
TÜRKISFUND

SICAV

**Audited annual financial statement
as per 31 December 2008**

TÜRKISFUND

Direction, administration and management

Registered office:

5, Allée Scheffer
L-2520 Luxembourg

Supervisory Board:

Chairman:

(from 21 April 2008)
Dr. Gürman TEVFIK
CEO
IS ASSET MANAGEMENT, Istanbul

Members:

Bayram ÖZTÜRK General Manager
ISBANK GmbH, Frankfurt am Main

Selami DÜZ
Assistant General Manager
ISBANK GmbH, Frankfurt am Main

Kaan TOKAT
Branch Manager
TÜRKIYE IS BANKASI A.S., London

Investment consultants:

IS ASSET MANAGEMENT
IS Kuleleri 4, Kule:2, Kat:3,
34330 4. Levent Istanbul – Turkey

Depositary bank:

CACEIS Bank Luxembourg
5, Allée Scheffer
L-2520 Luxembourg

Central administration:

CACEIS Bank Luxembourg
5, Allée Scheffer
L-2520 Luxembourg

Register and transfer department:

CACEIS Bank Luxembourg
5, Allée Scheffer
L-2520 Luxembourg

Marketing company in Germany:

ISBANK GMBH
Rossmarkt 9
D-60311 Frankfurt am Main

Paying agent and information office in Germany:

ISBANK GMBH
Rossmarkt 9
D-60311 Frankfurt am Main

Marketing company in England:

T. Is Bank London Branch
8 Princes Street
UK – EC2R 8HL London

Paying agent and information office in England:

T. Is Bank London Branch
8 Princes Street
UK – EC2R 8HL London

Marketing company in Holland:

ISBANK GmbH Amsterdam Branch
WTC Strawinskylaan 841
Tower C Level 8
NL – 1077 XX Amsterdam

Paying agent and information office in Holland

ISBANK GmbH Amsterdam Branch
WTC Strawinskylaan 841
Tower C Level 8
NL – 1077 XX Amsterdam

Auditors:

(up to 6 May 2008)
DR. WOLLERT - DR. ELMENDORFF S.à r.l.
51, avenue de la Gare
L-1611 Luxembourg

(from 6 May 2008)
Ernst & Young SA
Parc d'activité Syrdall 7
L-5365 Munsbach

Conducting Persons:

Cenk AKSOY
Assistant General Manager
IS ASSET MANAGEMENT
IS Kuleleri, Kule: 2, Kat:3,
34330 4. Levent Istanbul – Turkey

Zeynep ASLAN
Director
Türkisfund SICAV
5, Allée Scheffer
L-2520 Luxembourg

TÜRKISFUND

Information to the shareholders

The AGM of the SICAV shareholders is held at SICAV's registered office or another venue in Luxembourg each year on the first Tuesday in May at 11.00 a.m. If such a day is a public holiday in Luxembourg, it shall be held on the next business day.

Invitations to the AGM shall be sent out to the shareholders of registered shares by way of registered post at least 8 days prior to the meeting to the address entered in the shareholders' share register. These invitations also include the agenda and specify the place and time of the meeting and the requirements for admission. They also refer to the statutory requirements in Luxembourg regarding the majority required in the case of voting and whether or not a meeting constitutes a quorum.

SICAV's business year ends on 31 December. The first annual report was prepared as per 31 December 1998.

SICAV's first report was an unapproved six-monthly report as per 30 June 1998.

Audited annual reports are published within four months following expiry of the business year, while unapproved six-monthly reports are published within two months following expiry of the respective period. These reports are forwarded to each entered shareholder to the address stated in the register. The comprehensive and the simplified sales leaflet, the annual and six-monthly reports and a list of the changes to the securities portfolio are available free of charge in paper form from SICAV's entered registered office and from the German paying and information office.

Interest taxation directive

By way of the Act dated 21 June 2005 (the "Act"), the Directive 2003/48/EC of the Council in respect of the taxation of interest yield (the "Interest Taxation Directive") was passed into Luxembourg law.

It is envisaged that the Interest Taxation Directive ensure that interest payments from receivables ("Interest Yield") in a member state of the European Union ("Member Country") to private individuals ("Economic Owner") who have their place of residence in another Member Country are effectively taxed. In accordance with the Interest Taxation Directive, Member Countries undertake to inform the pertinent authorities in the Member Country of the Economic Owner of certain minimum information regarding interest yield and regarding the identity of the Economic Owner ("Exchange of Information"). An exception applies to Austria, Belgium and Luxembourg that impose withholding tax on such interest yield for a transition period. Other countries, including Switzerland, dependent or associated territories of the EU Member Countries, the principalities of Monaco, Liechtenstein and Andorra and the Republic of San Marino have taken similar measures in respect of the Exchange of Information or the taxation at source.

In Luxembourg the law on withholding tax specifies that it be imposed at three levels, initially at 15% (1 July 2005 to 30 June 2008) above 20% (1 July 2008 to 30 June 2011), and up to 35% (from 1 July 2011).

However, Article 9 of the Act specifies that withholding tax shall not be retained insofar as the Economic Owner authorises the paying agent in writing to forward information as part of the Exchange of Information.

The dividends distributed from the partial fund of SICAV are subject to the area of application of the Interest Taxation Directive if more than 15% of the assets of the respective portfolio are invested in receivables (see Act for definition). The Interest Taxation Directive applies to repurchase revenue of a shareholder in the case of shares insofar as more than 40% of the assets of the respective partial fund are invested in claims.

If the applicant makes available to SICAV the details specified by law in a manner that is incomplete or inadequate, the company is entitled to reject applications for the subscription of shares.

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Information to the shareholders (continued)

Interest Taxation Directive (continued)

Name of partial fund	Tax status upon repurchase	Tax status upon distribution	Procedure applied to determine the status	Period of validity of status
TÜRKISFUND – EQUITIES	I	I	LEAFLET	01/01/08 - 31/12/08
TÜRKISFUND – BONDS	I	I	LEAFLET	01/01/08 - 31/12/08
TÜRKISFUND – EUROBONDS	I	I	LEAFLET	01/01/08 - 31/12/08

I = within the area of application of the Act
0 = outside the area of application of the Act

TÜRKISFUND

Report of the Supervisory Board

For financial markets as a whole, 2008 was an extraordinary year in economic and financial history: world stock markets late in the year were characterized by unprecedented levels of volatility and the breakdown of historically observed correlations across asset classes, compounded by extreme illiquidity. Banking industry experienced its most serious financial crisis in decades. Responses to the crisis included the injection of new capital into many of the world's major financial institutions by governments.

The tightening in global liquidity conditions will keep countries with high financing requirements in the spotlight. As such, Turkish assets remain vulnerable to a sharp worsening in the global financial markets. However, the lira has held well versus its performance in previous bouts of global financial volatility. The following factors have supported lira performance this time around: high yields offered by local bonds, Turkey's improved economic prospects which make the country an attractive destination for FDI and portfolio inflows, structural reform progress which has led to a significant improvement in the country's macroeconomic fundamentals and continued fiscal and monetary discipline.

From the onset of the deepening of the global credit crunch the CBTR introduced several measures to relieve the foreign exchange bottlenecks in the banking system. The foreign exchange deposit market was re-activated in which the CBTR acts as intermediary between banks and also pledges to lend at fixed rates. The CBTR also announced that, if needed, it stands ready to improve TRY liquidity by extending the maturity of its repo transactions, buying government debt in the secondary market and cutting reserve requirements on TRY deposits while the IMF agreement is expected to be finalized soon.

In 2008 Türkisfund had a good year overall in an increasingly difficult economic and financial environment. The fund received redemptions from its investors with the rate of around 7% while most of the major funds across the globe received redemptions for around 15-20% of their assets. The balance sheet of Türkisfund has not been exposed to any illiquid instruments. The fund did not report any kind of sub-prime risk and never carried collateralised debt obligations such as mortgage back securities.

Türkisfund gained a licence to market its sub-funds in the UK and Netherlands in 2008.

We thank all TURKISFUND SICAV's investors for the confidence they have placed in us.

Luxembourg, April 20, 2009

TURKISFUND SICAV

TÜRKISFUND

Report of the Reviser d'Entreprises

To the shareholders of
Türkisfund SICAV
5, allée Scheffer
L-2520 Luxemburg

We have audited the enclosed annual financial statement of Türkisfund and its respective partial fund, which includes the list of net assets, the securities portfolio as per 31 December 2008, the profit and expenses statement for the business year ended on that date and a summary of the key accounting principles and methods and the other notes to the annual report.

Responsibility of SICAV's Supervisory Board for the annual financial statement

The preparation and truthful presentation of this annual financial statement in accordance with the statutory provisions and regulations valid in Luxembourg that apply to the preparation and presentation of the annual financial statement are the responsibility of SICAV's Supervisory Board. This responsibility includes the development, implementation and maintenance of the internal control system in respect of preparing and truthfully presenting the annual financial statement so that it is free of significant misstatements irrespective of whether or not such misstatements are the result of inaccuracies or violations, and the selection and application of appropriate accounting principles and methods and specifying appropriate estimates of relevance to the accounting.

Auditor's responsibility

It is our responsibility to issue an auditor's report for this annual financial statement on the basis of our final audit. We carried out our audit in accordance with the International Standards of Auditing implemented by "Institut des Réviseurs d'Entreprises". These standards require that we adhere to the occupational obligations and principles and plan and perform the audit such that it can be assessed with reasonable assurance whether the annual financial statement is free of material misstatements.

A final audit consists of applying procedures to retain audit proof of the vouchers and information contained in the annual financial statement. The selection of procedures is incumbent upon the assessment of the auditor, as is the assessment of the risk that the annual financial statement contains inaccuracies or violations. As part of this risk assessment the auditor gives consideration to the internal control system set up for the preparation and truthful presentation of the annual financial statement to specify the appropriate auditing procedures under these circumstances but not, however, to issue a auditor's report on the effectiveness of the internal control system. A final audit also entails the assessment of the suitability of the applied accounting principles and methods and the suitability of the estimates made by SICAV's Supervisory Board and the assessment of the overall presentation of the annual financial statement.

In our opinion the received audit documents are sufficient and appropriate as the basis for issuing our auditor's report.

TÜRKISFUND

Report of the Reviser d'Entreprises (continued)

Auditor's report

In our opinion the enclosed annual financial statement gives a true and fair view of the net assets, financial position, results of operations and cash flows of Türkisfund as per 31 December 2008 in accordance with the statutory provisions and regulations valid in Luxembourg regarding the preparation and presentation of the annual financial statement and gives a true and fair view of the earnings situation and the development of the net assets for the business year ending on that date.

We viewed the supplementary details stated in this annual financial statement. However, they were not the subject matter of special auditing procedures in accordance with the principles stated above. Our auditor's report therefore does not refer to these details. As part of the overall presentation of the annual financial statement, these details did not result in any reservations.

ERNST & YOUNG
Société Anonyme
Réviser d'Entreprises

Nadia Faber

Luxemburg, dated 20 April 2009

TÜRKISFUND

List of net assets
as per 31 December 2008

		TÜRKISFUND - EQUITIES	TÜRKISFUND - BONDS	TÜRKISFUND - EUROBONDS	Total
	Explanation	EUR	EUR	EUR	EUR
ASSETS					
	Securities portfolio (2)	8 049 282.17	16 133 611.25	984 959.92	25 167 853.34
	Cash in banks	59 574.10	151 072.30	25 452.32	236 098.72
	Receivables from subscriptions	0.00	32 374.44	0.00	32 374.44
	Net receivables from interest and dividends (2)	15.51	311 477.28	56 833.52	368 326.31
	TOTAL ASSETS	8 108 871.78	16 628 535.27	1 067 245.76	25 804 652.81
LIABILITIES					
	Investment consulting fees (3)	16 664.41	32 425.00	2 026.87	51 116.28
	Liabilities from repayments	4 650.65	18 357.92	0.00	23 008.57
	Net liabilities from interest and dividends (2)	53 695.80	871 759.58	0.00	925 455.38
	Liabilities from expenses	26 338.18	33 604.20	5 033.80	64 976.18
	TOTAL LIABILITIES	101 349.04	956 146.70	7 060.67	1 064 556.41
	TOTAL NET ASSETS	8 007 522.74	15 672 388.57	1 060 185.09	24 740 096.40
Net inventory value per share					
	Class A	19.84	62.11	17.72	
	Class I	19.88	62.25	-	
Number of outstanding shares					
	Class A	114 405.668	56 263.616	59 840.266	
	Class I	288 651.185	195 619.166	-	

The enclosed explanations are deemed an integral part of the annual report.

TÜRKISFUND

Income and expenses statement for the business year ended 31 December 2008

	TÜRKISFUND - EQUITIES	TÜRKISFUND - BONDS	TÜRKISFUND - EUROBONDS	Total
Explanation	EUR	EUR	EUR	EUR
NET ASSETS AT START OF THE BUSINESS YEAR	18 091 123.52	20 061 683.48	1 537 342.65	39 690 149.65
INCOME				
Net dividends from securities portfolio	396 423.48	422 058.41	0.00	818 481.89
Net interest from bonds	574 235.88	3 839 429.16	82 036.09	4 495 701.13
Interest from cash in banks	505.41	927.42	1 195.98	2 628.81
TOTAL INCOME	971 164.77	4 262 414.99	83 232.07	5 316 811.83
EXPENSES				
Investment consulting fees (3)	88 025.68	141 387.59	10 361.92	239 775.19
Depository bank fees	25 963.13	18 338.53	560.35	44 862.01
Domicile fees, administrative remuneration				
Bookkeeping fees and transfer costs	37 860.02	50 837.45	29 633.60	118 331.07
Audit costs, printing and publication costs	27 180.61	55 532.88	7 338.19	90 051.68
Subscription tax (Taxe d'Abonnement) (5)	1 906.15	3 416.98	793.28	6 116.41
Bank costs	6 785.25	4 295.69	492.84	11 573.78
Bank interest	62.95	0.00	35.52	98.47
Other expenses	182 194.92	170 000.18	23 737.81	375 932.91
TOTAL EXPENSES	369 978.71	443 809.30	72 953.51	886 741.52
NET INCOME / NET EXPENSES FROM INVESTMENTS	601 186.06	3 818 605.69	10 278.56	4 430 070.31
Realised net profit/ loss from security sales	-1 661 925.13	-725 285.45	-69 730.95	-2 456 941.53
Realised net profit/ loss from currency transactions	-1 001 906.68	-1 019 072.75	114.48	-2 020 864.95
REALISED NET PROFIT / - LOSS	-2 062 645.75	2 074 247.49	-59 337.91	-47 736.17
Change in the non-realised profit / loss from securities	-7 263 288.48	-4 722 268.96	-11 559.01	-11 997 116.45
NET INCREASE / NET REDUCTION IN THE NET ASSETS	-9 325 934.23	-2 648 021.47	-70 896.92	-12 044 852.62
DEVELOPMENT OF THE FUND ASSETS				
Subscriptions from shares	2 069 682.38	1 832 235.55	1 745 899.63	5 647 817.56
Repayments from shares	-2 827 348.93	-3 573 508.99	-2 152 160.27	-8 553 018.19
NET ASSETS AT THE END OF THE BUSINESS YEAR	8 007 522.74	15 672 388.57	1 060 185.09	24 740 096.40

The enclosed explanations are an integral part of the annual financial statement.

TÜRKISFUND

Changes to the shares in circulation
for the business year ended 31 December 2008

	TÜRKISFUND - EQUITIES	TÜRKISFUND - BONDS	TÜRKISFUND - EUROBONDS
Class A			
Number of outstanding shares at the start of the business year	141 487.174	82 913.110	83 162.861
Number of issued shares	67 130.968	27 717.658	94 956.599
Number of repurchased shares	(-94.212,474)	(-54.367,152)	(-118.279,194)
Number of outstanding shares at the end of the business year	114 405.668	56 263.616	59 840.266
Class I			
Number of outstanding shares at the start of the business year	288 651.185	195 479.166	-
Number of issued shares	-	140.000	-
Number of repurchased shares	-	-	-
Number of outstanding shares at the end of the business year	288 651.185	195 619.166	-

Statistics

	TÜRKISFUND - EQUITIES	TÜRKISFUND - BONDS	TÜRKISFUND - EUROBONDS
	EUR	EUR	EUR
TOTAL NET ASSETS			
31st December 08	8 007 522.74	15 672 388.57	1 060 185.09
31st December 07	18 091 123.52	20 061 683.48	1 537 342.65
31st December 06	32 899 298.62	40 971 531.81	3 177 967.35
Net inventory value per share at the end of the business year			
31st December 08			
Class A	19.84	62.11	17.72
Class I	19.88	62.25	-
31st December 07			
Class A	42.02	71.97	18.49
Class I	42.08	72.10	-
31st December 06			
Class A	31.83	55.54	18.63
Class I	31.86	55.62	-

The enclosed explanations are deemed an integral part of the annual report.

TÜRKİSFUND

TÜRKİSFUND - EQUITIES

Securities portfolio
as per 31 December 2008
(in EUR)

Security description	Quantity Nominal value	Currency	Cost value	Price	% of net assets
Officially listed securities					
Shares					
Turkey					
AKBANK A.S.	285 000	TRY	805 349.91	622 304.94	7.77
ANADOLU HAYAT SIGORTA A.S.	498 267	TRY	910 082.02	341 737.29	4.27
ANADOLU SIGORTA BEARER A.S.	763 637	TRY	327 220.81	338 472.20	4.23
DOGAN SIRKETLER GRUBU HOLDINGS A.S.	350 000	TRY	390 706.25	166 563.85	2.08
EREGLI DEMIR VE CELIK A.S.	136 001	TRY	657 504.71	253 814.09	3.17
HACI OMER SABANCI HOLDING A.S.	150 000	TRY	383 184.95	229 550.18	2.87
HURRIYET GAZETE A.S.	97 264	TRY	183 375.95	29 043.30	0.36
IS YATIRIM ORTAKLIGI A.S.	2 272 529	TRY	1 439 467.73	583 155.88	7.28
KOC HOLDING A.S. -B-	105 000	TRY	201 217.32	126 392.57	1.58
TAT KONSERVE A.S.	60 000	TRY	110 144.47	33 032.83	0.41
TOFAS TURK OTOMOBIL FABRIKASI A.S.	100 000	TRY	168 256.71	52 255.50	0.65
TRAKYA CAM SANAYII A.S.	495 281	TRY	325 567.61	210 283.54	2.63
TUPRAS TURKIYE PETROL RAFINELERI A.S.	46 000	TRY	545 747.40	345 538.34	4.32
TURK HAVA YOLLARI A.S.	80 000	TRY	269 549.58	210 887.57	2.63
TURK SISE CAM A.S.	547 240	TRY	535 122.01	273 195.99	3.41
TURK TELEKOM A.S.	210 000	TRY	487 828.55	340 966.00	4.26
TURKCELL ILETISIM HIZMET A.S.	160 500	TRY	790 088.87	636 511.86	7.95
TURKIYE GARANTI BANKASI A.S. (NAMEN-AKT)	640 000	TRY	1 076 926.25	770 392.80	9.62
TURKIYE HALK BANKA A.S.	78 000	TRY	197 575.12	164 492.30	2.05
TURKIYE VAKIFLAR BANKASI TAO A.S.	180 001	TRY	119 098.78	98 259.00	1.23
YAPI VE KREDI BANKASI A.S.	417 500	TRY	530 920.79	399 322.01	4.99
YATIRIM FINANSMAN YATIRM ORTAKLIGI A.S.	300 000	TRY	194 111.11	62 986.33	0.79
			10 649 046.90	6 289 158.37	78.54
Total - shares			10 649 046.90	6 289 158.37	78.54
Bonds					
Turkey					
TURKEY 0% 07-05.08.09U (*)	1 100 000	TRY	516 238.97	516 238.97	6.45
TURKEY 0% 08-23.06.10U (*)	1 700 000	TRY	630 159.82	630 159.82	7.87
TURKEY 0% 08-24.06.09U (*)	1 400 000	TRY	613 725.01	613 725.01	7.66
			1 760 123.80	1 760 123.80	21.98
Total - bonds			1 760 123.80	1 760 123.80	21.98
Total - officially listed securities			12 409 170.70	8 049 282.17	100.52
TOTAL SECURITIES PORTFOLIO			12 409 170.70	8 049 282.17	100.52

The enclosed explanations are an integral part of the annual financial statement.

(*) The value development of the zero coupon bonds is stated in the item "Net liabilities from interest and dividends"

TÜRKISFUND

TÜRKISFUND - BONDS

Securities portfolio
as per 31 December 2008
(in EUR)

Security description	Quantity/ Nominal value	Currency	Cost price	Price	% of net assets
Officially listed securities					
Shares					
Turkey					
ANADOLU HAYAT SIGORTA A.S.	274 526	TRY	568 160.73	188 284.19	1.20
IS YATIRIM ORTAKLIGI A.S.	4 118 685	TRY	2 021 816.32	1 056 899.87	6.74
TURK SISE CAM A.S.	56 046	TRY	9 180.13	27 979.47	0.18
YATIRIM FINANSMAN YATIRM ORTAKLIGI A.S.	295 632	TRY	196 991.25	62 069.25	0.40
			2 796 148.43	1 335 232.78	8.52
Total - shares			2 796 148.43	1 335 232.78	8.52
Bonds					
Turkey					
TURKEY 0% 08-07.10.09U (*)	1 700 000	TRY	734 021.67	734 021.67	4.68
TURKEY 0% 08-11.03.09U (*)	233	TRY	122.89	122.89	0.00
TURKEY 0% 08-14.04.10U (*)	4 800 000	TRY	1 875 681.96	1 875 681.96	11.97
TURKEY 0% 08-15.07.09U (*)	9 400 348	TRY	4 531 532.98	4 531 532.98	28.91
TURKEY 0% 08-23.06.10U (*)	10 000 000	TRY	3 680 185.54	3 680 185.54	23.48
TURKEY 0% 08-24.06.09U (*)	7 600 000	TRY	3 331 055.58	3 331 055.58	21.25
TURKEY 15% 05-10.02.10S	1 400 000	TRY	841 866.55	645 777.85	4.12
			14 994 467.17	14 798 378.47	94.42
Total - bonds			14 994 467.17	14 798 378.47	94.42
Total - officially listed securities			17 790 615.60	16 133 611.25	102.94
TOTAL SECURITIES PORTFOLIO			17 790 615.60	16 133 611.25	102.94

The enclosed explanations are an integral part of the annual report.

(*) The value development of the zero coupon bonds is stated in the item "Net liabilities from interest and dividends"

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TÜRKISFUND - EUROBONDS

Securities portfolio
as per 31 December 2008
(in EUR)

Secu N	Quantity/ nominal value	Currency	Cost price	Price	% of net assets
Officially listed securities					
Bonds					
Turkey					
TURKEY 4.75% 05-06.07.12A	210 000	EUR	204 930.68	200 751.47	18.94
TURKEY 5% 06-01.03.16A	100 000	EUR	93 412.50	85 230.12	8.04
TURKEY 5.5% 04-21.09.09A	45 000	EUR	45 976.22	44 681.02	4.21
TURKEY 5.5% 05-16.02.17A	186 000	EUR	172 042.40	159 547.17	15.05
TURKEY 6.5% 04-10.02.14A	120 000	EUR	125 073.92	116 846.07	11.02
TURKEY 9.25% 00-09.02.10A	160 000	EUR	181 321.07	164 742.85	15.54
TURKEY 9.5% 03-18.01.11A	200 000	EUR	232 815.25	213 161.22	20.11
			1 055 572.04	984 959.92	92.90
Total - bonds			1 055 572.04	984 959.92	92.90
Total - officially listed securities			1 055 572.04	984 959.92	92.90
TOTAL SECURITIES PORTFOLIO			1 055 572.04	984 959.92	92.90

The enclosed explanations are an integral part of the annual report

TÜRKISFUND

Notes to the Annual Financial Statement as per 31 December 2008

NOTES 1 – GENERAL

TÜRKISFUND SICAV (the “Fund”) is an investment company that was established as a joint-stock company in accordance with the laws of the Grand Duchy of Luxembourg and is qualified as an investment company with variable capital (SICAV). SICAV was established on 19 November 1997 in Luxembourg for an unlimited period of time with capital of DM 70,000.00. Up until 10 January 2007 it was subject to Part I of the Act dated 18 March 1988. With effect from 11 January 2007 it is subject to Part I of the Act dated 20 December 2002. The articles of association and memorandum of SICAV were published in the Luxembourg Mémorial, Recueil des Sociétés et Associations on 18 December 2007. SICAV is entered in the Luxembourg Register of Companies under B-61596.

At present shares in the following partial funds are offered, which each follow their own investment goals and principles:

- TÜRKISFUND - EQUITIES
- TÜRKISFUND - BONDS
- TÜRKISFUND - EUROBONDS

The goal of the partial fund TÜRKISFUND - EQUITIES largely consists of investing in shares of Turkish issuers and in shares in Turkish lira.

The goal of the partial fund TÜRKISFUND - BONDS largely consists of investments in Turkish debenture bonds.

The goal of the partial fund TÜRKISFUND - EUROBONDS largely consists of investing in Euro bonds issued by the Republic of Turkey.

NOTE 2 – SUMMARY OF THE KEY ACCOUNTING PRINCIPLES

a) Determining the inventory value

The inventory value of each share is determined by dividing the entire inventory value of the respective partial fund, which is made up of the value of the assets of the partial fund less the liabilities, by the total number of shares of the partial fund in circulation.

Attention is drawn to the fact that the new inventory values for the annual financial statement as per 31 December 2008 were calculated on the basis of the exchange rates of 31 December 2008.

EURO is the reference currency for the fund.

b) Evaluating the security assets

The value of the securities that are listed or traded on a stock exchange is the last known exchange rate or the official average price of the stock exchange, which is normally the primary market for that security. This applies to each security.

Securities that are regulated in a different market shall, where possible, be evaluated as described in the following sub-section.

In the event that there are no listings or contracts in a stock exchange, or another regulated market, for securities of a portfolio, or there is no price listing for one of the securities, or if the price specified in the sub-sections according to the view held by the Supervisory Board does not reflect the value of the respective securities in line with customary market practice, the value of such securities shall be specified sensibly and in good faith on the basis of a reasonable and foreseeable selling price.

TÜRKISFUND

Notes to the Annual Financial Statement (continued)
as per 31 December 2008

NOTE 2 – SUMMARY OF THE KEY ACCOUNTING PRINCIPLES (continued).

c) Conversion of foreign currencies

SICVA's accounting is carried out in euros.

Assets and liabilities in a currency other than EURO are converted at the exchange rates valid at the end of the business period.

Exchange rates as per 31 December 2008:

1 TRY = 0.46657 EUR

1 USD = 0.71025 EUR

d) Realised net profit/loss from securities sales

The profits or losses realised from the sale of securities are calculated on the basis of the average original prices of the sold securities.

e) Evaluation of forward foreign exchange transactions

The non-realised value increase/depreciation of the outstanding forward foreign exchange transactions is calculated on the assessment date at the forward transaction exchange rate and booked and taken in to consideration in the change to the net assets.

f) Treatment of zero coupon bonds

The zero coupon bonds are taken into consideration in the in the securities assets at cost prices. The non-realised value development is stated in "Net receivables from interest and dividends" and/or "Net liabilities from interest and dividends":

	Net receivables from interest and dividends	Net liabilities from interest and dividends
TÜRKISFUND EQUITY	-	-53,695.80
TÜRKISFUND BONDS	-	-871,778.25
TÜRKISFUND EURO BONDS	-	-

NOTE 3 – INVESTMENT CONSULTING FEES

With effect from 7 July 2005, SICAV pays to the investment consultant, for each partial fund, remuneration in the form of a fee of up to 1.00% p.a. of the average net inventory value of the respective partial fund.

NOTE 4 – SALES COMPANY FEES

The marketing company receives a sales fee of up to 5% of the inventory value for each share of the respective partial fund, which it may directly deduct from the subscribers' subscription money.

The marketing company receives each quarter for each partial fund 0.2% p.a. of the average net inventory value of each partial fund as remuneration for its services.

TÜRKISFUND

Notes to the Annual Financial Statement (continued)

as per 31 December 2008

NOTE 5 – SUBSCRIPTION TAX

In accordance with the current Act, SICVA in Luxembourg is neither subject to income tax nor are the dividend distributions paid by SICAV subject to withholding tax for an investor located in Luxembourg. However, in Luxembourg SICAV must pay a subscription tax of 0.05% p.a. for the class A and subscription tax of 0.01% for Class I on the inventory values.

This tax is calculated and paid on a quarterly basis, and is based on the net inventory values of all partial funds at the end of the respective quarter.

This percentage rate does not apply to the assets that the company holds in other OGAWs (organisations for joint investments in securities), which are already subject to subscription tax in Luxembourg.

NOTE 6 – MISCELLANEOUS

On request a list of the changes to the securities portfolio during the period under review can be obtained directly from the company's registered office or the paying agent.

NOTE 7 – TOTAL EXPENSE RATIO

	TÜRKISFUND EQUITIES EUROBONDS		TÜRKISFUND BONDS		TÜRKISFUND	
	CLASS A	CLASS I	CLASS A	CLASS I	CLASS A	
	CLASS I					
TER 2006	1.59%	1.55%	1.52%	1.50%	2.97%	N/A
TER 2007	1.83%	1.69%	1.80%	1.67%	3.37%	N/A
TER 2008	2.69%	2.68%	2.47%	2.38%	5.15%	N/A

NOTE 8 – PENSIONS AND SECURITY REPURCHASE DEALS

Overnight transactions (repo deals) are outside funds that are guaranteed by way of the assets taken as a basis that are contained in the security portfolio of the partial fund, and which remain subject to the market risk. Security repurchase deals (reverse repos) can be equated with guaranteed loans. In such a case the partial fund is not subject to the risk of a loss in value of the assets taken as a basis. Repos and reverse repos are treated as outside funds or loans in the sum of the received or paid liquid funds. Income and expenses from pension and security repurchase deals are stated in the annual financial statement.

At present there are no outstanding pension transactions in the partial funds.

TÜRKISFUND SICAV
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Proof of taxation basis in accordance with Section 5, sub-section 1, nos. 1 and 2 InvStG (German Investment Tax Act)
of Türkisfund SICAV
for the business year from 1 January 2008 to 31 December 2008

Partial funds Share class ISIN Amount per share in					TÜRKISFUND BONDS A LU0085872058 EUR		TÜRKISFUND BONDS I LU0144 591384 EUR	
	PV ¹⁾	BV	EstG ²⁾	BV	KStG ³⁾	PV ¹⁾	BV EstG ²⁾	BV KStG ³⁾
Section 5, sub-section 1, no. 1								
a) Amount of distribution	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
b) Amount of income equated with distribution	0.9711	0.9711			0.9711	0.9789	0.9789	0.9789
b) Amount of distributed income	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
c) Amounts of items listed below contained in the distribution and the income equated with distribution								
aa) Income equated with distribution of the previous years	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Tax-free sales profits within the meaning of Section 2, sub-section 3, no. 1. sentence 1 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
cc) Income within the meaning of Section 3, no. 40 EstG - dividends	0.5285	0.5284			0.0000	0.5343	0.5343	0.0000
dd) Income within the meaning of Section 8 b, sub-section 1 KStG (German Corporation Tax Act) - dividends	0.0000	0.0000			0.5285	0.0000	0.0000	0.5343
ee) Sales profits within the meaning of Section 3, no. 40 EstG (German Income Tax Act) - shares	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
ff) Sales profits within the meaning of Section 8b, sub-section 2, KStG - shares	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
gg) Income within the meaning of Section 2, sub-section 3, no. 1, S. 2 InvStG, insofar as it is not capital yield within the meaning of Section 20 EstG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
hh) Tax-free sales profits from real estate (Section 2, sub-section 3, no 2 InvStG)	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
ii) Tax-free double taxation agreement income within the meaning of Section 4, sub-section 1, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
jj) Foreign income to be counted towards withholding tax within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
kk) Foreign income to be counted towards fictitious withholding tax within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
ll) Income within the meaning of Section 2, sub-section 2a, InvStG (interest cap regulation)			0.5441		0.5441		0.5450	0.5450
dd) Basis for calculating the amounts stated below to be credited/reimbursed								
aa) Capital gains tax within the meaning of Section 7, sub-sections 1 and 2 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Capital gains tax within the meaning of Section 7, sub-section 3 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
e) Amount to be credited to/deducted from								
aa) Capital gains tax within the meaning of Section 7, sub-sections 1 and 2 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Capital gains tax within the meaning of Section 7, sub-section 3 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
f) Foreign taxes								
aa) Creditable foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG								
bb) Deductible foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
cc) Fictitious foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
g) Amount stated for wear and tear or depletion within the meaning of Section 3, sub-section 3, sentence 1, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
h) Amount by which corporation tax is reduced within the meaning of Section 37, sub-section 3, KStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000

TÜRKISFUND SICAV
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Proof of taxation basis in accordance with Section 5, sub-section 1, nos. 1 and 2 InvStG (German Investment Tax Act)
of Türkisfund SICAV
for the business year from 1 January 2008 to 31 December 2008

Partial funds Share class ISIN Amount per share in					TÜRKISFUND BONDS A LU0085872132 EUR		TÜRKISFUND BONDS I LU0144591038 EUR	
	PV ¹⁾	BV	EstG ²⁾	BV	KStG ³⁾	PV ¹⁾	BV EstG ²⁾	BV KStG ³⁾
Section 5, sub-section 1, no. 1								
a) Amount of distribution	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
b) Amount of income equated with distribution	3.4905	3.4905			3.4905	3.5525	3,5525	3,5525
b) Amount of distributed income	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
c) Amounts of items listed below contained in the distribution and the income equated with distribution								
aa) Income equated with distribution of the previous years	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Tax-free sales profits within the meaning of Section 2, sub-section 3, no. 1. sentence 1 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
cc) Income within the meaning of Section 3, no. 40 EstG - dividends	1.1203	1.12.031			0.0000	1.1595	1.1595	0.0000
dd) Income within the meaning of Section 8 b, sub-section 1 KStG (German Corporation Tax Act) - dividends	0.0000	0.0000			1.1203	0.0000	0.0000	1.1595
ee) Sales profits within the meaning of Section 3, no. 40 EstG (German Income Tax Act) - shares	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
ff) Sales profits within the meaning of Section 8b, sub-section 2, KStG - shares	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
gg) Income within the meaning of Section 2, sub-section 3, no. 1, S. 2 InvStG, insofar as it is not capital yield within the meaning of Section 20 EstG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
hh) Tax-free sales profits from real estate (Section 2, sub-section 3, no 2 InvStG)	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
ii) Tax-free double taxation agreement income within the meaning of Section 4, sub-section 1, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
j) Foreign income to be counted towards withholding tax within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
kk) Foreign income to be counted towards fictitious withholding tax within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
ll) Income within the meaning of Section 2, sub-section 2a, InvStG (interest cap regulation)			3.1303		3.1303		3.1371	3.1371
dd) Basis for calculating the amounts stated below to be credited/reimbursed								
aa) Capital gains tax within the meaning of Section 7, sub-sections 1 and 2 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Capital gains tax within the meaning of Section 7, sub-section 3 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
e) Amount to be credited to/deducted from								
aa) Capital gains tax within the meaning of Section 7, sub-sections 1 and 2 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Capital gains tax within the meaning of Section 7, sub-section 3 InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
f) Foreign taxes								
aa) Creditable foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
bb) Deductible foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
cc) Fictitious foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
g) Amount stated for wear and tear or depletion within the meaning of Section 3, sub-section 3, sentence 1, InvStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000
h) Amount by which corporation tax is reduced within the meaning of Section 37, sub-section 3, KStG	0.0000	0.0000			0.0000	0.0000	0.0000	0.0000

TÜRKISFUND SICAV
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**Proof of taxation basis in accordance with Section 5, sub-section 1, nos. 1 and 2 InvStG (German Investment Tax Act)
of Türkisfund SICAV
for the business year from 1 January 2008 to 31 December 2008**

Partial funds Share class ISIN Amount per share in	TÜRKISFUND EUROBONDS		
		A LU0144591038 EUR BV EstG ²⁾	KStG ³⁾
	PV ¹⁾		
Section 5, sub-section 1, no. 1			
a) Amount of distribution	0.0000	0.0000	0.0000
b) Amount of income equated with distribution	0.3222	0.3222	0.3222
b) Amount of distributed income	0.0000	0.0000	0.0000
c) Amounts of items listed below contained in the distribution and the income equated with distribution			
aa) Income equated with distribution of the previous years	0.0000	0.0000	0.0000
bb) Tax-free sales profits within the meaning of Section 2, sub-section 3, no. 1. sentence 1 InvStG	0.0000	0.0000	0.0000
cc) Income within the meaning of Section 3, no. 40 EstG - dividends	0.0000	1.1595	0.0000
dd) Income within the meaning of Section 8 b, sub-section 1 KStG (German Corporation Tax Act) - dividends	0.0000	0.0000	1.1595
ee) Sales profits within the meaning of Section 3, no. 40 EstG (German Income Tax Act) - shares	0.0000	0.0000	0.0000
ff) Sales profits within the meaning of Section 8b, sub-section 2, KStG - shares	0.0000	0.0000	0.0000
gg) Income within the meaning of Section 2, sub-section 3, no. 1, S. 2 INvStG, insofar as it is not capital yield within the meaning of Section 20 EstG	0.0000	0.0000	0.0000
hh) Tax-free sales profits from real estate (Section 2, sub-section 3, no 2 InvStG	0.0000	0.0000	0.0000
ii) Tax-free double taxation agreement income within the meaning of Section 4, sub-section 1, InvStG	0.0000	0.0000	0.0000
jj) Foreign income to be counted towards withholding tax within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000	0.0000
kk) Foreign income to be counted towards fictitious withholding tax within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000	0.0000
ll) Income within the meaning of Section 2, sub-section 2a, InvStG (interest cap regulation)		1.1671	1.1671
dd) Basis for calculating the amounts stated below to be credited/reimbursed			
aa) Capital gains tax within the meaning of Section 7, sub-sections 1 and 2 InvStG	0.0000	0.0000	0.0000
bb) Capital gains tax within the meaning of Section 7, sub-section 3 InvStG	0.0000	0.0000	0.0000
e) Amount to be credited to/deducted from			
aa) Capital gains tax within the meaning of Section 7, sub-sections 1 and 2 InvStG	0.0000	0.0000	0.0000
bb) Capital gains tax within the meaning of Section 7, sub-section 3 InvStG	0.0000	0.0000	0.0000
f) Foreign taxes			
aa) Creditable foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000	0.0000
bb) Deductible foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000	0.0000
cc) Fictitious foreign taxes on income within the meaning of Section 4, sub-section 2, InvStG	0.0000	0.0000	0.0000
g) Amount stated for wear and tear or depletion within the meaning of Section 3, sub-section 3, sentence 1, InvStG	0.0000	0.0000	0.0000
h) Amount by which corporation tax is reduced within the meaning of Section 37, sub-section 3, KStG	0.0000	0.0000	0.0000