

Unit price: US\$58.10

Data as at 31st May 2006



June 2006

Siberian Investment Co.

A sell off in emerging markets hit the Russian index this month. After putting in one of the best year to date performances, it is understandable the market wobbled. Russia has been the destination for a variety of investment mandates over the last few years. More recently the rise in Gazprom's market capitalisation has increased its importance within the benchmark. Although the market has corrected there is a high probability that it will be vulnerable for further outflows. However, Russia's economic fundamentals no longer count against it. The exchange rate is underpinned by the high oil price. Inflation while high (c. 10%) is stable. Foreign debt obligations (Paris Club debt) has all but been paid off and the foreign reserves are at a post crisis high. Both the current account and budget are in surplus. We continue to be positive on Russian equities and would use these dips to buy second tiers for the longer term.

Sector Breakdown

| Sector | % NAV |
|--------------------|---------------|
| Oil & Gas | 42.3 |
| Energy | 22.4 |
| Telecommunications | 5.2 |
| Engineering | 4.4 |
| Metals | 12.6 |
| Banking | 8.3 |
| Consumer | 1.7 |
| Shipping | 1.0 |
| Chemicals | 2.1 |
| Funds | 0.3 |
| Others | 1.5 |
| Cash | -1.8 |
| Total | 100.0% |

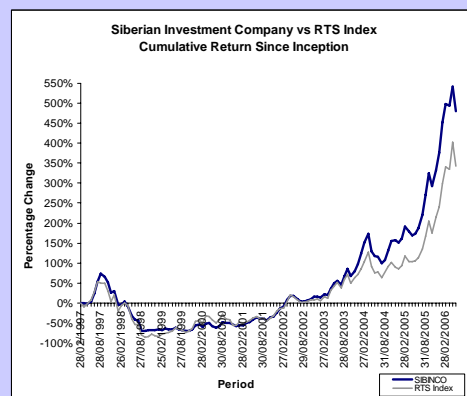
Top 10 Holdings

| Company | % NAV |
|-------------------------|--------------|
| Novy Neft Ltd | 7.6 |
| Sberbank Rossii Pref | 6.4 |
| Surgutneftegas ADR Pref | 6.4 |
| Rengaz Holdings | 6.4 |
| Lukoil ADR | 5.5 |
| Rao UES of Russia GDR | 5.2 |
| Ufaneftekhim | 4.3 |
| Dagenergo | 3.8 |
| Uralelectromed | 3.7 |
| Rosneft-Purneftegas | 3.1 |
| | 52.4% |

Siberian Investment Co. Performance

| | LG Fund | RTS Index | Micropal Russian Universe |
|-----------------|---------|-----------|---------------------------|
| Last month | -9.5 | -11.8 | -10.8 |
| Last 3 months | -2.9 | 0.5 | -2.6 |
| Last 6 months | 34.2 | 40.9 | 31.7 |
| Year to date | 21.8 | 29.8 | 22.6 |
| Last 1 year | 113.4 | 116.7 | 92.8 |
| Last 2 years | 166.8 | 151.5 | 126.4 |
| Last 3 years | 287.6 | 211.5 | 240.4 |
| Last 4 years | 394.0 | 285.5 | 330.0 |
| Last 5 years | 912.2 | 610.9 | 662.5 |
| Last 6 years | 1260.7 | 674.8 | 700.6 |
| Last 7 years | 1584.1 | 1356.5 | 1365.0 |
| Last 8 years | 765.9 | 635.2 | 682.8 |
| Last 9 years | 455.4 | 310.9 | 333.3 |
| Since inception | 481.0 | 342.8 | 352.9 |

Since inception (February 1997) +481.0%



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 | Last 8 years | Last 9 years | Since Inception |
|--------------|------------|---------------|---------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Sibinco | 7 | 14 | 10 | 4 | 3 | 3 | 3 | 2 | 1 | 4 | 4 | 2 | 2 |
| No. of funds | 26 | 26 | 26 | 25 | 21 | 18 | 17 | 16 | 16 | 14 | 14 | 7 | 6 |

Financial data in US\$ as at 31st May 2006

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 31/5/2006: | US\$82.53 million |

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