

## Golden Prospect Precious Metals Limited

### Key Fund Facts<sup>1</sup>

Fund Managers	Keith Watson Robert Crayfourd
Launch Date	December 2006
Total Gross Assets	£33.96m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 34.86p Mid-Market Price: 30.60p
Gearing	11.4%
Discount	(12.22%)
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	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
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Results Announced	Finals: April Interims: October



**Keith Watson and Robert Crayfourd**  
Portfolio Managers

### Fund Description

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

### Key Advantages for the Investor

- Access to under-researched mid and smaller companies in the precious metals sector.
- Potential inflation protection from precious metals assets
- Low correlation to major asset classes

### Ordinary Share and NAV Performance<sup>2</sup>

	1 Month	3 Months	1 Year	3 Years	5 Years
NAV	-12.76%	-9.01%	-33.51%	-5.94%	-6.42%
Share Price	-15.00%	-8.25%	-29.74%	5.88%	-8.93%

### Commentary<sup>3</sup>

#### Market

The strong US dollar weighed on precious metals, with gold falling 5.2%. This was driven by stickier inflation, which caused future interest rate expectations to rise, supporting the dollar versus other major currencies. Holdings of physically backed ETFs resumed their decline with a fall of 530k oz in February.

The ending of China's zero-Covid policy should be supportive for jewellery demand, whilst central bank demand remains strong as countries such as China, Russia and Turkey look to diversify away from the US dollar. The People's Bank of China added 25 tonnes to its reserves in February, the fourth consecutive month of additions, a period which it added 102.5 tonnes, taking total reported PBOC holdings to 2,050 tonnes.

#### Performance

Weaker precious metals led to a decline in precious metal mining equities. Sterling fell 2.7%, which provided some support, as non-UK assets became more valuable in sterling terms.

Sabina Gold & Silver Corp. was the strongest performer following a takeout approach from B2Gold. Weakness was led by the sector, more broadly, and also by West African Resources given the uncertain political backdrop in Burkina Faso.

#### Positioning

The Fund added to its position in Ora Banda, a small Australian gold producer, which after prior operational missteps appears to have turned a corner under the new CEO Luke Creagh, who was previously COO at Northern Star.

#### Outlook

The US dollar exchange rate continues to be a major driver of gold, at the same time that the US Federal Reserve continues to fight inflation with rate hikes. Ultimately, US interest rates may reach restrictive economic levels and abate, something that would be supportive for gold.

Demand drivers remain positive from central banks, as diversification from the US dollar within reserves is strategically important for nations that are wary of Western influence. Gold at high prices in currencies outside of the US dollar is weighing on jewellery demand. Physical ETF flows remain a key uncertainty, but often correlate with sentiment so can act to exacerbate moves in either direction.

Source: <sup>1,2</sup>CQS as at the last business day of the month indicated at the top of this report. Performance is net of fees and expenses. 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>3</sup> All market data sourced from Bloomberg unless otherwise stated. The Fund may have since exited some / all the positions detailed in this commentary.

**Top 10 Holdings (% of Gross Assets)<sup>1,4</sup>**

Name	(% of Gross Assets)
Fortuna Silver Mines Inc	8.77%
Emerald Resources NL	8.55%
Calibre Mining Corp	8.48%
MAG Silver Corp	8.07%
West African Resources LT	7.74%
Sabina Gold & Silver Corp	4.59%
Calidus Resources Ltd	4.05%
Silvercrest Metals Inc	3.99%
Adventus Mining Corp	3.44%
Westgold Resources Ltd	3.23%

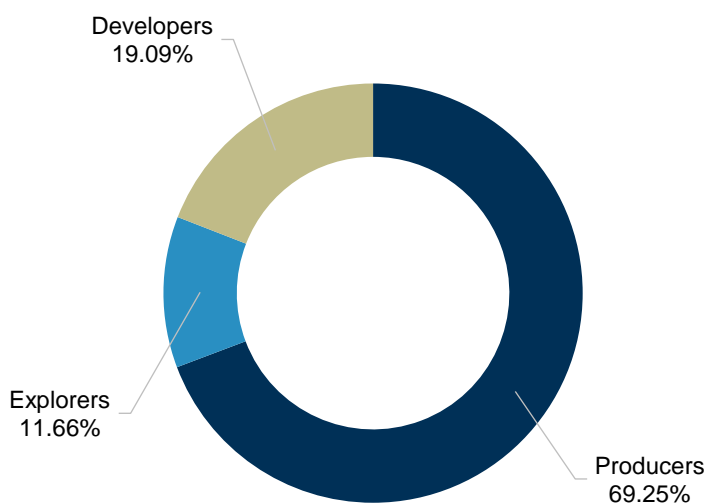
**AIFMD Leverage Limit Report (% of NAV)<sup>1</sup>**

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

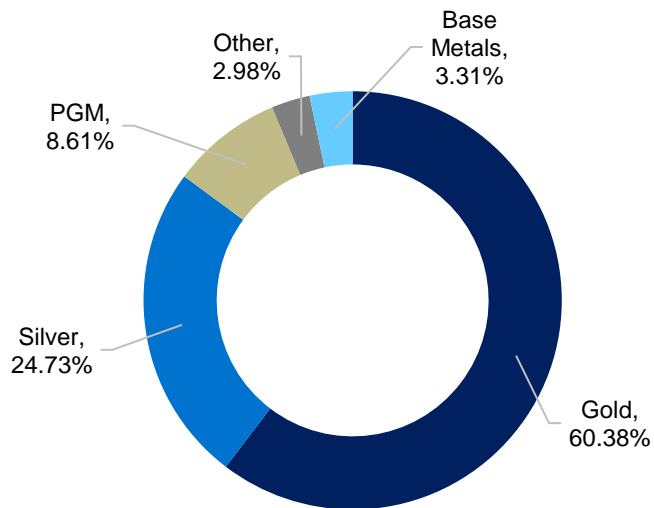
The proposal to create a Subscription Right was approved by Shareholders on 7 December 2022. The first Subscription Right date is on 30 November 2023 and the Subscription Price is 38.31p for each new Share subscribed for. The Subscription period has now begun as the existing shares carry the right to subscribe (on the basis of 1 New Share for every 5 Shares held). We will write to all Shareholders in October 2023 to advise of the process to exercise their Subscription Rights.

**Portfolio Holdings Analysis<sup>1</sup>**

**By Type**



**By Metal**



Source: <sup>1</sup> CQS as at the last business day of the month indicated at the top of this report. Performance is net of fees and expenses. 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 holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding.

<sup>5</sup> 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> 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.

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**PRI Note:**

PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv11.

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