

Akbank Turkish Fixed Income Fund

Turkish Fixed Income Fund invests in sovereign and corporate debt securities issued in Turkey. The utilization of local know-how, active duration management, curve positioning and individual security selection helps to enhance the fund return and outperforms passive investing. The investment style of the fund is a combination of Top – Down & Spread Trader. The product is suitable for medium to long term investors with higher risk appetite. The risks related to movements in bond prices, resulting from interest-rate fluctuations and currency developments and to some extent changes in the quality of the corporate held portfolio. Selection of securities is conducted in line with the investment manager's risk management policies and guidelines.

Fund Information

NAV (Class I - Class A) :	EUR 118,28	EUR 128,77
Fund Size :	EUR 34.392.287	
Launch Date :	02 July 2008	
Currency :	EUR	
Legal Status :	Luxembourg SICAV	
Reference Index* :	90% KYDABI + 10% KYD O/N Gross	

* The benchmark has been updated as of 02/01/2012. KYDABI: KYD All Bond Index (www.tkyd.org.tr)

Performance Figures	Fund ¹	Benchmark
Since Inception ² 07.08.08 - 29.05.15	21%	23%
2009 31.12.08 - 31.12.09	17%	18%
2010 31.12.09 - 31.12.10	15%	16%
2011 31.12.10 - 30.12.11	-12%	-12%
2012 30.12.11 - 31.12.12	21%	22%
2013 31.12.12 - 31.12.13	-20%	-21%
2014 31.12.13 - 31.12.14	21%	22%
YTD 31.12.13 - 29.05.15	-3%	-3%
MTD 30.04.15 - 29.05.15	4%	4%

¹ Fund performance is gross of fees and does not reflect the deduction of investment management

² 07.08.2008 is the start date of active portfolio management for Institutional class share.

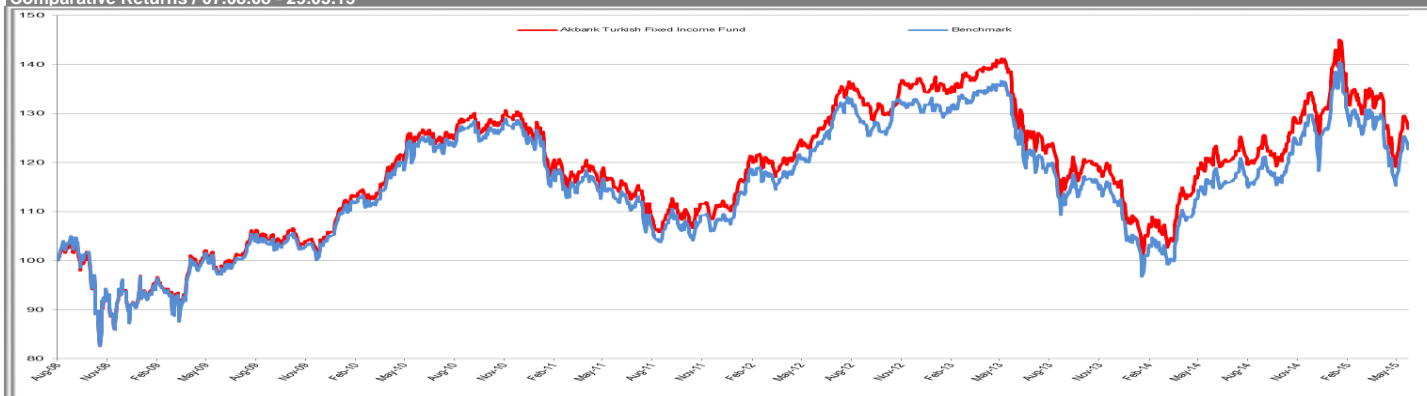
Investment Allocation (%)

Bonds	96,35%
Money Market	3,65%
Top holdings (%)	
TRT240216T10	15,01%
TRT200324T13	11,85%
TRT270116T18	10,88%
TRT120122T17	10,18%
TRT190815T12	9,08%

Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	14%	13%
Benchmark Volatility	14%	13%
Tracking Error	0,03	0,03
Jensen's Alpha	0,00	0,00
Sharpe	-0,99	-0,26
Information Ratio	0,03	0,17
Beta	1,01	0,98

Comparative Returns / 07.08.08 - 29.05.15



The graph represents gross of fees performance.

Administrative Information

Fund Name	: Akbank Turkish SICAV	Registered Countries	: Luxembourg
ISIN :	A Class : LU0366550621		Germany
	I Class : LU0366550977		The Netherlands
	TRY Class : LU0451096159	Registered Databases	: Bloomberg (AKTKFII:LX; AKTKFIA:LX)
WKN :	A Class : A0Q8MB		Lipper
	I Class : A0Q8MD		Morningstar (Germany, Netherlands)
Minimum Subscription :	A Class : EUR 50	Investment Manager	: Ak Asset Management Inc.
	I Class : EUR 5.000	Administrator / Custodian	: Citibank International plc (Luxembourg Branch)
	TRY Class : TRY 100.000	Independent Auditors	: Ernst & Young S.A.
Subscription/Redemption * Management Fee	: Daily		
	A Class : 1.00% p.a.		
	I Class : 0.75% p.a.		
	TRY Class : 0.75% p.a.		

* Redemption and subscription requests should be sent to the Registrar 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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Market Overview

May, the US data has showed some stabilization to a certain extent, and this was associated with bad weather conditions and the strength of the USD. The market has no expectation from the FED to raise the rates in its June meeting but either in September or in December. The oil prices moved in the range of \$63-\$67 per barrel. The market is still more focused on the pace of the hikes from the FED rather than the timing of the first hike (lift-off). In the US, the job market and other indicators show the economy is at a very strong pace. Yet, the concerns in the US are still more inclined towards the inflation outlook (specifically the 'wage inflation'), and investors need to see if the inflation outlook will improve in the upcoming months. For the case of Turkey, general elections are to be held on the 7th of June and the results of polls conducted by different companies have created market volatilities. Accordingly, a sizeable amount of the polls indicate that the single-party government of the last 13 years might end if the HDP party can pass the 10% threshold, which seems very likely. The decline in the core inflation has stopped, therefore the CBRT may not go to a rate-cut policy even after the elections will have passed. This would also be in line with the approaching FED rate-hike no more than in a year or so. In May, emerging markets moved sideways in their stocks, currencies and the rate markets in general.

On the domestic side, the CBT kept its policy rate constant at 7.5%, referring to the elevated food prices and the depreciation of the currency. The y-o-y inflation rate rose from 7.9% to 8.1%, despite the declining food prices, and it is still considerably higher than the CBRT's targets. Although the economic activity is sluggish as PMI, industrial production and similar data show, the recent data shows there is slight improvement in the economic activity. The yield curve's inversion decreased as the 2 yr benchmark interest rate moved from 10.00% to 9.90% throughout the month, and 10 year bond rate rose from 9.15% to 9.20%. The CBRT keeps its funding policy as tight while staying reluctant to do any rate-hike. Turkish Lira outperformed most of its peers, and appreciated from 2.7 to 2.66 against the US Dollar, while touching 2.56 level in the middle of the month. 5 year Turkish CDS spreads fell from 225 to 211, outperforming most of its EM peers. The real effective exchange rate was announced to be 100.82; lower from the prior month's reading of 102.21, though which shows TL's weakness against its trade partners has stopped somewhat. The O/N reverse repo rates have still been trading closer to the upper bound of the interest rate corridor, as the CBRT is aware of the weakness of the currency. The Turkish Treasury successfully completed its domestic financing program in May and the total amount issued to the market was realized as TRY 9.1bn.