

31 March 2023

Golden Prospect Precious Metals Limited

Key Fund Facts¹

Fund Managers	Keith Watson Robert Crayfourd
Launch Date	December 2006
Total Gross Assets	£36.06m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 37.84p Mid-Market Price: 33.00p
Gearing	8.3%
Discount	(12.79%)
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 020 7220 0500
Annual Report and Accounts	Published April
Investor Report	Monthly Factsheet
Results Announced	Finals: April Interims: October
Investor Report	Monthly Factsheet
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 Performance²

	1 Month	3 Months	1 Year	3 Years	5 Years
NAV	8.55%	-0.45%	-35.62%	26.39%	7.59%
Share Price	7.84%	-4.07%	-31.25%	26.92%	8.20%

Commentary³

Market

Gold prices rose almost 8% and silver, 15% in March against broader softness in other asset classes. With economic data showing little sign of disinflation and against a backdrop of continuing labour market tightness, sustained hawkish Federal Reserve comments remained an overhang on precious metal price movements early in the month. However, the upward adjustment to interest rate expectations swiftly reversed following the collapse of US Silicon Valley Bank and rescue of Credit Suisse, which saw recessionary fears resurface spurring investor allocation into gold, as illustrated by the near 1Moz addition to holdings by physically backed ETFs. The mid-month release of China's cautious 5% GDP growth target for 2023, given the prospect of sluggish exports, also appeared to underwhelm markets and did little to dissuade investors from the precious metal sector.

Despite the recent rally in gold close to all-time-highs in dollar terms (and to all-time-highs in sterling terms) sentiment towards related precious metal mining equities remains muted. This is highlighted by the lack of share creation, representative of inflows, into the major Van Eck gold mining ETFs, which have stagnated since summer 2019. The junior mining ETF remains notably below the previous levels when gold traded above \$2,000/oz in 2021 and 2020. Reflecting this investor indifference equity valuations remain attractive and a more sustained shift in sentiment could support performance should investors look to cover underweight positioning.

Performance

The Fund NAV rose 8.5% versus a 14.6% sterling return registered by the VanEck Junior Gold Miners ETF. The share prices of gold producers West African Resources and Emerald Resources, whose share prices ended the month flat and up 7% respectively in sterling terms, acted as a relative drag to performance. Calibre's share price continued to rise strongly with a sterling gain of over 14% during March. The performance of silver miners also lagged the metal price move, notably MAG Silver which rose only 4% in sterling terms. However, this was partially offset by Silvercrest which, having achieved commercial production at its Las Chispas mine in Mexico, posted strong gains rising 27% in sterling terms over the month.

Positioning

The Fund continues to hold a high silver weight, at 25%. Silver is arguably more attractive here at half all-time highs, so less resistance to upward moves, while many related silver mining equities have lagged the gain in metal price. The dynamics are different, with 50% of silver demand coming from Industrial use and primarily high-end electronics (solar, wind turbines, EV's), whilst Central Bank demand is gold focused. Silver typically trades on ~2x beta of gold, offering greater torque and has more scope for a high speculative interest.

Outlook

In the near-term, sell side analysts are still notably behind the spot precious metal price moves and upgrades, as revenue assumptions are revised up, should provide support to equities. In addition, the worst effects of cost inflation may now have been experienced over the last few quarters and so should progressively ease once any investment, deferred due to rapid inflation, has taken place.

Source: ^{1,2}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.

³ 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)^{1,4}

Name	(% of Gross Assets)
Calibre Mining Corp	9.10
Emerald Resources NL	8.49
MAG Silver Corp	7.89
West African Resources LT	7.47
Fortuna Silver Mines INC	6.12
Sabina Gold & Silver Corp	4.97
Silvercrest Metals Inc	4.82
Westgold Resources Ltd	4.10
Calidus Resources Ltd	3.68
Osisko Development Corp	3.21

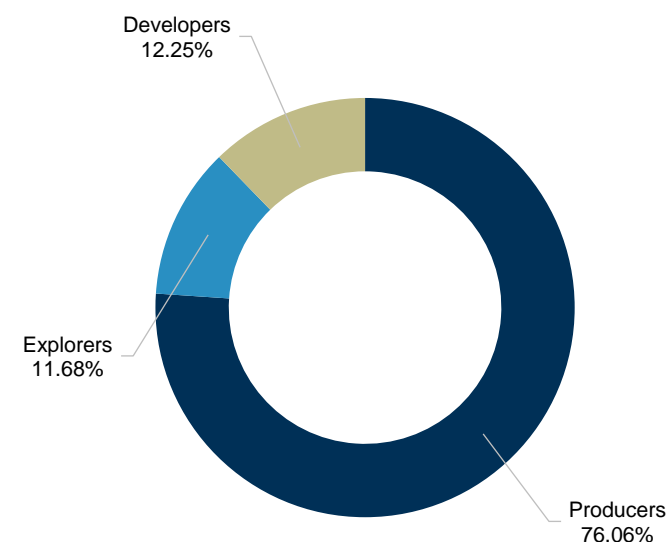
AIFMD Leverage Limit Report (% of NAV)¹

	Gross Leverage (%) ⁵	Commitment Leverage (%) ⁶
Golden Prospect Precious Metals Limited	111	111

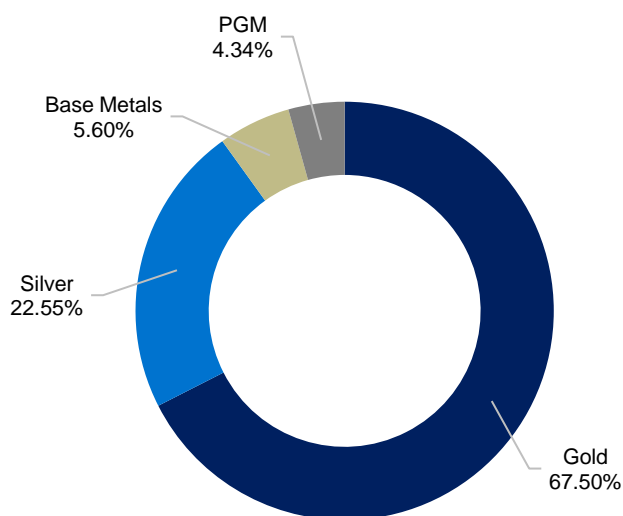
The proposal to create a Subscription Right was approved by Shareholders on 7 December 2022. The first Subscription Right date is on 30 November 2023 and the Subscription Price is 38.31p for each new Share subscribed for. The Subscription period has now begun as the existing shares carry the right to 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 Analysis¹

By Type



By Metal



Source: ¹ 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.

⁴ All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding.

⁵ 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.

⁶ 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.

Important Information

This document has been issued by CQS (UK) LLP which is authorised and regulated by the UK Financial Conduct Authority, CQS (US), LLC which is a registered investment adviser with the US Securities and Exchange Commission, and/or CQS (Hong Kong) Limited, which is authorised and regulated by the Hong Kong Securities and Futures Commission. The term “CQS” as used herein may include one or more of CQS (UK) LLP, CQS (US), LLC, and CQS (Hong Kong) Limited or any other affiliated entity. The information is intended solely for sophisticated investors who are (a) professional investors as defined in Article 4 of the European Directive 2011/61/EU or (b) accredited investors (within the meaning given to such term in Regulation D under the U.S. Securities Act of 1933, as amended) and qualified purchasers (within the meaning given to such term in Section 2(a)(51) of the U.S Investment Company Act 1940, as amended). This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation.

This document is a marketing communication prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares or interests in any fund or investment vehicle managed or advised by CQS (a “CQS Fund”) or any other security, commodity, financial instrument, or derivative; or (iv) an offer to enter into any other transaction whatsoever (each a “Transaction”). Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and appropriateness of such Transaction in light of your circumstances. Any decision to enter into any Transaction should be based on the terms described in the relevant offering memorandum, prospectus or similar offering document, subscription document, key investor information document (where applicable), and constitutional documents and/or any other relevant document as appropriate (together, the “Offering Documents”). Any Transaction will be subject to the terms set out in the Offering Documents and all applicable laws and regulations. The Offering Documents supersede this document and any information contained herein. The Offering Documents for CQS UCITS range of funds is available [here](https://www.cqs.com/ucits-funds#global-convertibles) (https://www.cqs.com/ucits-funds#global-convertibles) in English (US persons will not be eligible to invest in CQS managed UCITS funds save to the extent set out in the relevant Offering Document). A copy of CQS’ Complaints Policy, which sets out a summary of investors’ rights, is available [here](http://www.cqs.com/site-services/regulatory-disclosures) (www.cqs.com/site-services/regulatory-disclosures) in English. CQS may terminate the arrangements for marketing or distribution of any CQS Fund at any time.

Nothing contained herein shall give rise to a partnership, joint venture or any fiduciary or equitable duties. The information contained herein is provided on a non-reliance basis, not warranted as to completeness or accuracy, and is subject to change without notice. Any information contained herein relating to any non-affiliated third party is the sole responsibility of such third party and has not been independently verified by CQS. The accuracy of data from third party vendors is not guaranteed. If such information is not

accurate, some of the conclusions reached or statements made may be adversely affected. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives accept any liability whatsoever for any errors or omissions or any loss howsoever arising from the use of this document.

Information contained in this document should not be viewed as indicative of future results as past performance of any Transaction is not indicative of future results. Any investment in a CQS Fund or any of its affiliates involves a high degree of risk, including the risk of loss of the entire amount invested. The value of investments can go down as well as up. Don’t invest unless you’re prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Investments may lead to a financial loss if no guarantee on the capital is in place. An investment in any CQS Fund will involve a number of material risks which include, without limitation, risks associated with adverse market developments, currency and exchange rate risks, risk of counterparty or issuer default, and risk of illiquidity. Any assumptions, assessments, targets (including target returns and volatility targets), statements or other such views expressed herein (collectively “Statements”) regarding future events and circumstances or that are forward looking in nature constitute CQS’ subjective views or beliefs and involve inherent risk and uncertainties beyond CQS’ control. Any indices included in this document are for illustrative purposes only and are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). Unless stated to the contrary CQS Funds are not managed to a specific index.

The information contained herein is confidential and may be legally privileged and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates. Unless otherwise stated to the contrary herein, CQS owns all intellectual property rights in this document.

CQS is a founder of the Standards Board for Alternative Investments (“SBAI”) which was formed to act as custodian of the alternative investment managers’ industry best practice standards (the “Standards”). By applying the Standards, managers commit to adopt the “comply or explain” approach described in the Standards. CQS is a signatory of the UN Principles for Responsible Investment and a supporter and participant of certain other responsible investment related industry associations.

PRI Note:

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

L1054319 / 04.23

CQS (UK) LLP

4th Floor, One Strand, London WC2N 5HR, United Kingdom
T: +44 (0) 20 7201 6900 | F: +44 (0) 20 7201 1200

CQS (US), LLC

152 West 57th Street, 40th Floor, New York, NY 10019, US
T: +1 212 259 2900 | F: +1 212 259 2699

CQS (Hong Kong) Limited

3305 AIA Tower, 183 Electric Road, North Point, Hong Kong, China
T: +852 3920 8600 | F: +852 2521 3189

✉ CQSClientServices@cqsm.com www.cqs.com Follow us

Signatory of:

