

P&C Global Gold and Natural Resources Fund

Monthly Investors Report as at 29 June 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 29/6/07	
NAV Pre Perf Fees:	USD 2,632.86
Min Investment:	USD 100,000
Size of Fund:	USD 24.3mn
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 29/6/07)

Metal resource shares:	93.6%
Silver:	0.1%
Cash (net):	6.3%

Fund Commentary

The fund's NAV rose 1.5% in June, at the end of a very volatile month for metals and mining equities. Gold bullion fell a further 1.6% in June, silver fell 7.6%, palladium fell 0.4% and platinum fell by 0.6%. The FTSE Gold Mines Index closed down 1.8% over the course of the month, having bounced back sharply on several occasions from technical support levels.

There were no purchases or sales of securities within the fund during June.

The fund's advisors are maintaining their preference for exposure to small and mid-sized gold mining companies with inherent leverage to the price of gold, which they expect to see resume a cyclical upward trend. Companies favoured are those, which have low production costs and, preferably, no forward hedging.

OceanaGold is the fund's largest holding and has just announced the commissioning of a new project at the Globe Progress mine on the west coast of New Zealand's South Island. This mine is expected to produce 455,000 ounces over seven years. Lihir Gold – another large holding in the fund – is already benefiting from its early decision to close out its hedge book, funded through a successful equity issue. Nevsun Resources is expecting to receive confirmation of the granting of a mining licence for its Bisha Project from the Government of Eritrea, and appears to have resolved the water shortage problem, which was threatening its production at the Tabakoto Gold Mine, Mali.

Outlook

Over recent weeks gold and precious metals seem to have recaptured the interest of investment strategists and some high profile calls for higher prices have been made. In the first part of July mining stocks have moved higher, partly in anticipation of a rise in precious metal prices, and partly as a recognition that the sector is due a re-rating. The fund is well placed to capture the benefits of both moves.

Fund Statistics

CAGR (before all fees)	22.6% pa
CAGR (after all fees)	20.1% pa
Number of Months	52
Number of "Up" Months	33
Average "Up" Month	+7.1%
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	56
Unlisted stock positions	2
Largest stock position	7.2%

Investment Driven Major Buys and Sales

Net Buys	Net Sales
None	None

Top 10 Holdings

- | | |
|------------------------------|---------------------------|
| 1. Oceana Gold | 6. Kingsgate Consolidated |
| 2. Ivanhoe Nickel & Platinum | 7. Sino Gold |
| 3. Nevsun Resources | 8. Banro Corp |
| 4. Lihir Gold | 9. High River Gold |
| 5. Straits Resources | 10. Miramar Mining |

Performance in USD (for initial investors)

	28/2/03	29/6/07	% ch
P&C Gold Fund (Gross NAV)	1000	2632.86	+126.33%
Value of \$1,000 invested (after all fees)	1000	2370.77	+123.71%
FTSE Gold Mines Index	1190.83	2209.36	+85.53%
Gold Bullion	349.95	649.65	+85.64%
Silver Bullion	4.60	12.41	+169.78%
Palladium Bullion	241.50	366.50	+51.76%
Platinum	683.50	1272.50	+86.17%

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%	1.94%	1.27%	3.80%	0.57%	1.53%							6.15%

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

Performance in USD (for initial investors) and Asset Allocation

