



Siberian Investment Co.

This month saw a broadbased rally on the RTS which was as much caused by increased domestic liquidity as positive repercussions from the BP/TNK deal and oil price upgrades. Although Yukos and Sibneft benefited as the two most likely contenders for further co-operation with a Western partner it was certain non-oil stocks which stole the show, particularly Mosenergo which rose in excess of 30% as a particular business group amassed the shares. We expect high volatility in the coming weeks over war with Iraq and oil price assumptions post any resolution to the conflict but we remain committed to the long-term positives of the Russian oil and gas sector with our two top picks, Yukos and Sibneft. The oil price continues to rise making the current business environment very profitable for these companies. We expect clearer guidance from Sibneft on their future plans, now that they and TNK have agreed how the breaking up of Slavenft and from the government over its plans for future pipelines, from Siberia to Japan and China.

The Central Bank of Russia announced it is ready to tolerate 'real effective appreciation' of the rouble (4-6%/annum), it being preferred to higher inflation. This means tighter margins for exporters and more competition from imports but on the flip-side domestic interest rates are coming down. Sberbank has cut its retail deposit rates which should provide investment demand growth. (In January fixed investment grew 7.9% yoy). This change in currency policy will increase the liquidity available to the consumer and small businesses. Domestic stocks like Rostelecom, Sberbank and the utilities will benefit. The fundamental Russian story remains strong with cheap stocks and growing wealth amongst its consumers.

Top 10 Holdings

Company	% NAV	Company	% NAV
Yukos (shares and ADRs)	18.5	Sberbank	4.6
Sibneft	14.5	GMK Norilsk Nickel ADR	4.5
Mobile Telesystems ADR	7.6	Uralskie Mashinostroitelnye Zavody	3.9
LUKoil Holdings	6.4	Syberiantelecom	3.6
Unified Energy Systems (shares & GDRs)	6.0	Gazprom ADR Reg S	3.2
		72.8%	

Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	8.14	9.40	7.09
Last 3 months	5.98	6.12	5.64
Last 6 months	16.94	13.75	14.75
Year to date	5.53	5.95	5.51
Last 1 year	31.97	30.44	19.93
Last 2 years	174.61	133.59	104.24
Last 3 years	207.04	131.52	92.85
Last 4 years	294.19	433.12	291.09
Last 5 years	28.90	23.03	3.13
Since inception	22.20	15.29	1.72

Micropal Ranking in Russia closed & open-ended funds

	<i>Last month</i>	<i>Last 3 months</i>	<i>Last 6 months</i>	<i>Last 1 year</i>	<i>Last 2 years</i>	<i>Last 3 years</i>	<i>Last 4 years</i>	<i>Last 5 years</i>	<i>Since inception</i>
Sibinco	26	15	18	7	4	4	19	7	5
No. of funds	42	42	41	41	40	38	32	25	16

Sector Breakdown

Sector	% NAV
Oil & Gas	50.9
Chemicals	0.8
Metals	8.1
Telecommunications	16.8
Engineering	5.3
Energy	9.3
Funds	0.6
Banking	4.6
Consumer	1.3
Others	1.5
Shipping	1.0
Cash	-0.2
Total	100.0

Siberian Investment Co.

INVESTMENT OBJECTIVE

The principal investment objective of the Fund is to provide Shareholders with long-term capital appreciation through investment primarily in a diversified portfolio of traded securities of Russian companies whose principal business activities are in the regions of the Russian Federation located east of the Ural Mountains.

LLOYD GEORGE MANAGEMENT

Lloyd George Management is an independent company predominantly owned by its senior management team. We have additional shareholders in the United States, Germany and Japan. Established by Robert Lloyd George in 1991, Lloyd George Management provides investment management in Asian and emerging markets equities for both private clients and institutional investors. The company comprises a team of highly experienced fund managers each offering a specialised area of knowledge, the senior management team having an average of 16 years investment experience.



EDWARD ROBERTSON - FUND MANAGER

Prior to joining Lloyd George Management, Edward Robertson moved to Hong Kong in 1992, where he lived for five years working for the South China Morning Post and subsequently for Cazenove & Co. and Nava Standard Chartered Securities where he was responsible for Sales of South East Asian securities to institutional clients. In 1999, he joined Lloyd George Management where he runs the Siberian Fund and covers the EMEA region.

General information

The Siberian Investment Co. is a closed-ended designated investment company incorporated in Ireland.

This is neither an offer to sell nor a solicitation of any offer to buy shares in any fund managed by us. Any offering is made only pursuant to the relevant information memorandum, together with the current financial statements of the relevant fund, if available, and the relevant subscription application, all of which must be read to their entirety. No offer to purchase shares will be made or accepted prior to receipt by the offeree of these documents and the completion of all appropriate documentation. The shares have not and will not be registered for sale, and there will be no public offering of the shares. No offer to sell (or solicitation of an offer to buy) will be made in any jurisdiction in which such offer or solicitation would be unlawful. Past performance of a fund is no guarantee as to its performance in the future.

Inception date:	February 1997
NAV per share	US\$12.22
No. of shares	1,791,369
Fund size	US\$21.89 million
Cash holding (%NAV)	-0.2%
Number of holdings	36

Fund information as at 28th February 2003

For further information, please contact:

Dominic Johnson
Marketing & Sales
Lloyd George Management (Europe) Ltd.
25 Grosvenor Street, London W1K 4QN

Tel: (44) 020 7495 8688 Fax: (44) 020 7495 8651
Email: info@uk.lloydgeorge.com

Lloyd George Management (Europe) Ltd. is regulated by FSA