



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

№ 30

08.11.2011



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Monthly informational & analytical digest of JSC "AMC PFA "UkrSib Asset Management"
Published since August 2008

Digest is distributed by direct mailing via e-mail exclusively for the clients of JSC "AMC PFA "UkrSib Asset Management"
& JSC "UkrSibbank"

Digest is prepared by JSC "AMC PFA "UkrSib Asset Management"



08.11.2011

Market Analytics – Stock Market

Stock Market

Previous to October's results, world stock market indices did not show any panic collapse and fixed relatively steady growth during the months. European stock markets added 4-12 percent, American 5-11 percent, Asian 3-13 percent. Russia's stock market bounced back by 10 percent.

Stock market growth was induced by the following factors:

- agreeing on a restructuring of Greece's debt;
- relatively favourable world's macroeconomic statistics;
- positive financial results over Q3 of most global giants.

However, Ukraine's stock market, which has lost 41 percent of its capitalization since the start of the year, did not react to the bounce back, though ceased to fall for a while. In October, the UE index grew by 0.4 percent. Trading turnover was sluggish testifying to a lack of investors' interest.

Taking into account high volatility in the Ukrainian market, investors do not haste to open long stock positions for the following reasons:

- a globally unsteady macroeconomic situation;
- an unsteady position of key product markets of the Ukrainian export (mining and smelting companies), global prices for steel and iron ore are falling;
- signs of the hryvnia's weakening that is artificially valued by the NBU by limiting liquidity in the banking system; worse balance of payments;
- growing earnings on treasury bonds to 22 percent make this instrument for investors more attractive than stocks, taking into consideration their risks.

Taking account a 41 percent market plunge from the beginning of the year, we consider stock prices attractive for trading strategies for over a year. Besides, uncertainty in the foreign markets is desired to show better sings of the market recovery. In our view, the most attractive are the following issuers: Motor Sych, Northern Iron Ore Enrichment Works, Kriukov Railway Car Building Works.



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Market Analytics – Fixed Income Market

Bond Market

In October, rates for treasury bonds in the secondary market continued their rise, rates for long-term government bonds reached 20-22 percent due to:

- the NBU's tough monetary policy;
- poor results of liquidity in the banking sector (the fund balances on correspondent accounts fluctuated in a range from UAH11bn to UAH15bn; the interbank rates reached an annual record high: KievPrime ON 31.25 percent, KievPrime 1M – to 29.88 percent;
- devaluation expectations;
- banks' portfolios lost UAH3.9bn of VAT-bonds, non-residents' portfolios lost UAH0.6bn. A decrease was compensated by a rise of VAT-bonds in the NBU's portfolio.

We think that rates of government bonds are favourable for creating long-term portfolios, although the devaluation factor seems to influence the rates.

Prior to monthly results, the yields of sovereign Eurobonds with redemption in 2013 decreased from 9.4 percent to 8.8 percent, moreover, quotations of credit default swaps (CDS) dipped 21.5 percent.



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Real Estate Analytics

Real Estate Research October, 2011.

Global Commercial Real Estate

Ongoing economic uncertainty further weakened commercial real estate markets around the world during the third quarter of this year. In Europe, while Germany and Russia remain robust, other usually strong performers such as France have started to falter, RICS Global Commercial Property Survey Q3 2011.

The report indicates that negative sentiment spread across the globe, with more than half of the countries surveyed reporting falling tenant demand and rising supply during the third quarter. Again, China continues to be the star performer, while Russia, Germany, Poland and the Czech Republic also recorded largely positive results.

In Europe, Germany seems the best placed to withstand the ongoing euro area crisis, which translates into mostly positive results for its commercial real estate market. Though slightly less so than earlier this year, indicators for both rental and capital value expectations remain upbeat, and experts also anticipate a slight rise in investor demand over the coming months. The situation in the Russian market is largely similar, with occupier demands and new construction sites still on the rise, albeit at a slower pace.

Predictably, the continuing instability of global financial markets further hampered the commercial real estate sector in many Western economies. The intensification of the euro debt crisis has seen confidence in Western Europe collapse from July to September 2011. In that context, steadier markets such as France have started to waver. French RICS experts who responded to the survey also saw a sharp drop in tenant demand (from +22 to -30) while available space continued to rise. Investment also plunged into negative territory (from +20 to -17). Additionally, all indicators for the coming quarter are pessimistic.

Unsurprisingly, the survey also shows unequivocally negative results for Greece, Italy, Portugal, the Republic of Ireland and Spain. In each of these countries, occupier demand has fallen, supply is on the rise and both rental and capital value expectations have weakened compared to the second quarter.

There are key areas of resilience – China, Brazil and Russia – and we have seen positive momentum in several other countries as well, Japan most notably. Although there are doubts that the developing economies can completely insulate themselves from the challenges facing the West, notwithstanding, they will continue to outperform and this will be reflected in real estate markets.

US Real Estate Market

Existing-home sales were down in September on the heels of a strong gain in August, but remain well above a year ago, according to the National Association of Realtors. Total existing-home sales, which are completed transactions that include single-family, town homes, condominiums and co-ops, declined 3.0 percent to a seasonally adjusted annual rate of 4.91 million in September from an upwardly revised 5.06 million in August, but are 11.3 percent above the 4.41 million unit pace in September 2010.

U.S. construction spending rose 0.2% in September, which was a bit weaker than the 0.3% expected by consensus. While it comes after an upwardly revised 1.6% rebound in August (was up 1.4%), July was sharply downwardly revised to a 3.3% drop (was down 1.4%), to offset the gain. Residential construction spending was up 0.7% after a revised 0.8% increase in August (was up 0.9%). Nonresidential spending was down 0.1% after jumping 2.0% in August (revised from a 1.6% gain). While the weaker than expected report could add a bit to U.S. recovery concerns today, news about the Greece crisis will be the main event today.

The Pending Home Sales Index, a forward-looking indicator based on contract signings, fell 4.6 percent to 84.5 in September from 88.6 in August but is 6.4 percent higher than September 2010 when it stood at 79.4. The data reflects contracts but not closings.

Combination of weak consumer confidence and continuing tight lending criteria held back home buyers, even though the private sector added nearly 2 million net new jobs in the past 12 months.

Ukraine Real Estate, Kyiv

From 01 to 07 November 2011, average price for 1-3 rooms apartment in the secondary market in Kyiv was stabilized at the level of \$1 821 for sqm, SV Development data.

Average sales price of office (not in the business centers) in the secondary market in Kyiv decreased 0,57% (\$12) to \$2 080 for 1 sqm.

Average sales price of retail premises (not in the shopping centers) in the secondary market in Kyiv dropped 0,61% (\$14) to \$2 277 for 1 sqm.
players.

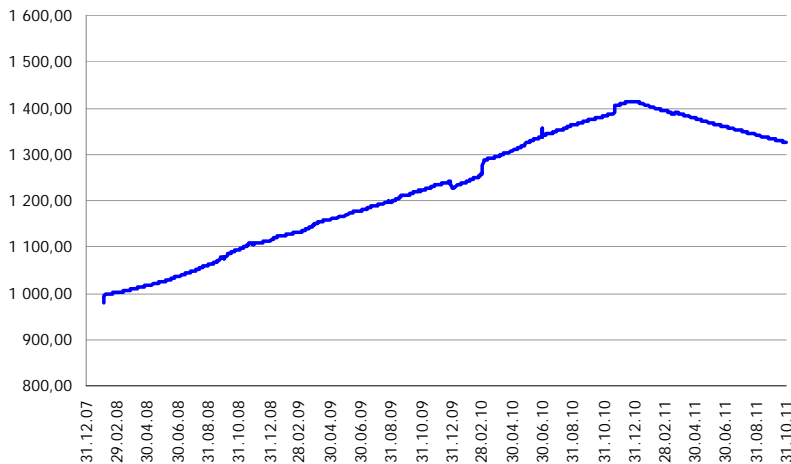


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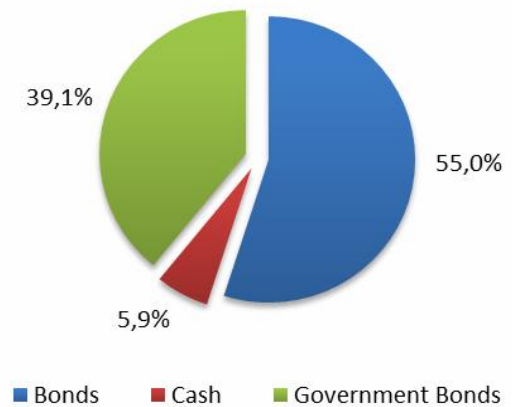
"UkrSib Stable Income 2" IF Performance Report

Fund's indices as of 31.10.2011	CURRENT VALUE
NAV of the fund, UAH.	15 729 816,24
NAV calculating per 1 share, UAH	1 325,73
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	-0,18%
Per month	-0,18%
Per quarter	-1,85%
Since the beginning of 2011	-6,30%
Since the beginning of the Fund's functioning	32,57%

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



Structure of the Fund's assets



As of 31.10.2011 net asset value of "UkrSib Stable Income 2" Fund totaled UAH 15 729 816,24. Stock value of the Fund totaled UAH 1 325,73.

As of 31.10.2011 the value of the Fund's investment portfolio make up UAH 12 055 285,09, cash and other assets of the Fund totaled UAH 757 967,16.

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.

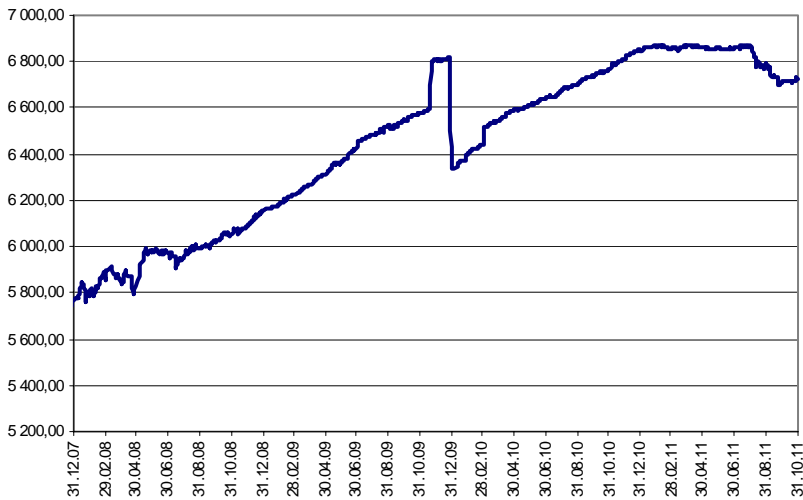


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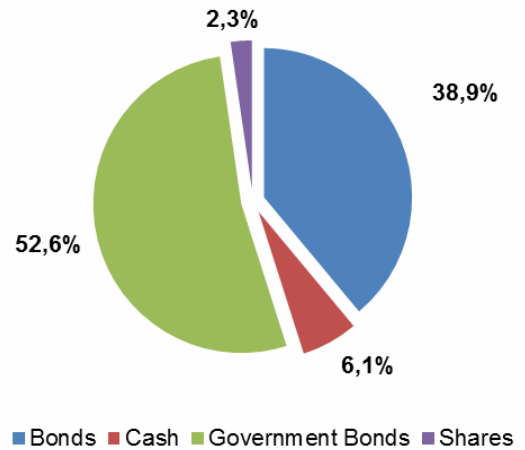
"UkrSib Real Estate Fund" IF Performance Report

Fund's indices as of 31.10.2011	CURRENT VALUE
NAV of the fund, UAH.	12 732 726,91
NAV calculating per 1 share, UAH	6 719,11
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	0,09%
Per month	0,09%
Per quarter	-2,12%
Since the beginning of 2011	-1,86%
Since the beginning of the Fund's functioning	34,38%

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



Structure of the Fund's assets



As of 31.10.2011 net asset value of "UkrSib Real Estate Fund" totaled UAH 12 732 726,91. Stock value of the Fund amounted UAH 6 719,11.

As of 31.10.2011 the value of the Fund's investment portfolio make up to UAH 9 550 712,18, cash and other assets of the Fund totaled UAH 625 680,71.

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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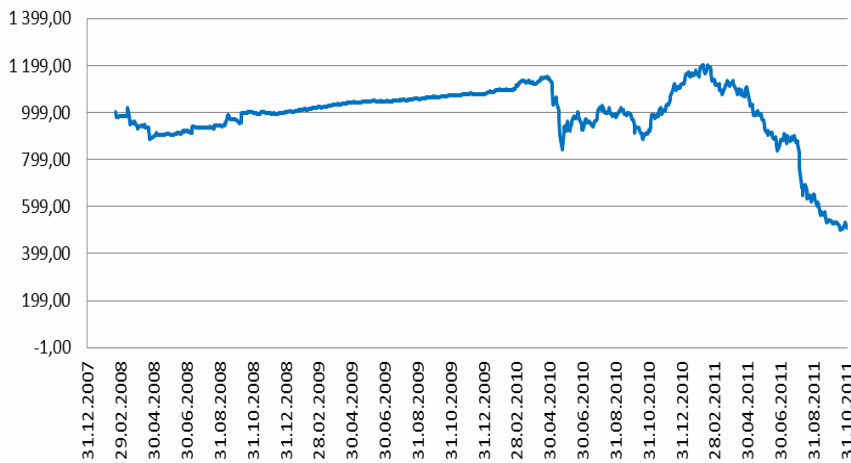


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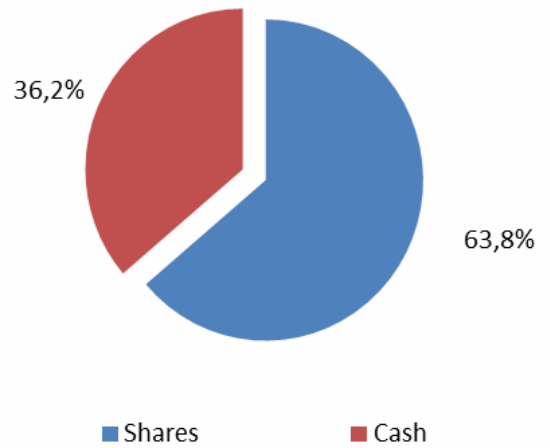
"UkrSib Dynamic Income" IF Performance Report

Fund's indices as of 31.10.2011	CURRENT VALUE
NAV of the fund, UAH.	709 159,93
NAV calculating per 1 share, UAH	506,90
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	0,77%
Per month	-5,27%
Per quarter	-40,90%
Since the beginning of 2011	-54,47%
Since the beginning of the Fund's functioning	-48,92%

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



Structure of the Fund's assets



As of 31.10.2011 net asset value of "UkrSib Dynamic Income" totaled UAH 709 159,93. Stock value of the Fund amounted UAH 506,90.

As of 31.10.2011 the value of the Fund's investment portfolio make up to UAH 457 559,02, cash and other assets of the Fund totaled UAH 259 988,65.

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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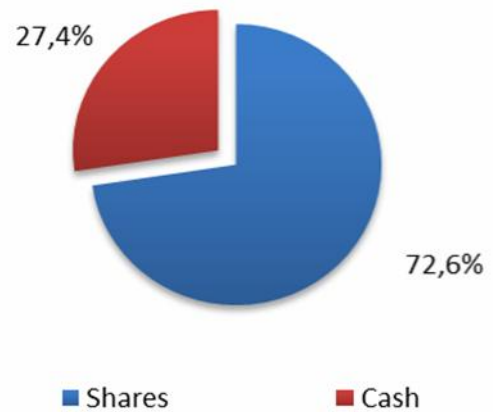
"UkrSib Index" IF Performance Report

Fund's indices as of 31.10.2011	CURRENT VALUE
NAV of the fund, UAH.	682 149,67
NAV calculating per 1 share, UAH	510,59
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	3,18%
Per month	-4,90%
Per quarter	-34,62%
Since the beginning of 2011	-40,62%
Since the beginning of the Fund's functioning	-48,94%

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



Structure of the Fund's assets



As of 31.10.2011 net asset value of "UkrSib Index" totaled UAH 682 149,67. Stock value of the Fund amounted to UAH 510,59.

As of 31.10.2011 the value of the Fund's investment portfolio totaled UAH 522 412,87, cash and other assets of the Fund totaled UAH 196 968,66.

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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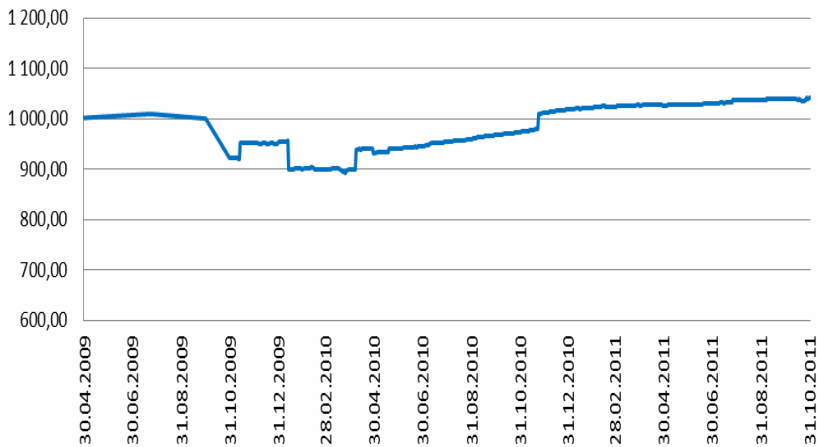


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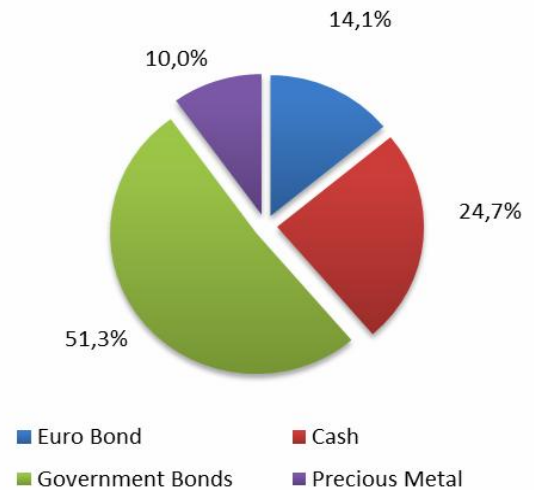
"Acceleration" IF Performance Report

Fund's indices as of 31.10.2011	CURRENT VALUE
NAV of the fund, UAH.	5 753 335,04
NAV calculating per 1 share, UAH	1 042,64
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	0,71%
Per month	0,31%
Per quarter	0,57%
Since the beginning of 2011	2,38%
Since the beginning of the Fund's functioning	4,26%

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



Structure of the Fund's assets



As of 31.10.2011 net asset value of "Acceleration" made up UAH 5 753 335,04. Stock value of the Fund totaled UAH 1 042,64.

As of 31.10.2011 the value of the Fund's investment portfolio made up UAH 4 343 859,68, cash and other assets of the Fund totaled UAH 1 422 493,39.

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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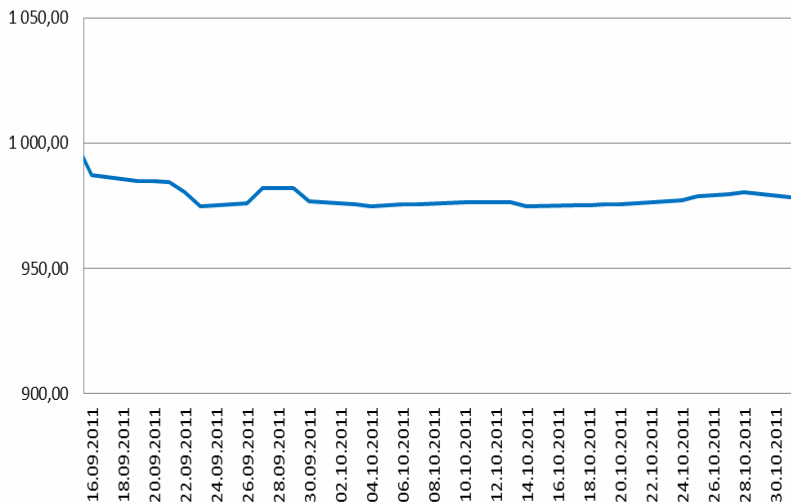


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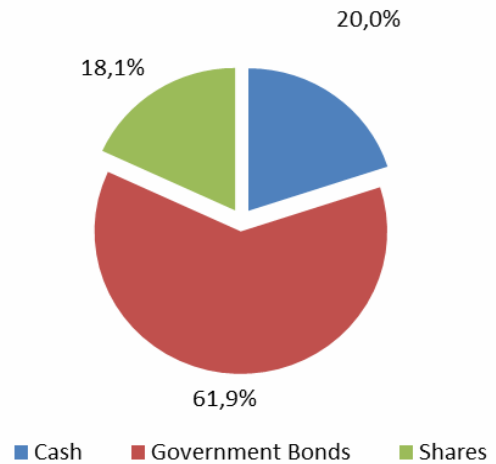
"A-VISTA" IF Performance Report

Fund's indices as of 31.10.2011	CURRENT VALUE
NAV of the fund, UAH.	2 041 732,98
NAV calculating per 1 share, UAH	978,31
Lower-limit investment ¹	
NET ASSETS VALUE PER SHARE DYNAMICS, % (HISTORICAL ²)	
Per week	0,10%
Per month	0,17%
Per quarter	-1,83%
Since the beginning of the Fund's functioning	-1,28%

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



Structure of the Fund's assets



As of 31.10.2011 net asset value of "A-VISTA" made up UAH 2 041 732,98. Stock value of the Fund totaled UAH 978,31. As of 31.10.2011 the value of the Fund's investment portfolio made up UAH 1 638 938,23, cash and other assets of the Fund totaled UAH 409 240,15.

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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License of the State Commission for Securities and Stock Market on joint investment asset management AB No. 581337 of 02 June 2011.

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