AK AssetManagement

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 126.32   EUR 138.17

Fund Size   : EUR 12,884,104

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 - 28.10.10	21.05%	26.16%
2009	31.12.08 - 31.12.09	15.90%	17.55%
YTD	31.12.09 - 28.10.10	16.01%	17.91%
MTD	31.08.10 - 28.10.10	0.31%	0.48%

Investment Allocation (%)

Bonds	82.00%
Money Market	18.00%

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

Top holdings (%)

TRT250112T14	23%
TRT100413T17	22%
TRT020211T11	21%
TRT190111T21	11%
TRT260912T15	4%

Market Overview

Fed's quantitative easing plans took the center stage of global finance in October. All risk asset classes gained in value at a rapid pace due to heightened liquidity expectations in global financial markets.

Turkish equity market overperformed strongly compared to the overall emerging market universe and the EMEA region, MSCI Turkey Index shot up 7.3% on the month, while MSCI Emerging Markets gained 1.4% and MSCI East Europe gained 2.5%.

Turkish Lira also performed strongly in the first half of October, gaining to as much as 1.3840 against USD, from 1.45's at the start of the month. Second half of the month saw TRY selling in parallel with growing appetite for USD. On the month, TRY gained 1.01% against USD, while losing 1.02% against EUR. TRY basket lost 0.16% in October.

The fact that Moody's changed Turkey's sovereign credit rating outlook was a boon for the bond market. Also, the government announced its mid-term fiscal plan, which was viewed positively by investors. The benchmark 2 year bond yield started the month at 8.08%, fell to as low as 7.65% on the month.

We believe that Turkish rates will be range bound towards the end of the year. Political stability in the country and expectations of quantitative easing by other major central banks should be supportive for Turkish rates, while Europe's fiscal woes may have adverse effects. We believe that the benchmark bond yield may fluctuate between 7,45 % - 7,75 % range in November. Akbank Turkish Sicav Fixed Income Fund invested 82% of its assets in fixed-income securites with an averege duration of one year.

Comparative Returns* / 07.08.08 - 28.10.10
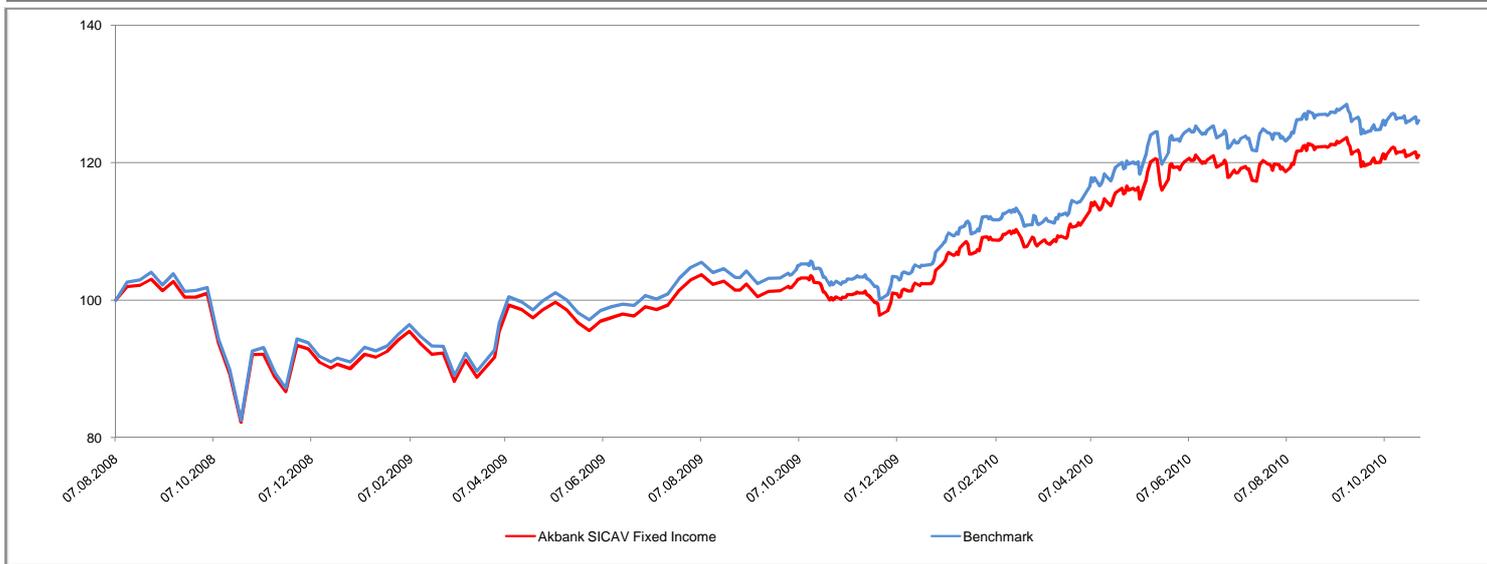
Administrative Information

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.

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