

Unit price: US\$25.66

Data as at 30<sup>th</sup> November 2004



December 2004

## Siberian Investment Co.

Political risk remains Russia's bugbear. This month saw a date finally set for the sale of Yuganskneftegas, Yukos' main oil producing subsidiary. Gazprom will be the most likely bidder. No surprises there. But the market sold off broadly on concerns about future fines for oil companies and a delay in utility restructuring. It is likely there will be future fines in the sector particularly for companies like Sibneft which utilised similar schemes to Yukos. But is the government intent on dismantling other oil companies like they have with Yukos? Unlikely, but the markets are jittery, especially as the year end approaches. A perceived delay in UES restructuring has added to this uncertainty. Gazprom is currently buying UES shares in the market which may be part of a future asset group with European electricity companies. A weaker market suits them at the moment. Next year should also see the privatisation of the Svyazinvest, the government owned national fixed telephone company. This ought to be value-enhancing for selected regional operators. Sibinco continues to add in this sector. A number of second tier stocks are hanging on to their gains amidst market volatility. This is an encouraging sign. Sibinco keeps its focus on second tier companies in the expectation of further gains next year but the asset class remains a volatile one.

### Top 10 Holdings

Company	% NAV	Company	% NAV
Rengaz	9.0	Sberbank	5.7
Rosneft-Purneftegas	6.9	UES GDR	5.0
Surgutneftegas ADR Pref Shares	6.3	Nizhny Tagil Metal	4.8
Lukoil ADR	6.2	Transneft Pref	4.7
Novy Neft	6.0	Sibirtelecom	3.8
		<b>58.4%</b>	

### Siberian Investment Co. Performance

### Sector Breakdown

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	0.3	-5.4	-2.8
Last 3 months	23.4	7.4	15.4
Last 6 months	17.8	8.1	10.2
Year to date	29.9	10.7	21.7
Last 1 year	43.1	16.3	30.7
Last 2 years	122.6	75.2	107.6
Last 3 years	287.6	180.9	200.0
Last 4 years	453.0	290.2	346.2
Last 5 years	675.2	438.4	483.0
Last 6 years	717.2	777.4	134.0
Last 7 years	104.3	84.7	88.2
Since inception	156.6	90.3	110.0

Sector	% NAV
Oil & Gas	46.7
Energy	21.9
Telecommunications	12.0
Metals	7.3
Banking	5.7
Shipping	2.1
Chemicals	2.6
Funds	0.3
Cash	1.4
<b>Total</b>	<b>100.0%</b>

*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>Last 7 years</i>	<i>Since Inception</i>
Sibinco	6	6	4	6	10	2	6	5	14	6	4
No. of funds	38	38	37	35	33	29	29	26	25	16	13

Financial data in US\$ as at 30<sup>th</sup> November 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 an 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>	Monthly
<b>Minimum subscription:</b>	€250,000
<b>Redemptions:</b>	Monthly
<b>Investment manager fee:</b>	1.5%
<b>Annual performance fee:</b>	10% with 15% hurdle rate
<b>Fund Size as at 30/11/2004:</b>	US\$32.2 million

## For further information, please contact:

**Dominic Johnson**  
**Marketing & Sales**  
**Lloyd George Management (Europe) Ltd.**  
**25 Grosvenor Street, London W1K 4QN**

**Tel: (44) 020 7495 8688 Fax: (44) 020 7495 8651**  
**Email: [info@uk.lloydgeorge.com](mailto:info@uk.lloydgeorge.com)**