

## Akbank Turkish SICAV - Fixed Income

The Sub-Fund's investment objective is to provide long term capital appreciation by investing in bonds and t-bills issued by the Turkish government or a regional or local authority or a private sector company in Turkey denominated in any currency. The Sub-Fund will invest at least 51% of its total assets in straight bonds, and a maximum of 49% of its total assets in money market instruments and liquid assets.

## Fund Information

NAV (Class I - Class A)	:	EUR 113.90	EUR 124.22
Fund Size	:	EUR 11,389,911	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	100% KYDABI <sup>1</sup>	

<sup>1</sup> KYD All Bond Index, www.kyd.org.tr

Performance Figures*		SICAV Fund (Net)	Benchmark (Gross)
Since Inception	07.08.08 - 26.02.10	7.88%	10.96%
2009	31.12.08 - 31.12.09	15.90%	17.55%
YTD	31.12.09 - 26.02.10	3.38%	3.70%
MTD	29.01.10 - 26.02.10	-1.15%	-1.02%

## Investment Allocation (%)

Bonds	81.32%
Money Market	18.68%

\* 07.08.2008 is the start date of active portfolio management for Institutional class share.

## Top 10 holdings (%)

TRT031110T10	29.65%
TRT050510T16	19.56%
TRT161111T14	17.46%
TRT110511T17	8.43%
TRT081210T14	7.95%
TRT060814T18	1.32%
TRT190111T21	0.90%
TRT280813T13	0.51%

## Market Overview

Equity market was off %9 in February amid increased worries over the political tension between the government, military and judiciary officials domestically and credit concerns particularly in Greece, Spain, United Kingdom where investors focused on Europe's sovereign credit woes, budget deficits in the short term, and a world with less government induced stimulus in the long term globally.

MSCI Turkey index underperformed MSCI EM and MSCI EMEA by %11 and %8 respectively. Benchmark bond yield which was affected gradually from political and global turmoil traded in range between %8.7 - %9.1 compounds during the month TL depreciated with decreasing risk appetite from 1.49 to 1.54 levels

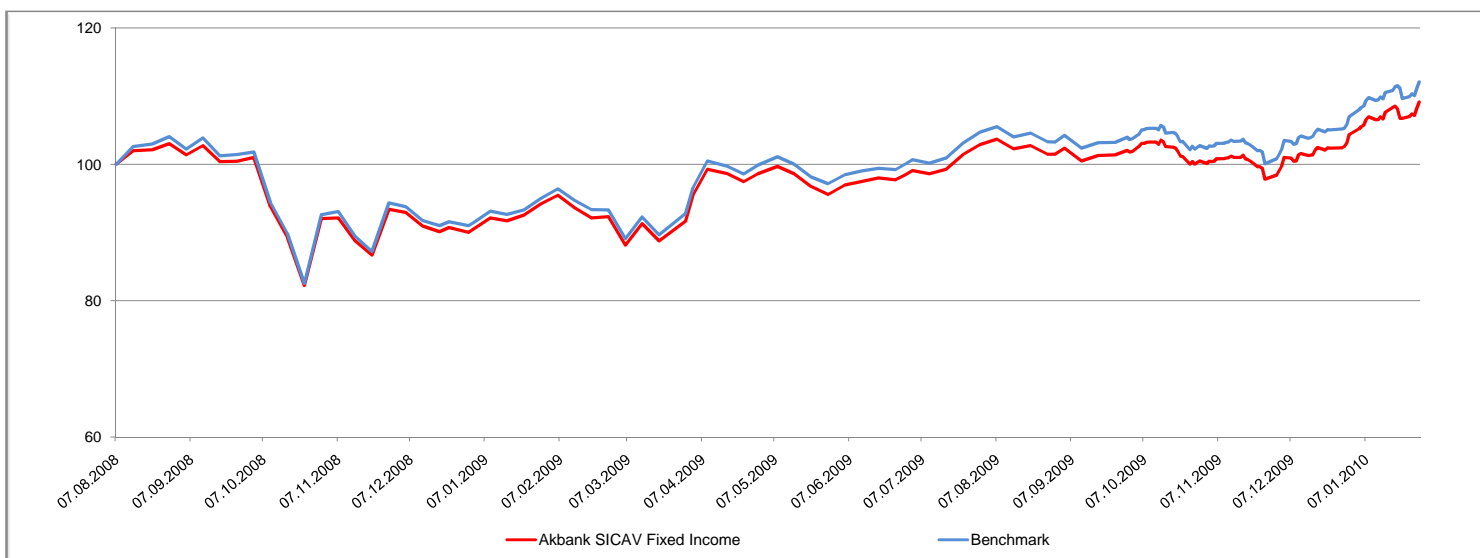
Even S&P upgraded its ratings on Turkey's foreign and local currency long-term senior debts from BB- to BB in February and the outlook for the ratings was positive, higher political risk could blur macro outlook which was based on a strong recovery in domestic economy. In any case it is not clear whether political tensions are set to escalate or not.

However, we can say that the recent headlines do look worrisome, especially with regard to the rising possibility of early elections although PM Tayyip Erdogan denies. In a scenario with a referendum in summer time, any heightened political noise in the near term will likely dent the consumer, business sentiment and may hurt credit growth.

All in all, the positioning in TRY assets and the global risk appetite has become more crucial for Turkey, as they will determine the degree the markets will price in the political risk. There is still an option for the long-awaited IMF deal in the hand of the government if market mood worsens.

Finally, after taking into consideration of global and internal risks, Akbank Turkish SICAV Fixed-Income Fund invested 81% of its assets in Turkish government bonds with average duration of one year, and the remaining assets are invested in Turkish Lira deposit.

## Comparative Returns\* / 07.08.08 - 26.02.10



## Administrative Information

ISIN :	A Class : LU0366550621	Registered Countries :	Luxembourg
	I Class : LU0366550977		Germany
	TRY Class : LU0451096159		The Netherlands
WKN :	A Class : A0Q8MB	Registered Databases :	Bloomberg ( AKTKFII: LX; AKTKFIA: LX )
	I Class : A0Q8MD		Lipper
Minimum Subscription :	A Class : EUR 50		Morningstar (Germany, Netherlands)
	I Class : EUR 5.000		Software-systems
	TRY Class : TRY 100.000	Investment Manager :	Ak Asset Management Inc.
Subscription Frequency **	: Daily	Administrator / Custodian :	Citibank International plc (Luxembourg Branch)
Redemption Frequency **	: Daily	Independent Auditors :	Ernst & Young S.A.
Management Fee	: 1.25% yearly		

\*\* Redemption and subscription requests should be sent to the Registerer and the Transfer Agent no later than 1:00PM (Luxembourg time) on the valuation day.

This is neither an offer to sell or a solicitation to invest. This material is for your private information only and we are not soliciting any action based upon it.

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