

Golden Prospect Precious Metals Limited

KEY FUND FACTS¹

Fund Managers

Keith Watson
Robert Crayford

Launch Date

December 2006

Total Gross Assets

£49.56m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 50.98
Mid-Market Price: 46.00

Gearing

13.4%

Discount

(9.77%)

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 \$21.6bn² 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	(3.02)	(17.93)	(26.18)	60.36	(2.86)
Share Price	(3.66)	(23.97)	(28.57)	101.31	1.66

Investment Commentary⁴

Gold was flat over the month but equities pulled back as sentiment for the sector remains negative and valuation multiples remain at historic lows. Sentiment has been driven by concerns on US tapering and rate rises, but these are now very clearly flagged by the US federal reserve. Whilst the market has bought the Fed's transitory inflation message, the risks of inflation remain clear given current shortages of housing, commodities, gas/electricity and labour. Inflation driven by supply shortages is bad inflation and can hurt the global economy, which is constructive for gold given the negative implications to discretionary spend on economic growth. Precious metals remain well positioned as a hedge against this, as rates are ultimately likely to remain near historically low levels, whilst inflation is increasingly a concern.

Gold held by physically backed ETF remains relatively stable, a key swing factor for impacting physical flows. Gold has seen support from Chinese buying, whilst Central Banks remain strong buyers.

The outlook for silver industrial demand remains positive with market monitor, Metals Focus, industrial silver demand is expected to rise +8% year-on-year in 2021, recovering to pre-pandemic levels. Increased photovoltaic capacity, particularly in China, and surging demand for semiconductors as disruption in the chip sector continues, are driving the demand growth.

Palladium was softer as auto producers further cut expected output given chip shortage. In North America, Toyota is reducing its output by 60-90k vehicles in August and another 80k in September. GM, Kia and Ford are other producers that have been reported to expect a scaling down in their production in the coming months.

Goldfields stated they may look to M&A to replace reserves, which could be supportive for the highly unconsolidated industry.

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

Name	(% of MV)
WEST AFRICAN RESOURCES LT	9.59
FORTUNA SILVER MINES INC	8.30
CALIDUS RESOURCES LTD	7.40
CALIBRE MINING CORP	4.14
SILVERCREST METALS INC	3.78
OCEANAGOLD CORP	3.71
WESTGOLD RESOURCES LTD	3.52
ADVENTUS MINING CORP	3.50
MAG SILVER CORP	3.35
EMERALD RESOURCES NL	3.11
Top 10 Holdings Represent	50.40

The Company has exposure to 62 issues.

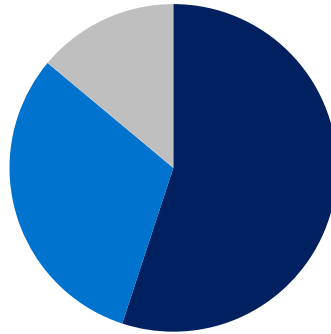
AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁵	Commitment Leverage(%) ⁶
Golden Prospect Precious Metals Limited	114	114

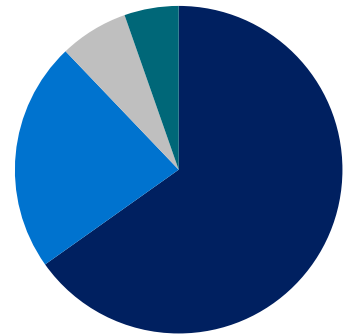
⁵Source: CQS, as at 31 August 2021. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013

⁶Source: CQS, as at 31 August 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 55.0%
- Developers 31.0%
- Explorers 13.9%



- Gold 65.2%
- Silver 22.7%
- PGM 6.8%
- Base Metals 5.4%

Source: ^{1,2,3}CQS as at 31 August 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 is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv8.

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CQS (UK) LLP
4th Floor, One Strand
London WC2N 5HR
United Kingdom
Tel: +44 (0) 20 7201 6900
Fax: +44 (0) 20 7201 1200

CQS (US), LLC
152 West 57th Street
40th Floor, New York
NY 10019
United States
Tel: +1 212 259 2900
Fax: +1 212 259 2699

CQS (Hong Kong) Limited
1308 One Exchange Square
8 Connaught Place
Central, Hong Kong
China
Tel: +852 3920 8600
Fax: +852 2521 3189

cqsclientservice@cqsm.com
www.cqs.com



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