

## FUND OBJECTIVE

The objective of this fund is mainly to invest in Turkish Bonds. The fund primarily invests in government securities. Additionally, for yield enhancement purposes, it invests in a broadly diversified portfolio of common stocks of the ISE listed companies. The investment objective of the fund is to provide significant level of income in the long term.

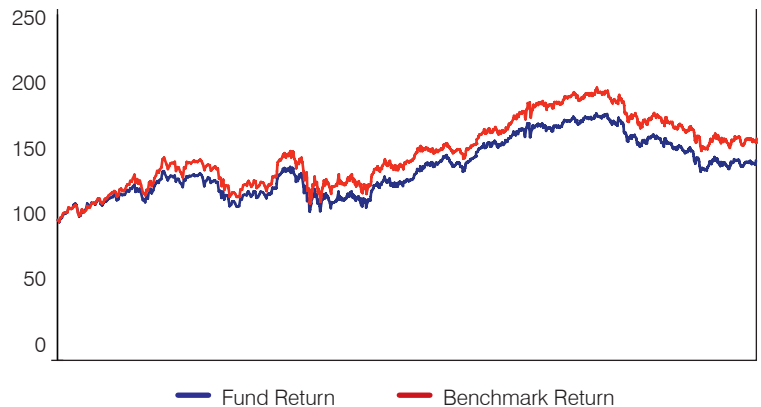
## FUND INFORMATION (30/12/2011)

Base Currency	Euro
Total Assets	19,288,382
Inception	19 Nov 1997
NAV (1 class)	76.69
Total Expense Ratio	Annual 2.02%
Benchmark	90% x KYD ABI* + 10% x ISE 30
Investment Manager	Is Asset Management
Portfolio Managers	Elif Cengiz, Kemal Özmen

\*KYD ABI: KYD All Bond Index, www.kyd.org.tr

## COMPARATIVE CUMULATIVE RETURNS

Comparative Cumulative Returns (%)  
05/01/2007 - 30/12/2011



## INVESTMENT ALLOCATION

Bonds	Equities	Cash&Other Liquid Assets
81.39%	9.55%	9.06%

## RANKINGS

Fund Name	Period	Institution	Category	Rank	# of Funds
T. Bonds	12.04/12.07	LİPPER	Mixed Asset Other Conservative	2	93

## PERFORMANCE AND RISK MEASURES

	2011	2010	2009
Sharpe Ratio	-1.44	1.07	1.25
Information Ratio	-0.58	-1.13	1.16
Alpha (%)	-2.33	-1.77	3.83
Beta	0.96	0.94	0.96
Daily Tracking Error (Ex-post) (%)	0.15	0.17	0.22
Annualized Tracking Error (Ex-post) (%)	2.40	2.67	3.64

## MARKET OVERVIEW

Turkish bond market underperformed its emerging market peers in 2011 mainly due to the ambiguity created by CBRT's unorthodox policies, TL depreciation and higher inflation. The Euro-zone debt crisis and deleveraging of European banks also took its toll on Turkish debt market as well as other EM debt markets. Turkish benchmark bond yield, which was 7.10% at the end of 2010, surged to 8.34% at the end of third quarter and 11.04% at 2011 year-end. The strict liquidity tightening policies of CBRT, higher inflation and increasing pressure on TL led a high rate environment especially in the fourth quarter. On the currency front, Euro appreciated by 18.9% against TL in 2011. At the same period, therefore, Turkisfund Bonds had a 15.5% Euro based net loss (c.a. 13.5% gross) compared to the benchmark's 14.1% Euro based gross loss.

European sovereign debt concerns, deleveraging of European banks and potential worsening in the global risk appetite may lead further losses in Turkish bond market. On the growth side, the possible recession in Europe may lead significant downside risks on Turkey's growth. If Turkey faces hard landing in 2012, on the other hand, it may also provide a good entry point for Turkish fixed income securities since CBRT is expected to ease its policy stance and banking sector appetite for bonds is likely to increase in that case.

We mentioned inflation risks (especially for core inflation) throughout 2011 on the back of the lagged effects of increasing import prices, strong course of domestic demand conditions and currency weakening. The inflationary pressures are set to continue at least in the first quarter of 2012. Therefore, the fund has an underweight position against benchmark in terms of both duration and allocation. We have still positive views on longer end of the curve, yet it is appropriate to wait better entry points considering the high local debt service in the first quarter of 2012 and the deterioration in the global investment sentiment.

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## TOP 10 HOLDINGS (%)

### BONDS

TRT250412T11	20.22
TRT150513T11	16.31
TRT080812T26	13.34
TRT071112T14	10.69
TRT060121T16	4.98
TRT150120T16	4.15
TRSTISBK1315	3.74
TRSTISBK1216	3.66
TRT090113T13	2.69

### EQUITIES

İŞ YATIRIM ORTAKLIĞI A.Ş.	5.13
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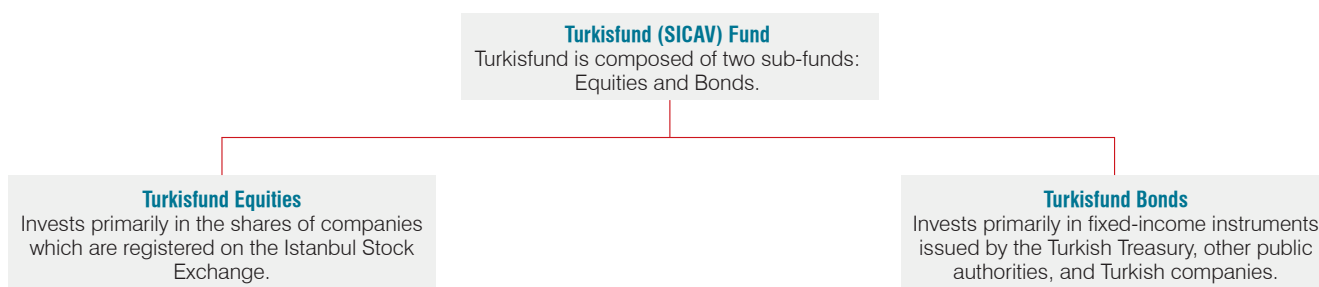
## PAST PERFORMANCES (%)

	Fund	Benchmark	DJN	FTSE	DAX	ISE30
2011	-15.5	-14.1	9.0	-2.8	-14.7	-35.8
2010	13.7	16.7	19.7	12.7	16.1	26.2
2009	29.6	25.3	15.6	32.1	23.8	90.2
2008	-13.3	-11.5	-30.5	-47.7	-40.4	-59.9
2007	30.5	40.6	-4.7	-5.1	22.3	57.5
2006	-10.1	-6.9	4.5	13.2	22.0	-17.5
3 Years	24.6	25.7				
5 Years	40.9	56.5				

Returns are based on Euro.

## TURKISFUND - INVESTMENT STRATEGIES

TURKISFUND (SICAV) is an umbrella fund:



## LEGAL STRUCTURE

<b>Established in</b>	Luxembourg
<b>Registered in</b>	UK, Luxembourg, Holland, Germany, France and Sweden
<b>Supervisory Authority</b>	Commission de Surveillance de Secteur Financier (CSSF)
<b>Legal Form</b>	SICAV
<b>Base Currency</b>	Euro

Turkisfund (SICAV) is a UCITS III fund and is subject to the part I of the Luxembourg Law of December 20, 2002.

## FUND PROMOTER AND PAYING AGENTS

<b>Promoter</b>	Isbank GmbH Frankfurt
<b>Custodian &amp; Fund Administrator</b>	CACEIS Bank Luxembourg
<b>Paying Agents</b>	<b>Distributors</b>
CACEIS Bank Luxembourg	Isbank GmbH Frankfurt
Isbank GmbH Frankfurt	Isbank London
Isbank London	Isbank GmbH Amsterdam
Isbank GmbH Amsterdam	Maxis Securities Ltd.
Isbank GmbH Paris	
Skandinaviska Enskilda Banken AB	

## ADMINISTRATIVE INFORMATION

<b>Investment Manager</b>	Is Asset Management	<b>Sales Fee</b>	For Class A* : Up to 5%
<b>Valuation Day</b>	Bonds - each business day		For Class I** : Up to 3%
<b>Time Limit</b>	12:00 p.m. Luxembourg Time	<b>Minimum Initial Investment</b>	For Class A : Eur 1,000
<b>Settlement Period</b>	T + 2		For Class I : Eur 10,000
		<b>Investment Management Fee</b>	1.0% p.a.

\* Retail investors  
\*\* Institutional investors

## INVESTMENT MANAGER

- Investment Management Services of Turkisfund is rendered by Is Asset Management
- Is Asset Management is the leader of the asset management industry in Turkey & maintaining 22.3% of market share
- Is Asset Management's shareholders are well-known Isbank Group companies that are each pioneer in their own fields
- Is Asset Management is one of the 57 corporate members of European Fund and Asset Management Association (EFAMA). Is Asset Management is the first Turkish Asset Management Company to have become a corporate member of EFAMA

## CONTACT

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