

Golden Prospect Precious Metals Limited

KEY FUND FACTS¹

Fund Managers

Keith Watson
Robert Crayford

Launch Date

December 2006

Total Gross Assets

£58.84m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 62.12
Mid-Market Price: 60.50

Gearing

10.7%

Discount

(2.61%)

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: B1G9T99GB

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 \$22.2bn² 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	5.90	13.71	17.27	59.90	62.70
Share Price	9.21	29.14	34.15	106.84	108.62

Investment Commentary⁴

The Fund NAV increased 5.90% as precious metals remain supported by inflationary concerns from the market, leading to a notable shift in the physical gold ETFs and switching from sellers to buyers, which further helped prices. This follows five months of outflows in the last six, noting it has an outsized impact on gold demand given the large shift in flow versus other components, which are generally more stable such as jewellery and Central Bank demand.

Gold's correlation remains high with the inverse US 10 year TIPS yield, calculated as nominal yield minus inflation. For this reason, higher interest rates would generally be viewed as negative, but increasing inflation expectations have more than offset this to date. Arguably, Gold has lagged this move on an absolute basis, which could provide the potential for further upside.

Gold remained resilient on talks about the tapering of bond buying, whilst it continues to refer to the inflationary pressures as transitory. Whilst some of the drivers in the general economy may be temporary, such as the general reopening of trade, the strength we have seen across commodities appears more led by supply constraints, so may be more structural.

In its PGM outlook, Norilsk projected a 900koz deficit for palladium due to a strong recovery in automotive demand. In contrast, they expect a 1Moz platinum surplus (before investment demand). The Fund added to its position in Palladium One, an exciting Palladium explorer in Finland, with a high grade Nickel discovery in Canada.

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

Name	(% of MV)
WEST AFRICAN RESOURCES LT	8.50
ROXGOLD INC	6.04
CALIDUS RESOURCES LTD	5.01
FORTUNA SILVER MINES INC	4.57
CALIBRE MINING CORP	4.52
WESTGOLD RESOURCES LTD	3.86
ADVENTUS MINING CORP	3.83
SILVERCREST METALS INC	3.80
WHEATON PRECIOUS METALS C	3.62
OCEANAGOLD CORP	3.46
Top 10 Holdings Represent	47.20

The Company has exposure to 64 issues.

KEY FUND FACTS *(continued)*

Investor Report
Monthly Factsheet

Results Announced

Finals: April
Interims: October

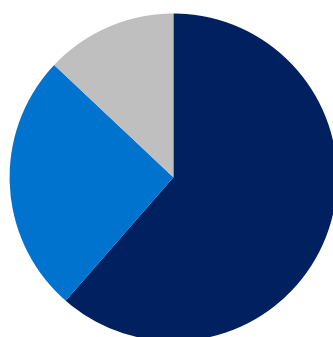
AIFMD Leverage Limit Report (% NAV)

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

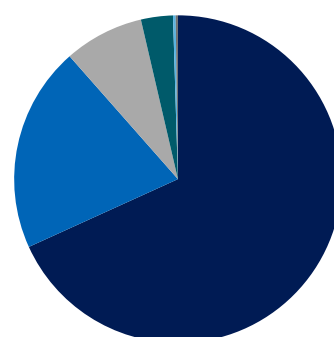
⁵Source: CQS, as at 28 May 2021. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013

⁶Source: CQS, as at 28 May 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



- Producers 61.4%
- Developers 25.6%
- Explorers 13.0%



- Gold 68.2%
- Silver 20.3%
- PGM 7.9%
- Base Metals 3.2%
- Zinc 0.3%
- Diversified Miner 0.2%

Source: ^{1,2,3}CQS as at 28 May 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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L21-284 / 06.21

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

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