

TÜRKİSFUND SICAV

UNAUDITED SEMI-ANNUAL REPORT
AS OF JUNE 30, 2004

No subscription can be accepted on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus, accompanied by the latest available annual report and the most recent semi-annual report, if published thereafter.

Registered Office:

69, route d'Esch
L-2953 Luxembourg

Board of Directors:*Chairman:*

Hamdi Engin TÜRELI
President and CEO
ISBANK GmbH, Frankfurt

Directors:

Riza Ihsan KUTLUSOY
Head of the Capital Markets Department
TÜRKİYE İS BANKASI A.S., Istanbul

Dr. Gürman TEVFIK
General Manager
IS PORTFOLIO MANAGEMENT COMPANY,
Istanbul

Klaus SCHREIBER
Managing Director
ISBANK GmbH, Frankfurt

Léon HILGER
Vice President
DEXIA BANQUE INTERNATIONALE À LUXEMBOURG,
Luxembourg

Investment Adviser:

IS PORTFOLIO MANAGEMENT COMPANY
IS Kuleleri 4,
80620 Levent Istanbul – Turkey

Custodian Bank:

DEXIA BANQUE INTERNATIONALE À LUXEMBOURG
69, route d'Esch
L-2953 Luxembourg

Central Administration:

DEXIA BANQUE INTERNATIONALE À LUXEMBOURG
69, route d'Esch
L-2953 Luxembourg

Registrar and Transfer Agent:

FIRST EUROPEAN TRANSFER AGENT S.A.
5, rue Thomas Edison
L-1445 Strassen

Distributors:

ISBANK GMBH
Rossmarkt 9
D-60311 Frankfurt am Main

Paying Agent in Germany:

ISBANK GMBH
Rossmarkt 9
D-60311 Frankfurt am Main

Auditors:

DR. WOLLERT – DR. ELMENDORFF S.C.
291, route d'Arlon
L-1150 Luxembourg

The annual general meeting of the SICAV's shareholders will be held at the fund's registered office, or other duly notified place in Luxembourg, at 11 a.m. on the first Tuesday in May each year, or, if this is a bank holiday, on the next bank business day in Luxembourg.

Notices of all general meetings will be sent to the holders of registered shares by registered mail at least 8 days prior to the meeting at their addresses listed in the register of shareholders. Such notices will include the agenda, specify the time and place of the meeting and the conditions of admission and refer to the requirements of Luxembourg law with regard to the quorum and majorities required at the meeting.

The SICAV's fiscal year ends on December 31. The first annual accounts were published for the year ending December 31, 1998.

The SICAV's first report was an unaudited semi-annual report as of June 30, 1998.

Audited annual reports are published within 4 months after the end of the fiscal year and unaudited semi-annual reports within 2 months after the end of the relevant period. Such reports are mailed to each registered shareholder at their registered addresses and are made available during normal business hours at the registered offices of the SICAV and of the paying agent in Germany.

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004**

TÜRKISFUND SICAV

	TÜRKISFUND- EQUITIES	TÜRKISFUND- BONDS	TÜRKISFUND- EUROBONDS	TOTAL
	(expressed in EUR)	(expressed in EUR)	(expressed in EUR)	(expressed in EUR)
ASSETS				
Investments in securities at market value (Note 2)	52,414,839.09	181,219,120.10	4,363,765.00	237,997,724.19
<i>Acquisition cost</i>	69,141,522.68	179,678,304.88	4,332,815.38	253,152,642.94
Cash at bank	437,998.52	1,551,826.54	444,772.87	2,434,597.93
Amounts receivable from subscriptions	145.64	291.26	31,127.46	31,564.36
Interest and dividends receivable, net	82,320.21	630,632.23	179,245.20	892,197.64
	<u>52,935,303.46</u>	<u>183,401,870.13</u>	<u>5,018,910.53</u>	<u>241,356,084.12</u>
LIABILITIES				
Advisory fees (Note 3)	86,825.53	152,984.59	3,504.97	243,315.09
Provisions for expenses payable	39,780.10	114,817.66	29,220.95	183,818.71
	<u>126,605.63</u>	<u>267,802.25</u>	<u>32,725.92</u>	<u>427,133.80</u>
Total net assets	<u>52,808,697.83</u>	<u>183,134,067.88</u>	<u>4,986,184.61</u>	<u>240,928,950.32</u>
Number of shares outstanding				
Class A	41,077.525	28,436.312	225,484.703	
Class I	3,451,073.614	5,962,253.888	80,000.00	
Net asset value per share				
Class A	15.12	30.55	16.32	
Class I	15.12	30.57	16.33	

CHANGES IN SHARES OUTSTANDING FOR THE FISCAL PERIOD ENDING JUNE 30, 2004

	TÜRKISFUND- EQUITIES		TÜRKISFUND- BONDS		TÜRKISFUND- EUROBONDS	
	CLASS A	CLASS I	CLASS A	CLASS I	CLASS A	CLASS I
Number of shares at beginning of fiscal period	20,287.816	3,451,073.614	11,674.437	5,960,754.349	82,600.413	80,000.000
Number of shares issued	24,374.866	0.000	19,613.717	1,499.539	173,845.948	0.000
Number of shares redeemed	<u>(3,585.157)</u>	<u>0.000</u>	<u>(2,851.842)</u>	<u>0.000</u>	<u>(30,961.658)</u>	<u>0.000</u>
Number of shares at end of fiscal period	<u>41,077.525</u>	<u>3,451,073.614</u>	<u>28,436.312</u>	<u>5,962,253.888</u>	<u>225,484.703</u>	<u>80,000.000</u>

STATEMENT OF INVESTMENTS
AS OF JUNE 30, 2004

TÜRKISFUND-Equities

	Quantity/ Face value	Description	Acquisition cost	Market value	%-of net assets	
A) LISTED SECURITIES						
1) SHARES						
TURKEY						
TRL	500,000,000	AKBANK	1,242,629.96	1,484,572.38	2.81	
TRL	297,000,103	AKSIGORTA	465,162.21	576,902.25	1.09	
TRL	77,901,000	ALCATEL TELETAS	957,320.74	436,658.58	0.83	
TRL	1,017,257,028	ANADOLU CAM SANAYII AS	1,274,429.28	1,919,495.97	3.63	
TRL	1,200,000,560	ANADOLU HAYAT SIGORTA AS	8,380,671.81	1,631,642.91	3.09	
TRL	646,152,301	ANADOLU HAYAT SIGORTA AS	0.00	878,574.45	1.66	
TRL	1,250,000,761	ANADOLU SIGORTA	977,924.74	1,096,086.81	2.08	
TRL	270,000,000	ARCELIK AS	907,298.67	1,063,897.29	2.01	
TRL	1,000,000,000	IS YATIRIM ORTAKLIGI AS	3,257,887.34	1,498,446.88	2.84	
TRL	906,844,883	ISGYO	951,766.08	714,659.12	1.35	
TRL	635,501,000	ISMIR DEMIR CELIK	425,308.05	592,520.13	1.12	
TRL	420,000,000	KOC HLD AS	1,396,794.75	1,526,750.88	2.89	
TRL	300,000,000	MIGROS TURKEY T.A.S.	1,702,532.67	1,182,108.10	2.24	
TRL	749,259,178	PETROL OFISI AS	1,877,969.88	1,933,582.08	3.66	
TRL	400,000,000	SABANCI HOLDING	862,984.87	960,115.97	1.82	
TRL	1,100,002,147	SODA SANAYII AS	6,648,975.33	1,068,339.22	2.02	
TRL	750,000,772	TOFAS TURK OTOMOBIL FABRIKASI	1,104,010.01	1,069,725.68	2.03	
TRL	1,380,477,448	TRAKYA CAN SANAYII AS	2,105,562.94	2,547,408.27	4.82	
TRL	500,000,000	TURK SISE CAN	323,986.76	776,972.46	1.47	
TRL	207,017,500	TURK SISE CAN 04	0.00	313,076.99	0.59	
TRL	600,000,000	TURKIYE GARANTI BANKASI/NOM	1,168,572.71	1,448,498.65	2.74	
TRL	7,168,550,641	TURKIYE SINAI KALKINMA BANKASI	9,313,868.23	4,057,972.67	7.68	
TRL	250,000,000	VESTEL ELEKTR. SANAYI TICARET	682,165.01	617,415.61	1.17	
TRL	700,000,000	YAPI KREDI BANKASI	1,507,895.31	1,349,989.65	2.56	
TOTAL SHARES			47,535,717.35	30,745,413.00	58.20	
2) BONDS						
TURKEY						
TRL	12,000,000,000,000	TURKEY	03/16.11.05/25 %	5,468,046.38	5,969,213.00	11.31
TRL	5,500,000,000,000	TURKEY	04/15.03.06/FRN	3,495,730.40	2,958,652.85	5.60
TRL	3,000,000,000,000	TURKEY	03/16.11.05/25 %	1,705,686.55	1,601,190.39	3.03
TOTAL BONDS			10,669,463.33	10,529,056.24	19.94	
TOTAL LISTED SECURITIES			58,205,180.68	41,274,469.24	78.14	

The accompanying Notes form an integral part of this semi-annual report.

A detailed schedule of portfolio changes during the period covered by the report is available free of charge upon request at the Fund's registered office and from the paying agent in Germany.

**STATEMENT OF INVESTMENTS
AS OF JUNE 30, 2004**

TÜRKISFUND-Equities

	Quantity/ Face value	Description		Acquisition cost	Market value	%-of net assets
B) FINANCIAL INSTRUMENTS						
TREASURY BILLS						
TURKEY						
TRL	6,000,000,000,000	TURKEY TB	04/10.11.04/0 %	2,951,312.98	3,054,667.23	5.78
TRL	2,500,000,000,000	TURKEY TB	04/23.03.05/0 %	1,255,894.98	1,155,996.27	2.19
TRL	5,000,000,000,000	TURKEY TB	04/24.11.04/0 %	2,419,705.61	2,522,496.58	4.78
TRL	10,000,000,000,000	TURKEY TB	04/25.05.05/0 %	<u>4,309,428.43</u>	<u>4,407,209.77</u>	<u>8.35</u>
TOTAL FINANCIAL INSTRUMENTS				<u>10,936,342.00</u>	<u>11,140,369.85</u>	<u>21.10</u>
TOTAL INVESTMENTS				<u>69,141,522.68</u>	<u>52,414,839.09</u>	<u>99.24</u>

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STATEMENT OF INVESTMENTS
AS OF JUNE 30, 2004

TÜRKİSFUND-Bonds

	Quantity/ Face value	Description	Acquisition cost	Market value	%-of net assets	
A) LISTED SECURITIES						
1) SHARES						
TURKEY						
TRL	687,500,000	AKBANK	1,592,534.02	2,041,287.02	1.11	
TRL	300,000,000	AKSIGORTA	469,476.16	582,729.34	0.32	
TRL	650,000,000	ANADOLU HAYAT SIGORTA AS	4,088,286.73	883,806.17	0.48	
TRL	349,999,000	ANADOLU HAYAT SIGORTA AS 04	0.00	475,894.27	0.26	
TRL	5,687,500,971	ANADOLU SIGORTA	8,908,781.54	4,987,192.82	2.72	
TRL	421,379,000	ARCELİK AS	1,306,591.66	1,660,385.09	0.91	
TRL	675,000,000	EREGLİ DEMİR ÇELİK	1,441,958.13	1,414,159.25	0.77	
TRL	440,000,000	FORD OTOMOTİV SANAYİ AS	1,097,205.77	2,612,847.38	1.43	
TRL	750,000,000	İS YATIRIM ORTAKLIĞI AS	920,783.17	1,123,835.16	0.61	
TRL	7,243,459,000	İSGYO	11,075,942.21	5,708,367.69	3.12	
TRL	1,422,371,000	İZMİR DEMİR ÇELİK	1,073,967.76	1,326,171.71	0.72	
TRL	450,000,700	KOC HLD AS	1,005,605.29	1,635,807.06	0.89	
TRL	189,779,000	MİGROS TURKEY T.A.S.	617,073.27	747,797.64	0.41	
TRL	27,942,000	NORTEL NETWORKS NETAS TELEKOM.	489,051.31	403,188.77	0.22	
TRL	75,000,000	RTS EREGLİ DEMİR 13.07.04	0.00	145,682.34	0.08	
TRL	700,000,000	SABANCI HOLDING	1,225,871.83	1,680,202.94	0.92	
TRL	1,050,000,000	TOFAS TÜRK OTOMOBİL FABRİKASI	956,532.67	1,497,614.41	0.82	
TRL	4,466,247,839	TRAKYA ÇAN SANAYİ AS	4,615,211.50	8,241,609.96	4.50	
TRL	3,050,000,000	TÜRK İSİE ÇAM	1,136,068.10	4,739,531.99	2.59	
TRL	1,262,806,750	TÜRK İSİE ÇAM 04	0.00	1,909,769.66	1.04	
TRL	700,000,000	TÜRKİYE GARANTİ BANKASI	1,016,794.69	1,689,915.10	0.92	
TRL	3,091,448,750	TÜRKİYE SİNAYİ KALKINMA BANKASI	3,439,454.51	1,750,007.10	0.96	
TRL	900,000,000	VESTEL ELEKTR. SANAYİ TİCARET	2,004,981.20	2,222,696.21	1.21	
TRL	1,000,000,000	YAPI KREDİ BANKASI	2,141,665.87	1,928,556.64	1.05	
TOTAL SHARES			50,623,837.39	51,409,055.72	28.06	
2) BONDS						
TURKEY						
TRL	80,000,000,000,000	TURKEY	03/15.12.04/0 %	35,845,862.51	39,794,753.38	21.74
TRL	30,600,000,000,000	TURKEY	04/24.08.05/0 %	14,051,880.28	12,681,945.36	6.93
TRL	32,400,000,000,000	TURKEY	04/27.04.05/0 %	15,436,074.08	14,579,828.23	7.96
TRL	24,000,000,000,000	TURKEY	03/16.11.05/25 %	13,924,074.10	12,809,523.13	6.99
TRL	27,400,000,000,000	TURKEY	FRN 04/15.3.06	16,634,645.74	14,739,470.55	8.05
TRL	2,600,000,000,000	TURKEY	FRN 04/18.1.06	1,435,749.30	1,406,875.13	0.77
TOTAL BONDS			97,328,286.01	96,012,395.78	52.44	
TOTAL LISTED SECURITIES			147,952,123.40	147,421,451.50	80.50	

The accompanying Notes are an integral part of this semi-annual report.

A detailed schedule of portfolio changes during the period covered by the report is available free of charge upon request at the Fund's

**STATEMENT OF INVESTMENTS
AS OF JUNE 30, 2004**

TÜRKISFUND-Bonds

	Quantity/ Face value	Description		Acquisition cost	Market value	%-of net assets
B) FINANCIAL INSTRUMENTS						
TREASURY BILLS						
TURKEY						
TRL	880,000,000	TURKEY TB	03/21.07.04/0 %	426.88	482.84	0.00
TRL	41,600,000,000,000	TURKEY TB	03/26.01.05/0 %	18,357,986.98	20,070,610.46	10.96
TRL	74,020,000,000	TURKEY TB	03/07.07.04/0 %	39,043.63	40,909.16	0.02
TRL	10,000,000,000,000	TURKEY TB	04/10.11.04/0 %	4,923,050.60	5,091,112.04	2.78
TRL	8,300,000,000,000	TURKEY TB	04/24.11.04/0 %	4,065,503.87	4,187,344.32	2.29
TRL	10,000,000,000,000	TURKEY TB	04/25.05.05/0 %	4,340,169.52	4,407,209.78	2.40
TOTAL FINANCIAL INSTRUMENTS				31,726,181.48	33,797,668.60	18.45
TOTAL INVESTMENTS				179,678,304.88	181,219,120.10	98.95

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**STATEMENT OF INVESTMENTS
AS OF JUNE 30, 2004**

TÜRKISFUND-Eurobonds

	Quantity/ Face value	Description		Acquisition cost	Market value	%-of net assets
LISTED SECURITIES						
BONDS						
TURKEY						
EUR	1,000,000	TURKEY	00/14.04.05/7,75 %	1,042,000.00	1,025,200.00	20.56
EUR	60,000	TURKEY	97/22.10.07/8,125 %	61,015.38	62,850.00	1.26
EUR	1,100,000	TURKEY	99/25.08.05/9,625 %	1,163,500.00	1,166,000.00	23.38
EUR	500,000	TURKEY	99/30.11.06/9,625 %	529,700.00	537,900.00	10.79
EUR	700,000	TURKEY	02/08.05.07/EMTN	760,500.00	756,490.00	15.17
EUR	750,000	TURKEY	03/24.01.08/9,875 %	776,100.00	815,325.00	16.35
TOTAL INVESTMENTS				4,332,815.38	4,363,765.00	87.51

The accompanying Notes are an integral part of this semi-annual report.

A detailed schedule of portfolio changes during the period covered by the report is available free of charge upon request at the Fund's registered office and from the paying agent in Germany.

NOTE 1 – GENERAL

TÜRKISFUND SICAV (“the Fund”) is an investment company organized as a public corporation (société anonyme) under the laws of the Grand Duchy of Luxembourg and qualifies as a SICAV (société d’investissement à capital variable). The SICAV was incorporated in Luxembourg on November 19, 1997 for an unlimited period, with an initial capital of DEM 70,000. The Articles of Incorporation of the SICAV were published in the Mémorial, the official gazette of Luxembourg, on December 18, 1997. The SICAV is registered with the Register of Commerce, Luxembourg under number B-61596.

The Articles of Incorporation of the SICAV and the only notice required so far by Luxembourg law in respect of the issue and sale of shares by the SICAV are on file with the Greffe du Tribunal d’Arrondissement (Clerk of the Circuit Court) of Luxembourg.

Shares are at present offered in the following sub-funds, each sub-fund having its own specific investment objectives and strategies:

- TÜRKISFUND-Equities
- TÜRKISFUND-Bonds
- TÜRKISFUND-Eurobonds

The objective of the sub-fund TÜRKISFUND-Equities is mainly to invest in equities issued by Turkish issuers as well as equities denominated in Turkish Lira.

The objective of the sub-fund TÜRKISFUND-Bonds is mainly to invest in Turkish bonds.

The objective of the sub-fund TÜRKISFUND-Eurobonds is mainly to invest in Eurobonds issued by the Republic of Turkey.

NOTE 2 – SUMMARY OF THE MAIN ACCOUNTING POLICIES

a) Determination of the Net Asset Value

The net asset value per share is calculated by dividing the total net asset value of the relevant sub-fund, i.e., the value of the sub-fund’s assets less its liabilities, by the number of shares of the relevant sub-fund then outstanding.

It should be noted that net asset values shown in the semi-annual report as of June 30, 2004 are based on the exchange rates prevailing on that date.

Since June 30, 2000, the reference currency for the Fund has been the Euro.

b) Valuation of investments

The value of each security listed or traded on any stock exchange is the last known price or the officially listed price on the exchange which is normally the principal market for such security.

The securities traded on any other regulated market are valued in a manner as near as possible to that described in the preceding paragraph.

In the event that any of the securities held in any portfolio on the relevant valuation day are not listed or traded on an exchange or another regulated market, or if no price quotation is available, or if the price as determined pursuant to the last two paragraphs is not, in the opinion of the Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined on the basis of the sale price, determined prudently and in good faith, that may reasonably be expected.

c) Foreign currency conversion

The SICAV maintains its accounting records in euros.

The value of assets and liabilities denominated in currencies other than the euro will be converted at the rates of exchange prevailing at the end of the fiscal period. Transactions in foreign currencies are converted into euros at the rates prevailing on the transaction date.

Exchange rate as of June 30, 2004:
TRL 1.000 = EUR 0.00055498

d) Net realized capital gains (losses) on sales of investments

The net realized capital gains or losses on sales of investments are determined on the basis of the average acquisition cost of the investments sold.

e) Forward foreign exchange contracts

Unrealized capital gains or losses on outstanding forward foreign exchange contracts are valued on the

basis of forward exchange rates prevailing at the relevant valuation date and included in the Statement of Changes in Net Assets.

f) Formation expenses

Formation expenses are capitalized and amortized over the first 5 fiscal years.

For this reason, a new class of shares (Class I) was introduced for institutional investors with effect from December 2, 2002. This tax is calculated and payable quarterly on the basis of the net asset values of all the sub-funds at the end of the relevant quarter.

No subscription tax is due on assets held by the SICAV in other UCITs already subject in Luxembourg to that subscription tax.

NOTE 3 – ADVISORY FEES

With effect from December 1, 2000, the SICAV will pay the Investment Adviser, for the sub-funds TÜRKISFUND-Equities, TÜRKISFUND-Bonds and TÜRKISFUND-Eurobonds, quarterly remuneration based on the following table:

Annual remuneration for the average quarterly value in euros of each portfolio:

For the first 10 million	1.00 %
For the next 15 million	0.75 %
For the next 25 million	0.50 %
For the remainder of the portfolio	0.20 %

With effect from August 15, 2003, the Investment Adviser, IS Portfolio Management Company, receives a quarterly fee in respect of the sub-fund TÜRKISFUND-Eurobonds. The fee is set at an annual rate of 0.3 % of the average net asset value of the sub-fund.

NOTE 4 – DISTRIBUTORS

Distributors receive a sales fee of up to 5 % of the net asset value per share of the relevant sub-fund, which they may recover directly from subscription payments.

As remuneration for their services, the Distributors receive an annual fee of 0.1 % for each sub-fund, based upon the average net asset value of each sub-fund, payable quarterly.

NOTE 5 – SUBSCRIPTION TAX

Under present Luxembourg law and practice, the SICAV is not liable to any Luxembourg income tax, nor are dividends paid by the SICAV liable to any Luxembourg withholding tax. The SICAV is, however, liable in Luxembourg to a subscription tax on its net asset value amounting to 0.05 % per annum for Class A shares and 0.01 % per annum for Class I shares.