

Golden Prospect Precious Metals Limited

KEY FUND FACTS¹

Fund Managers

Keith Watson
Robert Crayfourd

Launch Date

December 2006

Total Gross Assets

£49.71m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 54.63
Mid-Market Price: 46.85

Gearing

6.4%

Discount

(14.24%)

Ordinary Shares in Issue

85,503,021

Annual Management Fee

1.25% on assets up to £20 million
1.00% on assets greater than £20 million

Bloomberg: GPM LN

Sedol: BIG9T99GB

Year End

31 December

Contact Information

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Company Broker

FinnCap
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Annual Report and Accounts

Published
April



Keith Watson and Robert Crayfourd
Portfolio Managers

Fund Management

Founded in 1999, CQS is a \$21.8bn² global multi-strategy asset management firm. The Fund is managed by Keith Watson and Robert Crayfourd, supported by the CQS analyst team.

Ordinary Share and NAV Performance³

	1 Month (%)	3 Month (%)	1 year (%)	3 Year (%)	5 Year (%)
NAV	(8.84)	(6.73)	47.41	46.66	86.71
Share Price	(15.43)	(1.37)	62.11	39.43	95.21

Investment Commentary⁴

Precious metals were softer, as investment flows shifted from safe haven assets such as gold into cyclical activity plays, which weighed on the sector. Consistent with some investment rotation into cyclical assets and the increasing rate expectations, precious metal ETFs turned sellers and the gold price declined around 6.8% during February 2021. Following the prior month's speculative buying, the silver price also fell around 10% in February 2021. Despite reporting strong Q4 financial results, underlying equities sold-off. Over the month the Fund NAV declined 8.8%. This compared to respective sterling declines of 10.2% and 9.8% for the GDXJ and GDX and declines of 13.2% and 7.2% for the Gold Bugs and Philadelphia Gold & Silver Indices.

There was a notable adjustment in bond yields late in the month as they appeared to belatedly price in an economic recovery and a higher interest rate outlook. In particular, a US government bond auction received no interest prompting a rise in US real interest rates and strengthening the US dollar. This weighed on gold, which fell nearly US100/oz at the month end. However, general inflation trends have latterly shown some signs of increasing, largely driven by commodity input prices, which is supportive for gold. While central banks appear more focused on policies to aid employment than restricting demand-led inflation pressures, their ability to adjust monetary policy is being crimped following the substantial increases in debt levels. Italy's Debt to GDP spiked to an all-time high of 155.6% in December 2021, higher than during the Euro crisis, is notable in this regard. As a result, the risk of central bank policy mistakes resulting from an ever greater need to fine tune interest rates around current historically low levels remains very real.

Over the month the fund repurchased some shares in Fortuna Gold & Silver and Mag Silver having previously reduced exposure. The Fund also repurchased shares in West African Resources, whose share price had underperformed due to some changes in staffing levels as its underground mining contractor amended shifts to manage Covid-19 related risks. The group remains well placed financially to adjust to such changes, which do not detract from the core asset value.

KEY FUND FACTS *(continued)*

Investor Report
Monthly Factsheet

Results Announced

Finals: April
Interims: October

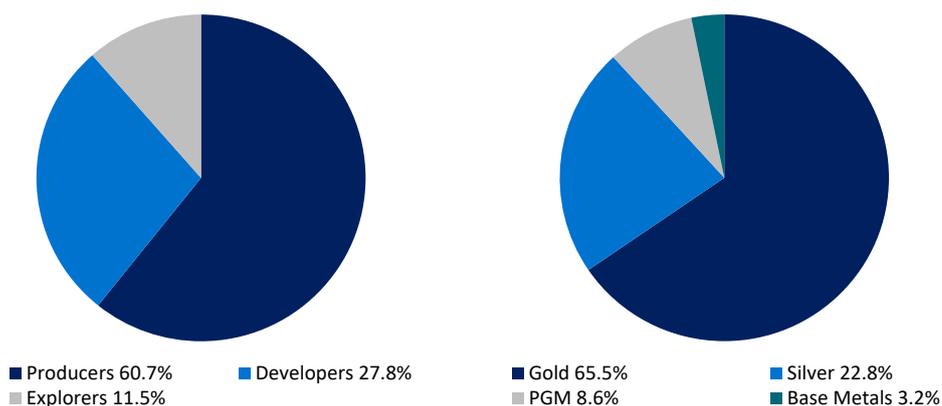
AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁵	Commitment Leverage(%) ⁶
Golden Prospect Precious Metals Limited	107	107

⁵Source: CQS, as at 26 February 2021. 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

⁶Source: CQS, as at 26 February 2021. 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.

Portfolio Analysis¹



TOP 10 HOLDINGS (%)^{1,7}

Name	(% of MV)
WEST AFRICAN RESOURCES LT	6.31
FORTUNA SILVER MINES INC	5.97
CALIDUS RESOURCES LTD	4.81
AMERICAS SILVER CORP	4.60
WESTGOLD RESOURCES LTD	4.18
ROXGOLD INC	4.15
SILVERCREST METALS INC	3.86
CALIBRE MINING CORP	3.80
MAG SILVER CORP	3.32
WHEATON PRECIOUS METALS C	3.26
Top 10 Holdings Represent	44.26

The Company has exposure to 64 issues.

Source: ^{1,2,3}CQS as at 26 February 2021. 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. ⁴All market data sourced from Bloomberg unless otherwise stated. The Fund may have since exited some / all of the positions detailed in this commentary. ⁷All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding.

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PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMvI.

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