

# Golden Prospect Precious Metals Limited

## KEY FUND FACTS<sup>1</sup>

### Fund Managers

Keith Watson  
Robert Crayford

### Launch Date

December 2006

### Total Gross Assets

£52.63m

### Reference Currency

GBP

### Ordinary Shares

Net Asset Value: 55.25  
Mid-Market Price: 50.10

### Gearing

11.3%

### Discount

(9.32%)

### 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

contactncim@cqsm.com

### Company Broker

FinnCap  
+44 (0) 203 772 4697

### Annual Report and Accounts

#### Published

April

### Investor Report

Monthly Factsheet

### Results Announced

Finals: April  
Interims: October



**Keith Watson and Robert Crayford**  
Portfolio Managers

## Fund Description

The objective of the Golden Prospect Precious Metals Fund is to provide investors with capital growth, from a portfolio of companies involved in the precious metals sector.

## Fund Management

Founded in 1999, CQS is a \$21.9bn<sup>2</sup> 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 Performance<sup>3</sup>

	1 Month (%)	3 Month (%)	1 year (%)	3 Year (%)	5 Year (%)
NAV	(11.06)	5.76	(11.76)	44.79	11.19
Share Price	(17.19)	11.46	(3.28)	71.28	20.72

## Investment Commentary<sup>4</sup>

Inflation remains a focus for investors driven by better-than-expected economic recoveries, especially in developed markets whose post-Covid recoveries have lagged that of China. Whilst generally positive for gold and commodities in the long run, there are some conflicting short-term implications, notably with regards to central banks' monetary policy response as they consider shifting towards a tightening bias. The US Fed are now more openly discussing possible tapering of its US\$120bn per month bond purchases and indicated that a rate increase may be appropriate in 2023, earlier than previously guided. A strengthening of the US dollar index, which firmed around 3% over the month after FOMC minutes broached the subject of tighter monetary policy, weighed on gold, which declined around 7.2% over the month. The Fund NAV declined 11% versus sterling declines of between 11.3% and 13.7% registered by the Philadelphia Gold & Silver Index, Gold Bugs Index and GDX and GDXJ.

However, the declines occurred despite physically backed ETF holdings, which have typically been a marginal driver of the gold price, remaining static over the month and when assessed against the historic correlation with 10-year TIPS, the sharp US\$130/oz decline during the month may represent a short-term correction.

The extent to which inflationary pressures are "transitory" will continue to have a significant bearing on monetary policy, and central banks may find it difficult to fine tune actions to counter potentially stubborn underlying inflation risks resulting from a combination of rising wages and pent-up demand. In other aspects, policy actions may help spread pressures over a longer period. In this regard, China's inflationary concerns prompted authorities to restrict speculative trading and release small quantities of base metals from the nation's strategic reserves in order to dampen near-term inflationary pressures. Elsewhere, Russia has expanded export tariffs to encompass nickel and aluminium in addition to some soft commodities in its efforts to limit domestic raw material inflation. Similarly, food prices have also risen sharply, prompting governments such as Brazil and Russia to restrict exports.

The World Gold Council released its 2021 central bank survey, which indicated 68% of participants recorded higher holdings than five years ago, pointing to likely further additions as a "buffer against balance of payment crises". Gold currently makes up 16% of central bank reserves.

During the month the Fund participated in placings by ASX-listed Ora Banda and Firefinch, reinvesting proceeds from the sale of Wheaton Precious Metals.

### TOP 10 HOLDINGS (%)<sup>1,7</sup>

Name	(% of MV)
WEST AFRICAN RESOURCES LTD	8.74
CALIDUS RESOURCES LTD	6.05
ROXGOLD INC	5.53
FORTUNA SILVER MINES INC	4.21
ADVENTUS MINING CORP	4.03
CALIBRE MINING CORP	4.02
SILVERCREST METALS INC	3.87
WESTGOLD RESOURCES LTD	3.60
OCEANAGOLD CORP	3.56
MAG SILVER CORP	3.43
Top 10 Holdings Represent	47.05

The Company has exposure to 63 issues.

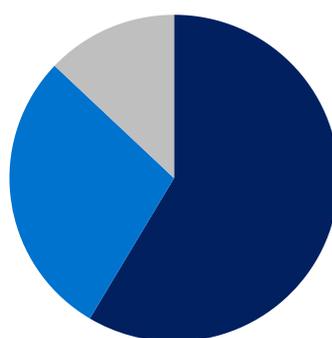
### AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) <sup>5</sup>	Commitment Leverage(%) <sup>6</sup>
Golden Prospect Precious Metals Limited	112	112

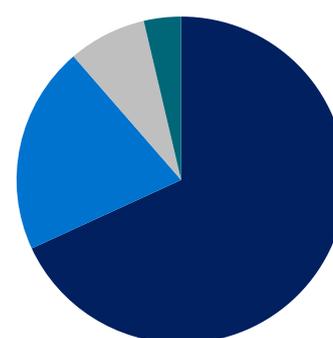
<sup>5</sup>Source: CQS, as at 30 June 2021. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013

<sup>6</sup>Source: CQS, as at 30 June 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 Analysis<sup>1</sup>



- Producers 58.5%
- Developers 28.5%
- Explorers 12.9%



- Gold 68.1%
- Silver 20.5%
- PGM 7.7%
- Base Metals 3.6%

Source: <sup>1,2,3</sup>CQS as at 30 June 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. <sup>4</sup>All market data sourced from Bloomberg unless otherwise stated. The Fund may have since exited some / all of the positions detailed in this commentary. <sup>7</sup>All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding.

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