

P&C Global Gold and Natural Resources Fund

Monthly Investors Report as at 31 October 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 31/10/07	
NAV Pre Perf Fees:	USD 3,052.01
Min Investment:	USD 100,000
Size of Fund:	USD 28.0mn
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 31/10/07)

Metal resource shares:	98.6%
Silver:	0.1%
Cash (net):	1.3%

Fund Commentary

The fund's NAV rose by 11.1% in October to USD 3,052.01 and at month-end was trading at record highs after rising by about a third in the last 2 months. The P&C Gold Fund is some +205% higher since inception. The FTSE Gold Mines Index rallied +11.4% and gold bullion ended the month +7% stronger at US\$796.6/oz setting a new 28 year high in the process.

The all-time nominal high of US\$850/oz is at real risk of falling before year end due to an invigorated gold market. However, the gold price needs to exceed US\$2150/oz before it can be truly considered to have set a new record in real inflation-adjusted terms. Sentiment is very strong and gold bullion is experiencing record investor-related demand. Paradoxically, this bullishness could provide a reason for a correction in the short term.

We continued to refocus the portfolio but our experience from the past is that making aggressive shifts when the gold market is moving can be costly, particularly in the less liquid investments that make up much of the Fund.

Outlook: near perfect for gold shares

Takeover activity is building momentum in the whole metals complex – such as the gigantic recent bid for RTZ - and will continue for some time in the gold sector. Financial conditions are almost perfect for gold: sticky inflation, falling real yields, moderate economic growth, a weaker US Dollar and some distrust throughout the banking system. We do not envy Mr Bernanke at the US Federal Reserve.

Until September we had endured over a year and a half of dull performance with the result that certain gold shares were at near record levels of cheapness relative to bullion. We will do our utmost to give our investors the maximum "return for their buck" in this highly volatile sector as we believe this is why they are invested in this fund.

Fund Statistics

CAGR (before all fees)	24.1% pa
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Number of Months	57
Number of "Up" Months	36
Average "Up" Month	+7.2%
Number of "Down" Months	21
Average "Down" Month	-5.9%
Largest Monthly Rise	+22.1 (September 2005)
Largest Monthly Fall	-19.4% (April 2004)
Number of stock positions	65
Unlisted stock positions	2
Largest stock position	7.2%

Investment Driven Major Buys and Sales

Net Buys

Goldcorp
 Resolute Mining
 New Crest Mining
 Silvercorp Metals Inc
 Lake Shore Gold Corp
 Pan American Silver Corp
 Eldorado Gold Corp

Net Sales

Straits
 Oceana Gold
 Lihir Gold
 Sino Gold Mining
 Kings Gate Consolidated Ltd

Top 10 Holdings

- | | |
|---------------------|----------------------|
| 1. Nevsun Resources | 6. Kinross Gold |
| 2. DRD Gold | 7. Miramar Mining |
| 3. Oceana Gold | 8. Lingbao Gold |
| 4. Banro Corp | 9. Perseverance Corp |
| 5. Central Fund | 10. Lihir Gold |

Performance in USD (for initial investors)

	28/2/03	31/10/07	%ch
P&C Gold Fund (Gross NAV)	1000	3052.01	+205.2%
FTSE Gold Mines Index	1190.83	3146.72	+164.25%
Gold Bullion	349.95	796.59	+127.63%
Silver Bullion	4.60	14.5	+215.22%
Palladium Bullion	241.50	370.00	+53.21%
Platinum	683.50	1447.50	+111.78%

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%			23.05%

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

Performance in USD (for initial investors) and Asset Allocation

