

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 129.83	EUR 141.71
Fund Size	:	EUR 38,007,465	
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.kyd.org.tr)

Market Overview

With the increasing global easing expectations due to worsening economic situation both in Europe and America, many emerging market economies followed ECB to lower policy rates. Benchmark bond which started July at 8.5% compound level continued its downward trend by the help of below expected inflation print. Lower than expected current account deficit figures, coupled with decreased inflation expectations triggered foreign investors to increase their allotment to Turkish local currency fixed income investments. Through the first two week of the month 10-2 yr spread increased to 80 bps due to increasing expectations of CBT to narrow interest rate corridor. Although CBT decreased average funding rate provided by daily and weekly auctions, MPC announcement trimmed heightened easing expectations citing that cautious stance should be followed in order to reach year end inflation target.

Performance Figures

		Fund ¹	Benchmark
Since Inception ²	07.08.08 - 31.07.12	33.49%	29.73%
2009	31.12.08 - 31.12.09	18.56%	17.55%
2010	31.12.09 - 31.12.10	16.02%	15.54%
2011	31.12.10 - 30.12.11	-11.18%	-12.11%
YTD	30.12.11 - 31.07.12	21.73%	21.73%
MTD	29.06.12 - 31.07.12	6.19%	6.05%

¹ Fund performance is gross of fees and does not reflect the deduction of investment management fees, custodian fees or other expenses.

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

In the coming period markets will be closely watching for domestic inflation prints and current accounts data. In the global context elevated expectations of ECB's intervention in some form of bond buying program and FED's third round of quantitative easing are main focus of the investors.

We increased duration of the SICAV fund in order to benefit from increased foreign investors' appetite by increasing 10y bond allocation. In addition to that we expect that market is pricing the easing expectations sooner than CBT envisaged.

Investment Allocation (%)

Bonds	97.07%
Money Market	2.93%

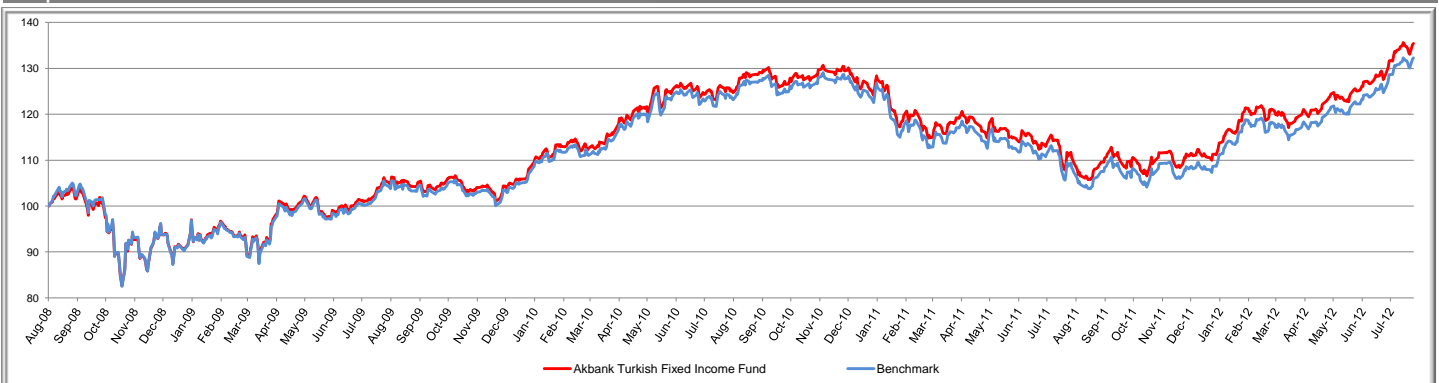
Top holdings (%)

TRT170713	14%
TRT280813	13%
TRT040614	10%
TRT270126	8%
TRT041213	7%

Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	8.29	13.49
Benchmark Volatility	8.15	13.67
Tracking Error	0.89	2.56
Jensen's Alpha	-0.36	0.64
Sharpe	3.96	0.07
Information Ratio	-0.01	0.25
Beta	1.01	0.97

Comparative Returns / 07.08.08 - 31.07.12



The graph represents gross of fees performance.

Administrative Information

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