

# 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\$8.93m
<b>Price</b>	US\$52.62
<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

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## Contact Details

### Lloyd George Management

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## Dealing Details

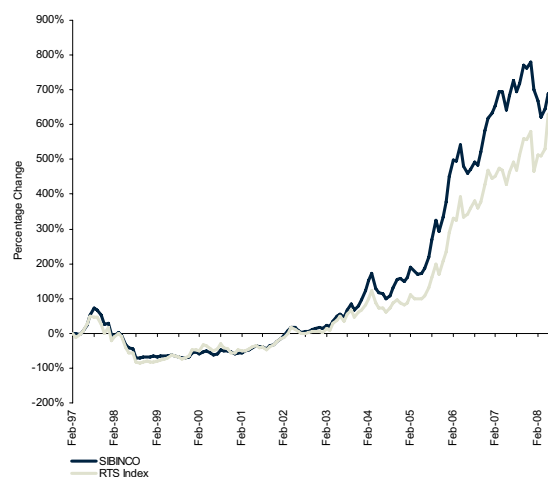
Dealing instructions need to be received not later than 5:00pm two Business Day prior to the Dealing Day.

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>	426.2	496.0
Last mth	-29.1	-14.6
Last 3 mths	-29.2	-7.3
Last 6 mths	-34.3	3.1
YTD	-40.3	-14.1
CY 2007	22.5	19.2
CY 2006	50.7	70.8
CY 2005	90.5	83.3
CY 2004	26.8	8.3
CY 2003	70.6	58.0
CY 2002	54.0	38.1
CY 2001	83.0	81.5
CY 2000	-8.3	-18.2

## Top Ten Holdings

Company	Sector	% NAV
Gazprom ADR	Oil & Gas	5.7
Rosneft OJSC	Oil & Gas	5.6
Sberbank Rossii	Financials	5.5
Evrast Group SA GDR	Metals	4.6
Silvinit	Chemicals	4.6
TMK GDR	Energy	4.4
Comstar United Tel GDR	Telecom.	4.2
Mobile Telesystems	Telecom.	4.2
OGK - 5	Utilities	4.1
Polymetal OJSC GDR	Metals	3.9
<b>Total</b>		<b>46.8</b>
<b>No. of Holdings</b>		<b>32</b>

## Market Cap (US\$bn)

	Fund	Benchmark
< 1 bn	28.4%	0.9%
1-5 bn	24.7%	4.4%
> 5 bn	46.9%	94.7%
Weighted average (US\$bn)	32.5	101.1

## Risk Statistics

	Since inception
Alpha	0.36
Ann. volatility (fund)	36.63
Ann. volatility (benchmark)	48.71
Sharpe ratio	0.33
Tracking error (ex post)	28.00
Information ratio	-0.04

\*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 (31.07.2008) 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

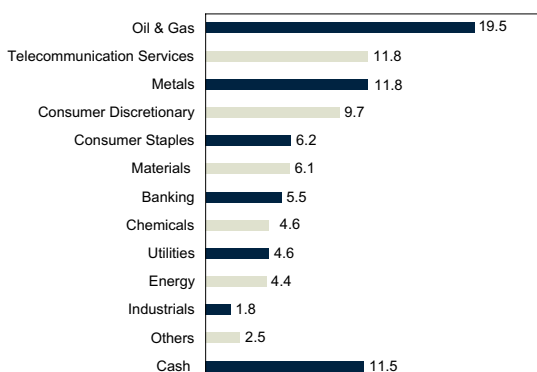
Lloyd George Management is an active manager and our investment approach emphasises bottom up stock selection, which we believe is our major opportunity to add value. We seek inefficiencies in the valuation of companies aim to invest in well managed, high quality, sustainable growth companies with strong 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 \$10.9bn, 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

In July, global equity markets witnessed a rotation out of commodity stocks into financials driven by a substantial correction in several commodities including oil, which declined from \$145.29/ bbl to \$124/bbl on concerns over its impact on inflation and global growth. Furthermore, the Russian market has declined substantially following Prime Minister Putin's criticism of Mechel's pricing policies that was perceived by investors as increased risk of government interference in the corporate sector.

In July, the Fund declined by 29.1% vs. a 14.6% decrease of the RTS. The main reason for such decline was the Board of Directors' decision to write off to nil the value of two legacy stocks whose trading is currently suspended due to the Russian Court injunction. This write off alone had a 12.71% negative impact on the Fund's performance in July.

Excluding the write off, the Fund's 3.60% outperformance vs. the RTS could be attributed primarily to its underweight in the energy sector vs. the Index that offset the negative impact of a broader commodity stocks correction. Energy stocks that represent 57.6% of the RTS were down 15.4% as investors re-assessed Russian political risk.

### Key Changes to the Portfolio

Besides the Energy sector, the Fund benefited from its exposure to Industrials and Utilities sectors. Our new investment in GlobalTrans, Russia's largest private railway transportation company, positively impacted the Fund's performance.

In July, we added to our position in X5 Retail Group, a food retailer company and AFI Development, a commercial real estate developer, due to their attractive valuations. We also established new positions in Razgulyay Group, Russia's largest agricultural company, in Novatek, an independent gas producer, and in GlobalTrans.

### Current Market Outlook

Our positive outlook on Russia became challenged with Prime Minister Putin's aggressive criticism of Mechel's pricing policies in July and continuous lack of resolution in the conflict between BP and its Russian partners in the JV. We believe that these events have significantly increased Russia's country risk premium. More importantly, recent events clearly demonstrate that, regardless of Russia's continuous robust GDP growth, foreign investors have re-assessed the political interference and corporate governance risk in Russia, and are unlikely to treat the country as "safe haven" going forward.

The market could remain volatile in the next 6-months driven by increased political risk and exposure to commodities. Longer term, the fund will maintain its focus on achieving long-term capital appreciation through a selection of stocks with attractive valuations, sustainable earnings growth and cash flows and underleveraged balance sheets.

## 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.