

## 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 114.35                         | EUR 175.13 |
| Fund Size               | : | EUR 33,894,036                     |            |
| Launch Date             | : | 02 July 2008                       |            |
| Currency                | : | EUR                                |            |
| Legal Status            | : | Luxembourg SICAV                   |            |
| Reference Index         | : | 97% ISE100 + 3% KYD O/N Repo Gross |            |

## Market Overview

ISE-100 index close was 51,267 at the year end. Current year started with a declining tendency, and the index hit 49,263 on January 9. Bottoming at that level, the index started a regular rising movement. At the end of the month, the monthly return reached at 11.5 percent. The close level was 57,171. The monthly return on USD basis was 18.9 percent. Remind that, MSCI EM index rose by 11.2 percent. Currently ISE 100 traded at 9.1x expected P/E ratio versus 9.9x of MSCI EM.

Changing the risk perception from risk aversion to risk taking, the risky assets got the gift. Turkish equities, as highly beta assets, benefitted from that changing environment. The perception that Euro Zone countries achieved the containing of the danger of default of countries, and banks though the rating agencies cut the ratings gave way to the buying euphoria. ECB's LTRO operation was also an important risk driver. Solving the liquidity crunch problem in the continent, the risk lovers thanked to the ECB for their benevolent position.

Not only the ECB's LTRO operation, but speculation on FED's new easing programme was also a hot issue. Supporting the "carry-trade" story, the monetary easing steps "expectations" from the China and other countries also gained support. These liquidity issues beat the growth concerns through the globe.

In the first half of the month, we carried stock weightings under the benchmark rate. Catching the trend reversal in the half of the trend, the fund could not get some of the returns. Moreover, a fast change in the outlook and the investment themes also harmed returns. In the second half of the month, we also balanced the portfolio of the fund under new outlook and themes.

| Performance                  |                     | Fund <sup>1</sup> | Benchmark |
|------------------------------|---------------------|-------------------|-----------|
| Since Inception <sup>2</sup> | 25.07.08 - 31.01.12 | 30.43%            | 24.30%    |
| 2009                         | 31.12.08 - 31.12.09 | 83.23%            | 78.39%    |
| 2010                         | 31.12.09 - 31.12.10 | 33.99%            | 30.01%    |
| 2011                         | 31.12.10 - 30.12.11 | -36.28%           | -33.88%   |
| YTD                          | 30.12.11 - 31.01.12 | 16.51%            | 17.55%    |
| MTD                          | 30.12.11 - 31.01.12 | 16.51%            | 17.55%    |

<sup>1</sup> Fund performance is gross of fees and does not reflect the deduction of investment management fees, custodian fees or other expenses.

<sup>2</sup> 25.07.2008 is the start date of active portfolio management for Institutional class share.

## Investment Allocation (%)

|              |        |
|--------------|--------|
| Equities     | 95.15% |
| Money Market | 4.85%  |

## Top 10 holdings (%)

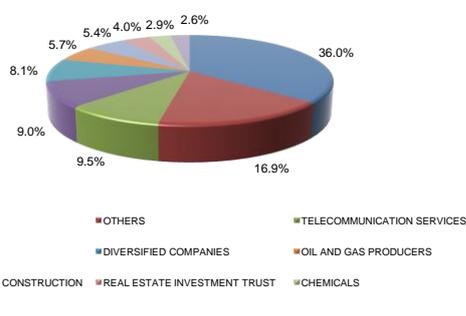
|                             |          |       |
|-----------------------------|----------|-------|
| T GARANTI BANKASI           | GARAN TI | 8.92% |
| AKBANK                      | AKBNK TI | 7.52% |
| T IS BANKASI                | ISCTR TI | 7.17% |
| TURKCELL ILETISIM           | TCELL TI | 6.03% |
| TUPRAS                      | TUPRS TI | 5.38% |
| HACI OMER SABANCI HOLDING   | SAHOL TI | 4.67% |
| TURKIYE HALK BANKASI        | HALKB TI | 4.61% |
| BIM BIRLESIK MAGAZALAR A.S. | BIMAS TI | 4.32% |
| EMLAK KONUT GAYRIMENKUL     | EKGYO TI | 3.51% |
| TURK TELEKOM                | TTKOM TI | 3.03% |

## Risk Ratios (Annualized)

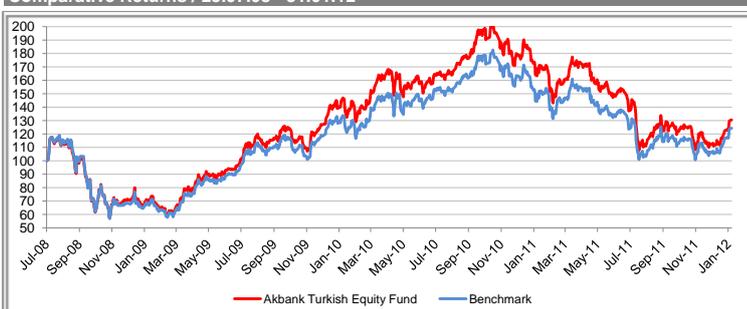
|                      | YTD   | Since Inception |
|----------------------|-------|-----------------|
| Fund Volatility      | 22.52 | 35.24           |
| Benchmark Volatility | 22.89 | 34.42           |
| Tracking Error       | 2.50  | 5.26            |

|                   | YTD   | Since Inception |
|-------------------|-------|-----------------|
| Jensen's Alpha    | -1.05 | 1.78            |
| Sharpe            | -1.38 | -0.12           |
| Information Ratio | -0.58 | 0.32            |
| Beta              | 1.03  | 1.01            |

## Sector Breakdown



## Comparative Returns / 25.07.08 - 31.01.12



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 * Management Fee | :         | Daily                                      |
|                                          | A Class   | : 1.75% p.a. ( 1.50% p.a. as of Mar 2012 ) |
|                                          | I Class   | : 1.75% p.a. ( 1.25% p.a. as of Mar 2012 ) |
|                                          | TRY Class | : 1.75% p.a. ( 1.50% p.a. as of Mar 2012 ) |

|                           |   |                                                                                                          |
|---------------------------|---|----------------------------------------------------------------------------------------------------------|
| Registered Countries      | : | Luxembourg<br>Germany<br>The Netherlands                                                                 |
| Registered Databases      | : | Bloomberg ( AKTKEQI:LX; AKTKEQA:LX )<br>Lipper<br>Morningstar (Germany, Netherlands)<br>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.

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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