

P&C Global Gold and Natural Resources Fund

Monthly Investors Report as at 31 January 2008

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 31/01/08	
NAV Pre Perf Fees:	USD 2,801.33
Min Investment:	USD 100,000
Size of Fund:	USD 24.36mn
Type of Fund:	Cyprus private fund under International Collective Investment Scheme Law No 47(1) 1999 of Cyprus
Fund Manager:	P&C Global Fund Management Limited, Cyprus
Sub-Manager:	Butterfield Asset Management, Bermuda
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 31/01/08)

Metal resource shares:	98.4%
Silver:	0.1%
Cash (net):	1.5%

Fund Commentary

The fund's NAV rose by 0.17% in January to USD 2,801.33.

Gold and precious metals were almost the only mainstream asset class in the world to rise in January. The positive metals trend of December was maintained against the background of generalised offloading of global equity markets. The yellow metal rose by 11% in January, and -to our frustration - our small-cap shares again under performed the large-cap FTSE Gold Mines index.

In terms of relative valuations, large-cap valuations versus small-cap valuations are at an extreme. This should lead to an increase in M&A activity, which will be positive for our small and mid-cap shares. The same problem besets all major gold companies; a shortage of resources to mine. Junior mines with assets in politically stable areas of the world are easy and desirable targets, particularly as they have performed so poorly in 2007 and are comparatively cheap.

IAMGold had a poor month, announcing a production downgrade, cost increases and a permit rejection in French Guyana. Nevsun received a mining license and Jaguar is doing well. Sino Gold had to curtail production in China due to poor weather hampering its power supply, but the outlook is still good. We sold Northern Peru Copper after buying it in November for a 35% return to the Fund. A consortium of Chinese companies offered to buy it in an all-cash deal at CAD 13.75. The offer valued it at about USD455 million, a 34% premium to the recent price. The Fund's position in Petaquilla Copper became free trading; we quickly sold the position on fears that the Company's cost estimates on its large copper project in Panama would surprise to the upside. Teck Cominco learned this the hard way with its gross underestimation of costs on the Galore Creek project. We continued to add to Aurelian Resources, now defining a potential deposit of fourteen million ounces or more. This would make it one of the largest discoveries in recent memory. Scarcity should have value in an environment where we have seen no new exciting projects come online. Aurelian is currently trading at a 40% discount to conservative NAV estimates.

Real interest rates are now negative once again. This is traditionally a highly bullish factor for gold. The last time this occurred, between April 2002 and January 2006, gold rallied 54% and the FTSE Gold Mines Index rose by 107%. On the other hand, we expect some short term air pockets when major world equity markets recover. Gold has been a refuge during the sub-prime storm. It is to be expected that some of the "hot money" may flow out of precious metals if equity

Fund Statistics

CAGR (before all fees)	21.13% pa
CAGR (after all fees)	20.45% pa
Number of Months	60
Number of "Up" Months	38
Average "Up" Month	+7.0%
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	59
Unlisted stock positions	2
Largest stock position	6.5%

Investment Driven Major Buys and Sales

Net Buys

Yamana Gold
Exeter Resource
IAM Gold
Central Fund

Net Sales

Northern Peru
Petaquilla Minerals
Minefinders Corp
Aurelian Resources

Top 10 Holdings

- | | |
|--------------------------------|---------------------|
| 1. Central Fund (Gold, Silver) | 6. Eastern Platinum |
| 2. Ivanhoe Nickel & Platinum | 7. Eldorado Gold |
| 3. Centerra Gold | 8. Kinross Gold |
| 4. Pan American Silver | 9. Ishares Gold |
| 5. Yamana Gold | 10. IAM Gold |

Performance in USD (for initial investors)

	28/2/03	31/01/08	%ch
P&C Gold Fund (Gross NAV)	1000	2801.33	+180.1%
FTSE Gold Mines Index	1190.83	3250.98	+173.0%
Gold Bullion	349.95	925.99	+164.6%
Silver Bullion	4.60	16.92	+267.8%
Palladium Bullion	241.50	394.50	+63.4%
Platinum	683.50	1738.50	+154.4%

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%	3.0%	12.8%
2008	0.17%												0.17%

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

Performance in USD (for initial investors) and Asset Allocation

