

## 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 (As of 31/03/10)

Base Currency	Euro
Total Assets	21,447,205
Inception	19 Nov 1997
NAV (I class)	87.62
Total Expense Ratio	Annual 2.38%
Benchmark	90% x KYD ABI*+10% x ISE 30
Investment Manager	Is Asset Management

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

## COMPARATIVE CUMULATIVE RETURNS

### Comparative Cumulative Returns (%) 03/01/05 - 31/03/10



## INVESTMENT ALLOCATION

<b>Bonds</b>	<b>Equities</b>
86.10%	13.90%

## RANKINGS

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

## PERFORMANCE AND RISK MEASURES

	2009	2008	2007
Sharpe Ratio	1.25	-0.66	1.21
Information Ratio	1.16	-0.29	-2.12
Alpha (%)	3.83	-3.08	-4.75
Beta	0.96	0.92	0.90
Tracking Error (Ex-post) (%)	0.22	0.43	0.47

## MARKET OVERVIEW

Global equities continued to perform well and kept their upward trend in the first quarter of 2010. Despite the challenges caused by the troubled fiscal economies of some Eurozone countries, global recovery continued to gather steam in light of the cautious decisions of policymakers. Improvements in the economic indicators supported the positive sentiment of global investors in the first quarter.

With the support of sovereign rating upgrades by rating agencies and ongoing expectations about the potential IMF deal, ISE - 100 gained 7% during the first month of the year. In the following month due to the concerns caused by the troubled economies of Eurozone countries, major indices experienced selling pressure and with these developments ISE - 100 declined 9.68% in February. Newsflow about the potential rescue plan of EU for Greece and signs of accelerated growth in advanced economies supported global markets in March. Turkish equities tracked the global rally for the same period and gained 16.29%. In the first quarter of 2010, Turkish Equities gained total of 12.39% on Euro basis.

CBRT kept its policy rates unchanged (6.5%) in the first quarter. Although inflation figures of January and February caused some worries in the market, CBRT stated that increase in the headline inflation figures are caused by the temporarily effects. In the first months of 2011, CBRT expects headline inflation to reach levels in line with the targeted path. On the other hand strong cyclical recovery in the first quarter and deterioration of inflation outlook supported the investor expectations of interest rate hike in the second half of 2010. Despite the fact, the Benchmark Bond yield moved slightly down to 8.79% from 8.87% and Turkish Lira appreciated by 4.77% against Euro in the first quarter.

Over the last quarter, Turkisfund Bonds invested 80.03% of its assets in Turkish government bonds with an average duration less than one year. Remaining assets of the portfolio have been invested in high - beta Turkish equities and money market instruments. In line with the expectations of increase in inflation, Turkisfund Bonds targets to keep its short term investment strategy by investing in money market instruments and bonds with an average duration less than one year.

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## TOP 10 HOLDINGS (%)

BONDS	
TRT020211T11	21.37
TRT190111T13	11.94
TRT031110T10	10.89
TRT081210T14	8.65
TRT110511T17	6.88
TRT161111T14	5.95
TRT070312T14	5.12
TRT030811T14	4.09
EQUITIES	
ISYAT.IS	9.98
ANHYT.IS	2.93

## PAST PERFORMANCES (%)

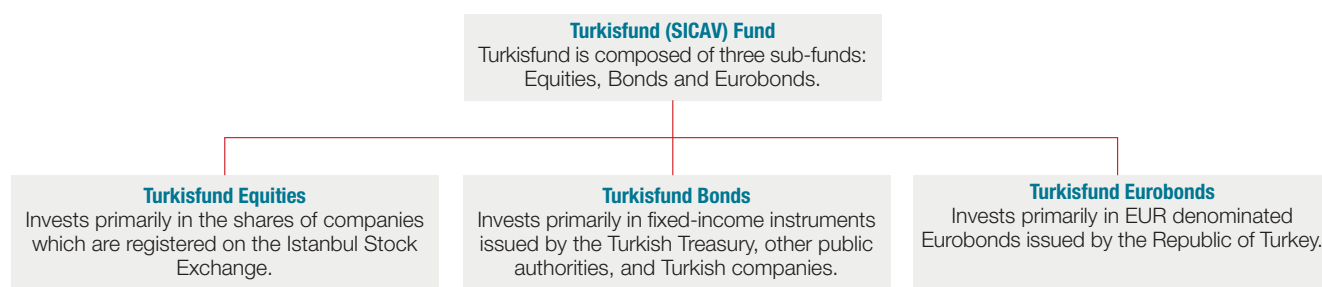
	Fund *	Benchmark*	DJN**	FTSE**	DAX**	ISE100**
31.12.09-						
31.03.10	9.8	9.6	4.1	4.9	3.3	7.0
2009	28.2	24.0	18.8	22.1	23.8	96.6
2008	-13.7	-12.0	-33.8	-31.3	-40.4	-51.6
2007	30.0	40.1	6.4	3.8	22.3	42.0
2006	-10.5	-7.9	16.3	10.7	22.0	-1.7
2005	60.9	50.9	-0.6	16.7	27.1	59.3
3 years	44.7	55.7				
5 years	150.4	154.6				

\* Fund's returns and benchmarks are based on Euro.

\*\* Indice data is based on its own local currency.

## TURKISFUND - INVESTMENT STRATEGIES

TURKISFUND (SICAV) is an umbrella fund:



## LEGAL STRUCTURE

<b>Established in</b>	Luxembourg
<b>Distributed in</b>	UK, Luxembourg, Holland and Germany
<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>	CASEIS Bank Luxembourg
<b>Paying Agents</b>	CASEIS Bank Luxembourg Isbank GmbH Frankfurt Isbank London Isbank GmbH Amsterdam

## 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 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>	0.6% p.a.
		<b>Distributor Trailer Fee</b>	0.4% 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 by maintaining 24.3% 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 47 corporate members of European Fund and Asset Management Association (EFAMA). Is Asset Management is the only Turkish asset management company with the distinction and pride of being a member of the representative association for the European investment management industry

## CONTACT

Luxembourg Office  
Zeynep Aslan, Director  
Phone: +352 4767 50 53  
Fax: +352 4767 55 00  
Email: zeynep.aslan@turkisfund.com

Isbank GmbH Frankfurt, Germany  
Selami Düz, Assistant General Manager  
Phone: +49 69 29 90 11 50  
Fax: +49 69 29 90 12 22  
Email: selami.duz@isbankgmbh.de

Isbank London, UK  
Kaan Tokat, Branch Manager  
Phone: +44 207 606 05 96  
Fax: +44 207 726 25 66  
Email: kaantokat@isbank.co.uk

Isbank GmbH Amsterdam, Holland  
Emre Yilmaz, Branch Manager  
Phone: +31 20 530 63 33  
Fax: +31 20 530 63 40  
Email: emre.yilmaz@isbankgmbh.de