

Akbank Turkish SICAV - Fixed Income

The Sub-Fund's investment objective is to provide long term capital appreciation by investing in bonds and t-bills issued by the Turkish government or a regional or local authority or a private sector company in Turkey denominated in any currency. The Sub-Fund will invest at least 51% of its total assets in straight bonds, and a maximum of 49% of its total assets in money market instruments and liquid assets.

Fund Information

NAV (Class I - Class A)	:	EUR 115.70	EUR 126.14
Fund Size	:	EUR 11,570,211	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	100% KYDABI ¹	

¹ KYD All Bond Index, www.kyd.org.tr

Performance Figures*		SICAV Fund (Net)	Benchmark (Gross)
Since Inception	07.08.08 - 31.03.10	10.88%	14.67%
2009	31.12.08 - 31.12.09	15.90%	17.55%
YTD	31.12.09 - 31.03.10	6.25%	7.18%
MTD	29.01.10 - 31.03.10	2.78%	3.35%

Investment Allocation (%)

Bonds	81.70%
Money Market	18.30%

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

Top holdings (%)

TRT161111T14	29.23%
TRT030811T14	15.07%
TRT050510T16	9.59%
TRT070312T14	9.46%
TRT190111T13	7.93%

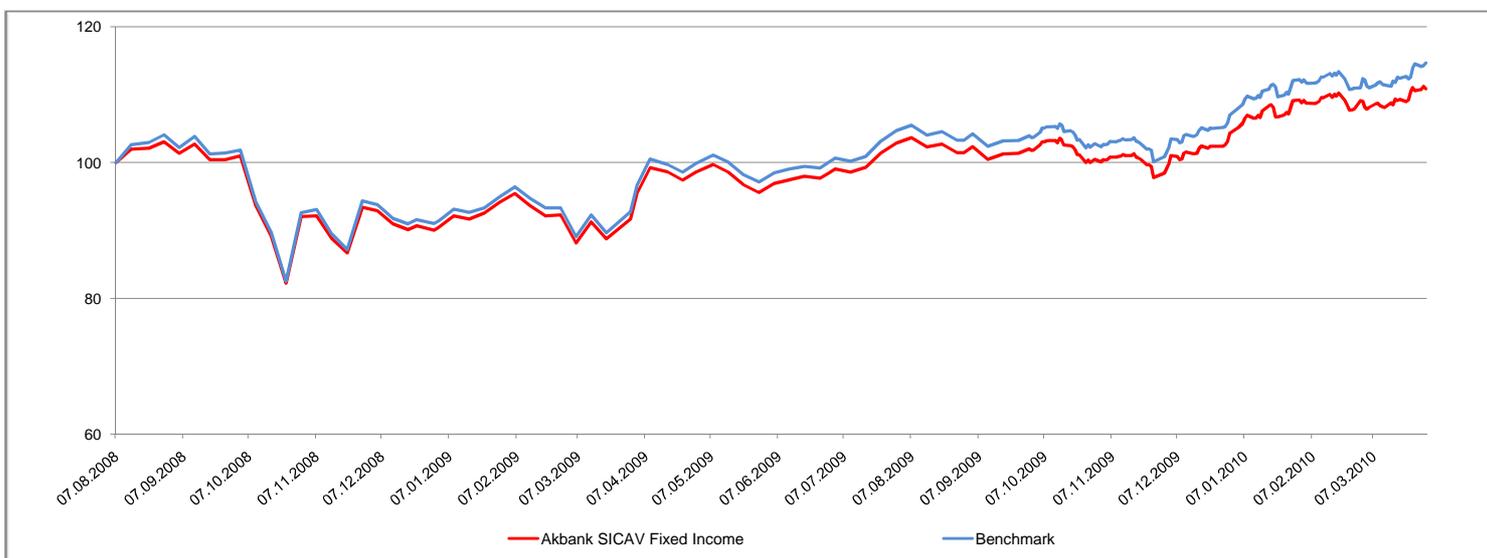
Market Overview

The ISE-100 closed first quarter at 56538 gaining about %13. Rally was mainly driven by banking stocks pushed the main index to a 25-month high. The USD/TRY hovered within a 1.51 – 1.54 band. EURO/USD traded between 1.34 – 1.38 levels triggered by government deficits especially Greece economic developments with IMF and agreement within EU and also credit rating cut of Portugal by Fitch. Benchmark bond yield slid down %9 comp. in a range between %9.4 - %8.7 comp. during March after there had been critical remarks by both FED and BOJ stating that quantitative easing so loose monetary policy would continue for a long time. This had a solid positive impact and inflow on EM currencies and Treasury bonds. In addition, Rate cuts in EMs like Russia, Romania, Hungary and South Africa boost Turkish bonds.

Our fundamental base case is that monetary conditions will remain supportive and the economy is transitioning to a self-reinforcing recovery, which support uptrend in the stock market. Low interest rates, low inflation but the fact that earnings continue to improve is real event big players pay attention the most. The market has been reluctant to give up the ghost, at least so far since the signs of recovery dominated and confirmed by the confidence data, retail sales, PMI, manufacturing, production numbers and even by global GDP data. For instance, In Turkey latest GDP data showed that there has been robust recovery in the economy.

Following four quarters of contraction Turkish GDP growth returned to positive territory expanding 6% y/y in Q4 exceeding market expectations. While the base effect boosted the data, without doubts there is strong underlying improvement in economic activity fuelled by the government stimulus and recovery in global economy.

Comparative Returns* / 07.08.08 - 31.03.10



Administrative Information

ISIN :	A Class : LU0366550621	Registered Countries :	Luxembourg
	I Class : LU0366550977		Germany
	TRY Class : LU0451096159		The Netherlands
WKN :	A Class : A0Q8MB	Registered Databases :	Bloomberg (AKTKFII:LX; AKTKFIA:LX)
	I Class : A0Q8MD		Lipper
Minimum Subscription :	A Class : EUR 50		Morningstar (Germany, Netherlands)
	I Class : EUR 5,000		Software-systems
	TRY Class : TRY 100,000	Investment Manager :	Ak Asset Management Inc.
Subscription Frequency **	: Daily	Administrator / Custodian :	Citibank International plc (Luxembourg Branch)
Redemption Frequency **	: Daily	Independent Auditors :	Ernst & Young S.A.
Management Fee	: 1.25% yearly		

** Redemption and subscription requests should be sent to the Registerer 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

Phone: +90 212 385 27 00 - Fax: +90 212 319 24 69 - investor@akportfoy.com.tr

Website : www.akportfoy.com.tr/en