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 appétite. 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.

Market Overview

Fund Information	h							
NAV (Class I - Cla	iss A) :	EUR 111.01	EUR 121.38					
Fund Size		: EUR 34,292,477						
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 Fig	ures		Fund ¹	Benchmark				
Since Inception ²	07.08.08 -	29.11.13	12%	14%				
2009	31.12.08 -	31.12.09	17%	18%				
2010	31.12.09 -	31.12.10	15%	16%				

2011 -12% -12% 31.12.10 - 30.12.11 2012 30.12.11 - 31.12.12 21% 22% YTD 31.12.12 - 29.11.13 -14% -13% MTD 31.10.13 - 29.11.13 -2% -2%

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

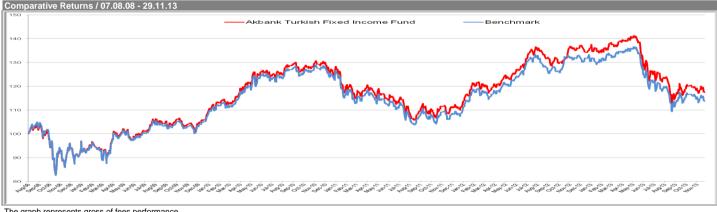
² 07.08.2008 is the start date of active portfolio management for Institutional class share.

Investment Allocation (%)		
Bonds		93.64%
Money Market		6.36%
Top holdings (%)		
TRT200618T18		19%
TRT070115T21		9%
TRT150120T16		8%
TRSKPTL61419		6%
TRSMDPK21514		6%
	VED	Since
Risk Ratios (Annualized)	YTD	Inception
Fund Volatility	13%	13%
Benchmark Volatility	12%	13%
Tracking Error	4%	3%
Jensen's Alpha	0%	1%
Sharpe	-1.69	-0.30
Information Ratio	0.03	0.22
Beta	1.01	0.98

Similar to October, November was the month when the global bond and currency markets were majorly been affected by the potential action of the FED regarding the decrease of asset purchases, known as "tapering". The ISM manufacturing and services data for the US economy came above the expectations and confirmed that tapering could come sooner than expected. Not only the ISM data, PMI data in the US, Eurozone and also Turkey beat the expectations hovering above and around 55 level. The PMI levels in these regions were realized at the highest levels ever seen since the beginning of 2011, which all proved the US and global growth outlook in general turned positive in November. The clear decoupling between the developed and developing equity markets indicates that the economic outlook globally gets better, i.e. Dow Jones outperformed the MSCI Emerging Market index by 6 % in November. Likewise, emerging and Turkish bonds and currencies were sold off during the month, where some central banks acted against this by raising their policy rates such as Brazil, India and Indonesia.

In this respect, two year benchmark bond yields rose from 7.8% at the end of October to 9.1% throughout the month. 5 year Turkish CDS spreads also rose to 209 bps from 186 bps at the end of November. The Turkish Lira generally depreciated against the EUR+USD basket by rising from 2.36 to 2.38 level. The real effective exchange rate fell from 110.2 to 109.4.

On the domestic side, the y-o-y inflation rate has eased from 7.7 % to 7.3 % level. Yet due to the depreciation of TRY, the Turkish Central Bank (CBRT) has changed its stance and more loudly emphasized it was going to tighten the liquidity in the market, although by not increasing its policy rate. This affected the short-term bonds negatively; but long-term bonds were also affected by the global rise in the rates due to tapering. This, in total, caused almost a parallel upward shift in the yield curve. The CBRT continued selling USD against TL at an amount of \$ 1.44 bn during the month and the cumulative sales has been around \$ 12.9 since June. Moreover, the Turkish Treasury successfully completed its domestic financing program and the total amount issued to the market was realized as TRY 9 bn as planned. Credit spreads were almost unchanged in November as the rates are rising, but the demand for floating rate instruments are also rising.



The graph represents gross of fees performance

	: Akbank Turkish SICAV	Registered Countries	:	Luxembourg
A Class	: LU0366550621			Germany
I Class	: LU0366550977			The Netherlands
TRY Class	: LU0451096159	Registered Databases	:	Bloomberg (AKTKFII:LX; AKTKFIA:LX)
A Class	: A0Q8MB			Lipper
I Class	: A0Q8MD			Morningstar (Germany, Netherlands)
A Class	: EUR 50			Software-systems
I Class	: EUR 5.000	Investment Manager	:	Ak Asset Management Inc.
TRY Class	: TRY 100.000	Administrator / Custodian	:	Citibank International plc (Luxembourg Branch)
	: Daily	Independent Auditors	:	Ernst & Young S.A.
A Class	: 1.00% p.a.			
I Class	: 0.75% p.a.			
TRY Class	: 0.75% p.a.			
	I Class TRY Class A Class I Class A Class I Class TRY Class A Class I Class I Class	A Class : LU0366550621 I Class : LU0366550977 TRY Class : LU0451096159 A Class : A0Q8MB I Class : A0Q8MD A Class : EUR 50 I Class : EUR 50 I Class : EUR 50 I Class : TRY 100.000 : Daily A Class : 1.00% p.a. I Class : 0.75% p.a.	A Class : LU0366550621 I Class : LU0366550977 TRY Class : LU0451096159 Registered Databases A Class : A0Q8MB I I Class : A0Q8MD A A Class : EUR 50 Investment Manager I Class : EUR 50 Investment Manager TRY Class : TRY 100.000 Administrator / Custodian : Daily Independent Auditors A Class : 1.00% p.a. I I Class : 0.75% p.a. I	A Class : LU0366550621 I Class : LU0366550977 TRY Class : LU0451096159 Registered Databases : A Class : A0Q8MB I Class : A0Q8MD A Class : EUR 50 I Class : EUR 50 I Class : EUR 50 I Class : EUR 70 A Class : EUR 70 I Class : Daily A Class : Independent Auditors A 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. Ak Asset Management - Sabanci Center Hazine Binasi 4.Levent Istanbul / Turkey

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