



Siberian Investment Co.

Paradoxically in the month where the index traditionally ends lower the Russian Market managed to gain 7.8%. There was a noticeable reduction in liquidity in the market but investors continued to focus on stocks which offered opportunity and value. Norilsk Nickel continued to climb on firm commodity prices and the news that they had won a government auction for a sizeable gold deposit which now makes them the tenth largest gold producer in the world. On a smaller scale Highland Gold made a significant acquisition in Russia's Far East and presented a respectable set of interim results. Many second tier stocks continued to rise; OMZ as they prepare for a level one GDR listing on the London Stock Exchange; TNK and Megionneftegas, where a prompt and fair buy out of minority investors is expected now the deal with BP is completed; Kusbasenergo and Bashkirenergo have all also performed well on the back of sector restructuring. We see continuing outperformance in all these names.

Positive comments from the government bode well for the restructuring of the gas sector, especially the dismantling of the ring-fence, indications are that this will happen sooner rather than later. The meeting of Presidents Bush and Putin as well as an oil business conference between the two countries fuelled speculation of a strategic partner for Yukos which in time is more than likely. Mr Khordokovsky's relationship with the Kremlin has not improved which may hold the stock back in the short term, an intriguing behind the scenes battle between these two is currently underway. The merger with Sibneft is now nearly complete.

Top 10 Holdings

Company	% NAV	Company	% NAV
Yukos	14.7	Vostok Nafta	5.3
Sibneft	9.8	Gazprom ADR Reg S	5.1
Unified Energy Systems (GDRs & Pref)	9.0	GMK Norilsk Nickel ADR	4.2
Mobile Telesystems ADS	6.5	Uralskie Mashinostroitelnye Zavody	3.8
Sberbank	5.4	Vimpel Communicaitons ADR	3.5
			67.3%

Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	10.7	7.3	4.4
Last 3 months	18.6	12.9	10.8
Last 6 months	55.2	53.9	46.3
Year to date	60.3	57.0	53.4
Last 1 year	76.8	64.8	69.5
Last 2 years	232.6	219.4	167.7
Last 3 years	278.0	185.6	170.3
Last 4 years	524.9	562.1	419.1
Last 5 years	531.3	1129.4	805.6
Last 6 years	11.9	14.7	-5.9
Since inception	85.6	70.9	51.8

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>Last 6 years</i>	<i>Since inception</i>
Sibinco	6	8	17	19	5	5	9	17	6	4
No. of funds	37	37	37	37	34	33	28	26	18	15

Sector Breakdown

Sector	% NAV
Oil & Gas	42.3
Telecommunications	21.8
Energy	16.6
Metals	7.7
Banking	5.4
Engineering	3.8
Shipping	1.4
Consumer	0.9
Funds	0.4
Chemicals	0.3
Cash	-0.6
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\$18.56
No. of shares	1,791,369
Fund size	US\$33.25 million
Cash holding (%NAV)	-0.6%
Number of holdings	35

Fund information as at 29th September 2003

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