

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 114.93	EUR 125.56
Fund Size :	EUR 33,644,397	
Launch Date :	02 July 2008	
Currency :	EUR	
Legal Status :	Luxembourg SICAV	
Reference Index :	100% KYDABI*	

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

Market Overview

Turkish debt market was relatively resilient in start of March due to lately held second LTRO operation. Since the start of the year, ECB's aggressive monetary easing not only caused periphery bond rates to decline but also helped flow of funding to increase to EM local currency debt markets. In parallel to substantial decrease in periphery yield levels Turkish debt market saw substantial rally in both TL and hard currency bonds in the first two months of 2012. Benchmark bond which started March at 9.15% compound level was largely immune to negative surprise from Euro zone and US PMI numbers in the first week. In line CPI print (0.55% mom) for February calmed markets against increasing energy prices, thanks to favorable fx effect. Following relatively resilient first week of March second week came with negative surprises which affected local rates. China lowered 2012 GDP growth forecast to 7.5% which caused rising concerns of global growth rate. In addition to rising growth concerns, FED politicians hawkish comments caused bm rate increase to 9.30% compound level. Thanks to unproblematic resolve of Greek PSI issue, BM bonds yield decreased below 9% in a short period of time which caused us to revise our strategy. Increasing inflation concerns coupled with decreasing PMI and additional growth indicators around the world except US and long awaited Greek PSI deal produced an opportunity to exit our bullish strategy at %9 compound level. In our opinion all the best have been behind and there is only room for negative surprises for both EU rates and accommodative policies. No need to wait long China Premier Wen stemmed the additional QE hopes and coupled with Spain's upward revision regarding the fiscal deficit for 2012 caused bm rate to increase above 9.50% compound level. Through the end of the March Turkish lira underperformed other EM currencies and CBT cut the funding at policy rate for 6 days which caused short end to touch 10% compound level immediately. Parallel to global markets Turkish yield curve shifted higher with short end underperforming. 10-2 yr spread difference decreased to 20 bps which was 40 bps at the start of the month. In March we decreased the weight of short end and increased the weight of 10 yr sector above benchmark. Although we didn't decrease our duration substantially in order to be prepared for potential increase in funding rate, we followed barbell strategy to be immune for bear flattening. We believe that tax hikes on fuel and electricity approximately 18% and 8% respectively will shortly force CBT to revise its year end inflation forecast and tighten policy for longer period. In addition to negative global outlook Treasury decreased rollover ratio for the next three months substantially starting from April. Once the April treasury auctions are over we will enter through very light redemption period for the next 4 months which we believe will help to cap local rates to increase aggressively. For the coming period market players will keep an eye on foreign trade figures, inflation print and developed markets monetary committees for the sign of future rate outlook.

Performance Figures		Fund ¹	Benchmark
Since Inception ²	07.08.08 - 30.03.12	19.48%	16.85%
2009	31.12.08 - 31.12.09	18.56%	17.55%
2010	31.12.09 - 31.12.10	16.02%	15.54%
2011	31.12.10 - 30.03.12	-11.18%	-12.11%
YTD	30.12.11 - 30.03.12	7.37%	7.56%
MTD	29.02.12 - 30.03.12	-1.24%	-1.27%

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	98.68%
Money Market	1.32%

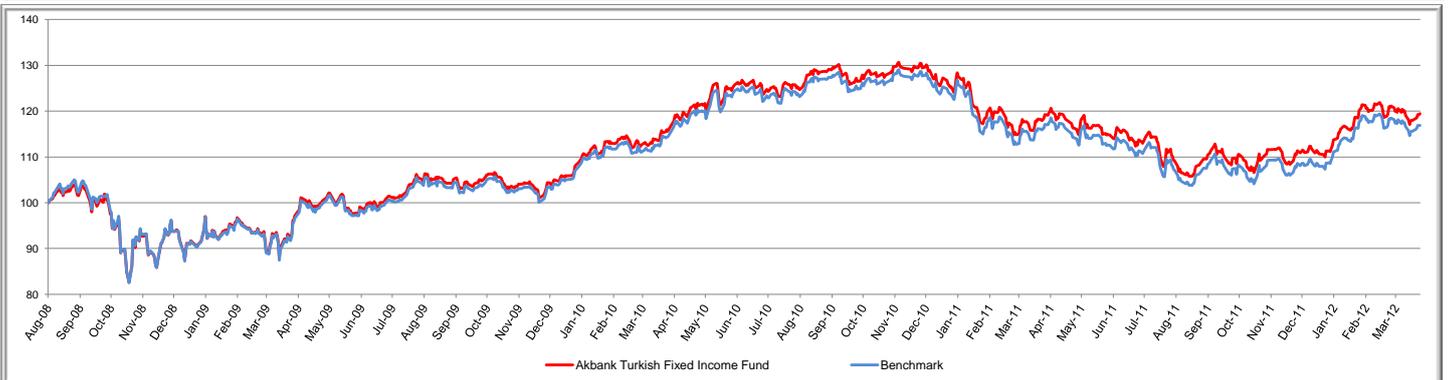
Top holdings (%)

TRT041213	16%
TRT170713	14%
TRT280813	14%
TRT090113	8%
TRT150513	6%

Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	9.04	13.91
Benchmark Volatility	8.88	14.08
Tracking Error	1.24	2.73
Jensen's Alpha	0.83	1.68
Sharpe	3.10	-0.06
Information Ratio	0.86	0.65
Beta	1.01	0.97

Comparative Returns / 07.08.08 - 30.03.12



The graph represents gross of fees performance.

Administrative Information

Fund Name :	Akbank Turkish SICAV	Registered Countries :	Luxembourg
ISIN :	A Class : LU0366550621 I Class : LU0366550977 TRY Class : LU0451096159	Registered Databases :	Germany The Netherlands Bloomberg (AKTKFII:IX; AKTKFIA:IX) Lipper Morningstar (Germany, Netherlands) Software-systems
WKN :	A Class : A0Q8MB I Class : A0Q8MD	Investment Manager :	Ak Asset Management Inc.
Minimum Subscription :	A Class : EUR 50 I Class : EUR 5.000 TRY Class : TRY 100.000	Administrator / Custodian :	Citibank International plc (Luxembourg Branch)
Subscription/Redemption * Management Fee	: Daily A Class : 1.00% p.a. I Class : 0.75% p.a. TRY Class : 0.75% p.a.	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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