

Investor Report

31 May 2024

Golden Prospect Precious Metals Limited

Key Fund Facts¹

Fund Managers	Keith Watson Robert Crayfourd
Launch Date	December 2006
Total Gross Assets	£41.68m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 44.76p Diluted Net Asset Value: 43.29p (assuming all subscription rights are exercised) Mid-Market Price: 35.50p
Gearing	8.9%
Discount	(20.69%)
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	CQSClientServices@cqs m.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 Performance¹

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
NAV	7.47	44.06	21.14	(27.95)	60.89
Share Price	9.91	47.30	17.01	(41.32)	83.94

Commentary²

The Fund NAV gained 7.5% versus sterling returns of 7.0%-8.2% for the Philadelphia Gold and Silver Index and Arca Gold Bugs Index, as well as 6.3%-9.6% for the GDX and GDXJ over the month.

Having made an all-time high of over \$2,450/oz mid-month, gold closed May up 1.8%. Silver played catch-up, rising nearly 16%. A primary driver to gold's continued rise has been strong Chinese retail demand, with the nation's weak property sector seemingly driving incremental investment into safe-haven gold. The strong regional demand is reflected in the consistent Shanghai premium to Western prices over the last year and a half, which for May averaged \$30/oz.

While easing inflation and softening economic indicators such as US jobs data fed through to an increased expectation for interest rate cuts, supportive for precious metals prices, the US Federal Reserve left interest rates unchanged and remained more hawkish on their stronger-for-longer assessment of future adjustments. While economic data released over the remainder of the month appeared largely as expected this was insufficient to support continued gold price momentum and gold lost over \$120/oz from its high into the month-end.

Selling by physically backed ETFs, whose holdings have seen a steady decline since mid-2022, slowed over the month with buying occurring into the month-end sell-off. This potentially indicates a more positive shift in investor attitude and also coincided with an escalation in China-Taiwan tensions, with China stepping-up military drills in the region. This comes alongside increased broader trade tensions with the US announcing a rise in tariffs in response to China's export of subsidised goods. A sustained return of ETF gold buying could provide a supportive boost for precious metal prices.

The precious metal miners performed well but are still lagging the move in the gold and silver prices. We believe this is in part due to the prior inability of gold miners to translate higher gold prices into higher earnings with higher costs post the Covid gold rally compressing margins. Cost pressures are now easing and this should translate to higher cash generation with operational leverage for the producers over the next few quarters. We hope this will support a catch-up to the gold price.

The Fund added to Canadian gold miner New Gold in expectation of extensions to its mine life and the prospect of a smoother ramp-up in production from 400kozpa to 600kozpa, which could help rerate its valuation towards peers. It also added to gold developer Predictive Discovery which is seeking to develop its 5.4Moz deposit in Guinea.

Source: CQS and APEX as at the last business day of the month indicated at the top of this report. ¹Performance is net of fees and expenses. New City Investment Managers took over the investment management function on 15 September 2008. ²All market data is sourced from Bloomberg unless otherwise stated. The Fund may have since exited some / all the positions detailed in this commentary. This document includes 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.

Top 10 Holdings (% of Gross Assets)^{1,2}

Name	(% of Gross Assets)
EMERALD RESOURCES NL	10.80
CALIBRE MINING CORP	9.64
WEST AFRICAN RESOURCES LT	7.59
ORA BANDA MINING LTD	6.24
FORTUNA SILVER MINES INC	5.86
KARORA RESOURCES INC	4.27
MAG SILVER CORP	4.10
GALIANO GOLD INC	3.14
REUNION GOLD CORP	2.92
CALIDUS RESOURCES LTD	2.76
Top 10 Holdings Represent	57.32

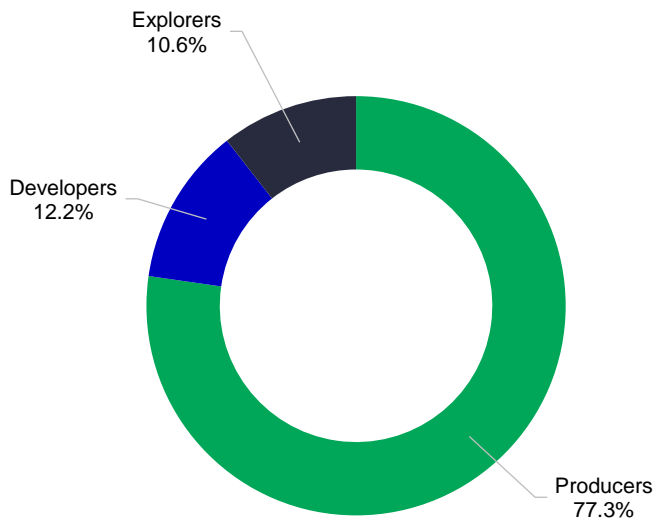
AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ³	Commitment Leverage (%) ⁴
Golden Prospect Precious Metals Limited	108	108

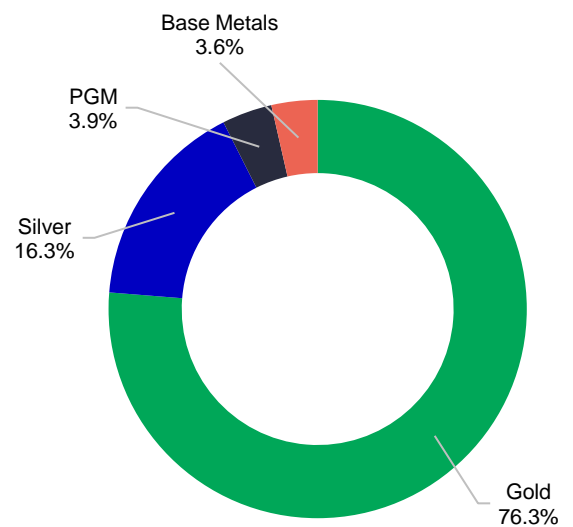
The proposal to create a Subscription Right was approved by Shareholders on 7 December 2022. The first Subscription Right has now expired and the Company has announced a second Subscription Right. The date is on 29 November 2024 and the Subscription Price is 35.94p for each new Share subscribed for. 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 2024 to advise of the process to exercise their Subscription Rights.

Portfolio Holdings Analysis^{1,2}

By Type



By Metal



Source: ¹ CQS as at the last business day of the month indicated at the top of this report. ² Total may differ to sum of constituents due to rounding. ³ 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. ⁴ 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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