

Unit price: US\$59.20

Data as at 31st August 2006



September 2006

Siberian Investment Co.

The Russian market moved up in sympathy with all global emerging markets. At least for now, the rally after the sell-off in May and June continues. The oil price was particularly strong in August as the ultimatum for Iran to seize uranium enrichment approached. Since then, the Iranians have indicated that they are willing to discuss this issue and we have seen the 'risk premium' in the oil price subside. However, Russian companies and Russia's national budget remain profitable at oil prices somewhat below \$60 per barrel. We continue to believe that there is still the likelihood of consolidation at the top table of Russian oil majors and this bodes well equally for second tier independent companies.

Sibinco added a second tier regional hydroelectric utility to the portfolio. Here, we see value and the catalyst of restructuring.

Sector Breakdown

Sector	% NAV
Oil & Gas	37.6
Energy	21.9
Metals	14.2
Banking	10.6
Telecommunications	5.9
Engineering	4.9
Chemicals	2.0
Consumer	1.6
Shipping	1.0
Funds	0.3
Others	1.6
Cash	-1.6
Total	100.0%

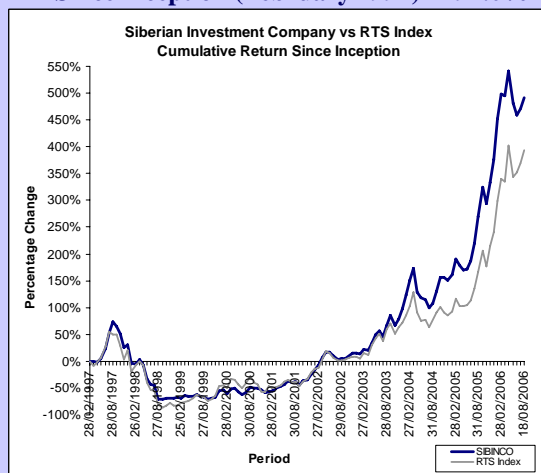
Top 10 Holdings

Company	% NAV
Gazprom ADR	12.1
Sberbank Rossii Pref	8.5
Surgutneftegas ADR Pref	5.9
Lukoil ADR	5.6
RAO UES of Russia GDR	5.0
Transneft PREF	4.1
OGK-3	4.0
Uralelectromed	3.6
Irkutskenergo	3.6
Ufaneftekhim	3.5
	55.9%

Siberian Investment Co. Performance

	LG Fund	RTS Index	Micropal Russian Universe
Last month	3.8	4.9	3.6
Last 3 months	1.9	11.3	7.1
Last 6 months	-1.1	11.9	4.9
Year to date	24.1	44.5	32.3
Last 1 year	59.8	84.4	65.4
Last 2 years	184.6	178.2	155.7
Last 3 years	253.2	209.5	221.0
Last 4 years	466.5	386.4	448.5
Last 5 years	854.8	699.5	713.8
Last 6 years	1056.3	577.8	808.9
Last 7 years	1704.9	1410.0	1316.3
Last 8 years	1879.9	2473.9	2050.0
Last 9 years	242.0	228.1	206.7
Since inception	492.0	393.0	362.7

Since inception (February 1997) +492.0%



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	15	28	25	20	6	6	9	5	4	3	10	3	2
No. of funds	31	31	31	31	26	24	23	22	22	16	14	8	7

Financial data in US\$ as at 31st August 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 31/8/2006:	US\$81.46 million

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