

Investor Report

31 May 2024

Geiger Counter Limited

Key Fund Facts¹

Fund Managers	Keith Watson Robert Crayford
Launch Date	July 2006
Total Gross Assets	£116.3m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 72.54p Mid-Market Price: 52.70p
Gearing	11.57%
Premium / (Discount) to NAV	(27.35%)
Ordinary Shares in Issue	143,661,804
Annual Management Fee	1.38%
Bloomberg	GCL LN
Sedol	B15FW330
Year End	30 September
Contact Information	CQSClientservices@cqsm.com
Company Broker	Cavendish Capital Markets Limited 020 7220 0500
Annual Report and Accounts Published	December
Investor Report	Monthly Factsheet
Fiscal Year-End	30 September
Results Announced	Finals: December Interims: June

Sources: ¹R&H Fund Services (Jersey) Limited, as at the last business day of the month indicated at the top of this report. ²R&H Fund Services Limited/DataStream, as at the last business day of the month indicated at the top of this report, total return performance net of fees and expenses based on bid prices. 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. ³Market data sourced from Bloomberg unless otherwise stated. The Fund may since have exited some or all of the positions detailed in the commentary.



Keith Watson and Robert Crayford
Portfolio Managers

Fund Description

The objective of the Geiger Counter Fund is to provide investors with the potential for capital growth through investment primarily in the securities of companies involved in the exploration, development and production of energy, predominantly within the uranium industry. Up to 30% of the value of the Company's investment portfolio may be invested in other resource-related companies from outside the energy sector.

Key Advantages for the Investor

- Access to mining assets in the uranium sector
- May benefit from embedded subscription share
- Low correlation to major asset classes

Ordinary Share and NAV Performance²

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
NAV	0.29	6.11	90.39	80.85	293.38
Share Price	(2.95)	(0.94)	50.57	24.00	188.77

Commentary³

Following the issue of embedded rights the Fund NAV closed the month at 72.54p, up 6.7% against the fully diluted NAV at the end of April. However, this was flat on the undiluted headline basis, largely due to the 5.5% dilution from the issue of embedded rights shares. This compares to 9.4% sterling return registered by the Solactive Pure Play Uranium Index.

Despite uranium prices remaining little changed over the month with spot U3O8 slipping from \$89.0/lb to \$88.5/lb, the share prices of physically-backed funds such as SPUT and Yellow Cake lost ground - declining 4% and 2% respectively. Despite muted commodity moves, sector news flow remained positive. Most notable was the US Senate's approval to ban imports of Russian fuel products with the granting of restrictive waivers by the Department of Energy. These waivers are required to allow utilities to continue sourcing Russian material until the end of 2027 with a total ban imposed thereafter. This refocuses the attention of Western utilities on the need to secure more nuclear fuel from friendly nations. The narrowing of supply channels has been made more acute by the recent coup in Niger which has occurred alongside the recent downgrade of Kazakhstan's future production guidance.

We believe the Fund is well placed to benefit from such developments with holdings primarily focused on assets located in western regions. There is a heavy weighting to Canada's Athabasca basin which currently hosts some of the best geology globally for political secure regions. With Cameco largely contracted for the next 5 years and beyond, we believe utilities will increasingly need to diversify their supplier base. They will likely need to consider secure uranium from near-term mine restarts of UR-Energy, Paladin and Uranium Energy, and in the medium-term from greenfield developments.

The White House issued a Biden/Harris-backed paper on steps to bolster the domestic nuclear industry. This is a result of nuclear has been the largest source of carbon-free power in the US, generating 19% of America's electricity. The United States' last commercial reactor built was US Southern's Vogtle plant, which was \$16bn over budget and 7 years late. This highlights the attraction of developing Small Modular Reactors later this decade whose lower up-front-cost we believe will continue to attract significant focus. Nearer-term, governments will likely focus on further extending the lives of existing reactors. In the US there will also be a focus on returning some of the 12 reactors that were closed. These were closed as a result of having to compete against cheap US natural gas and heavily subsidised renewables that exposed a number of these reactors to negative prices during times of high renewable loadings.

(continued on the next page)

Commentary¹

The US import ban on Russian nuclear material further heightens the requirements to improve the entire domestic fuel supply chain. This includes support for domestic conversion and enrichment as well as security of supply for raw U3O8 from domestic and friendly nations, on which the Fund primarily focussed. The potential relaxation of restrictive state mining laws could be especially beneficial to companies such as ISO energy which recently acquired the 160Mlb Coles Hill deposit, the largest unmined US uranium deposit. The deposit is located in Virginia, a state which currently prohibits uranium mining, but a favourable change in state policy could unlock material value where none is currently attributed.

Nexgen filed their environmental application starting the timeline for final Federal permitting. Following Nexgen's equity raise in Australia last month, they issued a \$250m convertible bond to a US fund, MMCap in exchange for 2.7Mlbs physical pounds of U3O8. The bond was poorly received by the market and as a result, Nexgen's share price lagged the performance of uranium stocks, closing unchanged. The company believes owning pounds ahead of development aids them with future contracting with both utilities and also with project debt negotiations. These debt negotiations are well advanced and, in a very illiquid market, accessing this quantity of material would otherwise have materially increased the U3O8 market price, although no intangible consideration was attributed to this aspect of the issue. While this bond issue acted as a relative drag on performance over the month, the group has further advanced funding with minimal overall dilution. However, progress on derisking the Rook I permitting process is a far more important factor.

Elsewhere, Paladin, Cameco, and Denison, Energy Fuels and Ur-Energy made strong positive contributions, whose share prices rose 14.0%, 20.4%, 20.1%, 32.6% and 7.8% respectively in sterling terms. The primary drag to NAV performance resulted from the 3.1% sterling decline in the share price of the Sprott Physical Uranium Trust. The Fund's embedded rights were completed in the month, with the issue of 16.45m new shares, the maximum allowable under the €8m limit applied under the current Trust listing rules. The number of shares issued were scaled back to approximately 71% of the 1 for 5 entitlement as a result, a factor which we believe may have contributed to the recent wide discount.

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ²	Commitment Leverage (%) ³
Geiger Counter Limited	111	111

Top 5 Holdings (%)⁴

Name	(% of Gross Assets)
Nexgen Energy	22.6%
UR-Energy	12.5%
Paladin Energy	10.8%
Cameco	8.6%
Uranium Energy	7.7%
Top 5 Holdings Represent	62.2

The Company has announced the fourth Subscription Rights Price of 74.58 pence on 1 May 2024. The exercise date for the fourth Subscription Right is expected to be 30 April 2025.

Sources: ¹Market data sourced from Bloomberg unless otherwise stated. The Fund may since have exited some or all of the positions detailed in the commentary. ²CQS, as at the last business day of the month indicated at the top of this report. 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. ³CQS, as at the last business day of the month indicated at the top of this report. 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. ⁴R&H Fund Services (Jersey) Limited, as at the last business day of the month indicated at the top of this report. All holdings data are rounded to one decimal place. Total may differ to sum of constituents due to rounding.

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PRI Note:

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