

Unit price: US\$57.04

Data as at 31<sup>st</sup> July 2006



August 2006

## Siberian Investment Co.

Russia staged a marginal recovery on the month in sympathy with other emerging markets. Gazprom and Lukoil both published strong results. The oil price continues to be a key determinant of profitability. If the price stays as current levels momentum should stay with these stocks. Valuations have moved up, with Lukoil trading at Western majors' multiples and Gazprom above them. However, superior growth prospects for both companies merit closer attention, especially for Gazprom. Gazprom is looking to develop some of its vast reserves, make major acquisitions in Europe and build up its oil production subsidiary, Gazpromneft. The company's cash generation is formidable and cost reductions could be another driver.

Also, this month the Duma passed the first amendment reading to the Telecommunication privatisation bill. Essentially, this seems to pave the way for the whole process to move forward. Sibinco's fixed line operators rallied on the news. The second and third tier has substantially underperformed their blue-chip counterparts but offer value opportunities.

### Sector Breakdown

Sector	% NAV
Oil & Gas	39.6
Energy	24.4
Metals	12.1
Banking	9.2
Telecommunications	6.0
Engineering	4.1
Chemicals	1.9
Consumer	1.7
Shipping	0.8
Funds	0.3
Others	1.7
Cash	-1.8
<b>Total</b>	<b>100.0%</b>

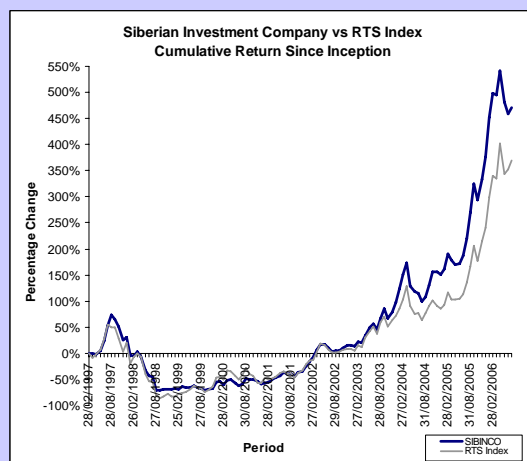
### Top 10 Holdings

Company	% NAV
Gazprom ADR	11.9
Sberbank Rossii Pref	7.4
Rao UES of Russia GDR	6.8
Lukoil ADR	6.5
Surgutneftegas ADR Pref	6.5
Ufaneftekhim	4.0
Dagenergo (BASKET)	3.6
Uralelectromed	3.5
Transneft PREF	3.1
Rosneft-Purneftegas	3.0
	<b>56.3%</b>

### Siberian Investment Co. Performance

	LG Fund	RTS Index	Micropal Russian Universe
Last month	1.9	3.8	3.1
Last 3 months	-11.2	-6.4	-8.6
Last 6 months	3.4	17.9	9.3
Year to date	19.6	37.8	25.9
Last 1 year	78.0	99.1	75.4
Last 2 years	185.5	187.1	160.4
Last 3 years	291.5	242.7	252.5
Last 4 years	449.5	366.5	450.3
Last 5 years	838.2	676.2	718.8
Last 6 years	1261.3	710.8	962.5
Last 7 years	1563.0	1254.2	1123.4
Last 8 years	937.1	932.9	839.5
Last 9 years	271.6	205.3	176.2
Since inception	470.4	370.1	312.5

Since inception (February 1997) +470.4%



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	23	26	27	11	6	6	9	5	3	3	4	3	2
No. of funds	31	31	31	31	26	23	22	21	21	15	15	8	7

Financial data in US\$ as at 31<sup>st</sup> July 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.*

<b>Inception date:</b>	February 1997
<b>Open ended fund:</b>	Since December 2003
<b>Dealing day:</b>	Every Tuesday
<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 31/7/2006:</b>	US\$78.50 million

## For further information, please contact:

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