

LLOYD GEORGE MANAGEMENT

Specialist Investors in Asia and Global Emerging Markets



Fund Details

Fund manager	Irina Chistyakova
Domicile	Dublin
Benchmark	RTS Index
Launch date	6 February 1997
Fund size	US\$7.15m
Price	US\$45.12
Min. initial investment	EUR250,000
Subsequent subscription	NS
Dealing day	weekly on Tuesday
Investment management fee	1.5%
Performance fee	10% with 15% hurdle rate

Fund Codes

Sedol	0040147
ISIN	IE0000401475
Bloomberg Ticker	SIBINCA ID

Administrator / Custodian

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Dealing Details

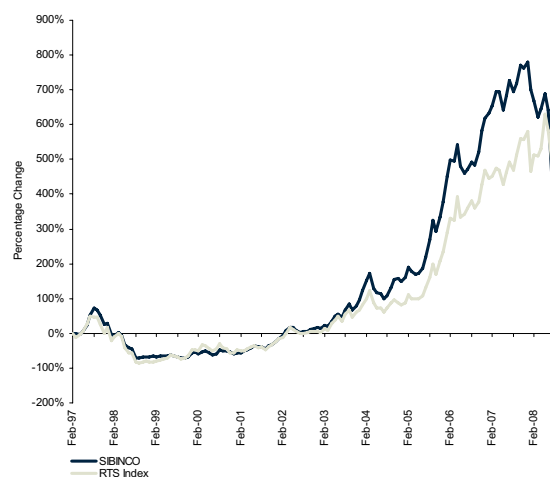
Dealing instructions need to be received not later than 5:00pm two Business Day prior to the Dealing Day.

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
Since Inception	351.2	387.9
Last mth	-14.3	-16.3
Last 3 mths	-42.9	-33.1
Last 6 mths	-41.3	-20.2
YTD	-48.8	-28.1
CY 2007	22.5	19.2
CY 2006	50.7	70.7
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
Rosneft OJSC	Oil & Gas	5.6
OGK - 5	Utilities	4.6
Mobile Telesystems	Telecom.	4.1
TMK GDR	Energy	3.8
Polymetal OJSC GDR	Metals	3.6
Lukoil Holdings	Oil & Gas	3.6
Gazprom ADR	Oil & Gas	3.6
Sberbank	Financials	3.5
Pik Group GDR	Consumer Disc.	3.4
Comstar United Tel GDR	Telecom.	2.9
Total		38.7
No. of Holdings		32

Market Cap (US\$bn)

	Fund	Benchmark
< 1 bn	29.8%	1.3%
1-5 bn	23.0%	3.8%
> 5 bn	47.2%	94.9%
Weighted average (US\$bn)	23.4	77.3

Risk Statistics

	Since inception
Alpha	0.33
Ann. volatility (fund)	36.73
Ann. volatility (benchmark)	48.84
Sharpe ratio	0.29
Tracking error (ex post)	27.92
Information ratio	-0.02

*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 (29.08.2008) 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

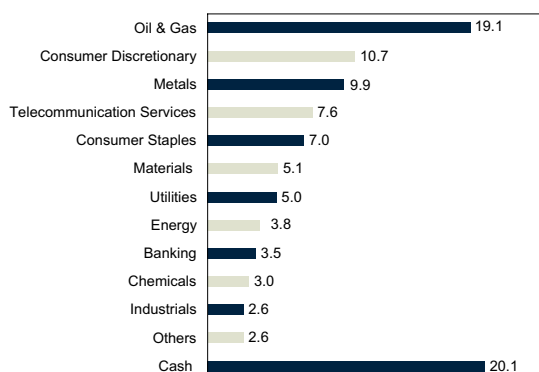
Lloyd George Management is an active manager and our investment approach emphasises bottom up stock selection, which we believe is our major opportunity to add value. We seek inefficiencies in the valuation of companies aim to invest in well managed, high quality, sustainable growth companies with strong 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 \$10bn, 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 August, the Russian equity market was negatively affected by the Russian conflict with Georgia over South Ossetia. The relationship between Russia and the West deteriorated further towards the end of the month following the unilateral recognition of South Ossetia and Abkhazia by the Russian government. Falling oil prices amplified negative investor sentiment which led to a sharp sell-off in equities and increased market volatility.

In August, the Fund declined by 14.3% while the RTS decreased by 16.3%. The main reason for this outperformance was the fund's underweight position in financials, which were down 21.2%.

On the sector level, the Fund benefited from its underweight position and stock selection in financials and industrials. The Fund's overweight position in consumer discretionary and materials hurt the performance as those sectors were down 13.55% and 13.54% respectively.

The best performing stock was the coal producer Mechel, increasing 28.8% over the period. Silvinit (potash producer) was the worst performer falling by 32.2% as its low liquidity and high valuations amplified the share price decline.

Key Changes to the Portfolio

We added to several holdings exposed to key secular growth themes, including Uralkali (potash) due to its more attractive valuations vs. Silvinit, Razguliay Group (agriculture), Globaltrans (private transportation company), Novatek (gas producer), Wimm-Bill-Dann (dairy producer). We also established a new position in Novolipetsk Steel due to more attractive valuations and lower government interference risk than peers like Evraz.

Current Market Outlook

We believe that regardless of Russia's continuous robust GDP growth, strong corporate earnings, rising domestic consumption and the most attractive valuations in the GEM space, foreign investors will resist increasing their allocation to Russia, given derated political and corporate governance risk.

In the near term, the fund is adopting a defensive stance through focusing on companies with low EPS downgrade risk, strong valuation support and healthy balance sheets. On a sector basis, we would increase our exposure to defensive blue chip stocks such as telecom and utilities and decrease our exposure to commodity related stocks that have higher risk of government interference.

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, 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 maybe 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.