

P&C Global Gold and Natural Resources Fund

Monthly Investors Report as at 30 September 2009

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.

Asset Allocation (As at 30/9/09)

Metal resource shares:	99.0%
Physical Gold	1.5%
Physical Silver:	0.1%
Cash (net):	(0.6%)

Fund Statistics

Number of Months	78
Number of "Up" Months	47
Average "Up" Month	+7.9%
Number of "Down" Months	31
Average "Down" Month	-8.8%
Largest Monthly Rise	+28.1 (May 2009)
Largest Monthly Fall	-43.1% (Oct 2008)
Number of stock positions	35
Unlisted stock positions	0
Largest stock position	7.4%

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%	19.7%
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%	8.8%	-12.7%	-9.0%	6.9%	-1.0%	-13.4%	-17.1%	-18.9%	-43.1%	19.4%	21.6%	-57.2%
2009	1.8%	1.2%	6.9%	-7.8%	28.1%	-14.1%	4.7%	1.8%	12.2%				33.5%

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

Key Information

Subscription price as at 30/9/09

NAV Pre Perf Fees: USD 1598.94

Min Investment: USD 100,000

Size of Fund: USD 7.8mn

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

Major Buys/Sales

Buys	Sales
Sprott Resources Corp	None

Top 10 Holdings

1. Kinross Gold	6. Yamana Gold
2. Gold Corp	7. Agnico Eagle
3. Franco-Nevada	8. IAMGOLD
4. Barrick Gold	9. Sino Gold
5. Eldorado Gold	10. Newcrest Mining

Fund Commentary

The fund rose by +12.2% in September, as compared with the FTSE Gold Mines Index which rose by +12.5% and gold, which rose by +6.0%.

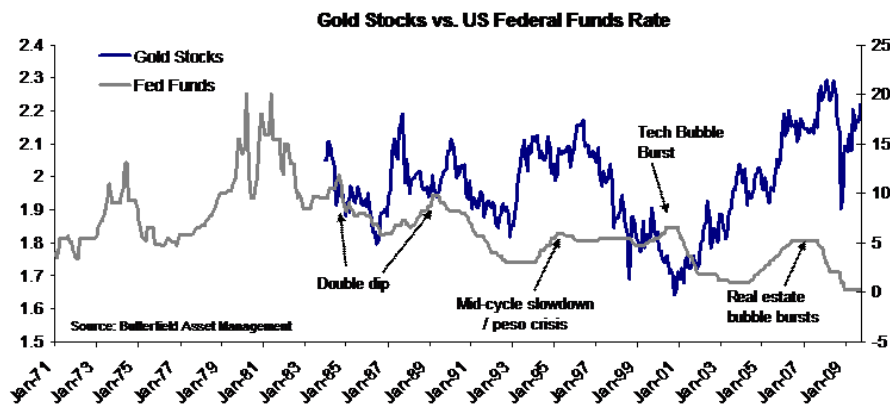
So far this year, our fund is up +33.5%, well ahead of the FTSE Gold Mines Index (+26.3%) but behind the smaller cap AMEX Gold Bugs Index (+38.4%) which went on a “tear” in September.

The breakout in gold over USD 1,000 has been sustained. We look for further gains in our fund before year end since “seasonality” usually provides a tail-wind for gold from October to March.

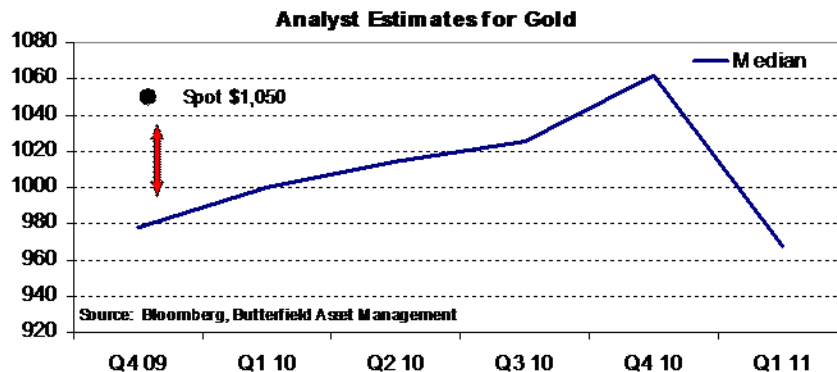
Increase gold / gold shares in the months ahead

We continue to believe that we’re in a sweet spot for gold and gold equities regardless of one’s overall view of the global economy.

For those who believe that the current economic recovery will prove to be short lived, an allocation to the sector makes sense as a tool to hedge downside risk and protect their wealth from the wave of erratic policy moves that would most certainly follow. Alternatively, those who subscribe to the goldilocks scenario of a “V shaped” recovery would benefit from a gold allocation to protect themselves from the pending wave of inflation. Some may argue, *“Don’t worry; officials will be quick to react if there are any signs of mounting inflationary pressures in the system.”* We would argue that any hope of officials exhibiting financial restraint is unlikely given their abysmal track record of doing so. Even if by some form of divine intervention they choose to become hawkish on inflation, their ability to raise rates is severely hampered by the crushing degree of debt in the system. The ability of the US economy to shoulder higher rates has been decreasing through time due to the pressures associated with mounting debt loads (see below chart). Look for monetary policy to remain accommodative for some time.



We recently made our annual pilgrimage to the Denver Gold Show for meetings with analysts and various companies. One thing that never fails to amaze is how little discussion is focused towards the prospects for the gold price moving forward. After all, it is meant to be a “gold” show. When we did have the opportunity to talk to various people about their forecast for the yellow metal, we were struck by how pessimistic everyone was. Yet, these same analysts / execs were bullish on many of the cyclical commodities. Consensus estimates for copper, aluminum, steel, oil, etc. are all forecasting higher prices. Sure, gold could underperform on a relative basis if you buy into the goldilocks scenario for the broad economy, but even so, we think analyst estimates for gold are far too low (see chart below). Look for a significant upgrade to analyst estimates for the price of gold, and in turn, significantly higher earnings forecasts at the company level.



We boosted our allocation to Sprott Resource Corp (SRC) over the past month. SRC has lagged the broad resource market over the past few months and the stock currently trades at a hefty discount to NAV – which is largely bullion and Canadian T-Bills. The Company’s defensive positioning has fueled concerns in the marketplace that a SRC holding is “dead money” in the current market. We believe this perception will quickly unwind as SCP continues to allocate cash towards exciting projects. The Company recently acquired a significant stake in privately held Auriga Energy. Auriga is an oil and gas producer in Alberta with quality assets and the potential to boost free cash flow substantially over the next 5 years. Look for SRC to move significantly higher on positive news flow in the year ahead.