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 quidelines.

Fund Information

EUR 137,02 NAV (Class I - Class A) EUR 125.68

Fund Size : EUR 38.848.016 Launch Date : 02 July 2008 : EUR 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 - 28.11.14	28%	30%
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%
2013	31.12.12 - 31.12.13	-20%	-21%
YTD	31.12.13 - 28.11.14	24%	25%
MTD	31.10.14 - 28.11.14	4%	4%

¹ Fund performance is gross of fees and does not reflect the deduction of investment management

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

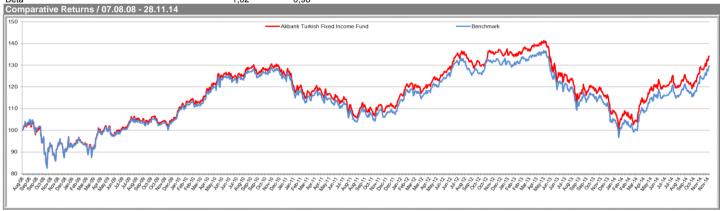
nvestment Allocation (%)			
Bonds	96,91%		
Money Market	3,09%		
Top holdings (%)			
TRT240216T10	14,50%		
TRT130515T11	12,44%		
TRT100719T18	9,66%		
TRT150120T16	7,86%		
TRT270923T11	7,77%		

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	13%	13%
Benchmark Volatility	12%	13%
Tracking Error	3%	3%
Jensen's Alpha	0%	1%
Sharpe	1,57	-0,17
Information Ratio	-0,02	0,19
Beta	1,02	0,98

Market Overview

The decline in oil prices and the global recessionary concerns have affected the emerging market assets heavily, especially for oil-importing countries such as Turkey, South Africa and Taiwan and the exporters such as Russia. The strength of the US Dollar seems to be digested as a main theme by the market, hence the markets focused on the direction of declining oil prices. The oil prices are down around 40% with respect to the prices in June. This has created an EM-friendly market sentiment during the month and asset classes rallied across the board. In the US, the first GDP projection for Q3 was realized to be 3.9%, beating the market expectations at 3.3%. Unlike the strong US growth, Japan is officially in recession and the Prime Minister Abe has announced early elections and postponed the tax hikes, as Abenomics has been questioned. The concerns in the US are still more inclined towards the inflation outlook (specifically the 'wage inflation'), meaning that the FED is expected to provide its accommodative monetary mechanism for a considerable amount of time, at least until the first half of 2015. All in all, BoJ, ECB and even PBoC act like counterbalancing forces while the FED is about to tighten in 2015. In November, emerging markets moved very positively in their stocks, currencies and the rate markets in general.

On the domestic side, the CBT kept its policy rate constant at 8.25%, and the upper band at 11.25%, referring to the inflationary concerns. The y-o-y inflation rate rose from 9.0% to 9.15 %level, slightly lower than the market expectations. The yield curve shifted downward evidently as the benchmark interest rate moved from 8.5% to 7.5% throughout the month and the steepness of the curve more or less stayed the same. Although the market is confident the CBRT will cut the rates in its next meetings, the inflation itself and its expectations have not improved so far. Turkish Lira outperformed its peers and stayed around 2.22 level against the US Dollar. 5 year Turkish CDS spreads fell from 172 to 162 level, outperforming all of its EM peers. The real effective exchange rate was announced to be 113.99, considerably higher than the prior month's reading of 110.42 which shows TL's relative strength compared to its trade partners. The market confidently prices rate cuts from the Central Bank once the inflation outlook improves significantly; and the O/N reverse repo rates have been trading closer to the lower bound of the interest rate corridor, in spite of the fluctuations as a result of the liquidity positions of the market players. The Turkish Treasury successfully completed its domestic financing program in November and the total amount issued to the market was realized as TRY 3.1 bn, slightly higher than expected.



The graph represents gross of fees performance

Fund Name Akbank Turkish SICAV Registered Countries Luxembourg ISIN LU0366550621 A Class LU0366550977 LU0451096159 The Netherlands I Class Bloomberg (AKTKFII:LX; AKTKFIA:LX) **TRY Class** Registered Databases WKN · A0Q8MB A Class Lipper A0Q8MD I Class Morningstar (Germany, Netherlands) Minimum Subscription: A Class **EUR 50** Software-systems EUR 5.000 TRY 100.000 Investment Manager I Class Ak Asset Management Inc. **TRY Class** 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.

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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