

# TÜRKISFUND TÜRKISFUND BONDS

## SIMPLIFIED PROSPECTUS JANUARY 2007

### General Information

This simplified prospectus contains key information in relation to TÜRKISFUND (the "SICAV"), an open-ended investment company with multiple sub-funds (the "Sub-Funds") registered on the official list of collective investment undertakings pursuant to part I of the Luxembourg law of 20th December, 2002 on collective investment undertakings (the "law of 2002"), incorporated on November 19, 1997, for an unlimited period of time. **Türkisfund Bonds** (the "Sub-Fund") is one of the Sub-Funds of the SICAV. If you would like more information before you invest, please consult the most recent full prospectus (currently dated October 2006) (the "Full Prospectus"). For details about the SICAV's holdings, please see the most recent annual or semi-annual report. The Full Prospectus and the annual and semi-annual reports may be obtained free of charge at the registered office of the SICAV (5, Allée Scheffer, L-2520 Luxembourg).

### Objectives and investment policy

The objective of this Sub-Fund is mainly to invest in Turkish Bonds.

In the management of the Sub-Fund, the assets which are easy to convert to cash and that carry less risk are preferred out of capital markets securities. At least 51% of the portfolio will be invested in public and/or private sector bonds and bills. The Sub-Fund will invest between up to 49% of its portfolio in Turkish shares listed on the Istanbul Stock Exchange to get tax advantage and the rest of its portfolio may be invested in fixed income securities. The Sub-Fund may also invest in euro-bonds and global bonds between 0% and 24%. The Sub-Fund may hold liquid assets on an ancillary basis.

The Sub-Fund may invest in transferable securities issued by the Republic of Turkey via initial public offerings by Central Bank of Turkish Republic and under Secretariat of Treasury.

The Sub-Fund may use techniques and instruments for the purpose of hedging interest rate and stock market fluctuations and currency risks, as further detailed under chapter 13 "Risk Management" of the Full Prospectus. Moreover, the Sub-Fund may, for a purpose other than hedging, purchase and sell futures contracts and options as further detailed under the same chapter 13. These techniques and instruments are not used so as to have an important impact on the investment policy of the different Sub-Funds.

### Profile of the typical investor

This Sub-Fund is available to all investors. It is designed to investors who want exposure to Turkish Bonds, and who are seeking moderate returns over a 2-3 year period, with a moderate level of volatility.

### Risk profile

The investments in each Sub-Fund are subject to normal market fluctuations and other risks inherent in all investments; accordingly, there can be no assurance that their investment objective will be achieved.

As this Sub-Fund invests in securities of a defined country, the possibilities of risk diversification may be limited.

The attention of the investors is drawn to the fact that the Sub-Fund, when using the techniques and instruments mentioned here above, bears some greater risks due to the leverage effect, which may be unfavourable to the performance of the Sub-Fund.

Investors should also be aware that investments in TÜRKISFUND BONDS bear further special risks (e.g. the country of investments, currency, settlement and accounting) as described more detailed under chapter 4.3. Investment Risks of the Full Prospectus.

### Profile of the Sub-Fund

<b>Promoter</b>	Isbank GmbH Frankfurt
<b>Supervisory Authority</b>	Commission de Surveillance du Secteur Financier (CSSF)
<b>Custodian Bank and Central Administration Investment Manager</b>	CACEIS Bank Luxembourg
<b>Auditors</b>	İŞ Portföy Yönetimi A.Ş. Dr. Wollert – Dr. Elmendorff S.à.r.l.
<b>Legal form</b>	SICAV
<b>Financial Year</b>	December 31
<b>Base currency</b>	Euro
<b>calculation of the NAV</b>	Each Monday and Wednesday which is a Bank Business Day in Luxembourg
<b>Publication of the NAV</b>	The net asset values and the issue, conversion and redemption prices of the shares in any Sub-Fund will be made public and available at the registered office of the SICAV.

	The SICAV will arrange for regular publication of the net asset values in the Handelsblatt.
<b>Dividends</b>	Distribution shares. The annual general meeting of shareholders shall each year make a decision on the proposals of the Board of Directors in this matter. The Directors may, if they deem it advisable, make interim payment of dividends.
<b>classes of shares</b>	A: retail, I: institutional
<b>ISIN Codes</b>	A: LU0085872132 I: LU0144591038

### Fees, Expenses and Taxes

<b>Sales Fee</b>	class A: up to 5,0% class I: up to 3%
<b>Redemption Fee</b>	None
<b>Conversion Fee</b>	None
<b>Investment Manager Fee</b>	0,8%
<b>Distributor Fee</b>	0,2%
<b>Custodian Fee</b>	0.04%
<b>Central Administration Fee</b>	Up to 0,07%
<b>Tax d'abonnement</b>	0,05% retail 0,01% institutional

EU Tax Considerations for individuals resident in the EU or in certain third countries or dependent or associated territories

The Council of the EU has adopted on 3rd June 2003 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive"). Under the Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria, Belgium and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

The Directive has been implemented in Luxembourg by a law dated June 21, 2005 (the "Law").

Dividends distributed by a Sub-Fund will be subject to the Directive and the Law if more than 15% of such Sub-Fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the redemption or sale of Shares in a Sub-Fund will be subject to the Directive and the Law if more than 40% of such Sub-Fund's assets are invested in debt claims (such Sub-Funds, hereafter "Affected Sub-Funds").

The applicable withholding tax will be at a rate of 15% from July 1, 2005 until June 30, 2008, 20% from July 1, 2008 until June 30, 2011 and 35% from July 1, 2011 onwards.

Consequently, if in relation to an affected Sub-Fund a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a shareholder who is an individual resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependent or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the Law by the competent authorities of his State of residence for tax purposes.

The SICAV reserves the right to reject any application for shares if the information provided by any prospective investor does not meet the standards required by the Law as a result of the Directive.

***The foregoing is only a summary of the implications of the Directive and the Law and is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Directive and the Law.***

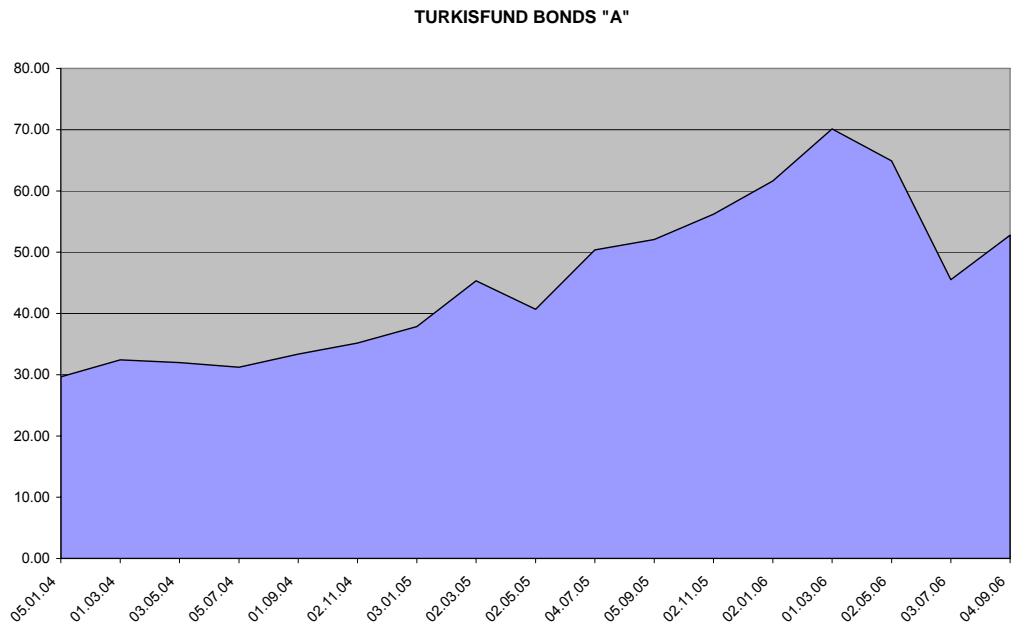
Luxembourg

Subject to the provisions of the Law, shareholders are not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg, except for investors domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg owning more than 10% of the Shares in the SICAV. The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

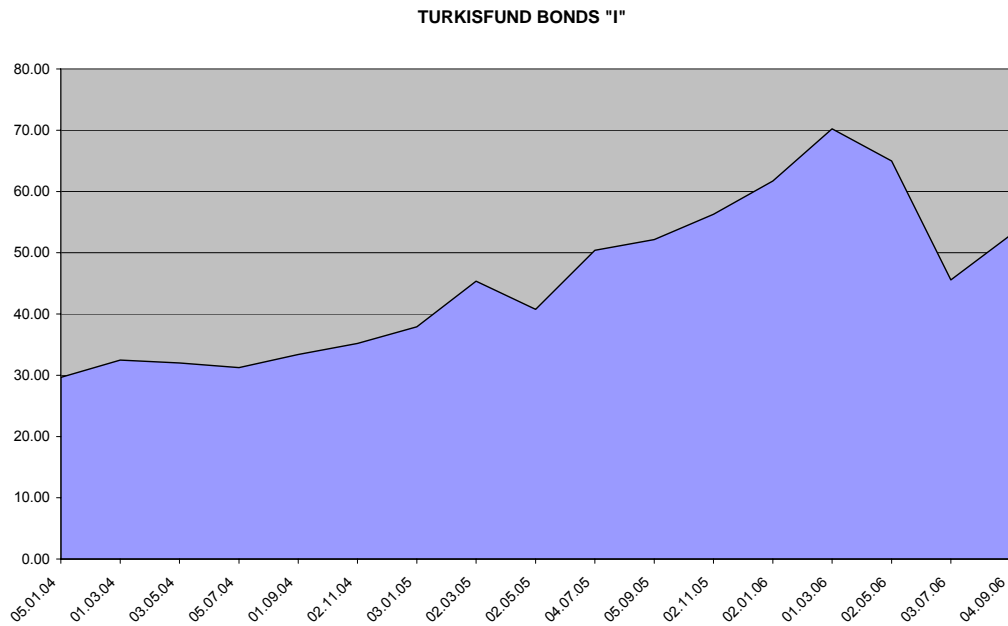
Potential subscribers to the SICAV should inform themselves on applicable laws and regulations (i.e. as to the possible tax requirements or foreign exchange control) of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, purchase, holding and redemption of shares.

**Performance**

class A:



class I:



Past performance does not guarantee future performance.

### **How to buy/ sell/ convert shares**

Applications for subscription, redemption or conversion received by the Transfer Agent or the SICAV in Luxembourg on a banking day before the Time Limit (4 p.m., Luxembourg time) will be dealt with on the next following Valuation day at the subscription/redemption price of the relevant Sub-Fund prevailing on that Valuation day. Valuation day: each Monday and Wednesday which is a Bank Business Day in Luxembourg.

### **Additional Information**

#### **Contact person**

Mr. Klaus Schreiber  
 ISBANK GmbH Frankfurt  
 Rossmarkt 9  
 D-60311 Frankfurt/ Main  
 Tel: 00 49 69 299 01 101

#### **Distributor and Paying Agent in Germany**

ISBANK GmbH Frankfurt  
 Rossmarkt 9  
 D-60311 Frankfurt/ Main