

Unit price: US\$75.44

Data as at 28th February 2007



March 2007

Siberian Investment Co.

The end of February saw the beginning of the volatility which continues to affect the markets. Russia, because of its strong performance over the course of the bull market is marked down at these times. Particularly large stocks like OAZ Gazprom which are easy shorts (because of their liquidity) for speculators and hedge funds. However, as we have been arguing for some time, the fundamentals are very supportive of Russia both as a relative (compared to Asia Emerging Markets) and absolute basis. Sibinco was supported last month by its second tier holdings. Particularly its utility holdings like OGK-3 and Dagenergo. We have since sold OGK-3 as it reached our price target when a strategic investor (Norilsk Nickel) stepped in at government's auction paying a massive premium.

Sberbank's capital raising exercise looks like it will raise at least \$8billion, this re-affirms its status as Russia's key financial sector play. The government announced the auction of the rump of Yukos' assets. These will be divided between Gazprom and Rosneft in the main.

Sector Breakdown

Sector	% NAV
Utilities	26.3
Oil & Gas	21.6
Metals	13.5
Telecommunications	10.7
Banking	10.7
Engineering	7.9
Energy	3.6
Consumer	1.6
Chemicals	1.4
Shipping	1.1
Funds	0.2
Others	4.5
Cash	-3.1
Total	100.0%

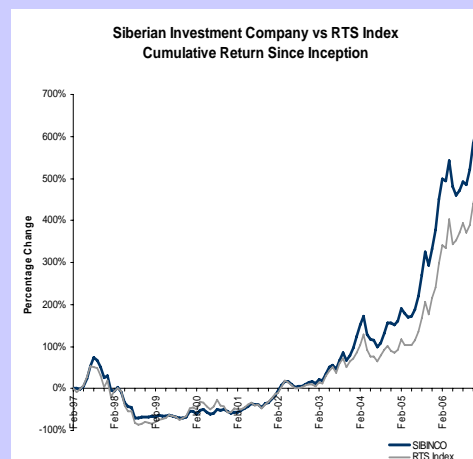
Top 10 Holdings

Company	% NAV
Sberbank Rossii Pref	10.7
RAO UES of Russia GDR	7.1
OAZ Gazprom	5.4
Chelyab Tube-Roll	5.2
OGK-3	5.0
Irkutskenergo Rub	4.5
Degestan Regional Generation	4.2
Comstar United Tel GDR	3.9
Lukoil Oil Company	3.8
Polyus Gold	3.7
	53.5%

Siberian Investment Co. Performance

	LG Fund	RTS Index	Micropal Russian Universe
Last month	2.8	0.8	1.8
Last 3 months	10.5	4.6	8.6
Last 6 months	27.4	14.2	21.1
Year to date	4.9	-3.3	1.3
Last 1 year	26.1	27.8	28.4
Last 2 years	159.5	159.4	142.7
Last 3 years	201.0	177.3	178.0
Last 4 years	517.3	388.4	446.8
Last 5 years	714.7	537.1	593.7
Last 6 years	1595.3	1040.9	1324.3
Last 7 years	1795.5	1030.8	1313.7
Last 8 years	2333.5	2504.0	2335.7
Last 9 years	695.8	500.9	446.7
Last 10 years	654.4	463.1	436.3
Since inception	654.4	463.1	436.3

Since inception (February 1997) +654.4%



Micropal Ranking in Russia closed & open-ended funds

	Last month	Last 3 months	Last 6 months	Year to date	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	Last 10 years	Since Inception
Sibinco	10	14	7	7	24	8	7	8	6	6	5	5	3	3	3
No. of funds	35	35	35	35	35	35	28	26	24	24	22	16	10	8	8

Financial data in US\$ as at 28th February 2007

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 31/01/2007:	US\$113.23 million

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