

Golden Prospect Precious Metals Limited



(as at 28 February 2019)

FACTSHEET | March 2019

Fund Details

Launch Date

- December 2006

Total Gross Assets

- £16.73m

Ordinary Share

- Net Asset Value (Bid Price): 26.76p
- Mid-Market Price: 21.25p

Subscription Share

- Mid-Market Price: 4.50p

Gearing

- 9.20%

Premium/(discount)

- (20.59%)

Annual Management Fee

- 1.25% p.a.

Pricing

Ordinary Shares

- Bloomberg: GPM LN
- Sedol: B1G9T99GB

Financial Times

(Investment Companies)

Financial Calendar

Year End

- 31 December

Annual Report and Accounts Published

- April

Investment Objective

To provide investors with capital growth, from a portfolio of companies involved in the precious metals sector.

Investment Manager Comment²

The gold price closed the month little changed at US\$1,313/oz. A progressive shift in bias towards US interest rate cuts by futures markets, which has taken place since December 2018, mirrored the dovish change to FED guidance. This was interrupted by better-than-expected US Q4 GDP towards the end of the month, which limited gold price gains. Ongoing Brexit uncertainty may also have provided some support. The Fund NAV rose around 2%, versus sterling declines of around 2% and 3% for the Philadelphia Gold & Silver Index and GDJX respectively.

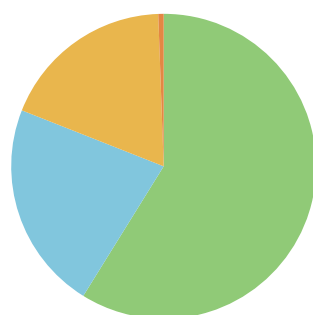
Following the end-January decision to hold rates, FED minutes unsurprisingly reiterated the “patient” approach adopted by the committee recently to assess monetary policy. Perhaps more surprisingly, FED commentary also raised concerns over its lack of sensitivity around equity market volatility which may have been affected by the ongoing programme of quantitative tightening. With around US\$50bn of FED owned bonds maturing each month, the programme reduced market liquidity at the same time as many institutions have revised down global growth forecasts. The removal of liquidity was considered a factor which contributed to poor equity market performance during Q4 2018. In context, with the FED’s previously flagged view that current 2.25-2.50bp interest rates may already be close to a neutral level, this latter statement provides a further reason to think that the current monetary tightening cycle may have peaked.

However, higher-than-expected US Q4 GDP growth of 2.6% released towards the end of the month, helped ease apprehensions over slowing regional growth and temporarily acted to reverse future markets’ gradual shift in bias towards US rate cuts. *(commentary continued on next page)*

Ordinary Share and NAV Performance³

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	From 1 December 2006 (%)
NAV	1.21	9.18	(28.16)	(8.54)	(73.24)
Share Price	6.25	14.86	(36.76)	(11.46)	(78.75)

Breakdown by Asset Class¹



- Producers 58.84%
- Explorers 22.14%
- Developers 18.45%
- Miner 0.57%

Top 10 Holdings (%)¹

West African Resources	10.27
Westgold Resources	7.60
Americas Silver	6.69
Doray Minerals	5.54
Roxgold	4.82
Pretium Resources	4.66
Asanko Gold	4.27
Tahoe Resources	3.38
Ascendant Resources	3.25
Continental Gold	3.24
Top 10 Holdings Represent	53.72

The Fund has exposure to 44 issues.

Gold	69.14
Silver	22.22
Base Metals	4.62
PGM	4.03

All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding.

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁴	Commitment Leverage (%) ⁵
Golden Prospect Precious Metals Limited	119	119

Source: ¹Maitland Administration (Guernsey) Limited, as at 28 February 2019. ²All market data sourced from Bloomberg unless otherwise stated. The Fund may have since exited some / all of the positions detailed in this commentary. ³Maitland Administration (Guernsey) Limited / Bloomberg, total return performance based on mid prices. New City Investment Managers took over the investment management function on 15 September 2008. These include historic returns and past performance is not a reliable indicator of future results. The value of investments can go down as well as up. Please read the important legal notice at the end of this document. ⁴CQS, as at 28 February 2019. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013. ⁵CQS, as at 22019. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 8, 9, 10 and 11 of Delegated Regulation 231/2013.

(commentary continued from previous page)

Physically backed ETFs sold almost 1Moz over the month, reflecting a return of investor risk appetite as growth concerns eased, especially given the possibility for a more positive US-China trade outcome.

There was continued strong Central Bank buying, China purchased another 12t in January, following on from the 10t purchase in December. Although leading figures in the Italian government have been floating the idea of selling some of their huge 2,450t stockpile.

Canadian gold miner, Barrick Gold, launched an \$18bn all-stock hostile takeover bid for Newmont Mining, conditional on Newmont not proceeding with its takeover of another Canadian miner, Goldcorp. Shareholders of Barrick and Newmont rejected this proposal, instead agreeing to the formation of a JV on their Nevada assets, citing material accretive synergies. The mergers of Barrick/Randgold and Newmont/Goldcorp will result in the divestment of some non-core assets.

China's customs data reported Jan gold imports at 94t, down around 14t on the prior year number but rebounding from the weak 53t figure reported in December. Gold Market Monitor flagged strong Chinese gold jewellery demand over the Chinese New Year period and reported a positive 2019 outlook by retailers, backed up by healthy stock replenishment orders by manufacturers. It expects a 3% YoY increase in Chinese gold jewellery consumption in 2019.

Investment Manager Information

Keith Watson and Robert Crayfourd are responsible for managing the Company's portfolio.

Capital History

The Fund was established on 16 October 2006 and has 57,014,331 Ordinary Shares in issue.

On 21st December 2017 the Company issued 28,500,995 Subscription Shares.

On 30th November 2018, 12,305 Subscription Shares were exercised into the Ordinary Shares.

There are now 28,488,690 Subscription Shares in Issue.

If Subscription Shares are exercised on the last business day in November 2019 the price is 42.30p.

If Subscription Shares are exercised on the last business day in November 2020 the price is 46.14p.

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