

## 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 132.55	EUR 145.00
Fund Size	:	EUR 38,538,978	
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.tkyd.org.tr)

Performance Figures		Fund <sup>1</sup>	Benchmark
Since Inception <sup>2</sup>	07.08.08 - 30.04.13	39.35%	34.59%
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%
2012	30.12.11 - 31.12.12	21.42%	22.08%
YTD	31.12.12 - 30.04.13	3.13%	1.48%
MTD	29.03.13 - 30.04.13	0.47%	-0.09%

<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> 07.08.2008 is the start date of active portfolio management for Institutional class share.

## Investment Allocation (%)

Bonds	98.74%
Money Market	1.26%

## Top holdings (%)

TRT150120	15%
TRT080317	11%
TRT150513	11%
TRT240913	9%
TRSKPTL61419	7%

## Risk Ratios (Annualized)

	YTD	Since Inception
Fund Volatility	7.05%	12.69%
Benchmark Volatility	6.95%	12.86%
Tracking Error	1.81%	2.42%
Jensen's Alpha	0.80%	1.25%
Sharpe	0.42	0.02
Information Ratio	0.70	0.32
Beta	0.98	0.97

## Market Overview

Endless rally continued in April with the same story at the backstage. Investment upgrade prospect coupled with renewed global easing environment stemmed from across the Pacific brought local currency yield curve to shift downward by more than 100 bps while 10-2 yr bond yield differential widened by 30 bps to 80. Turkish Central Bank's dovish bias and relaxing %15 credit growth cap helped short end of the curve to outperform long end.

REER measure ( which is introduced by CBT lately) came just below 120 level which is regarded as a trigger point for additional rate cuts, market continued to price rate cuts in because it is believed that Japans' 75 bn monthly asset purchases will at the end flow to EM's. We believe that traders front the Japan easing due to memorized practice thought by FED for the last 5 years.

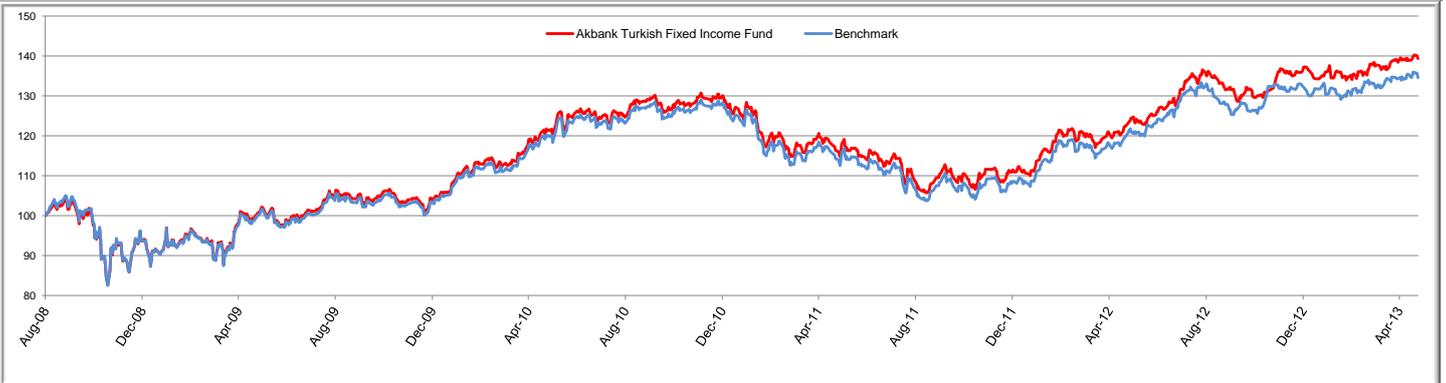
April's surprise came with lower than expected non-farm payroll figure which imminently stopped rumours of early tapering of QE purchases. US 10 yr bond yields came down substantially toward the month end which is copied by Turkish long end that came from 7,19% to 6,34 in April.

CBT lowered policy rate by 50 bps which also helped bm compound rate to decline and outperform long end. In April we saw substantial foreign inflow that is also evident from market moves.

Our position in SICAV fund is short in 2 yr zone but substantially long in 10 years zone which helped us to catch out bm where 2 yr of the curve outperformed 10 years. We still expect rate cuts from CBT which is expected to follow its peers around the globe. We increased our duration in 2 yr bonds and remain intact 10 year bonds in order to benefit from investment upgrade.

In the following month we will be focusing on FED and ECB's actions and peer central banks rate cuts which may pave the way to CBT for additional rate cuts. REER level is also important in this manner that captures investors interest.

## Comparative Returns / 07.08.08 - 30.04.13



The graph represents gross of fees performance.

## 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	Investment Manager	:	Software-systems
	I Class	: EUR 5.000	Administrator / Custodian	:	Ak Asset Management Inc.
	TRY Class	: TRY 100.000	Independent Auditors	:	Citibank International plc (Luxembourg Branch)
Subscription/Redemption * Management Fee		: Daily			Ernst & Young S.A.
	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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