

Unit price: US\$20.80

Data as at 31st August 2004



September 2004

Siberian Investment Co.

The government's appointment of DKW to value Yukos' main production asset is a good sign. It will take DKW around six weeks to do this. Market fears of this asset being sold on the cheap (c.\$1.5billion) have been allayed. This is not to say more tax bills will not be served on Yukos and the company brought to its knees but daylight robbery is now unlikely. The market rallied on this news, mainly the blue chips but also, for the first time in months, the second tiers. As we saw in the beginning of the year local liquidity is finding its way in the second and third tier market. Gazprom 'grey schemes' came under scrutiny as a result of an unrelated quarrel between a Duma deputy and a financial institution. The government has indirectly given its blessing to these schemes in the past and we believe it will again. Gazprom stock, which is Sibinco's largest position, had a relatively weak month. Conoco Phillips announced its interest in the government's 7% stake of Lukoil, bearing in mind the Yukos debacle, this is a very positive development. In fact FDI has broadened significantly in Russia over the summer as Siemens, GE and Societe General have all made investments.

Top 10 Holdings

Company	% NAV	Company	% NAV
Lukoil ADR	8.3	Surgutneftegas ADR Pref Shares	5.2
Rengaz	7.4	Sibneft ADR	4.9
Transneft Pref	5.7	Megionneftgas	4.9
Sberbank	5.7	UES GDR	4.3
Novy Neft I & II Combined	5.3	Rosneft-Purneftegas	4.3
			55.8%

Siberian Investment Co. Performance

	LG Fund	RTS Index	Micropal Russian Universe
Last month	4.1	8.2	5.6
Last 3 months	-4.5	0.6	-4.2
Last 6 months	-17.0	-12.8	-10.6
Year to date	5.3	3.1	6.2
Last 1 year	24.1	11.3	24.7
Last 2 years	99.0	74.8	102.1
Last 3 years	235.5	187.4	196.0
Last 4 years	306.3	143.6	195.1
Last 5 years	534.2	442.7	431.4
Last 6 years	595.7	825.1	689.4
Since inception	108.00	77.2	82.7

Micropal Ranking in Russia closed & open-ended funds

	Last month	Last 3 months	Last 6 months	Last 1 year	Last 2 years	Last 3 years	Last 4 years	Last 5 years	Last 6 years	Since Inception
Sibinco	26	23	32	17	19	6	2	7	15	5
No. of funds	39	38	36	35	33	31	31	25	23	15

Sector Breakdown

Sector	% NAV
Oil & Gas	49.6
Energy	20.8
Telecommunications	9.4
Metals	8.5
Banking	5.7
Engineering	1.5
Shipping	1.9
Consumer	0.0
Chemicals	1.9
Funds	0.4
Cash	0.3
Total	100.0

Financial data in US\$ as at 31st August 2004

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.

Inception date:	February 1997
Closed ended fund:	Since December 2003
Dealing day:	Monthly
Minimum subscription:	€250,000
Redemptions:	Monthly
Investment manager fee:	1.5%
Annual performance fee:	10% with 15% hurdle rate
Fund Size as at 30/06/2004:	US\$26.26 million

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