

# 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\$1.42m
<b>Price</b>	US\$24.77
<b>Min. initial investment</b>	EUR250,000
<b>Subsequent subscription</b>	NS
<b>Dealing day</b>	Dealing is currently suspended
<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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Dublin 2, Ireland

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## Contact Details

### Lloyd George Management

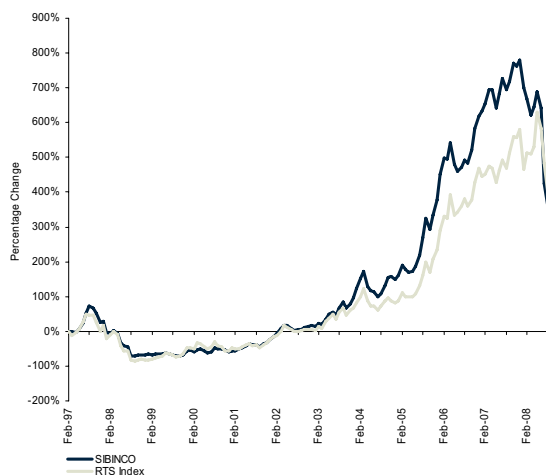
Lloyd George Management (Europe)  
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<b>Website</b>	www.lloydgeorge.com

## 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>	147.7	129.2
Last mth	-20.5	-36.2
Last 3 mths	-52.9	-60.7
Last 6 mths	-66.7	-63.6
YTD	-71.9	-66.2
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
Sakhaneftegaz	Oil & Gas	19.3
Rosneft OJSC	Oil & Gas	7.4
Mobile Telesystems	Oil & Gas	5.2
Novatek	Oil & Gas	4.4
Gazprom ADR	Energy	4.1
OGK - 5	Utilities	3.6
Sberbank	Financials	3.4
Lukoil Holdings	Oil & Gas	3.1
Wimm Bill Dann Foods-ADR	Energy	2.6
Polymetal OJSC	Metals	2.6
<b>Total</b>		<b>55.7</b>
<b>No. of Holdings</b>		<b>27</b>

## Market Cap (US\$bn)

	Fund	Benchmark
< 1 bn	56.4%	1.6%
1-5 bn	14.5%	9.4%
> 5 bn	29.1%	89.0%
Weighted average (US\$bn)	11.1	39.1

## Risk Statistics

	Since inception
Alpha	0.20
Ann. volatility (fund)	38.30
Ann. volatility (benchmark)	50.45
Sharpe ratio	0.12
Tracking error (ex post)	28.13
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 (31.10.2008) 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

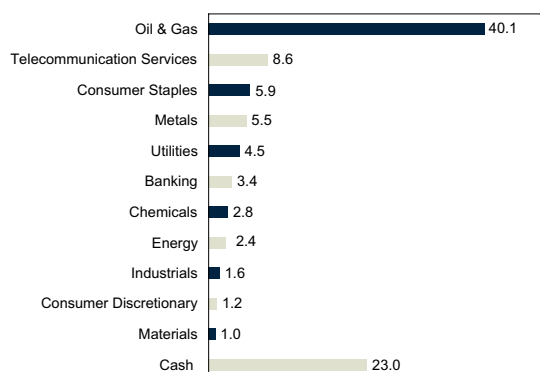
Lloyd George Management is an active manager and our investment approach emphasises bottom up stock selection, which we believe is our major opportunity to add value. We seek inefficiencies in the valuation of companies aim to invest in well managed, high quality, sustainable growth companies with strong 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. As at 30 June 2008, we had assets under management of US \$11.3bn, and we now have a team of 28 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 October, the Russian equity market continued to be effected by the global liquidity crisis and sharp decline in oil price that has corrected by over 31% to \$67.81 and amplified concerns about the macro stability of the Russian economy in 2009.

In October, the Fund declined by 20.5% while the RTS decreased by 36.2%. The main reason for this outperformance was the Fund's underweight in energy, financials and materials sectors which were down 33.2%, 37.8% and 37% respectively. The Fund benefited from its stock selection in the utilities sector.

The best performing stocks were Baltic Oil Terminal (+0.72%), and Silvinit (potash producer) (-8.4%). The worst performing stock was RBC Information Systems (TV and internet portal), a 2nd tier stock which declined by 67.4%

### Key Changes to the Portfolio

Position in CTC Media was sold on deteriorating outlook of the Russian advertising industry and taking advantage of the stock's short-term recovery. The Fund has also trimmed its position in Mechel (coal miner) and Baltic Oil Terminal.

### Current Market Outlook

Since the beginning of the liquidity crisis, the Russian government and the Central Bank have provided \$50 bln of liquidity directly to the largest Russian banks (non-collateralized lending) and indirectly through reduction of the required reserve requirement to 4%. In addition, the Central Bank has made another \$50 bln from the FX reserves available to the large corporates as they refinance their debt (Russian corporates have to meet \$120 bln of foreign obligations until the end of 2009).

The government is currently considering an additional \$75 bln package to invest in the equity market, inject capital into the state mortgage agency, and provide loans to the large energy companies. Energy companies have also become the main beneficiaries of the government's earlier reduction of the oil export duty that is expected to generate \$7 bln of savings for the oil and gas sector.

The Fund has adopted a defensive stance through focusing on companies with low EPS downgrade risk, strong valuation support and healthy balance sheets. On a sector basis, this implies a focus on defensive blue chip stocks such as telecom and utilities, and decreased exposure to commodity related 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.