

Golden Prospect Precious Metals Limited

KEY FUND FACTS¹

Fund Managers

Keith Watson
Robert Crayford

Launch Date

December 2006

Total Gross Assets

£49.35m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 52.24
Mid-Market Price: 44.95

Gearing

10.4%

Discount

(13.95%)

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
+44 (0) 203 772 4697

Annual Report and Accounts

Published

April



Keith Watson and Robert Crayford
Portfolio Managers

Fund Management

Founded in 1999, CQS is a \$21.0bn² global multi-strategy asset management firm. The Fund is managed by Keith Watson and Robert Crayford, supported by the CQS analyst team.

Ordinary Share and NAV Performance³

	1 Month (%)	3 Month (%)	1 year (%)	3 Year (%)	5 Year (%)
NAV	(4.37)	(20.55)	74.48	48.54	64.23
Share Price	(4.06)	(15.98)	72.88	47.38	81.62

Investment Commentary⁴

Gold sentiment has struggled against the backdrop of a stronger US dollar and lifting treasury yields. The gold price itself has pulled back from the >\$2,000/oz highs of August 2020, but still remains at a very healthy level for producer margins. The sentiment shift has weighed on the miners' market caps, with many sitting at attractive valuation multiples versus historic levels, especially on a P/NAV and cash generation basis, with sector AISC of \$940/oz according to Metals Focus.

This sentiment shift has primarily been in financial markets, with the known gold ETF holdings continuing to decline. They are now down 10% from the peak last year. This is important as ETF demand has been the largest marginal swing factor in demand. Central banks also shifted to being net sellers, although the selling was primarily led by Russia and Turkey who were looking to fund Covid-19 programs and defend their currency respectively. Other Central Banks broadly remained net buyers. The last few months have also shown encouraging data on Jewellery demand, with India up 103% for February YoY, up 36% on January 2021. As more economies exit Covid-19 restrictions and consumer confidence returns, the outlook for consumer demand looks positive, especially around the Indian wedding season.

The World Platinum Investment Council predicted a third consecutive year of deficit in 2021, although significantly lower than previously stated at 60koz, with supply recovering all of its previous year losses (+17% YoY) while demand picks up another 3% YoY with demand growth driven primarily by the recovering auto sector (+25% YoY) within which the sale of heavy duty vehicles in China have been a key supporting factor, amid the need to comply with the tighter emission standards brought about by the China VI legislation to be put in place later this year.

The Fund used the pull back in overall valuations to add some investments, participating in a few equity placements, which in themselves we viewed as de-risking events. These included Red 5 an Australian gold producer, Calidus Resources an Australian gold developer. In addition, exposure to some existing names we believed had pulled back too far, including West African Resources.

KEY FUND FACTS *(continued)*

Investor Report
Monthly Factsheet

Results Announced

Finals: April
Interims: October

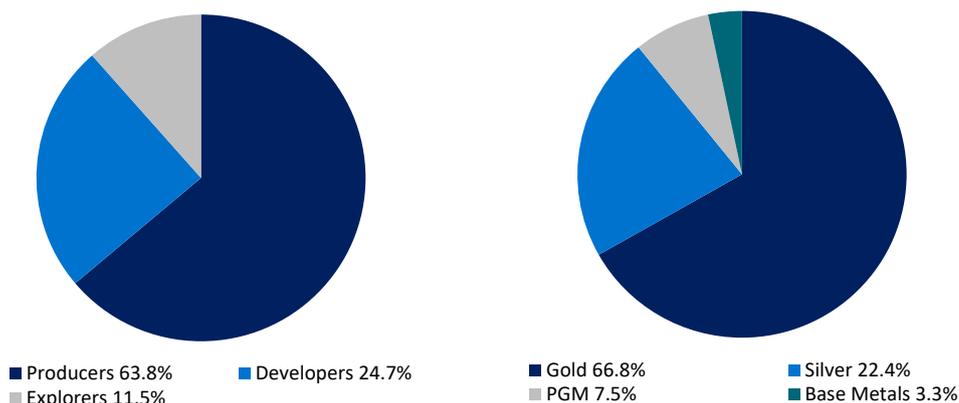
AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁵	Commitment Leverage(%) ⁶
Golden Prospect Precious Metals Limited	111	111

⁵Source: CQS, as at 31 March 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 31 March 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	7.34
CALIDUS RESOURCES LTD	5.57
FORTUNA SILVER MINES INC	5.22
ROXGOLD INC	4.72
WESTGOLD RESOURCES LTD	4.20
CALIBRE MINING CORP	4.14
AMERICAS SILVER CORP	4.08
SILVERCREST METALS INC	3.80
WHEATON PRECIOUS METALS C	3.54
ADVENTUS MINING CORP	3.34
Top 10 Holdings Represent	45.95

The Company has exposure to 64 issues.

Source: ^{1,2,3}CQS as at 31 March 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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