

# Golden Prospect Precious Metals Limited

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

### Fund Managers

Keith Watson  
Robert Crayford

### Launch Date

December 2006

### Total Gross Assets

£51.12m

### Reference Currency

GBP

### Ordinary Shares

Net Asset Value: 52.57  
Mid-Market Price: 47.75

### Gearing

13.4%

### Discount

(9.17%)

### 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 \$21.6bn<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	(4.85)	(10.38)	(26.59)	49.47	(7.01)
Share Price	(4.69)	(13.81)	(31.79)	90.62	2.69

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

In July, markets wrestled with conflicting forces of demand-led inflationary pressures and the prospect of the US Fed scaling back its programme of quantitative easing, and the extent to which the direction of both could be impacted by the more recent pick-up in global cases of the Covid-19 Delta variant; the gold price ended July up around 2.5%. This rising number of Covid-19 cases, especially in China, which indicated it would implement strict measures to control the recent virus outbreak there, weighed on demand growth expectations and broader investment sentiment, which benefitted gold, which closed up 2.5%, against a backdrop of US real yields moving slightly more negative. In contrast, silver prices eased back, ending the month around 2.5% lower. The Fund NAV slipped 4.8% over the month, compared to a sterling decline of 2.7% registered by the GDXJ equity ETF, while the larger cap GDXJ equity ETF, Gold Bug Index and Philadelphia Gold and Silver Index registered gains of approximately 2% in sterling terms.

Inflation remains a key influence on investor sentiment for the general economy and precious metals. The 5.4% year-on-year jump in the US Consumer Price Index in June exceeded expectations, representing the highest headline year-on-year growth since July 2008 and equivalent to a 0.9% rise in prices versus the prior month. Excluding energy and food, core CPI rose 4.5% year-on-year the highest increase since 1991. Subsequent to the CPI release the Fed reiterated its belief that elevated inflation remains transitory and guided, which it would do for 6-9 months, a message echoed by the PBOC. However, while China has had some success in dampening commodity prices via credit controls and SRB metal sales, their ability to further cap price rises may be more limited without compromising other goals, such as its environmental targets and measures to cool property markets.

Demand for physical gold remains supported by healthy central bank buying, with the latest data from the World Gold Council indicating central banks were net purchasers of gold to the tune of 56.7t in May. This continues the strong positive trend seen in March and April. The vast majority of purchases over the past three months have come from Hungary and Thailand – whose combined holdings increased by >150t since the start of March, incorporating three of the five largest monthly individual purchases in the past decade. Brazil also reportedly added 42 tons in June. Gold held by physically backed ETFs remained stable.

Source: CQS. Please refer to page 2 for sources relating to relevant footnotes.

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

Name	(% of MV)
WEST AFRICAN RESOURCES LT	9.39
FORTUNA SILVER MINES INC	8.67
CALIDUS RESOURCES LTD	6.28
SILVERCREST METALS INC	3.93
CALIBRE MINING CORP	3.74
OCEANAGOLD CORP	3.72
ADVENTUS MINING CORP	3.70
EMERALD RESOURCES NL	3.38
WESTGOLD RESOURCES LTD	3.36
MAG SILVER CORP	3.34
Top 10 Holdings Represent	49.51

The Company has exposure to 62 issues.

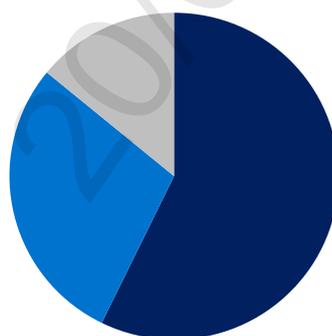
### AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) <sup>5</sup>	Commitment Leverage(%) <sup>6</sup>
Golden Prospect Precious Metals Limited	113	113

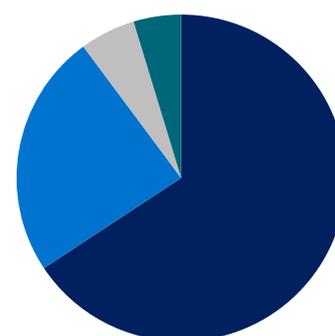
<sup>5</sup>Source: CQS, as at 30 July 2021. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013

<sup>6</sup>Source: CQS, as at 30 July 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 57.2%
- Developers 28.7%
- Explorers 14.1%



- Gold 65.7%
- Silver 24.2%
- PGM 5.5%
- Base Metals 4.7%

Source: <sup>1,2,3</sup>CQS as at 30 July 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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