

# Golden Prospect Precious Metals Limited

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

### Fund Managers

Keith Watson  
Robert Crayford

### Launch Date

December 2006

### Total Gross Assets

£56.05m

### Reference Currency

GBP

### Ordinary Shares

Net Asset Value: 58.78  
Mid-Market Price: 48.00

### Gearing

11.2%

### Discount

(18.34%)

### 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 \$20.7bn<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	12.11	11.26	12.52	114.29	20.50
Share Price	10.22	12.94	6.79	135.29	25.08

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

Sentiment in precious metals remains remarkably muted given the geopolitical backdrop and highest inflation for 30 years. The energy crisis remains a huge global issue, with high prices weighing on the consumer just as Central Banks look to raise rates to tame inflation. Soft commodities are further adding to this pressure and are combined with increasing recessionary risk for the global economy. Emerging markets are even more exposed than the West, where energy and food constitute a larger proportion of the inflation basket. Physical ETF additions have been very strong, adding 5.3M oz (5.3%) in March, but gold only increased 1.5%.

Precious metals remain a key form of Inflation protection, especially if that becomes Stagflation, but for now, the concern of increasing real rates appear to be the primary reason for the moderate increases. Real rates are nominal rates minus inflation, and whilst the market is now pricing in that, interest rates will, on average, increase more than inflation over the next 10 years. We would question that logic, believing rates have a limited amount in which they can increase before pain on housing and consumers becomes too extreme. However, inflation looks like it can remain stickier, driven by continued tightness in energy, tighter soft commodity markets and disrupted supply chains from energy crisis and the reversal of globalisation trends.

Central Banks look likely to continue adding gold, as the lesson from the war in Ukraine has been clear. The US dollar and Euro are promissory notes rather than useable currency, when the West can simply sanction their use and freeze reserves offshore. China still has only 3% of its reserves in gold, whilst logic suggests they would look to increase that going forward.

Australian gold developer Calidus Resources gained 34%, ahead of its first production later in the second quarter. Additional studies on its high-grade, Blue Spec satellite pit should add further support. Firefinch, with a gold mine and a big Lithium development project in Mali, also performed well, gaining 69% in March ahead of the planned spin out of the lithium project later this quarter.

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

Name	(% of MV)
West African Resources Lt	10.98
Calidus Resources Ltd	10.53
Fortuna Silver Mines Inc	6.69
Firefinch LTD	4.61
Calibre Mining Corp	4.53
Emerald Resources NI	4.22
Oceanagold Corp	4.11
Westgold Resources Ltd	4.06
Silvercrest Metals Inc	3.62
Mag Silver Corp	3.44
Top 10 Holdings Represent	56.78

The Company has exposure to 64 issues.

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

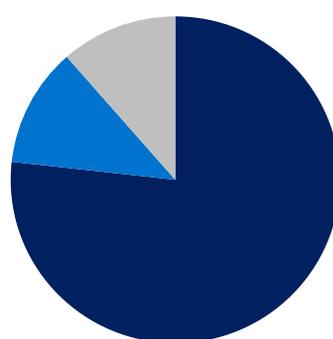
### AIFMD Leverage Limit Report (% NAV)

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

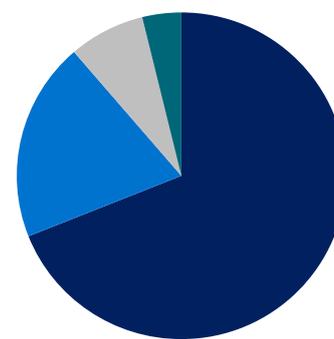
<sup>5</sup>Source: CQS, as at 31 March 2022. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013

<sup>6</sup>Source: CQS, as at 31 March 2022. 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 76.7%  
 ■ Developers 11.8%  
 ■ Explorers 11.5%



■ Gold 69.0%  
 ■ Silver 19.7%  
 ■ PGM 7.5%  
 ■ Base Metals 3.8%

Source: <sup>1,2,3</sup>CQS as at 31 March 2022. 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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**PRI Note:**

PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv9.

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