



*Informational & Analytical Digest
of AMC "UkrSib Asset Management"*

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October 7th 2011

Informational & Analytical Digest of AMC PFA "UkrSib Asset Management" # 29

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Market Analytics – Stock Market

Stock Market

World Stock Markets

Prior to September's results, the stock market indices hit a new record low: European stock markets closed in the range -8 to -15 percent, American -6 to -17 percent, and Asian -1 to -14 percent.

Russia's indices declined 12 percent. Shares of the metallurgy (-20%), telecommunications industry (-18%) and power sectors (-14%) performed worse than the stock market, while the shares of oil (-8 percent) sectors did better. Descending dynamic of oil prices (-10%) boost downturn of Russian equity.

A round of panicked sell-off continued. It was caused by unsolved Greek debt problems, the Fed's chief statement about the «significant downturn risk» of an economy, weak macroeconomic statistics (China, EU, USA) and downgrading credit ratings in the banking sector. Rating agencies and Investment banks downgraded economic growth forecast to 2011-2012.

A new Greek rescue program will not be announced till November. This increases expectations about the default of the country. Practically, losses from depreciation of Greek sovereign bonds bear EU banks, the problems of the banking sector can increase a lack of liquidity and create a new stage of the financial crisis. Current threats of bankruptcy of Dexia (the biggest bank of Belgium) shows the real size of problems. Currently, the EU Finance Ministers are convinced of the necessity of recapitalization of financial companies (the IMF estimates 100-200m euros).

In September, the Fed did not see the necessity of «QE3», but decided to implement a gradual replacement in their portfolio of short-term US Treasuries into long-term US Treasuries («Operation «Twist»). It is anticipated that these measures will allow them to downgrade credit rates and maintain the labor market.

The Ukrainian stock market hit a record low in September -17 percent. Volatility of liquid equities peaked, the volatility range during the trading session reached 10 to 15 percent, spreads widened in the same range. On the whole, the Ukrainian market followed world stock indices dynamic.

Macroeconomic statistics were stable: production growth counted for 2.2 percent (mom) in August or 9.6 percent (yoy). Official data on consumer prices inflation made up 8.8 percent in August, while the annualized rate of the industrial production price index was 19.9 percent. According to the NBU, the estimation of GDP growth has been 5 percent over 8 months in 2011.

Regarding corporate news, there were good financial results in the machinery sector over 1H 2011, shows Motor Sich and Stakhanov Railway car Building Works. In the railway car sector, output growth continued in August. There was a slowdown in the metallurgical sector in September, a daily average steel output declined by 1%. In the power sector output growth over 9 months 2011 was 10.3 (yoy). The Cabinet of Ministers approved the conditions for privatization of Zapadenergo and Kiyvenergo. Approved privatization start prices are on much higher levels than current quotes of shares of these companies.

Our recommendations for the stock market are the same: despite the fact the current price level of the majority of the liquid stock has been attractive for trading strategies for over a year, we think it would be reasonable to await for more stable signals of market recovery.



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Market Analytics – Fixed Income Market

Bond Market

In September, interest rates for government bonds saw a rise in the secondary market that resulted in worsened liquidity figures in the banking sector, tight monetary policy of the NBU, government bond sale to non-residents.

The fund balances in correspondent accounts fluctuated in the range of UAH 9.5-18bn, by the end of the month they were back to an annualized record low of UAH13.5bn. Accordingly, the interbank interest rates hit a record high: KievPrime ON to 15.6% percent, KievPrime 1M – to 12.6 percent.

The negative outside macroeconomic background drove sales of Ukraine's government bonds. Over the month, government bonds in portfolios of non-residents fell UAH1.8bn to UAH5.1bn. Under the current unstable situation, devaluation risks of the hryvnia are heightening. Despite devaluation expectations Ukrainian balance of payments showed surplus of \$214m in August and \$1900m over 8 months in 2011.

Prior to monthly results, yields of sovereign Eurobonds with redemption in 2013 increased from 5.4 percent to 9.4 percent. A rise of quotations of credit default swaps (CDS) was worth 64 percent per month.



European Real Estate Market

The Eurozone crisis is driving prime central London property prices every higher as real estate investors see the city as a safe haven for their money. The latest prime central London index from Knight Frank shows that luxury property prices increased 0.6% in September 2011, contributing to annual growth of 11.4%.

Prices have now risen 37.2% since their recent post credit crunch low in March 2009 and are at a record high, 4.5% higher than their previous peak in March 2008. With average prime central London house prices hitting £3,968,300 in September, annual price growth of 11.4% has translated into daily price rises of £1,117 over the past 12 months.

The role of central London property acting as a safe haven investment in periods of economic turbulence has been confirmed by the fact that the recent growth in purchases has been overwhelmingly driven by international buyers, with domestic buyers now accounting for only 45% of the central London market. With low interest rates likely to be a feature of the market for the next six to 12 months experts are anticipating demand at current levels and a supply of new properties still being low.

US Real Estate Market

Housing isn't just another industry: It's a driving force for the entire economy. Residential investment accounts for up to a quarter of overall capital investment. House prices have a big influence on consumer spending -- for every \$1,000 the value of his house falls, a homeowner tends to cut his outlays by about \$50 or \$60. And falling property tax revenues are decimating many towns and cities.

Today, new-home construction is running at less than a third of its pre-recession level; in August 2011 it fell again. Existing-home sales picked up a bit, but that was largely because of bottom-fishing investors who are betting prices can't go any lower. Nationwide, according to the S&P/Case-Shiller index, prices are down 6% over the past year and down 32% since the first quarter of 2006.

National Real Estate Market Snapshot

Listing Type	Median Price	Price Change from Sep
Homes for Sale	\$169,900	0.0%
New Homes	\$219,500	+0.2%
Foreclosures	\$145,000	0.0%

Ukraine's Real Estate, Kyiv

On October 3, 2011 the average home price of buildings under construction in Kyiv is \$1513,5 per 1 sq.m.. and \$ 2115 per 1 sq.m. in the secondary market.

In September 2011, in the secondary market there were 1 075 buy-and-sell deals made in 10 administrative districts in Kyiv and 733 unfinished new homes were sold (according to SV Development). Two-bedroom flats were in greatest demand (57 percent of buy-and-sell deals), one-bedroom flats made up 33 percent, flats with three-bedrooms and more accounted for 10 percent. The highest number of deals (73 percent) was made for homes under \$100K, 22 percent for homes in the price range \$100K to \$200K, and 5 percent for homes – over \$200K.

Kyiv's Commercial Real Estate

In 2012 in the commercial real estate segment, another 180K sq.m of good quality commercial real estate will be available (reported Jones Lang LaSalle).

Among them the first phase is the trading mall Ocean Plaza (72K sq.m.), the second phase – a trading mall Domosfera (30K sq.m.), Rayon (23K sq.m.) and Silver Breeze (16K sq.m.). As a result, in a year the total volume of the good quality commercial real estate market may constitute 658K sq.m.

In experts' opinion, the trading sector in Kyiv remains the most attractive for both international and domestic market players.

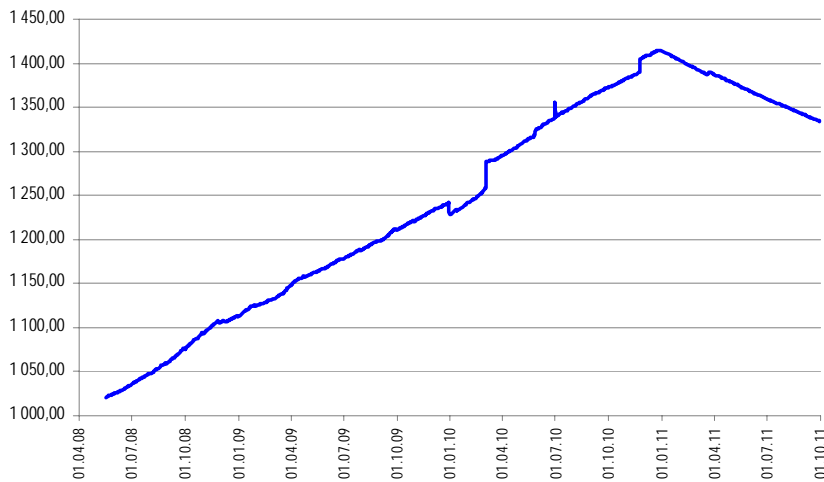


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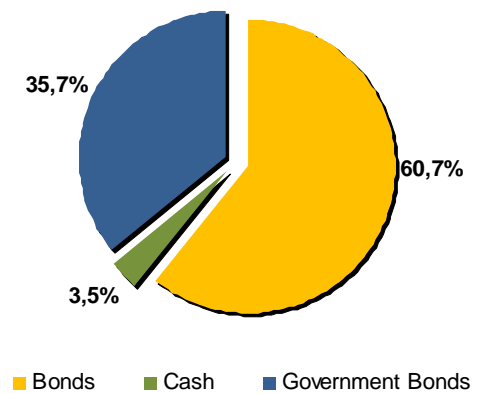
"UkrSib Stable Income 2" IF Performance Report

Fund's indices as of September 30 th , 2011	CURRENT VALUE
NAV of the fund, UAH.	15 830 776.87
NAV calculating per 1 share, UAH	1 334,24
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	- 0.13%
Per month	+0.6%
Per quarter	- 1.89%
Since the beginning of 2011	- 5.70%
Since the beginning of the Fund's functioning	+ 33.42%

Dynamics of the Fund's net assets value per share, UAH



Structure of the Fund's assets



As of 30.09.2011 net asset value of "UkrSib Stable Income 2" Fund totaled UAH 15,831 mln. Stock value of the Fund totaled UAH 1 334,24

As of 30.09.2011 the value of the Fund's investment portfolio make up UAH 13,364 mln, cash and other assets of the Fund totaled UAH 489,450 thou.

¹ For making a model of current investment in the Fund you can use the site www.ukrsibfunds.com. Calculation will include reinvestment of the revenue from Fund's capital increase and won't show others outgoing including purchase and sale commission that can make the above mentioned indices lower. Model calculation shall not be considered as a basic for determination of future investment and for comparison with the results of fund's performance.

² The indicated figures reflect historical data and cannot guarantee the future income. Return on investments and securities cost may vary, i.e. by selling securities either profits can be gained or losses incurred. The Fund's current results may be higher or lower than the indicated ones.

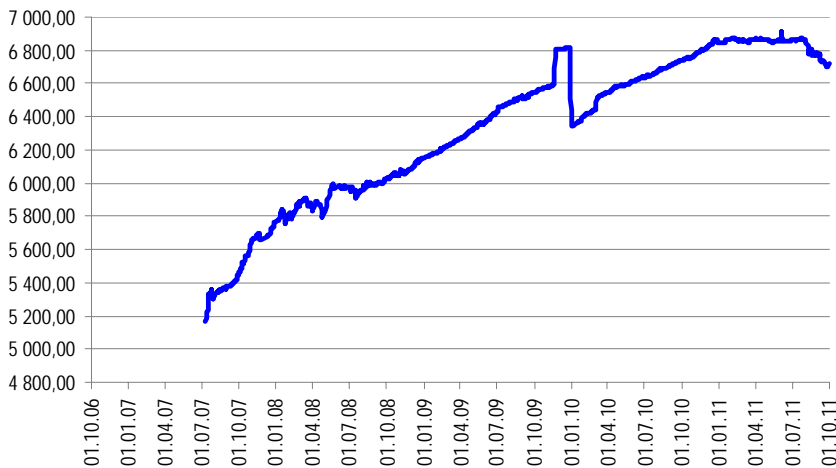


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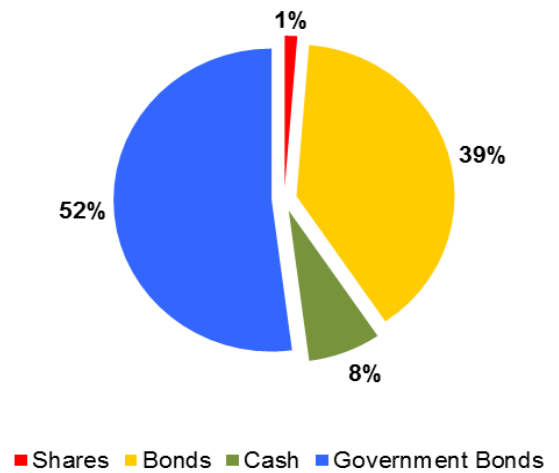
“UkrSib Real Estate Fund” IF Performance Report

Fund's indices as of September 30 th , 2011	CURRENT VALUE
NAV of the fund, UAH.	12 730 456.26
NAV calculating per 1 share, UAH	6 717.92
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	+ 0.30%
Per month	- 1.01%
Per quarter	- 2.03%
Since the beginning of 2011	- 1.88%
Since the beginning of the Fund's functioning	+ 34.36%

Dynamics of the Fund's net assets value per share, UAH



Structure of the Fund's assets



As of 30.09.2011 net asset value of “UkrSib Real Estate Fund” totaled UAH 12,730 mln. Stock value of the Fund amounted UAH 6 717.92.

As of 30.09.2011 the value of the Fund's investment portfolio make up to UAH 9,399 mln, cash and other assets of the Fund totaled UAH 755,445 thou.

¹ For making a model of current investment in the Fund you can use the site www.ukrsibfunds.com. Calculation will include reinvestment of the revenue from Fund's capital increase and won't show others outgoing including purchase and sale commission that can make the above mentioned indices lower. Model calculation shall not be considered as a basic for determination of future investment and for comparison with the results of fund's performance.

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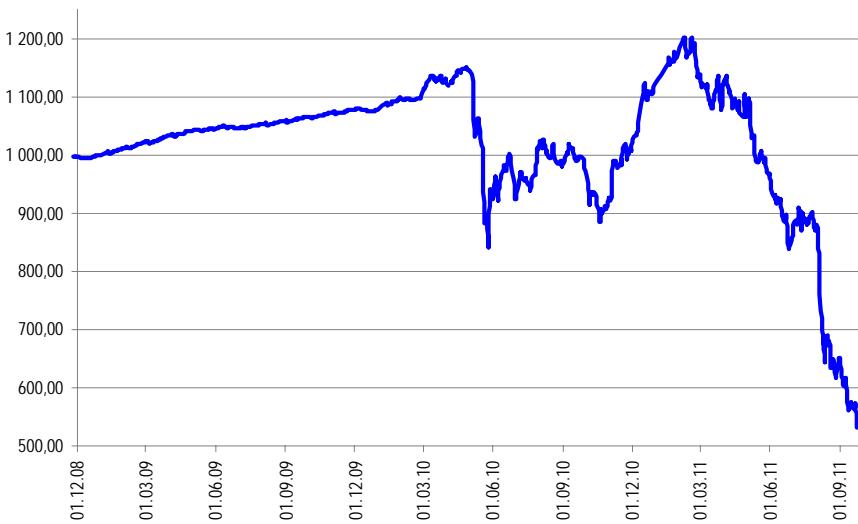


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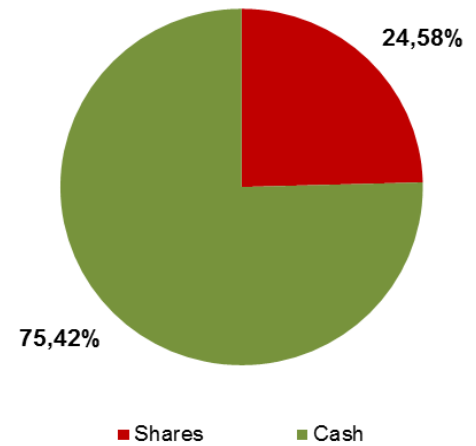
“UkrSib Dynamic Income” IF Performance Report

Fund's indices as of September 30 th , 2011	CURRENT VALUE
NAV of the fund, UAH.	754 410.76
NAV calculating per 1 share, UAH	539.25
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	+ 1.58%
Per month	- 16.42%
Per quarter	- 37.45%
Since the beginning of 2011	- 51.94%
Since the beginning of the Fund's functioning	- 46.07%

Dynamics of the Fund's net assets value per share, UAH



Structure of the Fund's assets



As of 30.09.2011 net asset value of “UkrSib Dynamic Income” totaled UAH 754,411 thou. Stock value of the Fund amounted to UAH 539,25. Cash funds and other assets of the Fund totaled UAH 571,122 thou.

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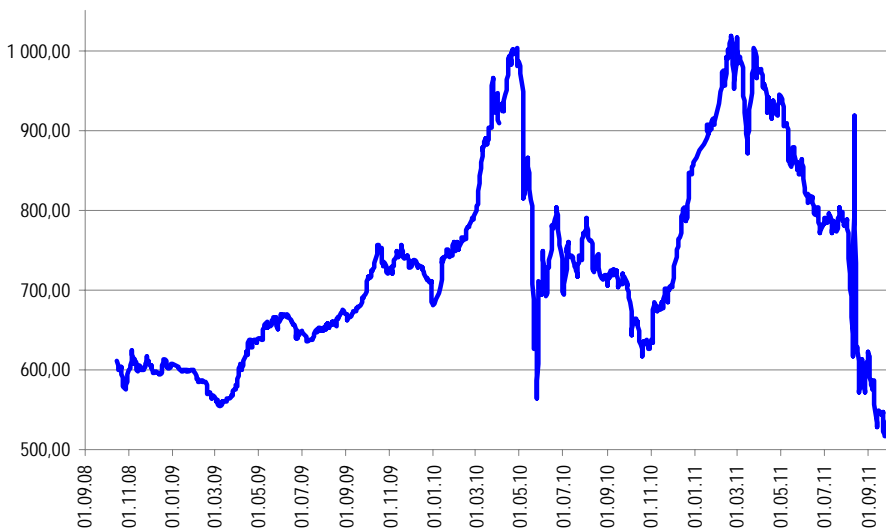


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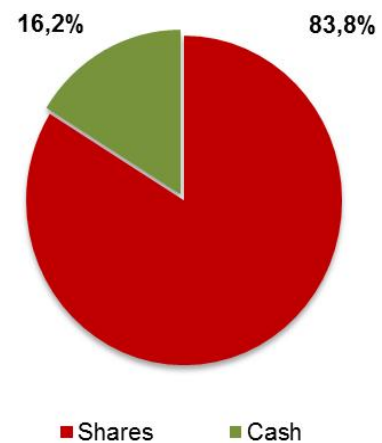
“UkrSib Index” IF Performance Report

Fund's indices as of September 30 th , 2011	CURRENT VALUE
NAV of the fund, UAH.	717 309.50
NAV calculating per 1 share, UAH	536.91
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	+ 3,98%
Per month	- 12.91%
Per quarter	- 31.38%
Since the beginning of 2011	- 37.56%
Since the beginning of the Fund's functioning	- 46.31%

Dynamics of the Fund's net assets value per share, UAH



Structure of the Fund's assets



As of 30.09.11 net asset value of “UkrSib Index” totaled UAH 717,310 thou. Stock value of the Fund amounted to UAH 536,91. As of 30.09.11 the value of the Fund's investment portfolio totaled UAH .628 mln, cash and other assets of the Fund totaled UAH 121,216 thou.

¹ For making a model of current investment in the Fund you can use the site www.ukrsibfunds.com. Calculation will include reinvestment of the revenue from Fund's capital increase and won't show others outgoing including purchase and sale commission that can make the above mentioned indices lower. Model calculation shall not be considered as a basic for determination of future investment and for comparison with the results of fund's performance.

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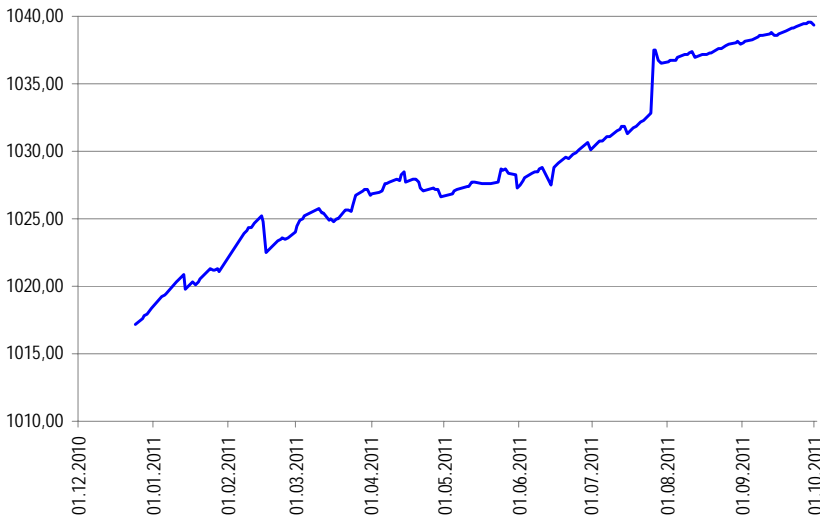


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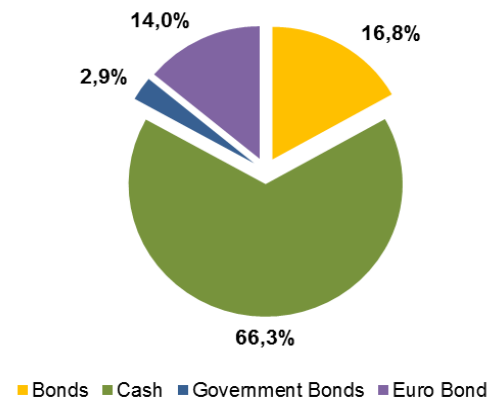
“Acceleration” IF Performance Report

Fund's indices as of September 30 th , 2011	CURRENT VALUE
NAV of the fund, UAH.	5 735 096.92
NAV calculating per 1 share, UAH	1 039.34
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	+ 0.01%
Per month	+ 0.12%
Per quarter	+ 0.89%
Since the beginning of 2011	+ 2.06%
Since the beginning of the Fund's functioning	+ 3.93%

Dynamics of the Fund's net assets value per share, UAH



Structure of the Fund's assets



As of 30.09.11 net asset value of “Acceleration” made up UAH 5,735 mln. Stock value of the Fund totaled UAH 1 039,34. As of 30.09.11 the value of the Fund's investment portfolio made up UAH 1,940 mln, cash and other assets of the Fund totaled UAH 3,809 mln.

¹ For making a model of current investment in the Fund you can use the site www.ukrsibfunds.com. Calculation will include reinvestment of the revenue from Fund's capital increase and won't show others outgoing including purchase and sale commission that can make the above mentioned indices lower. Model calculation shall not be considered as a basic for determination of future investment and for comparison with the results of fund's performance.

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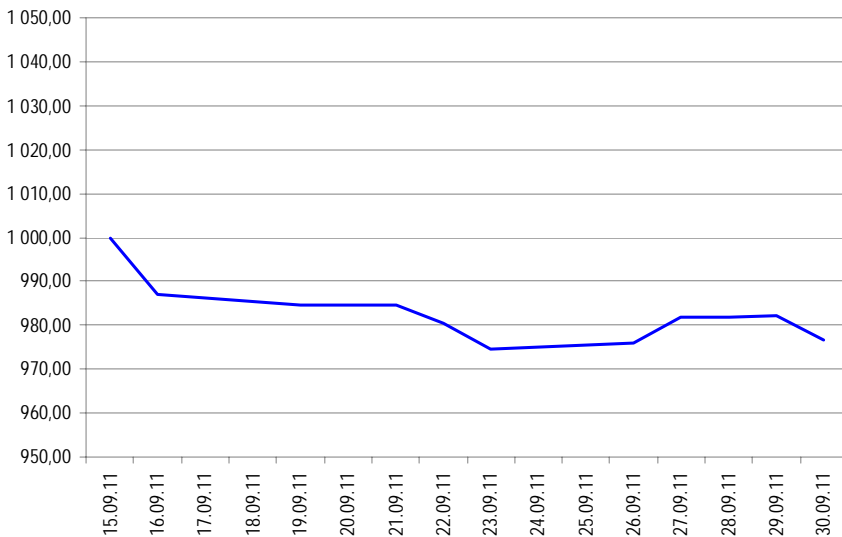


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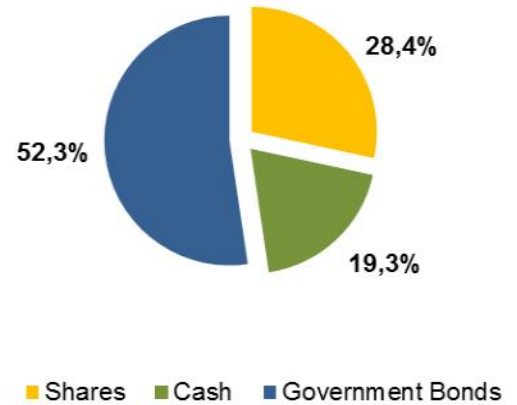
"A-VISTA" IF Performance Report

Fund's indices as of September 30 th , 2011	CURRENT VALUE
NAV of the fund, UAH.	2 049 931.60
NAV calculating per 1 share, UAH	976.62
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	+ 0.21%
Per month	- 2.34%
Per quarter	- 2.34%
Since the beginning of the Fund's functioning	- 2.34%

Dynamics of the Fund's net assets value per share, UAH



Structure of the Fund's assets



As of 30.09.11 net asset value of "Acceleration" made up UAH 2,050 mln. Stock value of the Fund totaled UAH 976,62.

As of 30.09.11 the value of the Fund's investment portfolio made up UAH 1,661 mln, cash and other assets of the Fund totaled UAH 396,691 thou.

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