



19/04/2007

Unaudited results for 3 month period ending 31 Mar 2007

		USD	Other currency equivalent			
			EUR	GBP	BWP	ZAR
3 months	Net to investors	-0.1%	-1.4%	-0.1%	3.9%	3.4%
	Index*	0.3%				
9.9 years-compounded (22 Apr 1997 - 31 Mar 2007)	Investment officer	15.9%	14.7%	14.1%	21.8%	21.0%
	Index*	4.3%				
	NAV	\$193.62				

*Weighted index, according to the percentage of assets invested in specific markets. Currently the index comprises the S&P500, FTSE100, TSE300, Nikkei 225, Hang Seng and Dow Jones Commodity Indices.

“Getting to the summit is optional, getting down is mandatory”-Ed Viesturs (Climber of the world’s 14 highest peaks AND lived to tell his story)

Letter to investors:

I was fascinated by Ed Viesturs’ book, “No Shortcuts to the Top”. I never knew Ed existed until recently, when I saw an interview where he talked about his risk management when climbing. I was particularly intrigued by his claim that he turned back 300 ft from the top of Everest, because he deemed conditions unsafe. Imagine that! You slog all the way to the top of the highest peak in the world (8,850m/29,035 ft) and 300 ft from the top you turn around because you deem it unsafe! Now that, is discipline. It is immediately apparent that Ed Viesturs has an immense passion for climbing and his passion has driven him to practice climbing in its purest form. One example of this is that he climbed all 14 peaks without supplemental oxygen at least once. However, he would not climb without oxygen, when he guided clients up a mountain. He would not let his passion get in the way of his responsibilities.

Of the 30 times that he went on expeditions for 8,000’s (peaks above 8,000m) he turned back 10 times because he deemed it unsafe; the other 20 times he made it to the summit. He did not have to be carried off once and when you read his book then you will be surprised how many climbers do. He never lost a climbing partner and he saved a number of people from certain death without thinking twice about compromising his own ambitions to get to the top. Consider this against the odds of a 1/34 chance of being killed on any 8,000m expedition. He accomplished this by consistent risk management, which boils down to the motto “Getting to the summit is optional, getting down is mandatory”. He considers the summit only half the climb; it is also obvious from his book that the extreme focus on the summit alone is what gets a lot of people killed.

There are a lot of lessons for an investment manager in Ed Viesturs’ modus operandi. In the investment world, one would do well, to equate staying alive in the mountains with never losing your capital in fund management. Now, (to extend the metaphor) you will have to turn away from a lot of opportunities, after having put in a lot of hard work, and well after the rewards seemed to be almost at hand. However, a fund manager and his client’s well being depend on

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LEGAL Management Company: Cherubim Ventures (Pty) Ltd Reg CO.2003/5941
IFSC Registered
Directors: R Carle, MP van Blerk
Company Secretary: Corporate Services (Pty) Ltd
Baobab Global Fund is a hedge fund and may not do business with the public. It can only do business with institutions and wealthy individuals.

his/her discipline.

Here is to Ed and his discipline and might some lessons of his book filter through to the way we do things here at Baobab.

God Speed,

A handwritten signature in black ink, appearing to read 'M. van Blerk', written in a cursive style.

Martin van Blerk