

Geiger Counter Limited

KEY FUND FACTS¹

Fund Managers

Keith Watson
Robert Crayford

Launch Date

July 2006

Total Gross Assets

£17.3m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 16.55p
Mid-Market Price: 17.50p

Gearing

12.47%

Premium / (Discount)

5.43%

Ordinary Shares in Issue

92,686,611

Annual Management Fee

1.38%

Bloomberg: GCL LN

Sedol: B15FW330

Year End

30 September

Contact Information

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Company Broker

FinnCap
+44 (0) 203 772 4697

Annual Report and Accounts

Published

December

Investor Report

Monthly Factsheet

Fiscal Year-End

30 September

Results Announced

Finals: December
Interims: March



Keith Watson and Robert Crayford
Portfolio Managers

Fund Description

The objective of the Geiger Counter Fund is to provide investors with the potential for capital growth through investment primarily in the securities of companies involved in the exploration, development and production of energy, predominantly within the uranium industry. Up to 30% of the value of the Company's investment portfolio may be invested in other resource-related companies from outside the energy sector.

Fund Management

Founded in 1999, CQS is a \$19.9bn² global multi-strategy asset management firm.

The Fund is managed by Keith Watson and Robert Crayford, supported by the CQS credit analyst team.

Ordinary Share and NAV Performance³

	1 Month (%)	3 Month (%)	1 year (%)	3 Year (%)	5 Year (%)
NAV	6.57	(12.71)	10.70	(20.74)	(7.54)
Share Price	6.71	(12.94)	21.53	(29.29)	47.37

Investment Commentary⁴

While the spot U308 price ended October a little changed at US\$29.75/lb, related mining gained as the potential for nuclear power to play an important role in clean air power generation received wider endorsement, notably by policy makers in established US and European markets. The Fund NAV gained 6.6%, largely recovering the prior month decline, and slightly outpacing the 5.5% sterling return of the Solactive Uranium Pure Play Index during November.

China connected its new Fuqing nuclear power plant to the grid during the month. This unit is the first Hualong One reactor, built using Chinese-only technology and it is likely China National Nuclear Corporation will seek to use this design as a template for development in other emerging nations over the coming years as part of China's Belt and Road initiative, which could bolster uranium demand. In addition, uranium market consultancy UxC, published a report on China's nuclear power build-out. Having fallen behind national targets the consultancy noted a rapid increase in China's new build preparations. Currently, advanced planning is in place for 21 units accounting for ~20GWe of capacity across ten different sites, all of which are set to start construction by 2024. When combined with reactors currently operating and under construction, this would take China's nuclear capacity to ~80GWe by 2030, approaching the current 100GW of installed operating capacity in the US, the world's largest nuclear power generation market. Increasing recognition of nuclear's merits is being reflected in governments' inclusion of nuclear power generation in new "green" policies, which is important for investor sentiment. While centrally planned investment in China remains a key growth driver for the sector, with a planned build out of 6-8 reactors per year between 2020-25, there has been a shift in opinion on nuclear's benefits in reducing carbon emissions elsewhere. This significantly improves confidence in the outlook for demand from established markets, particularly North America, which remains the largest consumer of nuclear fuel in the world. Biden policies recognise the benefits of zero carbon baseload power, with the development of Small Modular Reactors (SMR's) incorporated in his \$2Trn climate focussed spending plan.

Post the month end the US Senate approved a bill to advance the purchase of a national strategic uranium reserve spurring interest in the sector. Under the bill the US Department of Energy will be restricted to only buy uranium recovered from facilities licensed by the Nuclear Regulatory Commission. The Senate indicated that the bill "preserves America's nuclear fuel supply chain, helps prevent carbon emissions and protects economic, energy, and national security". Uranium from companies owned, controlled, or subject to jurisdictions in Russia or China are excluded from participating in the program. Highlighting the need to improve its security of supply, the news has driven a sharp improvement in sentiment in many uranium equities, particularly those with assets located in the US and North America.

Closer to home, new UK energy policy announced late in November also clearly endorses the need to invest more in the nuclear sector. Of note the Treasury announced support for new development of large-scale nuclear projects in order to meet its net-zero by 2050 target. This followed a mid-month government release of a 10-point plan for delivering net-zero emissions within which Point 3 outlined a commitment to develop new nuclear capacity. This dovetailed with news that a US consortium comprising Bechtel, Southern Company and Westinghouse had entered talks with the British government to build new reactors at the Wylfa Newydd nuclear power plant site, replacing Hitachi of Japan which withdrew from the project.

US based Ur-Energy and Energy fuels registered strong sterling gains of 18% and 39% respectively over the month, ahead of news regarding the US strategic uranium reserve. Athabasca explorer ISO Energy also made a positive contribution to performance with the shares gaining nearly 15% in sterling terms, following encouraging drill results.

TOP 5 HOLDINGS (%)⁵

Name	(% of NAV)
Nexgen Energy	22.5
High Power Exploration	11.7
Denison Mines CAD	7.1
UR-Energy USD	7.0
Uranium Participation	6.9
Top 5 Holdings Represent	55.2

The Company has exposure to 38 issues

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁶	Commitment Leverage (%) ⁷
Geiger Counter Limited	114	114

Subscription Shares

On 14 December 2017 the Company issued 37,972,223 Subscription Shares. On 2 December 2020 491,116 New shares were exercised at a price of 28.55p per Share. The remaining unexercised Subscription Shares have been converted into Deferred shares and are being cancelled by the Company.

Sources: ¹R&H Fund Services (Jersey) Limited, as at 30 November 2020. ²Source: CQS, as at 30 November 2020. ³R&H Fund Services Limited/DataStream, 30 November 2020, total return performance based on bid prices. 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. ⁴Market data sourced from Bloomberg unless otherwise stated. The Fund may since have exited some or all of the positions detailed in the commentary. ⁵R&H Fund Services (Jersey) Limited, as at 30 November 2020. All holdings data are rounded to one decimal place. Total may differ to sum of constituents due to rounding. ⁶Source: CQS, as at 30 November 2020. 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. ⁷Source: CQS, as at 30 November 2020. 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.

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