

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 122.36 EUR 133.59
 Fund Size : EUR 35,820,890
 Launch Date : 02 July 2008
 Currency : EUR
 Legal Status : Luxembourg SICAV
 Reference Index : 100% KYDABI*
 * KYD All Bond Index, www.tkyd.org.tr

Market Overview

Benchmark bond's yield was at 9.25% compound level at the start of June whereas 10 yr bond yield was trading around 9.15% level. Through the middle of the month trading volume was relatively low and yield curve was stable in the shortend where longer end was shifting lower around 10 bps.

Second half of the month will be remembered for a long time. Greece election woes came to an end with the government structure led by New Democracy Party. Fed extended the twist program till to year end that missed market expectations. Above all local bond rally started with the Moody's 1 notch upgrade. With the increasing expectations of policy easing at global level and rating upgrade short end of the curve started to decrease. 2yr benchmark bonds yield decreased to 8.60% compound level whereas 10 yr yield stayed around 8.80%. Curve started to steepen from 2yr to 10yr although cautiously tight monetary policy kept 1 yr zone yields elevated.

In the coming period we are expecting the short end to outperform long end and curve to steepen aggressively. In line with easing expectations we decreased our 10 yr position below to benchmark weight and increased our 2 yr maturity bond weight.

We will keep an eye on ECB for policy rate cut and economic data in US which may trigger QE3 action. In domestic front CPI print will be the main data to follow.

Performance Figures

		Fund ¹	Benchmark
Since Inception ²	07.08.08 - 29.06.12	27.55%	25.05%
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 - 29.06.12	14.63%	15.10%
MTD	31.05.12 - 29.06.12	1.95%	2.13%

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	98.26%
Money Market	1.74%

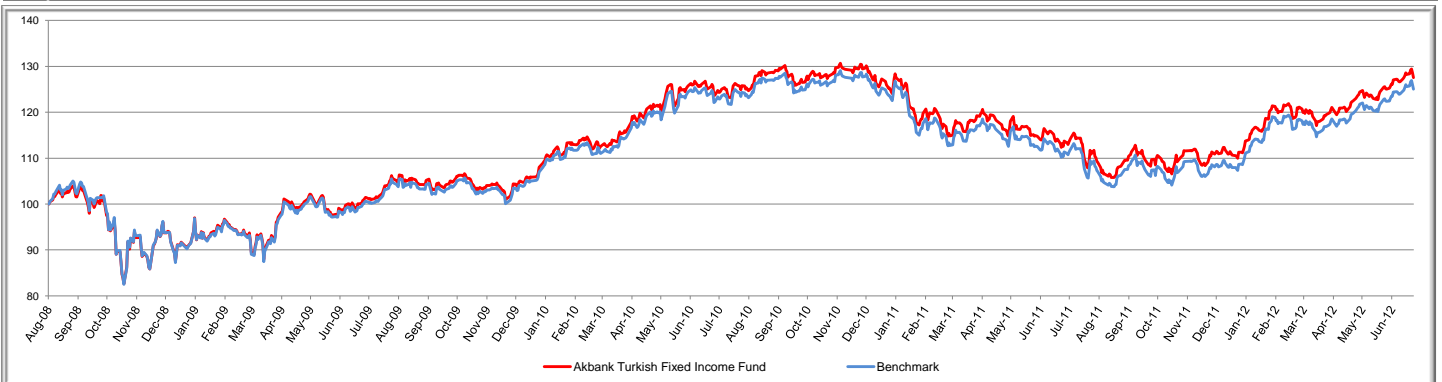
Top holdings (%)

TRT170713	14%
TRT280813	13%
TRT100413	11%
TRT270126	8%
TRT041213	7%

Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	8.15	13.57
Benchmark Volatility	8.12	13.77
Tracking Error	0.88	2.59
Jensen's Alpha	-1.01	0.49
Sharpe	3.00	-0.04
Information Ratio	-1.23	0.21
Beta	1.00	0.97

Comparative Returns / 07.08.08 - 29.06.12



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	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 * Management Fee	: Daily		
	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.