

Unit price: US\$27.00

Data as at 30th April 2005



May 2005

Siberian Investment Co.

There has been a growing minority who think the liberal wing of the government once again have the ear of President Putin. It is too early to confirm this but it would be welcome news. So far President Putin's second term has been a disappointment. Until the middle of May there was no progress on the liberalisation of Gazprom's shares, the earlier proposal has now been comprehensively changed. Yet the government's indication that progress is being made in obtaining a 50% plus stake in Gazprom is positive. As the pre-cursor to the share liberalisation this is a confidence boost to confidence in Russian investment.

Electricity reform has stalled. However, Mr Chubais, the CEO of UES, has recently renewed his efforts. Unrelatedly, but indicating the dangers of doing business in Russia, he was recently shot at. The government has in its possession the plans for telecom privatisation but no word yet on its acceptance. Stocks across the board have sold off especially the second tier ones. After holding up well for the last six months the asset class had a correction. Especially in the second tier telecom stocks where Sibinco is exposed. But nothing has changed about the fundamentals for these stocks and we remain buyers. Transneft, the state controlled oil pipeline, sold off on a lower dividend announcement. We maintain this story is about growth not dividends.

Top 10 Holdings

Company	% NAV	Company	% NAV
Lukoil ADR	8.6	Surgutneftegas ADR Pref	5.2
Sberbank	6.5	Novy Neft	4.8
Rengaz	6.5	Orenburgneft Pref	4.8
Rosneft-Purneftegas	5.5	Transneft Pref	4.7
RAO UES GDR	5.4	Nizhny Tagil Metal	3.8
		55.8%	

Siberian Investment Co. Performance

Sector Breakdown

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	-3.2	0.2	-1.4
Last 3 months	3.2	5.2	4.6
Last 6 months	5.6	1.0	5.4
Year to date	7.8	9.2	8.9
Last 1 year	18.2	6.2	14.3
Last 2 years	100.6	55.4	92.3
Last 3 years	129.6	71.1	115.4
Last 4 years	414.3	267.3	329.0
Last 5 years	443.3	207.5	276.0
Last 6 years	694.1	669.1	622.2
Last 7 years	192.5	118.9	128.0
Last 8 years	175.5	108.7	133.4
Since inception	170.0	103.2	122.7

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	40	23	12	11	13	8	6	4	10	5	4
No. of funds	42	42	41	41	38	35	33	32	26	21	13

Sector	% NAV
Oil & Gas	43.3
Energy	20.5
Telecommunications	15.6
Metals	7.1
Banking	6.5
Shipping	2.2
Chemicals	2.1
Funds	0.3
Others	1.8
Cash	0.6
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:	Every Tuesday
Minimum subscription:	€250,000
Redemptions:	Monthly
Investment manager fee:	1.5%
Annual performance fee:	10% with 15% hurdle rate
Fund Size as at 30/04/2005:	US\$37.84 million

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