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.

NAV (Class I - Class A) EUR 125.95 EUR 138.03

Fund Size : EUR 36.618.484 Launch Date : 02 July 2008 Currency

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 Figures		Fund ¹	Benchmark	
Since Inception ²	07.08.08 - 28.09.12	31.66%	28.15%	
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 - 28.09.12	18.32%	17.96%	
MTD	31.08.12 - 28.09.12	0.08%	-0.04%	
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	97.61%
Money Market	2.39%
Top holdings (%)	
TRT041213	15%
TRT040614	13%
TRT280813	12%
TRT150120	9%
TRT240614	7%

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	8.22	13.31
Benchmark Volatility	8.11	13.49
Tracking Error	0.87	2.52
Jensen's Alpha	0.36	0.65
Sharpe	2.22	-0.01
Information Ratio	0.59	0.28
Beta	1.01	0.97

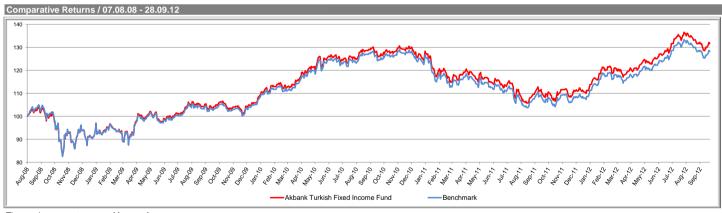
September was a fruitful month for both developed and emerging markets due to the additional monetary easing news from both side of the Atlantic. ECB promised to start bond buying program for countries that applied for aid in unlimited quantities. Also US non-farm payroll figure which disappointed market expectations by largely triggered risk-on mode globally, helping exchanges, gold and US treasury prices to rally. Not surprisingly US non-farm is followed by FED's open ended MBS buying program which is planned to be 40 billion USD per month.

In addition to the ECB and FED, Brazilian and Indian central banks are the first two in EM world that lowered reserve requirement ratios in order to stimulate growth. Surprisingly Turkish Central Bank increased reserve option coefficients while decreasing upper band of the corridor by 150 bps to 10%.

All in all these moves anticipated as accommodative in line with global easing cycles and shrinking growth outlook. TR denominated yield curve steepened after the MPC decision, 10-2 yr yield difference rose to 120 bps from 70 bps. Fund's underweight position in long end helped to outperform its benchmark in this move. Also counterproductively we lowered out weighting in the short end because we believe that there is no room left for short end to outperform. We replaced our fixed rated short end exposure with corporate bonds in FRN structure.

Through the end of the month Finance Minister Babacan increased budget deficit target by 1 point to reach 2.5% at the end of the year due to worsening tax revenues. This particular news from government is regarded as the messenger of the tax hikes which we believe that will help the long end to outperform so we increased our duration in long end. Following the auction of new 10 yr fixed coupon rated bond, 10-2 yr spread decreased to 60 bps through the end of the month. Political tensions between Syria and Turkey are believed to help the short end to underperform although we believe nothing material will show up in near future.

In the coming period Spain's bank recapitalization needs and ECB's road map which will clarify the rules for aid demanding countries will be the main focus. In the domestic front budget figures will attract the most attention followed by inflation figures that will be the main contributor to change the shape of the vield curve.



The graph represents gross of fees performance

Administrativ Fund Name Akbank Turkish SICAV Registered Countries Luxembourg ISIN A Class LU0366550621 Germany LU0366550977 I Class The Netherlands TRY Class LU0451096159 Bloomberg (AKTKFII:LX; AKTKFIA:LX) Registered Databases WKN: A0Q8MB A Class Lipper Morningstar (Germany, Netherlands) A0Q8MD I Class Minimum Subscription: A Class EUR 50 Software-systems EUR 5.000 Investment Manager Ak Asset Management Inc. I Class Citibank International plc (Luxembourg Branch) TRY 100.000 **TRY Class** Administrator / Custodian Subscription/Redemption * Daily Independent Auditors Ernst & Young S.A. Management Fee A Class 1.00% p.a I Class 0.75% p.a. 0.75% p.a. TRY Class

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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^{*} 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.