

Unit price: US\$27.90

Data as at 31st March 2005



April 2005

Siberian Investment Co.

In 2004 it was April, this year March. Global emerging markets faced sustained selling as US yields climbed. A high oil price and inflation worries focused attention on the pace of any US interest rate rises. It is worth highlighting Russia's position in relation to previous emerging market sell-offs. Russian central bank reserves stood at US\$12.46 billion in 2000, they were US\$125 billion in 2004. Its foreign debt was US\$143.4 billion in 2000, in 2004 it was US\$110 million with early repayment continuing. Russia's current account surplus stands at 10.3% of GDP. The high oil price has been a boon for Russia, prices are set to stay strong for the rest of the year and perhaps longer. High Russian risk is priced in (deservedly) but the market remains one of the cheapest in the GEM universe. These fundamentals stand Russia in good stead. The market outperformed the drop in the MSCI index which was not the case in previous years. In sympathy with Chinese growth concerns and locking in profits we trimmed our steel exposure and added to our second tier telecoms.

Top 10 Holdings

Company	% NAV	Company	% NAV
Lukoil ADR	7.8	Orenburgneft Pref	5.5
Rengaz	7.0	Novy Neft	5.4
Sberbank	6.3	RAO UES GDR	4.8
Surgutneftegas ADR Pref	6.0	Transneft Pref	4.4
Rosneft-Purneftegas	5.6	Nizhny Tagil Metal	4.1
			56.9%

Siberian Investment Co. Performance

Sector Breakdown

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	-4.0	-6.6	-4.3
Last 3 months	11.4	9.0	12.1
Last 6 months	20.7	5.9	14.1
Year to date	11.4	9.0	12.1
Last 1 year	2.2	-11.1	3.7
Last 2 years	133.3	82.6	122.5
Last 3 years	160.3	97.2	139.0
Last 4 years	468.2	294.8	377.7
Last 5 years	481.3	198.8	278.1
Last 6 years	677.2	724.1	694.6
Last 7 years	170.6	102.0	131.1
Last 8 years	179.3	122.1	147.9
Since inception	179.0	102.8	135.4

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	15	11	8	17	10	7	4	3	12	7	4
No. of funds	40	40	40	39	37	32	31	31	24	20	12

Sector	% NAV
Oil & Gas	45.8
Energy	21.1
Telecommunications	14.4
Metals	6.6
Banking	6.3
Shipping	2.3
Chemicals	2.3
Funds	0.3
Cash	0.9
Total	100.0%

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.

Inception date:	February 1997
Open 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 31/03/2005:	US\$35.74 million

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