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.

Fund Information

NAV (Class I - Class A) EUR 113.42 EUR 124.05

Fund Size : EUR 34,120,380 Launch Date : 02 July 2008 Currency : EUR

Legal Status : Luxembourg SICAV

. 90% KYDABI + 10% KYD O/N Gross Reference Index* * 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 - 31.10.13	15%	17%
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%
YTD	31.12.12 - 31.10.13	-11%	-12%
MTD	30.09.13 - 31.10.13	3%	3%
4 =			

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

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

07.00.2000 is the start date of active portions management for institutional class share.				
Investment Allocation (%)				
Bonds	96.18%			
Money Market	3.82%			
Top holdings (%)				
TRT200618T18	20%			
TRT070115T13	11%			
TRT150120T16	9%			
TRSKPTL61419	7%			
TRSMDPK21514	7%			

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	13%	13%
Benchmark Volatility	12%	13%
Tracking Error	4%	3%
Jensen's Alpha	0%	0%
Sharpe	-1.58	-0.27
Information Ratio	-0.09	0.19
Beta	1.02	0.98

Market Overview

October started under stress of US fiscal impasse and debt limit woes. Turkish 2yr and 10 yr government bonds started the month at 8,5% and 9,00% compound levels pointing 50 bps spread between 10 and 2 year bonds which we believe that 50 bps is not enough yield pick up to hold on to long end bonds. In Akbank SICAV fixed income fund we switched from long end to 2 yr bonds hoping the spread will widen. Turkish financial markets were shut due to religious holiday from 11 to 21 October that helped us to bypass stressful hours of debt limit resolution that occurred in 17th of October. Up until the agreement between politicians in US, Turkish bond markets performed well and buy the rumors sell the fact principle worked again since from the opening of financial markets at 21th of October started with profit taking. 2 year and 10 year bonds saw month to date lows at 7,50% and 8,40% compound levels at the first week returning from one week holiday. Closer to the month end 10-2 year spread settled at 100 bps since Turkish MPC offered nothing new simply replicating the previous month's policy statement.

The market mover came at 30th of October from FED which surprised markets by sounding less dovish than expected and leaving possibility intact to taper in December although government shutdown is believed to erase 0,4% points from GDP growth. Coincided with FED's statement Turkish Central Banks' quarterly inflation report in which governor Basci pointed no easing but tightening till year end caused short end to underperform long end resulting 10-2 yr spread to decrease below 100 bps in the first few days of November.

In the coming future we will be focusing US economic data releases and ECB policy decision which is expected to cut main refinance rate by 25 bps.



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			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)
Subscription/Redemption *		: Daily	Independent Auditors	:	Ernst & Young S.A.
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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