

P&C Global Gold and Natural Resources Fund

Monthly Investors Report as at 30 June 2006

Swiss Valoren No 1.557.566 Bloomberg Ticker: PCGLDFD CY

Fund's objectives: Seeking absolute returns in USD and portfolio insurance through diversification into asset class with low correlation to financial assets (bonds, equities and currencies).

Investment vehicles: Gold mining equities (<100%), physical gold, silver and precious metals (<100%), cash (<50%). Plus other natural resource equities and commodities. Cash used for capital preservation. Significant gold sector exposure expected.

Investment restrictions: Min 20 holdings, 10% max single share holding, 15% max single issuer, 5% max unlisted equities, normally no currency hedging.

Key Information

Subscription price as at 30/06/06	
NAV Pre Perf Fees:	USD 2,435.55
Min Investment:	USD 100,000
Size of Fund:	USD 28.5mn
Type of Fund:	Cyprus private fund under International Collective Investment Scheme Law No 47(1) 1999 of Cyprus
Fund Adviser:	Baker Steel Capital Managers LLP, London
Fund Manager:	P&C Global Fund Management Limited, Cyprus
Sub-Manager:	P&C Global Wealth Managers SA, Switzerland
Custodian:	RBC Global Services, London, UK
Administrator:	C P Palema Ltd
Auditor:	KPMG
Sales Fee:	Up to 5% permitted
Dealings:	Monthly (last business day of month)
Inv Mngmt Fee:	1.80%
Performance Fee:	12% absolute returns (High Water Mark principle) on a calendar year basis

Asset Allocation (As at 30/06/06)

Metal resource shares:	88.6%
Silver:	0.1%
Cash (net):	11.3%

Fund Commentary

Executive Summary In June the fund fell 5.4% with commodity related equities recovering strongly in the last two weeks of the month after very sharp falls in the first two weeks. During the same period gold bullion fell 4.6%, silver fell 11.5%, palladium fell 8.6% and platinum fell 1.5%. Over the course of the month the FTSE Gold Mines Index rose 0.8%, having been down 15.1% at the low point in the middle of the month.

During June the market appeared to complete a sharp downward correction in risk assets, re-assess and, in the case of mining and natural resources related equities, re-price aggressively upwards. It is interesting that physical metals prices were negatively correlated to mining equities during the month. This might suggest that the end of month rally in equity prices could turn out to have been a "dead cat bounce". Nevertheless, the recovery in equity prices coincided with widespread buy recommendations from specialist market analysts highlighting the fact that the market sell-off had resulted in historically cheap valuations for mining stocks.

The fund was able to make some of its planned portfolio adjustments and added exposure to Kingsgate Consolidated and Resolute Mining. However, market liquidity was and remains very limited: a factor contributing to the volatility in the market.

Portfolio cash stood at more than 10% at the end of the month providing a liquidity buffer to take advantage of any further set back in equities.

Outlook

Ideal conditions for ongoing market volatility are in place. War has effectively broken out in the Middle East, North Korea's launch of test missiles is aggravating its neighbours as well as the USA, oil prices are spiking higher and global liquidity is being reined in by the world's major Central Banks. Inflation fears persist. In such circumstances, diversification though exposure to the commodity related sector has an important role to play in investment portfolios.

Fund Statistics

CAGR (before all fees)	27.0% pa
CAGR (after all fees)	24.8% pa
Number of Months	40
Number of "Up" Months	25
Average "Up" Month	+7.9%
Number of "Down" Months	15
Average "Down" Month	-6.2%
Largest Monthly Rise	+22.1 (September 2005)
Largest Monthly Fall	-19.4% (April 2004)
Number of stock positions	47
Unlisted stock positions	1
Largest stock position	6.1%

Investment Driven Major Buys and Sales

Net Buys

Kingsgate Consolidated
Resolute Mining

Net Sales

Aquarius Platinum
Straits Resources
Sino Gold
Perseverance Corp

Top 10 Holdings

- | | |
|-------------------------|---------------------------|
| 1. Nevsun Resources Ltd | 6. Ballarat Goldfields NL |
| 2. Kinross Gold Corp | 7. Straits Resources Ltd |
| 3. DRD Gold Ltd | 8. Climax Mining |
| 4. Northern Orion | 9. Bema Gold |
| 5. Harmony Gold | 10. IMA Exploration |

Performance in USD (for initial investors)

	28/2/03	30/6/06	% ch
P&C Gold Fund (Gross NAV)	1000	2435.55	+143.56%
Value of \$1,000 invested (after all fees)	1000	2268.06	+126.81%
FTSE Gold Mines Index	1190.83	2449.11	+105.66%
Gold Bullion	349.95	615.85	+75.98%
Silver Bullion	4.60	11.10	+141.30%
Palladium Bullion	241.50	315.00	+30.43%
Platinum	683.50	1227.50	+79.59%

Monthly Performance (gross)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yr
2003	-	0.0%	-3.8%	-0.6%	13.3%	2.0%	9.8%	19.1%	4.5%	7.4%	7.1%	3.3%	80.0%
2004	-5.0%	2.0%	6.8%	-19.4%	1.4%	-6.1%	-2.2%	4.9%	9.9%	5.2%	8.4%	-9.2%	-7.7%
2005	-2.7%	7.6%	-4.0%	-11.6%	-4.0%	5.9%	3.6%	1.7%	22.1%	-8.2%	9.85%	6.72%	25.0%
2006	18.5%	-2.3%	3.5%	15.4%	-10.0%	-5.4%							17.5%

All prices and comparative numbers are unaudited and for indication purposes only

Performance in USD (for initial investors) and Asset Allocation

