

# P&C Global Gold and Natural Resources Fund

## Monthly Investors Report as at 30 November 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 30/11/07	
NAV Pre Perf Fees:	USD 2714.95
Min Investment:	USD 100,000
Size of Fund:	USD 23.9mn
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 30/11/07)

Metal resource shares:	99.2%
Silver:	0.1%
Cash (net):	0.7%

### Fund Commentary

The fund's NAV fell by 11% in November to USD 2,714.95.

Sub-prime related credit problems worsened in November and hit those areas of the financial markets where risk is perceived to be highest. Mining explorers, in which the fund is substantially invested, was one such area to be hit.

There was some good news. The Bank of Canada cut its overnight rate and the US authorities have introduced a variety of measures aimed at restoring faith in the banking system. In general, however, the Central Banks have been behind the curve; interest rates forecast by the futures markets are much lower than the spot market rates so any failure to cut rates meets with disappointment (this is exactly what happened on December the 11<sup>th</sup>, when the Fed cut was only 0.25%, rather than the 0.50% the market had sought).

Cost inflation in the mining industry has meant that the huge Novagold Resources Galore Creek mine in Canada has been shelved. We do not hold Novagold. Longer term this action underpins the gold (and copper) price since the major issue for the industry remains the lack of new production to supply the steady demand but in the short term it is a depressant.

We suspect that mining shares will continue to be buffeted by the problems elsewhere in the financial world, and the continued recovery will take its timing from a basing out in financial (banks, insurances etc) shares and a better overall environment for financial assets. This may have to wait till early 2008.

## Fund Statistics

CAGR (before all fees)	21.21% pa
CAGR (after all fees)	18.25% pa
Number of Months	58
Number of "Up" Months	36
Average "Up" Month	+7.2%
Number of "Down" Months	22
Average "Down" Month	-6.1%
Largest Monthly Rise	+22.1 (September 2005)
Largest Monthly Fall	-19.4% (April 2004)
Number of stock positions	66
Unlisted stock positions	2
Largest stock position	6.3%

## Investment Driven Major Buys and Sales

### Net Buys

OGX Ltd  
Northern Peru Copper  
Minefinders Corp  
Metallica Resources  
Alexis Minerals

### Net Sales

Straits  
Kinross Gold Corp  
Nevsun Resources  
Exeter Resource Corp  
Miramar Mining

## Top 10 Holdings

- |                       |                     |
|-----------------------|---------------------|
| 1. Central Fund       | 6. Eastern Platinum |
| 2. Lihir Gold         | 7. DRD Gold         |
| 3. Kingsgate          | 8. High River       |
| 4. Jinshan Gold Mines | 9. Northern Peru    |
| 5. Oceana Gold        | 10. Newcrest Mining |

## Performance in USD (for initial investors)

	28/2/03	30/11/07	%ch
P&C Gold Fund (Gross NAV)	1000	2714.95	+171.5%
FTSE Gold Mines Index	1190.83	2959.91	+148.56%
Gold Bullion	349.95	783.85	+123.96%
Silver Bullion	4.60	14.01	+204.57%
Palladium Bullion	241.50	34800	+44.10%
Platinum	683.50	1439.50	+110.53%

## 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%	-2.01%	-12.08%	21.11%	11.1%	-11.0%		9.48%

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

## Performance in USD (for initial investors) and Asset Allocation

