

# LLOYD GEORGE MANAGEMENT

Specialist Investors in Asia and Global Emerging Markets



## Fund Details

<b>Fund manager</b>	Irina Chistyakova
<b>Domicile</b>	Dublin
<b>Benchmark</b>	RTS Index
<b>Launch date</b>	6 February 1997
<b>Fund size</b>	US\$23.50m
<b>Price</b>	US\$79.02
<b>Min. initial investment</b>	EUR250,000
<b>Subsequent subscription</b>	NS
<b>Dealing day</b>	weekly on Tuesday
<b>Investment management fee</b>	1.5%
<b>Performance fee</b>	10% with 15% hurdle rate

## Fund Codes

<b>Sedol</b>	0040147
<b>ISIN</b>	IE0000401475
<b>Bloomberg Ticker</b>	SIBINCA ID

## Administrator / Custodian

### Northern Trust International Fund Administration Services (Ireland) Limited

Georges Court, 54-62 Townsend Street,  
Dublin 2, Ireland

<b>Telephone</b>	(3531) 434 5000
<b>Fax</b>	(3531) 434 5233

## Contact Details

### Lloyd George Management

Lloyd George Management (Europe)  
Limited, 65 Curzon Street, London  
W1J 8PE

<b>Telephone</b>	+44 (0)20 7408 7688
<b>Fax</b>	+44 (0)20 7495 8651
<b>Email</b>	info@uk.lloydgeorge.com
<b>Website</b>	www.lloydgeorge.com

## Dealing Details

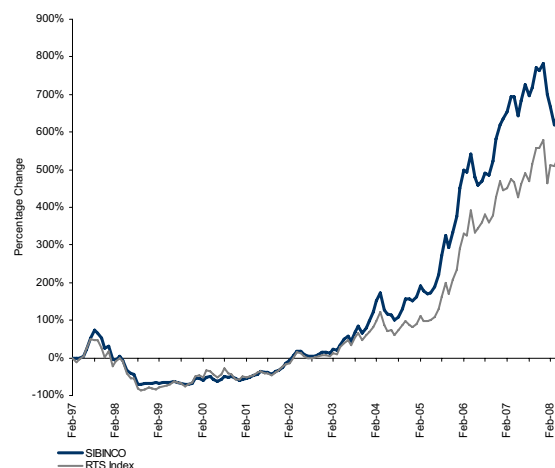
Dealing instructions need to be received not later than 5:00pm two Business Day prior to the Dealing Day.

NAV information of this fund and other LG funds can be found on Reuters, page LGMHA and Bloomberg, page LGMX. Funds are dealt on a forward pricing basis and the published information is for indication only.

## Investment Objective

The principle 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.

## Performance Since Launch



\*Performance data of The Siberian Investment Company Plc are in US\$ terms and net of investment management fee and performance fee. The fund performance figures includes dividend/income reinvestment and the benchmark is a price return index that does not include reinvestment of dividend/income. Investors should be aware that past performance should not be considered a guide to future performance.

## Performance Overview (%)

	Fund	Benchmark
<b>Since Inception</b>	690.2	645.5
Last mth	6.3	15.9
Last 3 mths	2.9	19.2
Last 6 mths	-8.5	10.8
YTD	-10.3	7.4
CY 2007	6.3	38.2
CY 2006	36.0	68.3
CY 2005	190.3	264.9
CY 2004	262.8	323.3
CY 2003	427.2	424.4
CY 2002	571.9	549.0
CY 2001	1276.7	1096.7
CY 2000	1750.6	1204.4

## Top Ten Holdings

Company	Sector	% NAV
Ufaneftkhim Rub	Oil & Gas	7.7
Gazprom ADR	Oil & Gas	6.5
Sberbank Rossii	Financials	4.9
MKT Vectors	Funds	4.9
Rosneft OJSC	Oil & Gas	4.8
GAZ	Engineering	4.4
Evrast Group SA	Materials	4.3
Mechel ADR	Materials	4.2
Comstar United Tel	Telecom.	4.0
Mobile Telesystems	Telecom.	4.0
<b>Total</b>		<b>49.7</b>
<b>No. of Holdings</b>		<b>32</b>

## Market Cap (US\$bn)

	Fund	Benchmark
< 1 bn	8.5%	0.2%
1-5 bn	45.0%	5.8%
> 5 bn	46.5%	94.0%
Weighted average (US\$bn)	43.9	123.6

## Risk Statistics

	Since inception
Alpha	0.56
Ann. volatility (fund)	35.64
Ann. volatility (benchmark)	48.73
Sharpe ratio	0.47
Tracking error (ex post)	27.89
Information ratio	0.03

\*Please note that for periods of less than three years, data may not be statistically significant.

Source: Lloyd George Management. All data as at last business day of the previous month (30.05.2008) unless otherwise stated. The price of units of the Fund and the income from them may fluctuate and is not guaranteed. All performance is calculated on a NAV to NAV basis. Past performance is not indicative of future performance. This factsheet is for information purposes only and is based on sources believed to be reliable. It should not be construed as an invitation to purchase or sell shares of the Fund. This information is for sole use of intended recipients and must not be copied or the information disseminated in whole or part to third parties without the written consent of the issuer. LGM accepts no liability for any loss or damage caused by reliance on or use of the information in this factsheet. Benchmark data source: RTS Index.



## Investment Approach

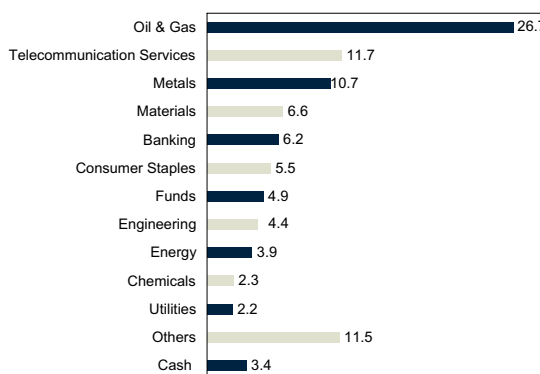
Lloyd George Management is an active manager and our investment approach emphasises bottom up stock selection, which we believe is our major opportunity to add value. We seek inefficiencies in the valuation of companies aim to invest in well managed, high quality, sustainable growth companies with strong capital management. This may include value or cyclical companies that are restructuring to follow a more sustainable growth path. Our intensive company research gives us the conviction of view to focus on the long term; to identify attractive investment opportunities independently of market indices and to invest across the market cap spectrum.

## About Lloyd George Management

Lloyd George Management is an Asian and global emerging market specialist, established in 1991, with investment management as our sole activity. We now have assets under management of US \$13.0bn, and a team of 29 investment professionals, based in our offices in Hong Kong, Singapore, Mumbai, Tokyo, Oman, London and Florida. The focus of our investment is on active equity management and we are primarily stock driven investors. The majority of our assets are in long only mandates, although we do have two long short funds.

We manage a wide variety of mandates including Asia Pacific, Asia ex Japan, Developed Asia and Global Emerging Markets. In addition we have considerable experience in managing more specialist mandates including Greater China, India, Asian Natural Resources and Asian Small cap. For example, we have been managing Greater China mandates since 1993. Our client base is primarily institutional, although we deliver our services through both Funds and, for larger mandates, separate accounts. Lloyd George Management is a private company, majority owned by our executives, including our founder and Chief Executive, Robert Lloyd George.

## Sector Breakdown



## Fund Manager's Commentary

### Fund Performance

Emerging markets rose for a second consecutive month in May 2008 and the RTS index was the best performing index (up 15.9%). Our Fund increased by a more moderate 6.3%. The reason for the Fund's underperformance lies in heavy gearing of the Russian index towards oil and gas stocks (58%), whilst the Fund has more diversified holdings focused on securing long term growth, without adopting excessive risk.

Materials was the best performing sector for the Fund and it benefited from the overweight position. While the Fund was underweight energy compared to the benchmark, our energy holdings still posted the second highest returns for the Fund.

In terms of stocks, Gazprom contributed the highest absolute returns. Gazprom, the world's biggest natural-gas producer and Russia's gas-export monopoly, continued climbing (+13.5%) on the back of gradual liberalization of domestic gas prices. Among the other outperforming stocks in which we each held overweight positions were TMK (+22.73%), Silvit (+23.6%), Evraz (+13%) and PIK (+17.7%).

### Key Changes to the Portfolio

We reduced our positions in Avtovaz and Sibirtelecom due to adverse fundamentals relative to other opportunities in their respective sectors (car manufacturing and telecom). We also sold our position in CAT Oil following poor quarterly results and our subsequent loss of faith in management's ability to deliver on its strategy. We continued to emphasise key themes of increasing exposure to oil, consumer and infrastructure by adding to LUKoil (oil producer), X5 Retail and Wimm-Bill-Dann (dairy producer) and Mechel (coal producer) and by initiating positions in RBC (media services) and OGC-5 (utility). We also bought into Market Vectors Russia, an index type product as a vehicle, to gain a temporary exposure to the Russian market and to reduce our cash position.

### Current Market Outlook

Our positive outlook on Russia remains unchanged. With political stability ensured, strong macroeconomic fundamentals and growth trends in place as well as equities being among the most attractively valued in the GEM universe, the Russian market continues to offer substantial long-term investment opportunity. The Fund will maintain its focus on achieving long-term capital appreciation through a selection of stocks with attractive valuations, sustainable earnings growth and underleveraged balance sheets. The Fund will further seek to increase exposure to sectors with specific catalysts, such as consumer, energy and construction stocks.

## Risk warning

- Investment involves risk. Share prices may fall as well as rise.
- Funds invested in emerging markets and in smaller companies may involve a higher degree of risk.
- Exchange rates and currency fluctuations may affect the value of an investment.
- Investment in LGM Funds may be unlawful in some jurisdictions.
- This fact sheet is for general information only. Reference should be made to the Fund's offering documents for full details of the risks involved.