

Unit price: US\$25.06

Data as at 27th February 2004



## Siberian Investment Co.

The market in February was dominated by Yukos which went from (probably) oversold territory to (probably) over bought territory. It was up 25% over the month. Both local and foreign investors decided that the company itself was less under attack and that the company's main shareholders may cut a deal with the Kremlin. It is very unlikely anything other than "due process" will be seen to have happened to Yukos, nor is it clear that the company is free from attack or is able to function normally under these 'siege' conditions. Towards the end of the month President Putin dismissed his prime minister and therefore the government, this is a formality at the time of any presidential election. Future appointments will give a telling insight into how Mr Putin means to proceed. Most observers expect quite a liberal, pro-reform bias. Rostelecom reported better than expected results, the fruits of a sound strategy aimed at reversing their market share after the erosion of recent years. Sberbank has also benefited from positive expectations about the forthcoming review on the sector's restructuring. Gazprom continued to build on January's gains on similar expectations. Transneft released data which suggested its dividend story will stay intact, it remains good value with strong fundamentals. The second tiers continued to rally in parts this month, especially in the energy sector where the Fund has holdings.

### Top 10 Holdings

Company	% NAV	Company	% NAV
Vostok Nafta	6.8	Lukoil ADR	4.9
Sibneft ADR	6.8	Transneft Pref	4.8
GMK Norilsk Nickel ADR	5.1	Novy Neft (Ord & Warrants)	4.8
Unified Energy Systems (GDRs & Pref) Shares	5.1	Nizhny Tagil Metal	3.8
Surgutneftegas ADR Pref Shares	5.1	Megionneftgas	3.6
			<b>50.8%</b>

### Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	12.3	9.7	7.1
Last 3 months	39.8	24.1	25.1
Last 6 months	49.5	27.5	36.4
Year to date	26.8	18.1	17.0
Last 1 year	105.1	76.2	85.8
Last 2 years	170.6	129.8	127.5
Last 3 years	463.2	311.5	312.0
Last 4 years	529.7	307.8	297.9
Last 5 years	708.4	839.1	710.7
Last 6 years	164.4	116.7	103.9
Since inception	150.6	103.1	99.8

*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	5	2	3	7	4	3	3	14	4	4
No. of funds	38	38	38	37	34	33	31	25	19	14

### Sector Breakdown

Sector	% NAV
Oil & Gas	39.3
Energy	22.9
Telecommunications	14.1
Metals	13.4
Banking	3.6
Engineering	3.3
Shipping	1.3
Chemicals	0.7
Funds	0.4
Cash	1.0
<b>Total</b>	<b>100.0</b>

# 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 open-ended fund, registered 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.*

<b>Inception date:</b>	February 1997
<b>Open ended fund:</b>	Since December 2003
<b>Dealing day:</b>	Weekly, on a Monday
<b>Minimum subscription:</b>	US\$200,000
<b>Investment manager fee:</b>	1.5%
<b>Annual performance fee:</b>	10% with 15% hurdle rate

*Fund information as at 27th February 2004*

## For further information, please contact:

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