

Unit price: US\$62.27

Data as at 31st October 2006



November 2006

Siberian Investment Co.

The Russian market continued to be strong in October. A stabilising oil price means investors, both domestic and international, are putting money to work at these levels. Gazprom announced a huge capital expenditure program up to 2010 (\$55bn), roughly equivalent to total government expenditure in South Africa over the same period. Although it is not a popular headline, domestic gas prices and electricity prices have to rise sooner rather than later. Given that 70% of Russia's electricity is consumed by industry, the impact of the consumer should be more marginal. Russian industry has been getting a free ride on low energy prices for the last twenty years. Regardless of the powerful business lobby, the Kremlin is strong enough at the moment to force the pace of change. This will be positive for a significant part of the portfolio. Rosneft also moved off its IPO price level as investors digested the impact of its probable acquisition of Yukos assets. We have added to our position here. Rosneft is now a larger holding in the fund than Lukoil. Once again, the Fund's Bashkir refineries have sprung to life as the end game approaches with the arrival of a new owner.

Sector Breakdown

Sector	% NAV
Oil & Gas	31.6
Utilities	20.6
Banking	11.1
Metals	10.4
Telecommunications	8.0
Energy	8.0
Engineering	6.0
Chemicals	1.8
Consumer	1.7
Shipping	1.0
Funds	0.3
Others	1.3
Cash	-1.8
Total	100.0%

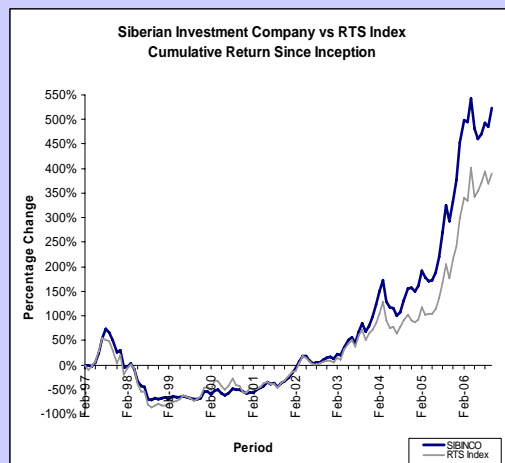
Top 10 Holdings

Company	% NAV
Sberbank Rossii Pref	8.6
Rosneft	7.9
Gazprom ADR	7.5
RAO UES of Russia GDR	5.5
Lukoil ADR	5.2
Transneft PREF	4.4
Chelyab Tube-Roll	4.3
OGK-3	3.9
Dagenergo	3.8
Ufaneftekhim	3.6
	54.7%

Siberian Investment Co. Performance

	LG Fund	RTS Index	Micropal Russian Universe
Last month	6.5	4.1	3.9
Last 3 months	9.2	4.0	5.8
Last 6 months	-3.0	-2.6	-2.2
Year to date	30.5	43.4	35.6
Last 1 year	58.2	77.2	58.9
Last 2 years	143.4	143.1	126.7
Last 3 years	272.9	224.9	221.3
Last 4 years	466.6	357.5	450.1
Last 5 years	886.8	688.2	764.4
Last 6 years	1147.9	758.4	1006.8
Last 7 years	1941.6	1557.7	1525.4
Last 8 years	1858.2	2813.4	2202.5
Last 9 years	311.8	277.7	207.2
Since inception	522.7	389.0	328.2

Since inception (February 1997) +522.7%



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	3	5	17	17	7	3	8	5	5	4	11	3	2
No. of funds	33	33	33	33	28	23	22	21	21	16	15	10	8

Financial data in US\$ as at 31st October 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 29/9/2006:	US\$85.20 million

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