

30 September 2023

Golden Prospect Precious Metals Limited

Key Fund Facts¹

Fund Managers	Keith Watson Robert Crayfourd
Launch Date	December 2006
Total Gross Assets	£32.31m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 31.70p Mid-Market Price: 23.70p
Gearing	16.9%
Discount	(25.24%)
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	Cavendish Capital Markets Limited 020 7220 0500
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 Performance²

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
NAV	-8.30	-10.65	-18.24	-54.27	6.95
Share Price	-12.22	-13.38	-26.51	-58.64	10.23

Commentary³

Market

Gold closed the month around 4.7% lower in September while silver closed the month around 9.5% lower. Though near dated rate expectations changed little, with a peak still expected in around 6 months' time, stronger-for-longer rate expectations saw longer dated 10yr US treasury yields rise around 0.5pts during September which helped drive US dollar strength. Against this backdrop the Dollar Index rose around 3% against a basket of currencies while physically backed ETF holdings continued to trend down, declining around 2Moz to 88Moz. Gold suffered a sharp \$76/oz decline in the final week of September, as the FED maintained its hawkish language indicating the labour market remains surprisingly tight and that persistent inflationary pressures from wage increases and factors such as high energy prices, with WTI crude prices jumping nearly 7% in September, could warrant further tightening. Renegotiation of the US government debt ceiling provided little obvious support to precious metal prices.

With Chinese gold import restrictions limiting supply and demand remain strong, the Shanghai gold price traded out to nearly \$120/oz premium before contracting later in the month. The Chinese property crisis has led to strong consumer demand from those looking to diversify their risk, whilst China remains cautious on capital outflows. Geopolitical uncertainty remains supportive for gold, but for now higher rates have been an over-riding driver to prices.

Performance

The Fund NAV declined 8.3% in September which compared to a 7% and 5.3% sterling falls registered by the GDJX and Philadelphia Gold and Silver Index respectively. Sentiment in the sector remains weak and valuations at historic lows.

Following its encouraging operational update on the production ramp-up at the Okvau mine in Cambodia, Emerald Resources saw continued positive share price momentum with a 17.7% sterling rise providing a strong contributor to performance. Whilst the position sizing is now large, we believe positive news flow on the acquisition of the Bullseye asset in Australia should provide near term catalysts, justifying a period of higher concentration risk. Unfortunately, the brief removal of Leo Lithium from suspension, saw the shares halve in sterling terms which more than offset gains elsewhere, prior to it being suspended again before the end of the month, pending a further update on developments with the government.

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 Information section at the end of this document.

³ All market data is 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)
Emerald Resources NL	13.27
Calibre Mining Corp	8.25
Mag Silver Corp	7.00
West African Resources LT	5.89
Fortuna Silver Mines Inc	5.05
Westgold Resources Ltd	4.70
Calidus Resources Ltd	3.48
Leo Lithium Ltd	3.00
Wheaton Precious Metals C	2.73
Karora Resources Inc	2.66

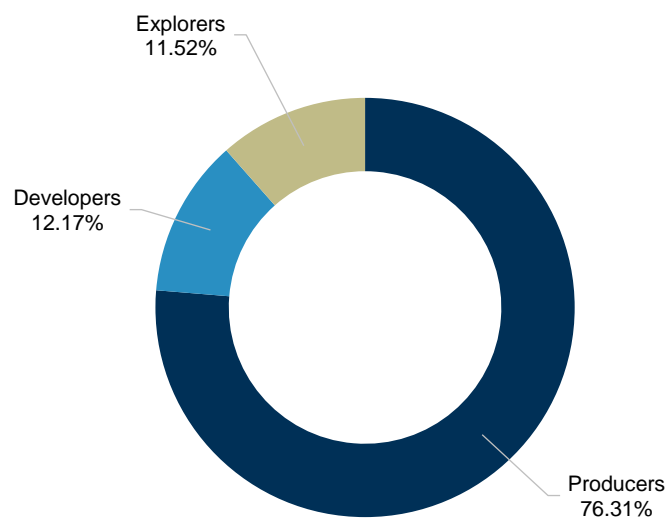
AIFMD Leverage Limit Report (% of NAV)¹

	Gross Leverage (%) ⁵	Commitment Leverage (%) ⁶
Golden Prospect Precious Metals Limited	119	117

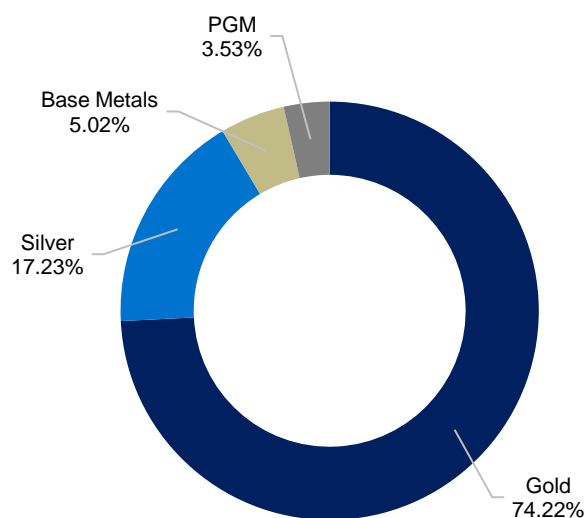
The proposal to create a Subscription Right was approved by Shareholders on 7 December 2022. The first Subscription Right date is on 30 November 2023 and the Subscription Price is 38.31p for each new Share subscribed for. The Subscription period has now begun as the existing shares carry the right to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

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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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