

Unit price: US\$27.22

Data as at 31st May 2005



June 2005

Siberian Investment Co.

May saw Mikhail Khodorkovsky, ex-head of Yukos, sentenced to nine years in prison. The authorities have been at pains to draw a line under this issue which has tainted the Russian investment climate. Lukoil's 1Q revenues rose 53% over the same period in 2004 with the most encouraging aspect being the companies ability to control costs. We maintain Conoco Phillips is still intending to take its current shareholding of 10% to closer to 20%. Our holding in Transneft benefited from a tariff hike of 8.3%. The stock had been oversold on speculation of a reduced dividend. Transneft remains one of the great growth prospects of the Russian oil and gas industry. The company intends to build a pipeline to Japan which will enable the development of the Eastern Siberian oil fields. With oil at over \$50 per barrel the exploitation of these fields becomes economically viable. The market was virtually motionless over the month despite the slightly weakening currency. We maintain the market is good value at these levels.

Top 10 Holdings

Company	% NAV	Company	% NAV
Lukoil ADR	8.3	Transneft Pref	4.9
Sberbank	6.2	Surgutneftegas ADR Pref	4.7
Rengaz	6.1	Novy Neft LTD	4.6
Rosneft-Purneftegas	5.2	Orenburgneft Pref	4.3
RAO UES GDR	4.9	Nizhny Tagil Metal	3.7
		52.8%	

Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	0.8	0.6	0.6
Last 3 months	-6.4	-5.9	-6.5
Last 6 months	6.1	7.4	6.5
Year to date	8.7	9.8	8.9
Last 1 year	25.0	16.0	16.3
Last 2 years	81.6	43.7	68.7
Last 3 years	131.5	77.9	117.1
Last 4 years	374.2	228.0	286.7
Last 5 years	537.5	257.5	329.6
Last 6 years	689.0	572.0	590.2
Last 7 years	305.7	239.2	270.7
Last 8 years	160.2	89.6	114.8
Since inception	172.2	104.3	122.9

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	18	17	16	7	11	6	4	3	7	7	4
No. of funds	40	39	38	38	35	32	30	30	24	22	13

Sector Breakdown

Sector	% NAV
Oil & Gas	40.9
Energy	18.9
Telecommunications	15.0
Metals	6.9
Banking	6.1
Consumer	1.8
Shipping	2.1
Chemicals	2.0
Funds	0.3
Others	1.6
Cash	4.4
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 31/05/2005:	US\$40.55 million

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