

31 October 2023

## Golden Prospect Precious Metals Limited

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

Fund Managers	Keith Watson Robert Crayfourd
Launch Date	December 2006
Total Gross Assets	£32.16m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 32.11p Mid-Market Price: 26.25p
Gearing	16.6%
Discount	(18.25%)
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 Performance<sup>2</sup>

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
NAV	1.29	-13.29	-6.14	-52.83	18.01
Share Price	10.76	-14.63	-12.50	-51.83	17.98

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

Precious metals gained over the month, with gold and silver up 7% and 3% respectively, following the 7 October attack on Israel and subsequent war in Gaza.

Central bank demand remains the primary supporting factor for gold prices, as the World Gold Council reported central banks added 337 tonnes in the third quarter, and raised the second quarter estimates from 103 tonnes to 175 tonnes, a record rate of central bank additions.

Ongoing physical gold ETF selling, which has previously offset central bank demand, reversed in mid-October, with purchases occurring from the middle of the month, post Israel-Gaza conflict. ETF activity remains an important swing factor for pricing.

Should higher rates continue, they may begin to present a wider systemic issue. For example, 50% of US Treasuries mature in the next three years and will need to be refinanced at the prevailing rate. If current 10 year rates of 4.6% were applied to the US's \$33.7tn in debt, that would equate to \$1.55tn in interest alone, versus total tax receipts of \$4.4tn.

Silver has lagged the move in gold due to the central banks' demand for gold, whilst 50% of silver demand comes from industrial uses that have seen demand soften. The silver weight has been reduced to 15.7%.

Australian producers Ora Banda, Westgold Resources and Calidus Resources were the main contributors to performance. Ora Banda and Calidus have shown operational improvement as the companies transition through to free cashflow. Detractors came from the smaller cap developers and explorers which continue to see little investor interest despite shares standing at record discounts to net asset values.

Calibre mining also posted gains in October, but has announced a takeout of Marathon Gold, diversifying their Nicaraguan mines with a Canadian development project. This should diversify their geopolitical risk and support a multiple expansion.

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 Information section at the end of this document.

<sup>3</sup>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)<sup>1,4</sup>**

Name	(% of Gross Assets)
Emerald Resources NL	12.55
Calibre Mining Corp	8.95
Westgold Resources Ltd	5.70
West African Resources LT	5.60
Fortuna Silver Mines Inc	5.21
Mag Silver Corp	5.18
Calidus Resources Ltd	4.38
Ora Banda Mining Ltd	3.57
Wheaton Precious Metals C	2.86
Karora Resources Inc	2.81

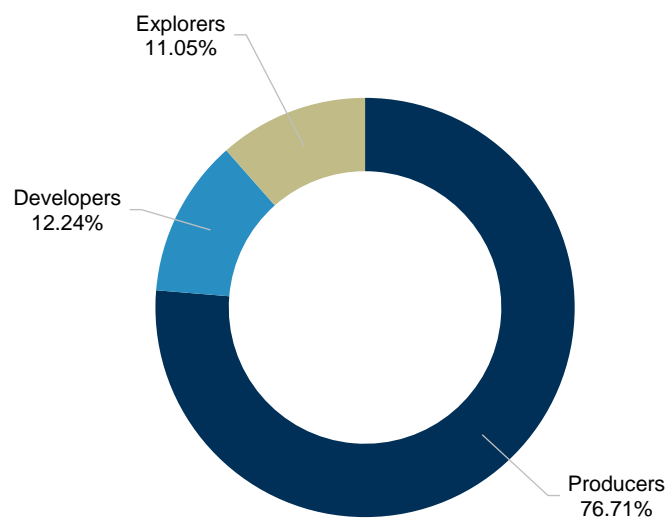
**AIFMD Leverage Limit Report (% of NAV)<sup>1</sup>**

	Gross Leverage (%) <sup>5</sup>	Commitment Leverage (%) <sup>6</sup>
Golden Prospect Precious Metals Limited	117	117

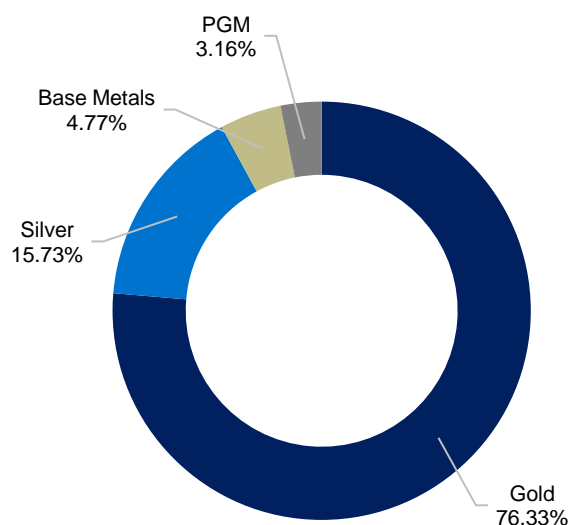
The proposal to create a Subscription Right was approved by Shareholders on 7 December 2022. The first Subscription Right date is on 30 November 2023 and the Subscription Price is 38.31p for each new Share subscribed for. The Subscription period has now begun as the existing shares carry the right to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