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Turkisfund to target EU investors

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TURKEY - Turkisfund will start marketing its Turkey funds to European investors from its Luxembourg office later this summer.

Zeynep Aslan, director of Turkisfund - which is managed by İş Asset Management, the largest asset management company in Turkey - told IPE there is increasing interest in Turkish assets among European institutional and retail investors.

"The Turkish Lira has been notably strong over the recent months. The currency has received notable support from strong capital inflows through the year, from the list of FDI announcements and privatizations and from the inflow of convergence money into local equity and T-bill markets," she said. "We decided to increase our distribution centres in Europe to serve the growing interest in Turkish assets."

Turkisfund SICAV has three funds, investing in equities, bonds and eurobonds, which all have at least 51% exposure to the Turkish market.

Funds will be registered in Germany and Luxembourg first and will then be registered in the United Kingdom later in the year.

"After gaining foothold in these areas we will expand further and open distribution offices in France and Italy," Aslan said.

Aslan believes European investors have many reasons to be optimistic about the economic and political development of Turkey. However, she also points out a possible membership in the EU is not an aim in itself.

"Turkey's future economic prospects do not solely depend on an eventual European Union membership, but on progress in macroeconomic, structural and political reforms. The process itself is a catalyst to economic and political change," she said.

Aslan has managed mutual funds at İş Asset Management for the past seven years, during which their asset volume increased from \$148m (€107m) to \$1.1bn.