AKAssetManagement

30.11.2011

Akbank Turkish Equity Fund

Turkish Equity Fund invests in equities of Turkish companies which are listed on Istanbul Stock Exchange (ISE). The managers identify the fund's investment universe based on liquidity, corporate governance and valuation. We believe the Turkish market is under-researched and so offers numerous opportunities to exploit market inefficiencies. The focus of the fund is based on bottom-up stock selection which also takes account of the macro economy and the viability of current sectors trends in portfolio construction. The active top-down / bottom-up investment process used by the team is designed to capture opportunities across all market capitalisations while respecting rigorous risk controls.

Fund Information

NAV (Class I - Class A)	: EUR 105.84	EUR 162.07
Fund Size	: EUR 31,370,291	
Launch Date	: 02 July 2008	
Currency	: EUR	
Legal Status	: Luxembourg SICAV	
Reference Index	: 97% ISE100 + 3% KYD O/N Repo Gross	

Performance

Performance		Fund[1]	Benchmark
Since Inception[2]	25.07.08 - 30.11.11	19.84%	12.01%
2009	31.12.08 - 31.12.09	83.23%	78.39%
2010	31.12.09 - 31.12.10	33.99%	30.01%
YTD	31.12.10 - 30.11.11	-31.79%	-29.97%
MTD	31.10.11 - 30.11.11	-3.37%	-2.53%

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

[2] 25.07.2008 is the start date of active portfolio management for Institutional class share.

Investment Allocation (%)

Equities	98.38%
Money Market	1.62%

Top 10 holdings (%)

T GARANTI BANKASI	GARAN TI	8.88%
T IS BANKASI	ISCTR TI	8.01%
AKBANK	AKBNK TI	7.51%
HACI OMER SABANCI HOLDING	SAHOL TI	4.93%
TUPRAS	TUPRS TI	4.85%
EMLAK KONUT GAYRIMENKUL	EKGYO TI	4.85%
TURKIYE HALK BANKASI	HALKB TI	4.75%
BIM BIRLESIK MAGAZALAR A.S.	BIMAS TI	4.70%
TURKCELL ILETISIM	TCELL TI	4.58%
TURKIYE VAKIFLAR BANKASI	VAKBN TI	4.17%

Market Overview

Extreme volatility continues in the market. Generally, global trends were the main driver in the direction of ISE. However, Turkey continues to be an underperformer. ISE outperformed MSCI EM in terms of local currency by %3.9 and ouperformed MSCI EM in terms of USD by %0.9 .On the other hand, ISE100 underperformed MSCI EMEA by 1.5% in local currency and %4.4 in USD terms. MSCI Turkey underperformed MSCI EMEA by %0.5 in local currency and %3.5 in USD terms. After this underperformance, 2012E X PE of ISE diverged from that of PE 2012 estimate multiple of MSCI EM. 2012E X PE of ISE has become 8.45 while 2012E X PE of MSCI EM is at 9.2 levels after some underperformance in November. In addition, P/B of ISE100 is 1.19 which is %5 lower than that of MSCI EM which trade around 1.25 P/B level.

Inflation figures have continued to be a concern. The picture has become clearer with the upward revision in inflation numbers. So, benchmark bond yields are expected to trade about double digits over the coming months. In this picture, CBT is expected to maintain its tightening bias via the unconventional policy mix over the coming months. This could be questioned under inflationary atmosphere. During rising interest rates earning estimates have been revised downwards by about %10 for 2012 mainly because of the revised outlook in the banking sector. High loan rates coupled with limited foreign funding should curb the loan growth in the sector while net interest margin is flat on higher deposit costs.

As for industrials, the relatively stable TL and low base in 2011 should help getting about %10 yoy growth. However, earnings visibility remains still blurred and the risk appears to be on the downside given the unsympathetic situation in Europe. High volatility and risk aversion have led to a shift in portfolio selection towards defensive names and highly discounted banks which trade at historically low P/B ratios. December is a good month to capitalize on seasonal trends. Therefore, heavy sell-offs witnessed in October and November are expected to fade away in December. Since 2002, ISE did not register a decline in December not even in 2008. Turkish equities have been one of the worst performers in 2011, underperforming MSCI EM by %15 in 2011. Although current dynamics do not favor an immediate outperformance.

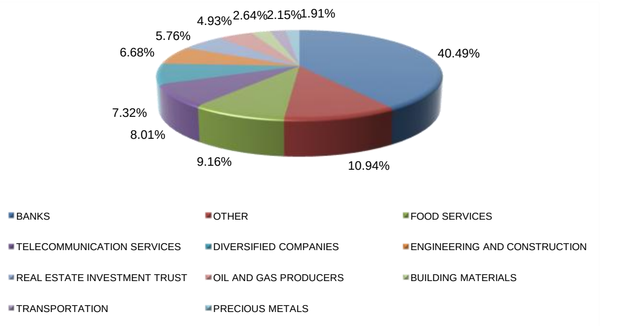
ISE seem to do well relative to its GEM peers if the global worries take turn for the worse. We favor oversold banks against non-financials at this stage. Banks are trading at 1.05 P/B 2012 E or %25 discount to their 5 year historical average. We expect ISE 100 to hover around 50k- 58k levels in December.

Risk Ratios (Annualized)

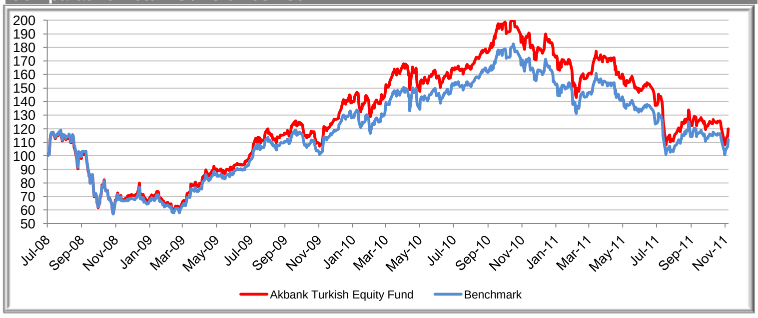
Risk Ratios (Annualized)	YTD	Since Inception
Fund Volatility	31.59	35.69
Benchmark Volatility	30.30	34.84
Tracking Error	4.21	5.35

	YTD	Since Inception
Jensen's Alpha	-0.62	2.16
Sharpe	-1.29	-0.05
Information Ratio	-0.46	0.39
Beta	1.03	1.01

Sector Breakdown



Comparative Returns / 25.07.08 - 30.11.11



The graph represents gross of fees performance.

Administrative Information

Fund Name		: Akbank Turkish SICAV
ISIN :	A Class	: LU0366551272
	I Class	: LU0366551439
	TRY Class	: LU0451096316
WKN :	A Class	: A0Q8MF
	I Class	: A0Q8MH
Minimum Subscription :	A Class	: EUR 50
	I Class	: EUR 5.000
	TRY Class	: TRY 100.000
Subscription/Redemption *		: Daily
Management Fee	A Class	: 1.75% p.a. (1.50% p.a. as of 2012)
	I Class	: 1.75% p.a. (1.25% p.a. as of 2012)
	TRY Class	: 1.75% p.a. (1.50% p.a. as of 2012)

Registered Countries	: Luxembourg Germany The Netherlands
Registered Databases	: Bloomberg (AKTKEQI:LX; AKTKEQA:LX) Lipper Morningstar (Germany, Netherlands) Software-systems
Investment Manager	: Ak Asset Management Inc.
Administrator / Custodian	: Citibank International plc (Luxembourg Branch)
Independent Auditors	: Ernst & Young S.A.

* Redemption and subscription requests should be sent to the Registrar and the Transfer Agent no later than 1:00PM (Luxembourg time) on the valuation day.

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