

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 123.42	EUR 135.00
Fund Size	:	EUR 12,588,880	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index	:	100% KYDABI ¹	

¹ KYD All Bond Index, www.tkyd.org.tr

Performance Figures*		SICAV Fund (Net)	Benchmark (Gross)
Since Inception	07.08.08 - 31.12.10	18.28%	23.62%
2009	31.12.08 - 31.12.09	15.90%	17.55%
YTD	31.12.09 - 31.12.10	13.34%	15.54%
MTD	29.11.10 - 31.12.10	-3.40%	-3.13%

Investment Allocation (%)

Bonds	82.23%
Money Market	17.77%

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

Top holdings (%)

TRT190111T21	27%
TRT070312T14	21%
TRT060814T18	17%
TRT250112T14	5%
TRT260912T23	4%

Market Overview

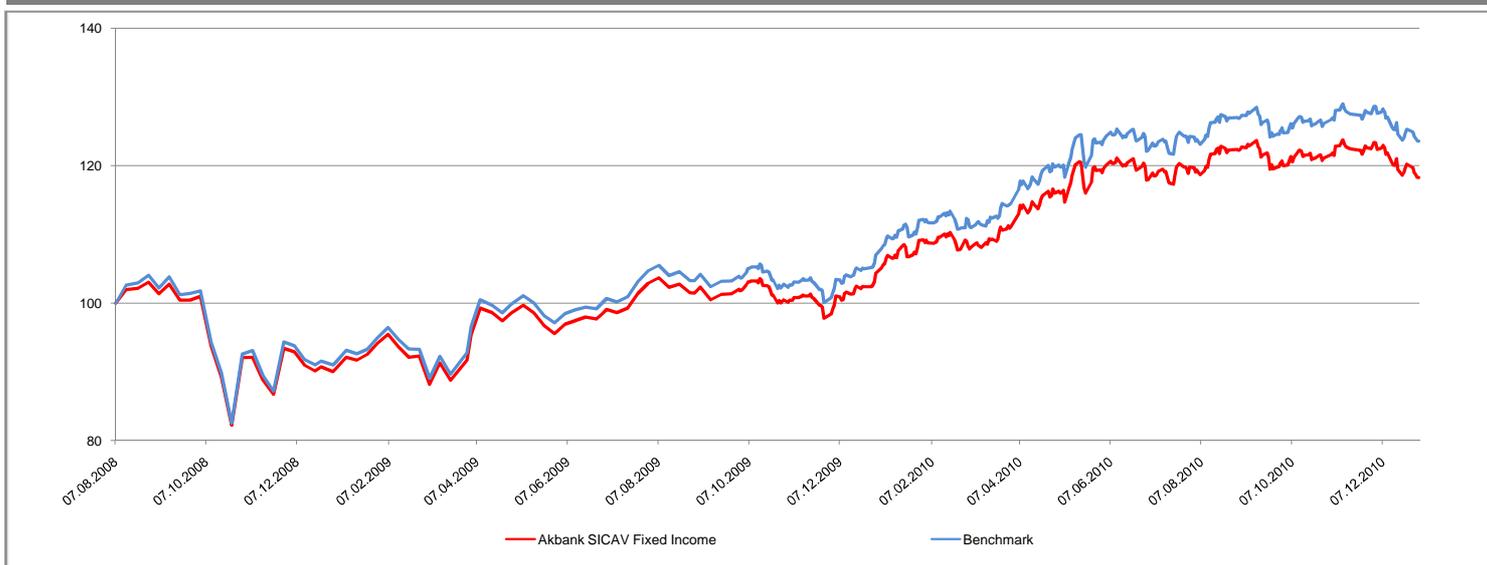
Europe's fiscal problems took the backstage in December as investor's focused on the year end. Global risky assets rallied after their downward trajectory in November. The overall investor sentiment showed marginal improvement.

Turkish Lira lost 2% against USD in November. Against EUR, The Lira lost 5%, ending the month with a 4% loss against basket. The losses were incurred on the FX front due to Central Bank's 50 bps rate cut. Yield seeking investors were seen switching out of their long TRY positions.

Turkish rates rallied after the 50 bps rate cut. The benchmark 2 year bond yield started the month at 7.79% and fell to 7.08% by the end of the month. The low inflation print for November (announced in December) also helped bonds. Month over month headline inflation came in at 0.03%, a level much lower than expected, bringing the y-o-y inflation to 7.29%.

We believe that Turkish rates will be range bound at the start of 2011. Inflation is expected to decline to 6.50% for 2010 year end (Central Bank's projection), which, if happens, would be very constructive for rates. On the other hand, month of January will see heavy bond issuance by the Treasury (expected amount is TRY 25 bn). We believe that the benchmark bond yield may fluctuate between 7,00 % - 7,25 % range in December. Akbank Turkish Sicav Fixed Income Fund invested 82% of its assets in fixed-income securities with an average duration of one year.

Comparative Returns* / 07.08.08 - 31.12.10



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.

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