

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 109.61	EUR 119.87
Fund Size	:	EUR 111,797,343	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	100% KYDABI ¹	

¹ KYD All Bond Index, www.tkyd.org.tr

Performance Figures		SICAV Fund (Net)	Benchmark (Gross)
Since Inception*	07.08.08 - 30.06.11	5.04%	10.31%
2009	31.12.08 - 31.12.09	15.90%	17.55%
2010	31.12.09 - 31.12.10	13.34%	15.54%
YTD	31.12.10 - 30.06.11	-11.19%	-10.76%
MTD	31.05.11 - 30.06.11	-2.05%	-1.90%

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

Investment Allocation (%)

Bonds	97.53%
Money Market	2.47%

Top holdings (%)

TRT290114T18	26%
TRT090113T13	23%
TRT030811T14	8%
TRT070312T14	8%
TRT080812T26	7%

Risk Ratios*

	YTD	Since Inception
Fund Volatility	11.05	14.63
Benchmark Volatility	11.11	14.88
Tracking Error	1.08	3.00
Jensen's Alpha	1.74	1.71
Sharpe	-2.26	-0.15
Information Ratio	1.86	0.62
Beta	0.99	0.96

*Annualised figures (%)

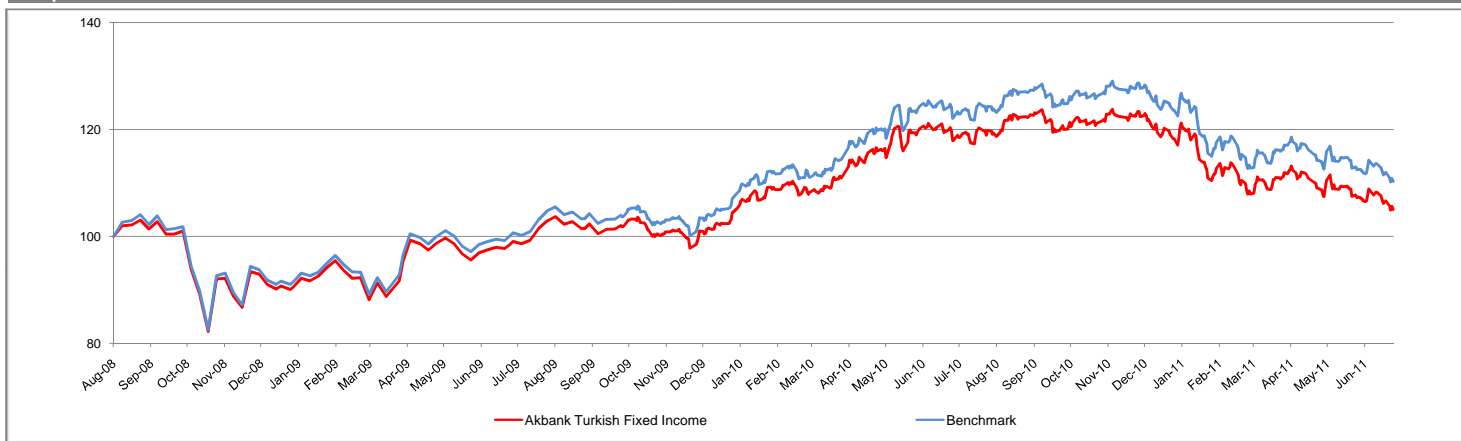
Market Overview

Data flow in US for June indicated that, PMI and mfg indexes are below expectations showing that the recovery is continuing at a moderate pace, though somewhat more slowly than the FOMC Committee had expected. More than expected unemployment rate (9.1) for May also supported this argument. June's statement indicated that the committee will keep the target range for federal funds rate at 0 to ¼ percent for an extended period of time as expected. Statement effected 2 years treasuries strongly and forced below 0.34 level for the second time after November 2010. The committee also decided to complete its purchasing program and will maintain its existing policy of reinvesting principal payments from its security holdings. Euro Zone Data was pretty flat in June, most of the data was in line with expectations, unemployment stay unchanged (9.9%), retail sales rebounded (0.9) monthly. Estimate for GDP -was supported by domestic demand- stayed unchanged. As expected, ECB stayed on halt and flagged a July rate hike by keeping the "strong vigilance" wording in press conference. Euro Zone in the center of a peripheral states debt problem mostly traded the paths of exit in June. ECB's pro inflationary stance and moderate pace recovery in US, forcing the EUR/USD trading upwardly biased; mostly reversed with concerns of a Greek default. Signs of a further slowdown in Euro Zone economy along with the conditions in the Euro zone's peripheral economies are going to be the key features. FED's stance of keeping the funds rate unchanged with more quantitative easing looks more likely than a possible tightening near term.

June was a month of general elections in Turkey. Elections resulted with a market favored scenario of governing party (AKP) dominance. BRSA's new preemptive regulations supplied more room to CBT for postponing a possible rate hike. Reserve requirement rate also didn't change in June. Exceptionally high May (2.42 m/m) inflation is criticized as temporary by CBT and explained by seasonal adjustments of the index. Level of Industrial production and shrinking internal demand are interest friendly where supply oriented high monthly inflation explanation and decreasing unemployment rates are still threatening. Core inflation in Turkey is expected to be rising via increasing marginal cost of imported goods. Turkish government curve shifted upward in June; 2 years Benchmark rate shifted upward 25 basis points ending the month in 9.15 levels. June upward shift in 3 years and 5 years region were 15 basis points. 3 Years and 5 years ended the month with 9.40 and 9.55 levels respectively. Treasury inflation protected securities in ISE (TUFEX) are going to perform well in July with the effect of underlying inflation index for this period. Securities are ranging with real yields ranging from 1.15 to 2.80 levels for 2 to 10 years respectively.

In July we are expecting the commercial banks' depository rates to ease with the end of the 1st half. We believe decreasing rate hike expectations trend in market also will foster interest in the front end of the curve. New high levels of this region are also a supporting argument for a possible down movement in the front end. We also find the 3 to 5 years region attractive because of the levels but we are not expecting a sharp move in this region. Bank bonds and other real sector corporate bonds which offer significant spreads with respect to comparable Treasury bonds are also attractive. We will construct the duration and the composition of Akbank Turkish Fixed Income fund in line with our recommended investment instruments in the following period.

Comparative Returns* / 07.08.08 - 30.06.11



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 **	: Daily		
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.

Ak Asset Management - Sabanci Center Hazine Binası 4. Levent Istanbul / Turkey

Phone: +90 212 385 27 00 - Fax: +90 212 319 24 69 - investor@akportfoy.com.tr

Website : www.akportfoy.com.tr/en