

Unit price: US\$81.78

Data as at 30th September 2007



October 2007

Siberian Investment Co.

The fund underperformed the RTSI during September as the Russian markets surged ahead by 7.9%. Two stocks in particular, Amtel and Baltic Oil Terminals suffered serious falls. Amtel, a tyre manufacturer based in Moscow has experienced problems in its retail division and the new management team has decided to close some ninety unprofitable outlets and continue its search for a partner. The new management team has announced it will have a new business plan in place by the end of the year. Baltic Oil Terminals also experienced declines over the month as investors became wary of management decisions to seek another site in Kaliningrad. This has now been resolved and at a recent meeting management stated that it will focus on the existing site and getting that fully operational before any further expansion plans. According to management, the stock is trading on 5x next years earnings and has a forward yield of 10%.

The outlook for Russia remains positive although inflation did creep up to 9.4% in September, a 12 month high, and looks set to miss the government target of 8% by the end of the year. The continuing issue of what happens to Valdimir Putin appears to have been resolved after he announced his belief that he could serve as Prime Minister.

Sector Breakdown

Sector	% NAV
Oil & Gas	24.9
Utilities	21.6
Telecommunications	12.7
Metals	9.8
Engineering	7.4
Banking	7.0
Chemicals	3.2
Funds	0.5
Shipping	0.0
Others	9.6
Cash	3.3
Total	100.0%

Top 10 Holdings

Company	% NAV
Dagestan Regional Generation	6.3
Sberbank Rossii Pref	5.2
Rosneft OJSC	4.9
Ufaneftekhim Rub	4.9
Chelyab Tube-Roll	4.7
Comstar United Tel GDR	4.6
RAO UES of Russia GDR	4.2
JSC MMC Norilsk Nickel	3.9
Evraz Group SA	3.5
Sayanoshushinskaya Rub	3.4
Total	45.6%

Siberian Investment Co. Performance

	LG Fund	RTS Index	Micropal Russian Universe
Last month	2.8	7.9	7.1
Last 3 months	4.5	9.2	7.3
Last 6 months	3.0	7.0	8.3
Year to date	13.7	7.8	13.8
Last 1 year	39.8	33.7	38.4
Last 2 years	92.3	105.6	92.6
Last 3 years	253.7	228.0	204.6
Last 4 years	340.6	267.5	288.6
Last 5 years	678.9	505.6	600.5
Last 6 years	1365.6	1073.9	1048.7
Last 7 years	1565.6	949.5	1054.3
Last 8 years	2653.5	2333.2	2226.4
Last 9 years	2681.6	4417.8	4089.0
Last 10 years	393.0	321.6	294.4
Since inception	717.8	527.9	503.0

Since inception (February 1997) +717.8%



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	28	24	26	16	13	16	5	5	5	5	4	4	11	3	2
No. of funds	29	29	29	29	29	29	25	22	20	19	19	15	13	9	7

Financial data in US\$ as at 30th September 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.



ROBERT LLOYD GEORGE - CO-FUND MANAGER

Robert Lloyd George, Chairman and CEO, was educated at Oxford University and began his investment career in London in 1974. After working in the Paris Stock Exchange and in banking in Brazil, he joined the Fiduciary Trust Company of New York to work on international investments for the UN Pension Fund. Robert was Managing Director of Indosuez Asia Investment Services in Hong Kong from 1984, before founding Lloyd George Management in 1991. He has published three books including 'The East West Pendulum'.



TIMOTHY HAY - CO-FUND MANAGER

Timothy Hay, (IMC), Fund Manager, joined Lloyd George Management in London in 2003. He is a graduate of the University of Manchester with BA (Hons) in Economics and Economic History and has spent the past four years covering EMEA for LGM London. He has a thorough first-hand understanding of the different markets he covers as a result of numerous visits to the region. He has worked very closely on the LG GEM Smaller Companies fund, helping it to win 1st place in the Standard & Poor's Equity GEM Sector Awards for 2006. In addition, he manages our Siberian Fund which specialises in Russian equities with a focus on gas and oil.

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 30/09/2007:	US\$49.95 million

For further information, please contact:

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