AK AssetManagement

30.09.2011

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 appétite. 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 106.24	EUR 116.17
Fund Size	: EUR 31,101,765	
Launch Date	: 02 July 2008	
Currency	: EUR	
Legal Status	: Luxembourg SICAV	
Reference Index	: 100% KYDABI*	

* KYD All Bond Index, www.tkyd.org.tr

Performance Figures

Performance Figures		Fund[1]	Benchmark
Since Inception[2]	07.08.08 - 30.09.11	13.42%	7.38%
2009	31.12.08 - 31.12.09	19.94%	17.55%
2010	31.12.09 - 31.12.10	17.29%	15.54%
YTD	31.12.10 - 30.09.11	-11.78%	-13.13%
MTD	29.08.11 - 30.09.11	1.31%	1.06%

[1] Fund performance is gross of fees and does not reflect the deduction of investment management fees, custodian fees or other expenses.

[2] 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 (%)

TRT280813T13	25%
TRT200213T25	21%
TRT071112T14	18%
TRT250412T11	13%
TRT090113T13	8%

Risk Ratios (Annualized)

Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	11.48	14.45
Benchmark Volatility	11.43	14.67
Tracking Error	1.10	2.90
Jensen's Alpha	1.71	1.61
Sharpe	-1.91	-0.24
Information Ratio	1.58	0.62
Beta	1.00	0.97

Market Overview

September was a month of slowing global economic activity. Global slowdown worries got deeper with US sentiment turning negative especially as a result of the European debt problems. Euro Zone seems very far from a permanent solution of its multifaceted sovereign debt problems.

FED statement in September was a turning point for the markets. The statement urged market participants to price a much slower than expected recovery in developed economies and an increased level of financial and fiscal uncertainty. During the month, global growth projections were revised downward, led by developed economies.

Gold collapsed with the perception of a strong slowdown along with many other commodities. USD was well bid across all currency markets as scarcity of safe haven assets persisted during the month. High liquidity, institutional strength and low inflation in US are supporting the USD. Pegged CHF and gold are not good alternatives to USD, and NOK and SEK are too illiquid to take on safe haven status.

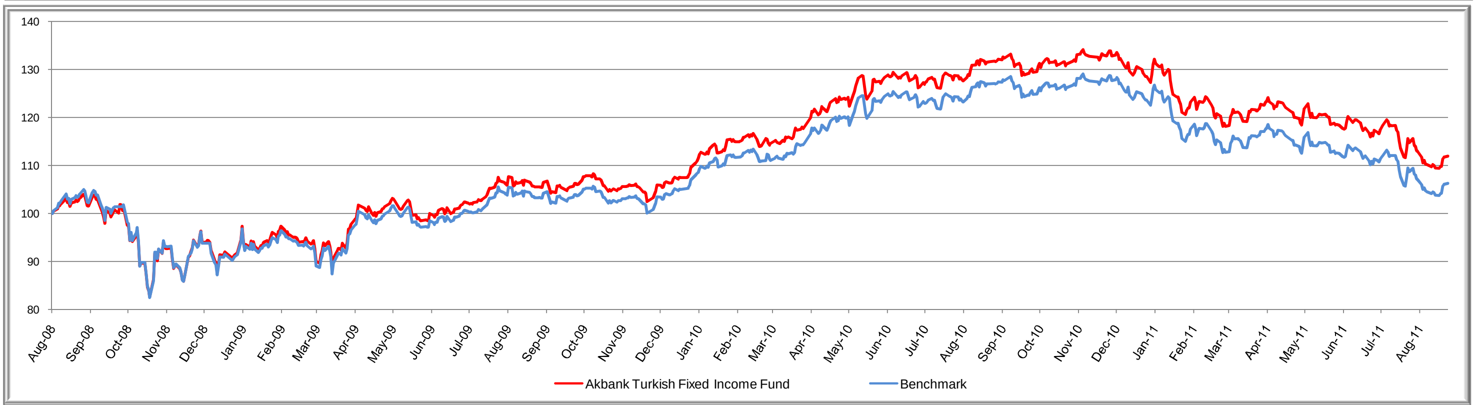
Emerging markets have seen strong outflows through the month. Central and Eastern European emerging markets which are highly correlated to the Euro Zone performed worse than the average emerging market universe. Euro Zone debt problems are expected to continue to be a leading reason of underperformance for this region.

TRY performance was generally in line with the emerging market currencies in September. Low key policy rate of the CBT, coupled with the overriding risk-off trades gave rise to TRY depreciation. Total depreciation of TRY in 2011 is over %20. Central Bank of Turkey is widely considered to have an accommodative stance to promote high GDP growth. The main driver of this bank policy is the expectation of a strong slowdown in the economy; the bank is also hoping for a positive decoupling of the currency.
Central Bank of Turkey started taking aggressive steps to stop depreciation of TRY with FX auctions, reserve requirement ratio adjustments and daily liquidity operations. The other conventional alternative of supporting the TRY is hiking the key rate, which is not on the agenda for October.

Inflation in the last quarter is expected to be high. Headline inflation is expected to be above the %7.5 upper target of CBT. Communication of the bank indicates that this is not going to be a reason for a rate hike. The market expects GDP growth in 2012 to be below %4. We believe this expectation will continue to support the Turkish benchmark bond rates and will be bond friendly.

Benchmark bond rate was sold through September starting the month below 7.8% levels and ending above the 8.3% levels. Foreign holdings of Turkish government bonds declined in September. When we compare the cash bonds with asset swap spreads for their risk levels and maturities, cash bonds currently look more attractive. Central bank policy mix of easing the key rate, tight liquidity and credit conditions is expected to stay accommodative for the Turkish bonds

Comparative Returns / 07.08.08 - 30.09.11



The graph represents gross of fees performance.
TER (for Class I) is capped at 1.25% starting from 2012. The average TER since inception is 2.4% due to start up costs.

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			Software-systems
	I Class	: EUR 5.000	Investment Manager	:	Ak Asset Management Inc.
	TRY Class	: TRY 100.000	Administrator / Custodian	:	Citibank International plc (Luxembourg Branch)
Subscription/Redemption *		: 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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