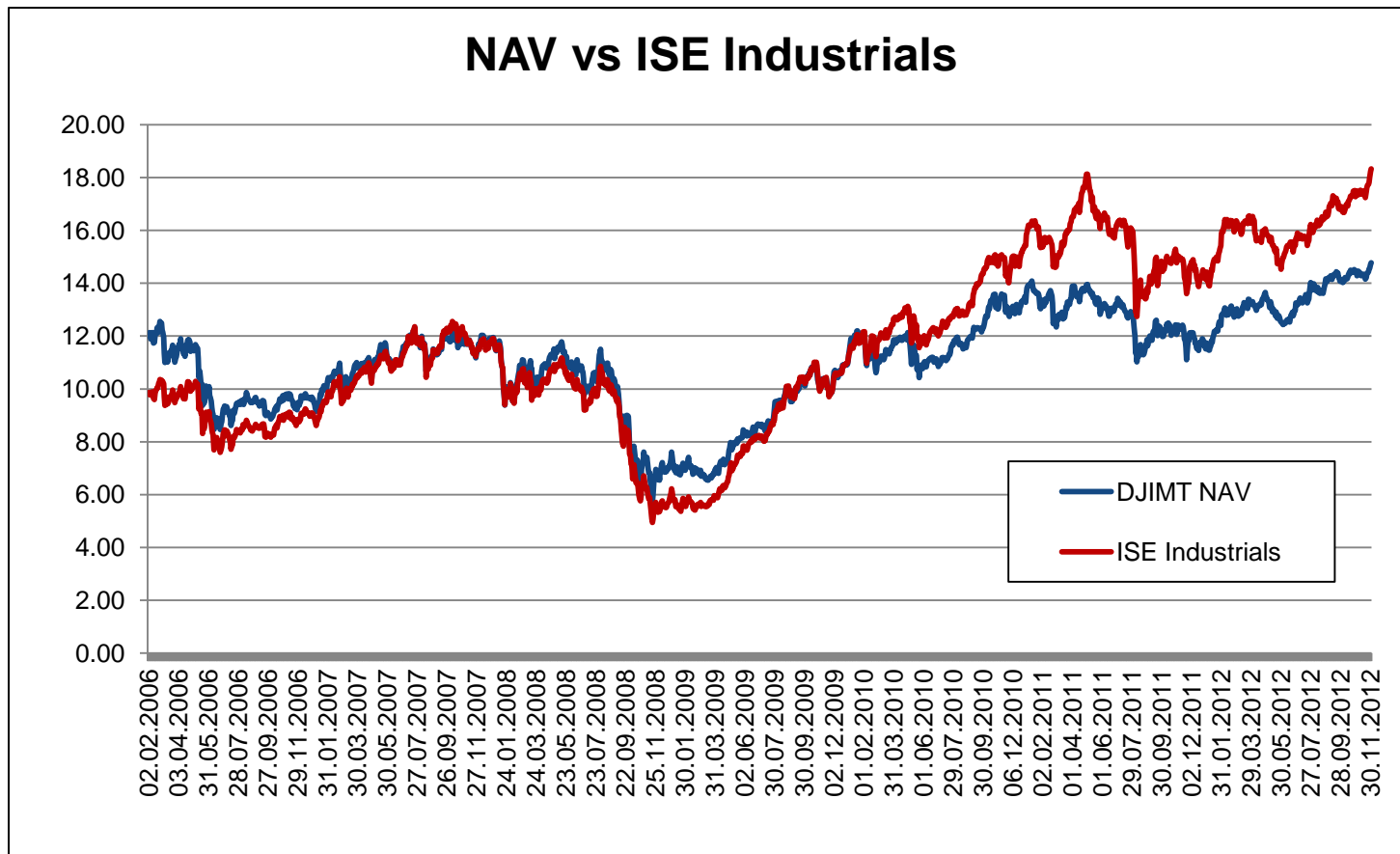
- Tracks DJ Islamic Market Turkey index
- Launched in February 2006
- Quoted in Istanbul Stock Exchange
- Currently has 30 stocks in portfolio
- Only fund delivering dividends at once
- High correlation; low tracking error
- Lower management fee than other funds



Tracking Graph



Market Correlation



Gold ETF (GoldPlus) Silver ETF (SilverPlus)



- Issuer is Kuveyt Turk Participation Bank, provider and manager is BMD Securities.
- Based on 100% physical gold and silver spot market, no leverages, no futures and options.
- The physical standard bullions held by fund portfolios are in the custody of Istanbul Gold Exchange on behalf of the funds.

Gold ETF (GoldPlus) Silver ETF (SilverPlus)



- Fund shares are traded in Istanbul Stock Exchange and exchange prices closely follows the physical gold & silver prices.
- The Gold and Silver ETFs provide a convenient way for investors to buy and sell gold or silver at a good price, without risk of keeping physical.
- The first Gold/Silver ETFs issued by a no-interest bank.

Participation Index ETF



- It is an ETF based on Participation Index (KATLM) and is issued by a consortium of the Participation Banks.
- The ETF is launched on May 16th, 2012.
- Fund shares are trading in Istanbul Stock Exchange (ISE).

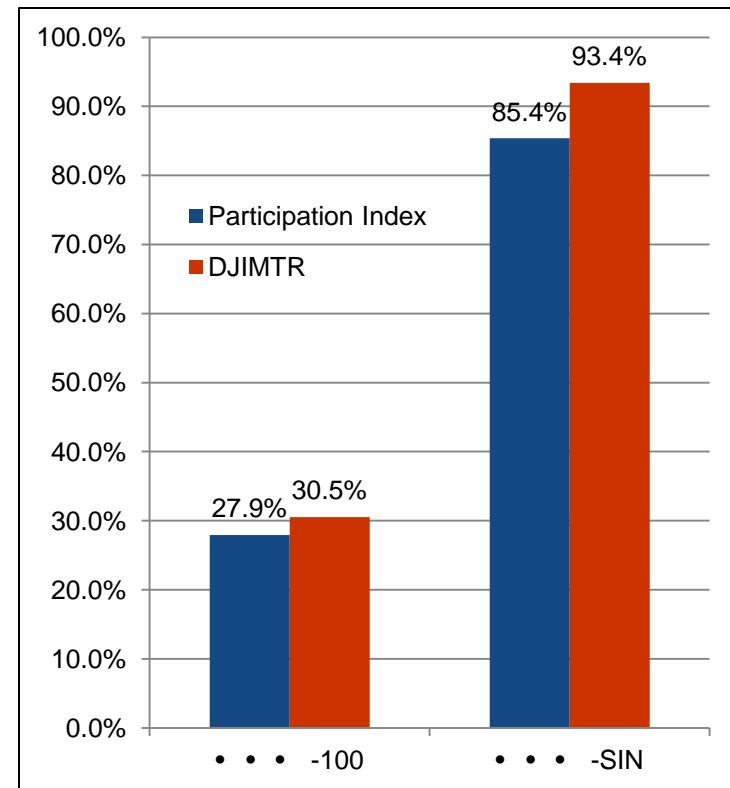
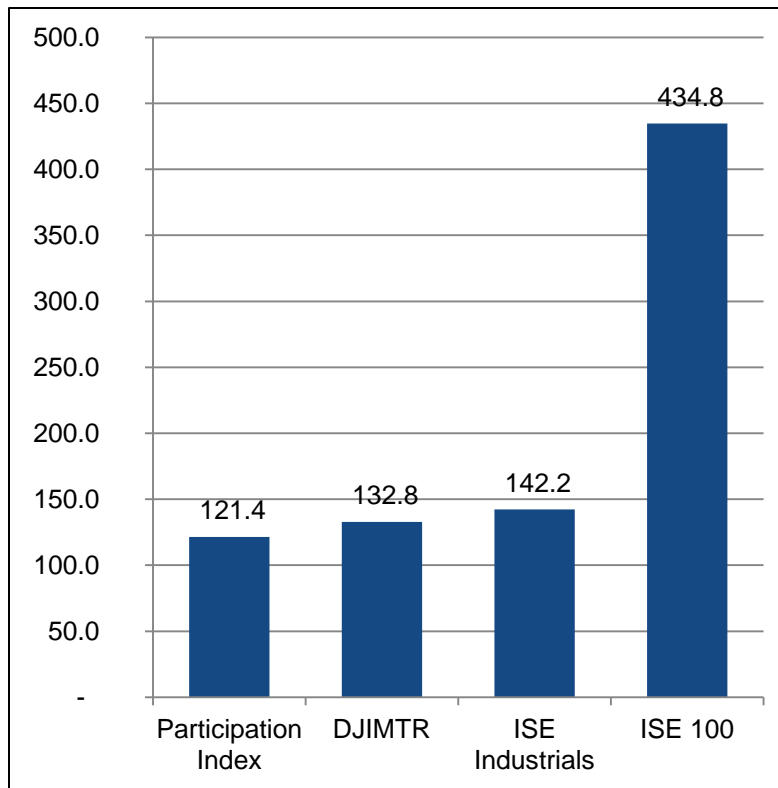
Participation Index



- Participation Index is a stock index formed of securities traded at ISE and conforming to Participation Banking principles.
- The first compliant local index in Turkey, provided by BMD with sponsorships of the participation banks.
- It is based on international standards; calculated and broadcasted by ISE.



Market Capitalization



December 4th, approx.

Index Criteria (KATLM)

- Index companies are selected based on their field of activity and also some financial ratios;
- Ratio of total interest bearing debts of the company to its market cap. should be less than 30%,
- Ratio of interest bearing cash and securities to market cap. should be less than 30%,
- Ratio of revenues obtained from excluded activities to total revenues should be less than 5%.

Index Comparison

provider	MSCI Barra MSCI Global	DJ Indexes	S&P	BMD
family	Islamic	DJ Islamic Market	S&P Shariah	Participation
total debt / total assets*	33%	33%	33%	30%
cash + interest bearing securities / total assets*	33%	33%	33%	30%
account receivables / total assets*	70%	33%	49%	-
incompliant revenues	5%	- ***	5%**	5%

* DJ, S&P and BMD utilize market cap instead of assets

** other than interest income

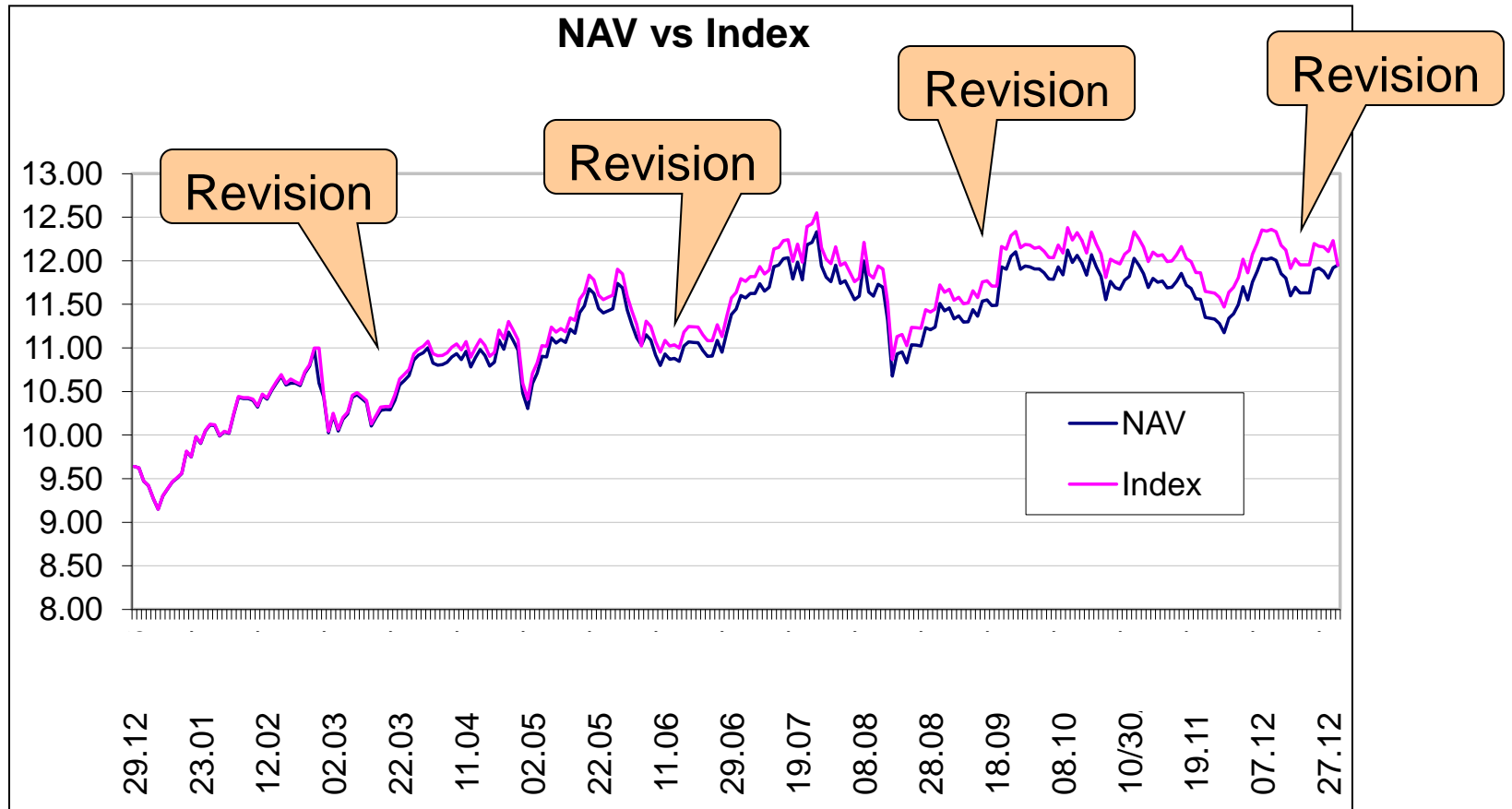
*** implicit



Fund Revision

- Fund portfolio is revised to repliacte the index as soon as the index revision is realized.
- Content of fund portfolio may require revision on some corporate actions such as capital increase and dividend payment.
- Fund participates in capital increase without cash requirement as much as possible.
- As a revision is required, fund completes its transactions in 9 business days at most.

Revision Error



Low Management Fee

- KATLM ETF has important advantages compared to conventional mutual investment funds.
- To be able to track the index closely, management fee is quite low.
- Portfolio transactions are comparably lower than other funds, so transaction fees remain at insignificant levels.

Convenient Transactions

- Investors can buy and sell fund shares through any bank or broker they currently use for equity trading.
- Fund transactions can be realized by existing investment accounts via internet or telephone banking and ATMs.
- There is no requirement for opening new account, additional applications or contracts.

30 Stocks with One Click

- ETF has an important advantage concerning investment risk and convenience.
- As the investor buys the fund, he/she buys 30 equities only with one transaction with their ratios in the index, also spreading his/her risk.
- Again, a single transaction will be sufficient for selling.

Updated Price in Real-Time

- Other than the market price of the fund, fund value can be continuously followed by updated NAV and KATLM index in real-time.
- Many investment funds publish at most daily price and change in market conditions during the day are not reflected on the fund price.
- But investors can react immediately to the market conditions for ETF and buy and sell their funds at the current prices as they wish.

Choice of Institutional Investor

- ETFs are the preference of institutional and professional investors worldwide.
- They can manage sectoral and country/regional based positions with a single convenient transaction.
- Index tracking and price stability of ETFs also have effect on this preference.
- ETFs also provides the opportunity of exchanging the fund shares with the stocks in its portfolio.

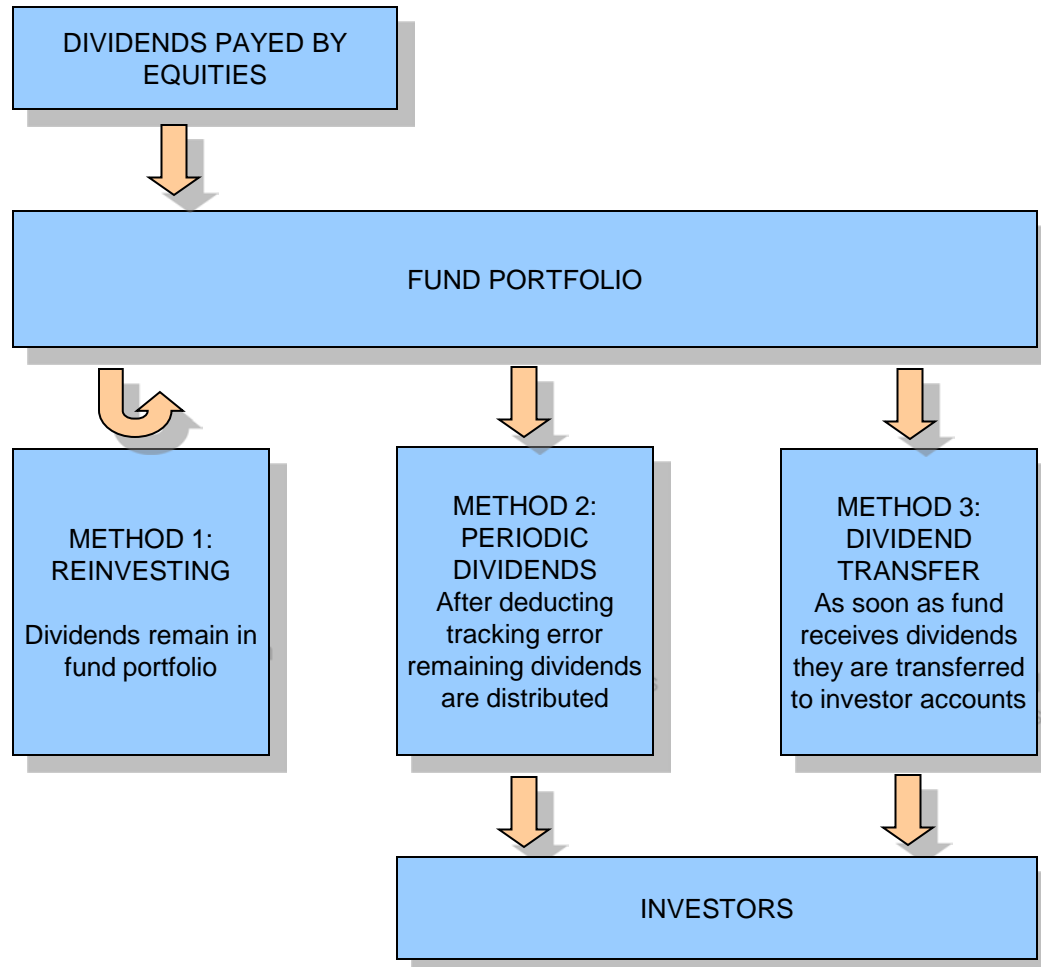
Taxation

- ETF portfolio is exempt of taxes.
- Profits obtained from buying and selling of fund shares are subject to 10% withholding tax.
- Profits are exempt of tax if fund shares are hold more than 1 year.
- Dividend revenues are subject to 15% withholding tax.
- Withholding tax is deductible from corporate tax.

Dividend Transfer

- ETF does not reinvest the cash dividends distributed by the equities in fund portfolio.
- After legal expenses deducted dividends are transferred to the investors proportional to their shares.
- Thus investors receive cash dividends payed by the equities in fund portfolio immediately without waiting until selling of their shares.

Dividend Policies



Target Investors

- Participation Index Traders
- Investment Funds
- Retirement Funds
- Other Institutional Investors
- Alternative, derivative and mixed products
- Foreign Investors

Thank you.



Bizim Menkul Değerler A.Ş.



Address:

Phone:

Fax:

Web:

Inonu Cd. Kanarya Sk. 25, 4th Floor, Yeni Sahra
- Atasehir / Istanbul

+90 (216) 547-1300

+90 (216) 547-1398

<http://www.bmd.com.tr>