

## **PRESS RELEASE**

**For immediate release**

### **Turkish assets even more attractive**

**23<sup>rd</sup> June 2010:**

The recent announcement of a new fiscal rule in Turkey has made Turkish assets even more attractive than before, **says Giancarlo Perasso, Chief Economist at Matrix-Redux FX Fund.**

The Turkish rule is maybe less ambitious than the rule currently discussed in Germany but is more credible, says Perasso, since it directly includes a cyclical element in the adjustment process based on the target growth rate. After establishing a reputation for fiscal prudence in recent years by always achieving a primary surplus since 2002, thus bringing the net debt/GDP ratio to 31% in 2009 from 63% in 2002, the Turkish authorities are now switching from an external fiscal anchor (the IMF programs) to an internal one, a move that can only reinforce their credibility. Perasso is not concerned about the recent tensions between Israel and Turkey or next year's elections as he thinks that the majority of the population and of politicians are committed to achieving sustainable and sustained growth.

Investors should take further comfort, adds Perasso, from the presence of an independent central bank that is committed to achieve the inflation target, although not at the cost of plunging the economy in a severe recession. The recent overshooting of the target was due to external factors and the bank correctly just kept a watchful eye on inflation. Recent data show a more favourable inflation outlook and the bank is set to raise interest rates as the economy picks up.

The combination of fiscal prudence, independent monetary policy and resumption in growth should prove irresistible for investors says Perasso, who sees the Turkish Lira appreciating strongly in the next 6-12 months, by 10-15% with respect to the USD.

**ENDS**

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**Notes for Editors**

Matrix Group is one of the largest and most successful privately owned financial services businesses in the UK with over £3 billion of assets under management and more than 230 professionals employed across four divisions: asset management, investment banking, property and specialised finance. Since inception in 1987, Matrix has raised £11 billion of assets for investments across these business areas.

Within the asset management division of Matrix Group, as well as funds of funds, investment management, cash funds and private equity, there are currently six other long/short equity funds:

- Matrix Asia Fund, a Pan Asian equity Long/Short Fund
- Matrix Asia UCITs Fund
- Matrix Macro Fund, a global macro equity fund
- Matrix New Europe Fund, focused principally on the markets of Russia
- Matrix PVE Global Credit Fund, focused on global credit markets
- Matrix Lazard Opportunities Fund

Matrix and Redux Research joined forces to form Matrix-Redux in April. Sudeep Singh and his team have over 50 years combined experience in emerging markets and will be providing emerging market currency and macro strategies.

Sudeep Singh has more than 16 years of experience trading securities in emerging markets. He was formerly a Senior Portfolio Manager of emerging markets for Caxton Associates, LLC, and served as Managing Partner and Chief Investment Officer of Lotus Capital Partners LLP.

Previously, Sudeep was Senior Portfolio Manager for Sigma Capital, a London-based affiliate of SAC Capital Management LLC; Head of Europe, Africa and Middle East Proprietary Trading at Chase Manhattan Bank in London as well as managing Donaldson, Lufkin & Jenrette's Emerging Markets Proprietary Trading for hard currency assets in London. Mr. Singh was also a founding member of the Emerging Market Relative Value Trading group at J.P. Morgan and managed their Latin American equity position-taking book. Sudeep holds an MBA from the University of Chicago and a BA from the University of Vermont.

Giancarlo Perasso, Chief Economist of Redux, is also a visiting professor to the Università Carlo Cattaneo of Castellanza, Italy. He was formerly the Global Head of Emerging Market Research at WestLB, where he developed market-oriented global research, focussing on both external debt and local markets (FX and fixed income).

Prior to this Giancarlo was Senior Economist for Central and Eastern Europe (CEECs) at Chase Manhattan Bank, then JPMorgan-Chase. During this time, his team ranked in the top three analysts for the Europe, Africa and Middle East (EAME) region by Credit Magazine in Spring 2000. He was also a member of the Chase research team ranked No 1 in Emerging Market Research in both 1999 and 2000 by Institutional Investor. Perasso has also been an economist for the Organisation for Economic Co-Operation and Development (OECD), a consultant for the World Bank and a visiting professor at Franklin College. He holds a BA in Social and Economic Sciences from Università Commerciale Luigi Bocconi, and an MA in Political Economy from Johns Hopkins University.