

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 128.89	EUR 140.89
Fund Size	:	EUR 37,474,058	
Launch Date	:	02 July 2008	
Currency	:	EUR	
Legal Status	:	Luxembourg SICAV	
Reference Index*	:	90% KYDABI + 10% KYD O/N Gross	

* The benchmark has been updated as of 02/01/2012. KYDABI: KYD All Bond Index (www.kyd.org.tr)

Performance Figures

		Fund ¹	Benchmark
Since Inception ²	07.08.08 - 31.12.12	35.12%	30.94%
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 - 30.12.11	-11.18%	-12.11%
YTD	30.12.11 - 31.12.12	21.42%	20.52%
MTD	30.11.12 - 31.12.12	-0.62%	-0.69%

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	98.51%
Money Market	1.49%

Top holdings (%)

TRT240914	23%
TRT150120	11%
TRT041213	10%
TRSKPTL61310	7%
TRSKCTF81318	6%

Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	7.79	13.02
Benchmark Volatility	7.72	13.20
Tracking Error	0.84	2.46
Jensen's Alpha	0.33	1.21
Sharpe	1.83	0.01
Information Ratio	1.03	0.31
Beta	1.00	0.97

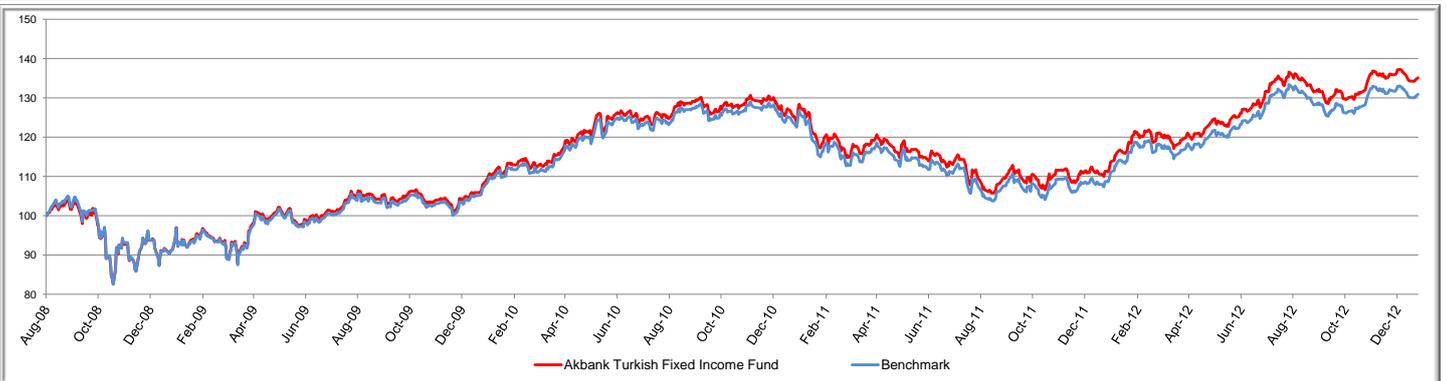
Market Overview

Lower than expected November inflation figure coupled with Central Bank's latest inflation report in which both 2013 inflation and gdp growth expectations lowered significantly caused 2 yr benchmark bond to touch all time low compound level of 5,67%. In the same time 10-2 yr rate differential widened to 105 bps reflecting increased policy rate cut expectations anticipated earlier than before.

In 18th of December CBT surprised financial markets by cutting policy rate much lesser than expected reflecting its cautious stance towards credit growth which is expected to inflate due to increased rating upgrade outlook. While CBT lowered its policy rate it also increased foreign currency reserve requirement rates which triggered a sell of especially in short dated bonds where rate cut is believed to be already priced. After this unexpected move from CBT, 10-2 yr spread tightened to 50 bps towards the late December. BM bond closed the year at 6,16% whereas 10 yr was traded at 6,66% compound level which are both historical records bringing Turkey under spotlights among 2012's top performers in fixed income universe.

In the coming period we will keep close eye to consumer credit growth figures which may be essential in keeping pulse of CBT's policy outlook. Also in 2013 will be the year of heavy government redemptions opposite to 2012 which may be obstacle further downward trend in bond rates.

Comparative Returns / 07.08.08 - 31.12.12



The graph represents gross of fees performance.

Administrative Information

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