

P&C Global Gold and Natural Resources Fund

Monthly Investors Report as at 31 January 2007

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 31/1/07

NAV Pre Perf Fees: USD 2,406.15

Min Investment: USD 100,000

Size of Fund: USD 27.2mn

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 31/1/07)

Metal resource shares: 99.5%

Silver: 0.1%

Cash (net): 0.4%

Fund Commentary

Executive Summary The fund's NAV fell 3.0% in January, which turned out to be a turbulent first month of the year. During January gold bullion rose 2.6%, silver rose 4.8%, palladium rose 1.4% and platinum rose 3.9%. The FTSE Gold Mines Index fell 3.8% during the month.

There was no securities trading in the fund in January.

In the first 18 days of the new year the FTSE Gold Mines Index declined rapidly, falling by more than 7%, and thereby reflected the trend in lower share prices, which had commenced the previous month. However, the market turned at this point and clawed back almost half these losses by the end of the month. At the same time, although precious metal prices held up well, the prices of other commodities suffered even sharper declines, with, for example, copper falling by 10% and zinc by 18%

The falls in commodity related share prices reflected an ongoing unwinding of perceived over optimism about the future course of commodity pricing following the strong gains of 2006. The quick bounce back in prices, which has continued in the first half of February, suggests that the bull market has further to run.

Outlook

The macro economic background increasingly suggests that prices in commodities and related equities will be well supported, especially where supply/demand imbalances are entrenched. Inflation continues to surprise on the upside and with both Germany and Japan reporting stronger than forecast growth in the final quarter of 2006, the global economy looks set to pick up pace in 2007. Central Bank selling of gold reserves appears to be slowing down and some Central Banks are starting to add to their gold reserves. With growth and interest rates on the rise in Europe and Japan, as well as in India and China, the US Dollar is likely to face renewed selling pressure, further encouraging capital flows into commodities and related equity markets.

Fund Statistics

CAGR (before all fees)	22.6% pa
CAGR (after all fees)	20.1% pa
Number of Months	47
Number of "Up" Months	28
Average "Up" Month	+7.6%
Number of "Down" Months	19
Average "Down" Month	-5.8%
Largest Monthly Rise	+22.1 (September 2005)
Largest Monthly Fall	-19.4% (April 2004)
Number of stock positions	62
Unlisted stock positions	3
Largest stock position	5.8%

Investment Driven Major Buys and Sales

Net Buys	Net Sales
None	None

Top 10 Holdings

1. Oceana Gold	6. Banro Corp
2. Ivanhoe Nickel & Platinum	7. Sino Gold
3. Euro Goldfields	8. Lingbao Gold
4. Ballarat Goldfields	9. Perseverance Corp
5. Anglogold	10. Newcrest Mining

Performance in USD (for initial investors)

	28/2/03	31/1/07	% ch
P&C Gold Fund (Gross NAV)	1000	2406.15	+124.06%
Value of \$1,000 invested (after all fees)	1000	2181.96	+121.82%
FTSE Gold Mines Index	1190.83	2351.99	+97.51%
Gold Bullion	349.95	653.20	+86.66%
Silver Bullion	4.60	13.52	+193.91%
Palladium Bullion	241.50	338.50	+40.17%
Platinum	683.50	1180.00	+72.64%

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%	-2.56%	1.15%	-8.11%	9.02%	5.40%	-2.15%	19.68%
2007	-2.99%												-2.99%

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

Performance in USD (for initial investors) and Asset Allocation

