

Unit price: US\$26.16

Data as at 31<sup>st</sup> January 2005



February 2005

## Siberian Investment Co.

A quiet month dominated by the Russian Orthodox Christmas which fell on 7<sup>th</sup> January. Most market participants were away until the beginning of the third week. 2004 had ended poorly on Vimpelcom's sudden bill from the tax ministry, this has now been reduced by 90%. It is likely the forthcoming fixed line telecoms privatisation was the reason, with a little jockeying for position ahead of the event. Sistema, a contender, announced a capital raising of \$1.2 billion in an IPO. The minister of communications has reiterated this month his commitment to privatisation in the second half of the year. BP/TNK announced fair swap ratios for its many subsidiaries, some will be bought outright some consolidated. Sibinco will continue to hold Orenburgneft which will be consolidated. Jitters surrounding the Gazprom/Rosneft merge will continue for the next few weeks. Even if there is a delay or adjustment as to how the government gets to over 50% control of Gazprom, in our opinion it remains committed to share liberalisation. The market is cheap at current levels, the global economic backdrop positive and liquidity abundant. Couple this with a strengthening rouble and high oil price we remain focused on Russian assets over the short-term and over 2005.

### Top 10 Holdings

Company	% NAV	Company	% NAV
Rengaz	8.5	Novy Neft	5.7
Rosneft-Purneftegas	6.5	Transneft Pref	5.1
Surgutneftegas ADR Pref	6.1	UES GDR	5.1
Lukoil ADR	6.0	Nizhny Tagil Metal	4.9
Sberbank	5.9	Orenburgneft Pref	4.5
			58.3%

### Siberian Investment Co. Performance

### Sector Breakdown

	LG Fund	RTS Index	Micropal Russian Universe
Last month	4.4	3.8	2.8
Last 3 months	2.3	-4.0	-1.4
Last 6 months	30.9	17.9	21.4
Year to date	4.4	3.8	2.8
Last 1 year	17.3	4.3	12.6
Last 2 years	131.5	83.2	114.8
Last 3 years	208.5	124.6	146.4
Last 4 years	500.0	267.0	336.0
Last 5 years	472.4	250.4	333.5
Last 6 years	680.9	1069.4	908.9
Last 7 years	172.2	139.6	125.9
Since inception	161.6	93.1	109.1

Sector	% NAV
Oil & Gas	45.9
Energy	22.1
Telecommunications	12.6
Metals	7.2
Banking	5.9
Shipping	2.0
Chemicals	2.9
Funds	0.3
Cash	1.1
<b>Total</b>	<b>100.0%</b>

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	Last 7 years	Since Inception
Sibinco	16	5	3	9	11	4	2	4	17	6	4
No. of funds	41	41	41	39	37	32	32	31	25	16	13

Financial data in US\$ as at 31<sup>st</sup> January 2005

# 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 31/01/2005:</b>	US\$33.28 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)**