

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 appetite. 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 guidelines.

Fund Information

| | | | |
|-------------------------|---|--------------------------|------------|
| NAV (Class I - Class A) | : | EUR 107.73 | EUR 117.81 |
| Fund Size | : | EUR 10,988,223 | |
| 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 - 29.07.11 | 3.24% | 8.65% |
| 2009 | 31.12.08 - 31.12.09 | 15.90% | 17.55% |
| 2010 | 31.12.09 - 31.12.10 | 13.34% | 15.54% |
| YTD | 31.12.10 - 29.07.11 | -12.71% | -12.10% |
| MTD | 30.06.11 - 29.07.11 | -1.72% | -1.50% |

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

Investment Allocation (%)

| | |
|--------------|--------|
| Bonds | 97.78% |
| Money Market | 2.22% |

Top holdings (%)

| | |
|--------------|-----|
| TRT290114T18 | 26% |
| TRT090113T13 | 23% |
| TRT040614T12 | 11% |
| TRT070312T14 | 7% |
| TRT080812T26 | 7% |

Risk Ratios*

| | YTD | Since Inception |
|----------------------|-------|-----------------|
| Fund Volatility | 11.70 | 14.64 |
| Benchmark Volatility | 11.72 | 14.88 |
| Tracking Error | 1.08 | 2.97 |
| Jensen's Alpha | 1.91 | 1.71 |
| Sharpe | -2.10 | -0.19 |
| Information Ratio | 1.91 | 0.63 |
| Beta | 0.99 | 0.96 |

*Annualised figures (%)

Market Overview

World economic growth has decelerated in recent months as reflected in the latest decline in economic indicators. Although recent monthly levels remained above the expansion/contraction threshold suggesting continued global economic growth, the recovery appears to be proceeding at a slower pace than in the first quarter of the year. In the U.S., worse than expected 2Q GDP and weak personal consumption data indicated that the recovery phase is going to be slower than expected. 1.3% percent annual rate in the second quarter, after a 0.4% pace in the prior period is the worst consecutive two quarter performance since the recovery began in June 2009. One contributing factor of the plight of the economic data was the ongoing concern on debt ceiling negotiations and the deterioration of fiscal balances in the US that caused a risk-off investor and consumer mood.

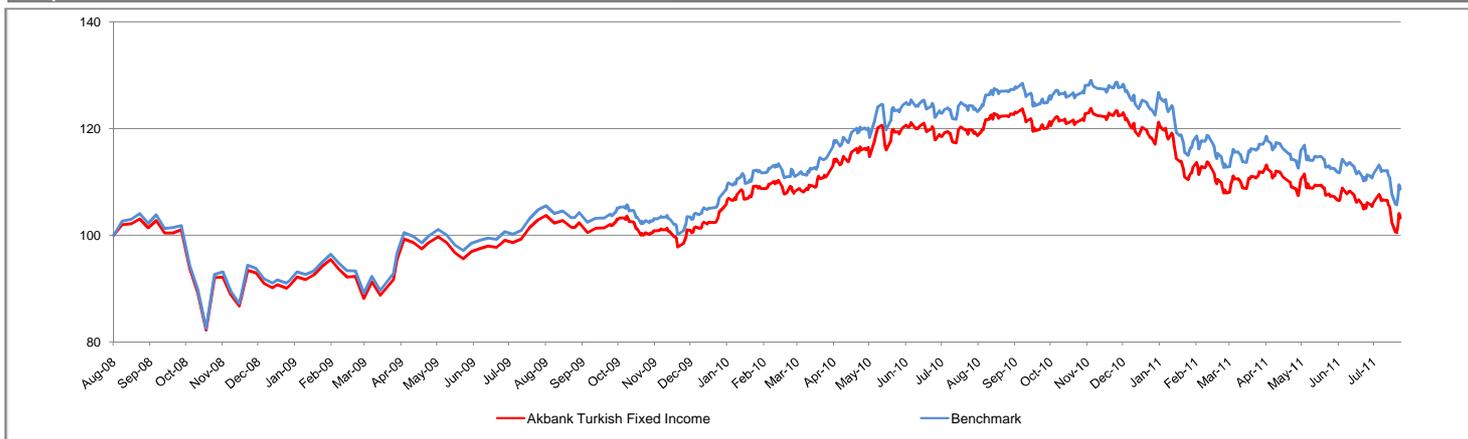
Exacerbating the gloom, possible credit downgrade of US debt has also affected the global outlook. Since US dollar is the globally recognized reserve currency, impacts of a possible downgrade will be felt for a while. The immediate effects of this possible downgrade can be flight to safety including purchasing US treasuries, German bunds, gold, Swiss Franc and Japanese Yen and widening of corporate and peripheral sovereign bond spreads. Eurozone continued to cope with debt problems of peripheral countries in July. What was different, however, was that the market began to assign bigger probability of contagion into larger indebted countries such as Italy and Spain. This led to a widening of CDS spreads across Europe and gave rise to increased interest in safe haven assets as we described above. Further rate hikes by ECB seem less likely than at the beginning of the month.

Regarding the change on the global outlook in July, 10-year US treasuries rallied from 3.20% levels to below 2.70% levels. EUR/USD moved under 1.42 levels compared to 1.45 at the beginning of the month. Gold rallied roughly 8% in July and broke new records in the low \$1,630s. Turkish stock market ISE100 index traded between the 60,000-64,000 levels in July. Industrials outperformed this month relative to the financial sector, which remained weak across the board. Weakening ISE100 coupled with a depreciated Turkish Lira led ISE to attain a cheaper valuation relative to its emerging market peers. We believe further weakening of the equity markets in Turkey will provide an attractive entry point for foreign investors.

Central Bank of Turkey (CBT) highlighted in July that more expansionary stimulus might be needed given the plight of the global economy. This unexpected change in the language of CBT's stance, jump started local denominated bond market. Turkish sovereign bond curve shifted down with this easing signal and the TL weakened strongly to above the 1.70 levels. The overriding message from the CBT's presentation was that there is very low likelihood of a rate hike in 2011.

New stance of the Central Bank clearly lowered the volatility in the front end of the Turkish government curve, whereas the volatility remained in the long end. We favor long positions in the mid curve with a lower volatility and a high internal rate of return. We also favor the middle of the curve (3-year region) as it has high roll-down potential compared to the long end of the curve.

Comparative Returns* / 07.08.08 - 29.07.11



Administrative Information

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

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

Website : www.akportfoy.com.tr/en