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 126.72 EUR	138.69					
Fund Size	: EUR 36,844,830						
Launch Date	: 02 July 2008						
Currency	: EUR						
Legal Status	: Luxembourg SICAV						
Reference Index*	_: 90% KYDABI + 10% K	YD O/N Gross					
* 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 -	31.10.12	32.60% 28.86%					

Market Overview

17.55%

15.54%

-12.11%

18 60%

0.55%

18.56%

16.02%

-11.18%

19 16%

0.71%

Benchmark bond started October at 7,60% compound level whereas 10 yr bond was trading 70 bps over the benchmark. Although around 10% price increases came to natural gas and electricity in the first day of the month, yield curve shifted only marginally around 15 bps. We believe that market was already priced in price adjustments and tax hikes that were evident in details of the fiscal performance

Coupled with prices adjustments, tension between Turkey and Syria brought a risk off mode to domestic bond market. Turkey retaliated Syria's off target missile accident by bombing several military points.

Starting from the second week of the month, benchmark zone started to outperform long end with the hopes of CBT cutting the upper band of the corridor. Not surprisingly CBT lowered its upper band corridor by 50 bps and increased ratios of FX reserve proportions used to replace TL reserve requirement. CBT's move regarded as a clear signal towards less ambiguity and gradual path to lowering policy rate.

By the good news yield curve bull steepened and 2yr benchmark finished the month at 7,10% compound level. 10-2 yr yield difference reached 110 bps at the end of the month.

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

31.12.08 - 31.12.09

31.12.09 - 31.12.10

31.12.10 - 30.12.11

30.12.11 - 31.10.12

28.09.12 - 31.10.12

Investment Allocation (%)		
Bonds		98.02%
Money Market		1.98%
Top holdings (%)		
TRT041213		14%
TRT040614		13%
TRT280813		11%
TRT150120		9%
TRT240614		7%
Risk Ratios (Annualized)	YTD	Since Inception
Risk Ratios (Annualized) Fund Volatility	YTD 8.02	
		Inception
Fund Volatility	8.02	Inception 13.21
Fund Volatility Benchmark Volatility	8.02 7.93	Inception 13.21 13.39
Fund Volatility Benchmark Volatility Tracking Error Jensen's Alpha Sharpe	8.02 7.93 0.84 0.09 2.03	Inception 13.21 13.39 2.50 1.18 -0.01
Fund Volatility Benchmark Volatility Tracking Error Jensen's Alpha	8.02 7.93 0.84 0.09	Inception 13.21 13.39 2.50 1.18

Comparative Returns / 07.08.08 - 31.10.12

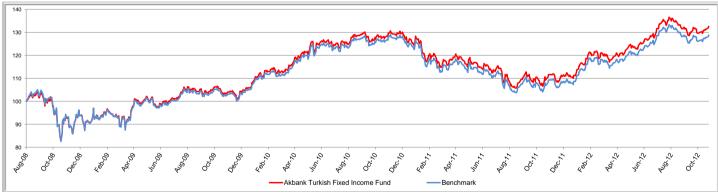
2009

2010

2011

YTD

MTD



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. Ak Asset Management - Sabancı Center Hazine Binası 4.Levent Istanbul / Turkey

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