



Siberian Investment Co.

The beginning of the war in Iraq saw a sell-off in equity markets including Russia. The oil price declined substantially giving up all the premium it had put on in the run up to the war. A lower oil price environment is not a concern as long as prices do not drop below US\$18 per barrel, in fact with the froth taken off the oil price it is likely investors will feel more comfortable about the environment in which they are investing. Russia historically has had close ties with Iraq and other Middle Eastern countries; with over 90% of the population of Russia against unilateral war in Iraq it was not difficult for President Putin to oppose the war (especially in an election year). We do not think US-Russian relations will suffer in the long-term but Russian economic interests in Iraq will lessen, most notably Lukoil's participation in developing the oilfields of Northern Iraq but this was not incorporated into our model and it has no effect on our valuation for the company.

The economy seems to be growing well this year with fixed investment levels for January and February showing stronger than expected gains, 7.9% yoy in January and 10.9% yoy in February. In the market it was the consumer orientated companies, like MTS, which dominated at the expense of the oil and gas sector.

Top 10 Holdings

Company	% NAV	Company	% NAV
Yukos	15.4	LUKoil Holdings	5.1
Sibneft	14.4	Uralskie Mashinostroitelniye Zavody	4.5
Mobile Telesystems ADR	8.0	GMK Norilsk Nickel ADR	4.5
Unified Energy Systems (GDRs & Pref)	6.3	Syberiantelecom	3.8
Sberbank	6.1	Rostelecom (Ord & Pref)	3.3
			71.4%

Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	-2.13	-3.70	-1.61
Last 3 months	3.28	2.02	5.50
Last 6 months	13.90	7.08	17.19
Year to date	3.28	2.02	5.50
Last 1 year	11.57	7.94	8.79
Last 2 years	143.58	116.17	106.13
Last 3 years	149.17	63.60	60.98
Last 4 years	233.15	351.23	238.91
Last 5 years	16.00	10.58	-0.65
Last 6 years	19.72	21.58	7.49
Since inception	19.60	11.02	4.33

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	20	23	22	9	6	4	15	9	5
No. of funds	40	40	40	38	37	36	29	25	14

Sector Breakdown

Sector	% NAV
Oil & Gas	45.7
Chemicals	0.5
Metals	8.0
Telecommunications	18.7
Engineering	6.1
Energy	10.0
Funds	0.6
Banking	6.1
Consumer	1.3
Others	1.6
Shipping	1.3
Cash	0.1
Total	100.0

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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\$11.96
No. of shares	1,791,369
Fund size	US\$21.43 million
Cash holding (%NAV)	0.1%
Number of holdings	35

Fund information as at 31st March 2003

For further information, please contact:

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