



June 2003

Siberian Investment Co.

The Russian market continues to move ahead perhaps not always on fundamentals but the economy is in good health and the market still cheap. The chief catalyst this month was UES which rose strongly on strategic buying from large Russian corporate investors who were buying shares in anticipation of being able to have a say in the company's future restructuring. The company later suggested that owners of its shares would be able to bid for its generating assets using their UES shares as currency. Mr Chubais, in his presentation to analysts, went to great lengths to reassure minority shareholders that they would be treated fairly. The new plan is to be presented to the board for approval and although the shares have rallied we continued to hold the shares as we find these new developments encouraging. The abundant liquidity which has been a feature of the market all year also found its way into other stocks this month including Sberbank, MTS and Rostelcom. We attended a presentation by the industrial group OMZ for Russian second tier companies and were encouraged by the increased efforts it is making with minority investors and its plans for a level one ADR later in the year. This turnaround compared to twelve months ago is symptomatic of the way many larger Russian companies are now behaving.

The other notable incident was the long awaited signing by Yukos with China to build an oil pipeline into the north of the country. The company will begin exporting oil to China through the pipeline in 2005.

Top 10 Holdings

Company	% NAV	Company	% NAV
Yukos	15.9	Surgutneftegas ADR	5.1
Sibneft	13.5	Uralskie Mashinostroitelniye Zavody	4.1
Unified Energy Systems (GDRs & Pref)	10.8	GazpromADR Reg S	3.8
Sberbank	8.3	Syberiantelecom	3.4
Mobile Telesystems ADS	8.2	Rostelecom (Ord & Pref)	3.2
		76.3%	

Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	11.4	8.7	8.4
Last 3 months	22.7	23.3	18.9
Last 6 months	30.0	30.9	27.2
Year to date	29.5	30.6	27.5
Last 1 year	27.5	23.8	21.9
Last 2 years	161.2	128.2	107.5
Last 3 years	251.1	148.7	120.4
Last 4 years	334.5	367.6	260.7
Last 5 years	123.4	136.0	98.3
Last 6 years	43.3	31.9	15.7
Since inception	49.9	42.2	22.8

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	15	16	22	11	5	3	8	11	6
No. of funds	40	40	40	39	37	37	31	29	15

Sector Breakdown

Sector	% NAV
Oil & Gas	45.4
Chemicals	0.4
Metals	3.3
Telecommunications	18.2
Engineering	4.7
Energy	18.1
Funds	0.5
Banking	8.3
Consumer	1.0
Others	0.0
Shipping	1.0
Cash	-0.9
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\$14.99
No. of shares	1,791,369
Fund size	US\$26.85 million
Cash holding (%NAV)	-0.9%
Number of holdings	31

Fund information as at 31st May 2003

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