

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 104.97	EUR 114.79
Fund Size	:	EUR 30,730,005	
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 - 29.08.11	0.59%	6.26%
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 - 29.08.11	-14.95%	-14.04%
MTD	29.07.11 - 29.08.11	-2.56%	-2.20%

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

Investment Allocation (%)

Bonds	97.78%
Money Market	2.22%

Top holdings (%)

TRT280813T13	25%
TRT200213T25	21%
TRT071112T14	18%
TRT250412T11	13%
TRT090113T13	8%

Risk Ratios*

	YTD	Since Inception
Fund Volatility	11.51	14.54
Benchmark Volatility	11.46	14.76
Tracking Error	1.11	2.93
Jensen's Alpha	1.56	1.56
Sharpe	-2.21	-0.26
Information Ratio	1.43	0.60
Beta	1.00	0.97

*Annualised figures (%)

Market Overview

August started with the credit downgrade of the United States. This boosted a risk-off mood in the markets. Gold tested record highs in this period and reached above \$1,900. Deterioration in bullish sentiment continued throughout August and the pace of the economic recovery showed no uptrend globally. No significant steps were taken to solve the Euro Zone debt crisis throughout the month; hence, the so-called tail risks continue to exist for the Union.

Unemployment figures continuing to hover over 9%, and deteriorating economic sentiment in the United States gave rise to new quantitative easing expectations. Market currently expects, a set of new measures by the Fed, which include extending of the duration of government bonds on Fed's balance sheet. Additional fiscal measures that increase government spending can also be expected.

On the other hand, risks to economic outlook of the Euro Zone are strongly to the downside, as a result of the escalating budget and debt problems. ECB is now in a tough position, as the interest hike cycle may have to come to an end, and additional easing measures may need to be employed. During August, ECB continued to buy Spanish and Italian bonds and boosted the liquidity of these assets. EFSF's capacity extension is also an upcoming issue for Euro Zone which needs political support. ECB is expected to communicate the change in the stance of the monetary policy in September. Although easing the key rate, currently at 1.5%, is not expected, Trichet might signal the end of the interest tightening cycle.

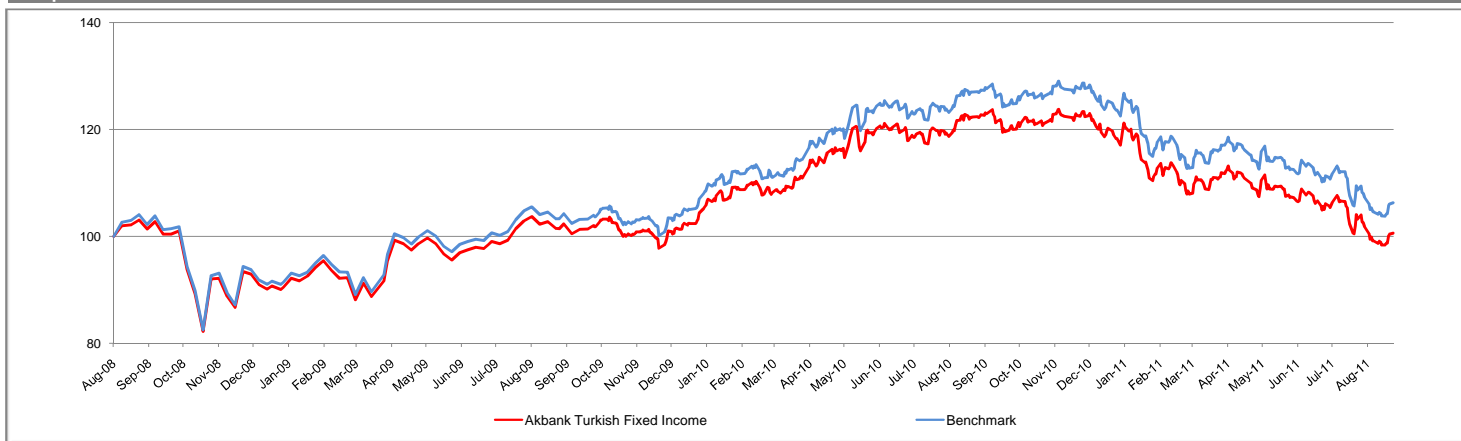
The growth expectations in Asian and emerging markets have been revised down further in August. Asian central banks are expected to halt the tightening cycle whereas Latin American central banks already began to reverse rate hikes, led by Brazil.

Central Bank of Turkey did not present new easing measures in its August meeting, but signaled that CPI figures may spike in September. Credit growth is assessed as one of the most important variables affecting current account deficit by the Central Bank of Turkey. Credit growth parameter, as defined by CBT, is still far from its target levels, but the rate of growth began to ease in August. CBT is expected to hold its accommodative policies at least until the end of the year.

Accommodative policies pushed TRY to a record high 2.18 basket (50% USD, 50% EUR) level in August, when the benchmark bond traded under the 8% compound interest level. Turkish local yields are relatively volatile; short-end is particularly influenced by TRY liquidity, whereas the long end has a higher correlation with global sentiment.

Global developments in August added credibility to CBT's monetary stance of accommodative policy. Despite TRY basket is expected to stay above 2.10 levels, it could still outperform its emerging market peers. We are expecting a positive month for Turkish local bonds; benchmark rate trading under 8.00% compound level and 2-8 year spread narrowing further from the 100 basis levels. TIPs can, in particular, outperform, as it prices the fourth quarter's higher

Comparative Returns* / 07.08.08 - 29.08.11



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 - Sabancı 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