

## Akbank Turkish SICAV - Equities

The Sub-Fund's investment objective is to provide long term capital appreciation by investing at least 51% of its total assets in equities of issuers which have their registered office or a preponderant part of their business activities in Turkey including state economic enterprises and which are listed on Istanbul Stock Exchange.

## Fund Information

NAV (Class I - Class A)	:	EUR 152.42	EUR 233.21
Fund Size	:	EUR 15,243,155	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	97% ISE100 + 3% KYD O/N Repo Gross	

## Market Overview

The ISE-100 reached the all time high level in July closing at 60,693 gaining monthly about 9%. Rally was mainly driven by banking shares whose earnings were expected to reach zenith in Q2-2010 and the expectations pushed the main index to a all time high TRY level.

Our fundamental base scenario is that monetary conditions will remain supportive and the economy will continue to switch into a self-reinforcing recovery, which supports the uptrend in the stock market. Eventhough Europe and US are still struggling with low growth and high unemployment levels, Turkey as a rising star of global markets both in 2009 and 2010 is expected to grow by 6% this year and 5% next year with decreasing unemployment rate from 15% in 2009 to 13% in 2010. August is the reporting season for ISE listed companies. Thus, in the month ahead, markets' main focus will be on earnings reports. Banks constitute 59% of ISE 100 so their reports will be mainly on focus as they dominate ISE index. Large banks' net earnings are expected to increase 16% in annual comparisons. Still positive about the Turkish banking sector contrary to the rising pessimism towards the relative valuations and concerns regarding banks' future earnings momentums. Those anxieties are on the table however banks seem to remain profitable in the foreseeable future as diversified earning bases, various earning dynamics with solid loans and commision growth will continue to feed the bottom lines. On the other hand, non-banking stocks are expected to post 10% aggregate y-o-y sales growth and 14% EBITDA growth in Q2-2010 due to the ongoing recovery in demand especially in the domestic markets along with improving capacity utilization rate.

Performance Figures*		SICAV Fund (Net)	Benchmark (Gross)
Since Inception	25.07.08 - 30.07.10	49.21%	52.89%
2009	31.12.08 - 31.12.09	75.21%	78.39%
YTD	31.12.09 - 30.07.10	21.78%	24.28%
MTD	31.05.10 - 30.07.10	5.86%	7.61%

## Investment Allocation (%)

Equities	96.48%
Money Market	3.52%

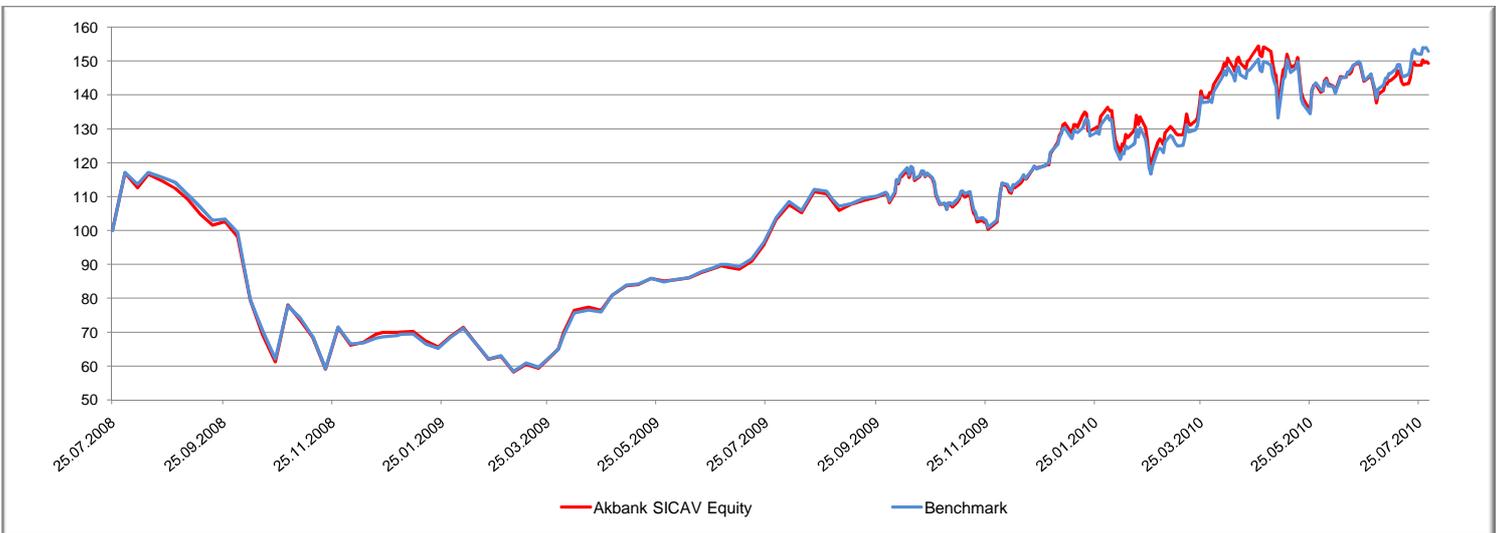
\* 25.07.2008 is the start date of active portfolio management for Institutional class share.

## Top 10 holdings (%)

T GARANTI BANKASI	GARAN TI	9.32%
AKBANK T.A.S	AKBNK TI	9.06%
T IS BANKASI	ISCTR TI	9.01%
TURKIYE VAKIFLAR BANKASI	VAKBN TI	6.23%
ANADOLU CAM SANAYII A.S.	ANACM TI	4.99%
HACI OMER SABANCI HOLDING	SAHOL TI	4.79%
AKFEN HOLDING	AKFEN TI	4.24%
YAPI KREDI BANKASI A.S.	YKBNK TI	4.12%
TUPRAS	TUPRS TI	3.78%
TURKCELL	TCELL TI	3.40%

All in all, the positioning in TRY assets and the global risk appetite has been strong for Turkey eventhough it is mostly priced in the market at 60k levels of ISE 100. Uptrend seems to lose pace after earning season finishes for a while but not totally end. Free fall is unlikely to start in Turkey- so called rising star not so close to investment grade so far-unless political risks before approaching referendum rise, global liquidity conditions worsen, exit strategies come to table, inflation worries dominate and FED statements become more hawkish which is not expected till the end of the year at least. Finally, after taking into consideration of global and local risks, SICAV Equity Fund invested 96.5% of its assets in mostly high growth midcap equities having high profitability and growth prospects.

## Comparative Returns\* / 25.07.08 - 30.07.10



## Administrative Information

ISIN :	A Class : LU0366551272	Registered Countries :	Luxembourg
	I Class : LU0366551439		Germany
	TRY Class : LU0451096316		The Netherlands
WKN :	A Class : A0Q8MF	Registered Databases :	Bloomberg ( AKTKEQI:LX; AKTKEQA:LX )
	I Class : A0Q8MH		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	: 1.75% 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