

Unit price: US\$25.05

Data as at 31<sup>st</sup> December 2004



January 2005

## Siberian Investment Co.

Russian political risk has risen substantially this year which must be taken into consideration. The excellent economics aside, without privatisation and reform progress, the investment case for Russia will lessen. Although we are lukewarm on Gazprom as an extension of state policy, the removal of the ringfence provides upside. Our position in Gazprom suffered disproportionately this month about worries over Yukos related litigation should Gazprom buy the former's assets. We will not have clarification on this issue until February but do not expect Gazprom to swallow a poison pill. The merger with Rosneft by all accounts is proceeding rapidly which is encouraging. In order to get favourable swap terms it is in the governments interest to keep the share price down but once completed we expect the stock to move ahead. The conglomerate Sistema is readying itself for listing on the London Stock Exchange as it looks to raise money ahead of the telecom (Svyazinvest) privatisation. Second tier fixed line companies are some of our top picks for this year. We expect the oil price to stay strong in 2005 and for it to be a satisfactory year for Sibinco and Russian equities, even with the increased political risk.

### Top 10 Holdings

Company	% NAV	Company	% NAV
Rengaz	8.8	Sberbank	5.9
Rosneft-Purneftegas	6.7	UES GDR	5.2
Lukoil ADR	6.2	Transneft Pref	5.1
Surgutneftegas ADR Pref	6.2	Nizhny Tagil Metal	4.7
Novy Neft	5.9	Sibirtelecom	4.1
		<b>58.8%</b>	

### Siberian Investment Co. Performance

### Sector Breakdown

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	-2.4	-2.2	-1.4
Last 3 months	8.4	-2.8	1.1
Last 6 months	16.5	5.3	9.2
Year to date	26.8	8.3	20.2
Last 1 year	26.8	8.3	20.2
Last 2 years	116.3	71.0	108.7
Last 3 years	233.1	136.2	173.9
Last 4 years	503.6	336.1	391.1
Last 5 years	459.2	250.4	380.8
Last 6 years	690.2	942.2	856.6
Last 7 years	92.7	54.9	79.2
Since inception	150.5	86.1	109.8

Sector	% NAV
Oil & Gas	46.4
Energy	22.1
Telecommunications	12.8
Metals	7.1
Banking	5.9
Shipping	1.9
Chemicals	2.5
Funds	0.3
Cash	1.0
<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	22	4	6	11	12	4	3	5	17	6	4
No. of funds	38	38	38	36	34	29	29	27	24	15	12

Financial data in US\$ as at 31<sup>st</sup> December 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 31/12/2004:</b>	US\$31.83 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)**