

# Investor Report

30 September 2024

## Golden Prospect Precious Metals Limited (the “Company”)

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

Portfolio Managers	Keith Watson Robert Crayfourd
Launch Date	December 2006
Total Gross Assets	£46.66m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 47.79 Diluted Net Asset Value: 45.82p (assuming all subscription rights are exercised) Mid-Market Price: 39.75p
Gearing	9.3%
Discount	(16.82%)
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: September



**Keith Watson and Robert Crayfourd**  
Portfolio Managers

### Description

The objective of the Golden Prospect Precious Metals Limited 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>1</sup>

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
NAV	4.53	13.68	50.76	2.03	24.62
Share Price	10.42	21.37	67.72	(1.24)	27.00

### Commentary<sup>2</sup>

Precious metals sustained positive momentum through September, with gold gaining 5.2% and Silver 8.0% over the month. Despite Sterling’s relative strength, with a rise of nearly 2% against the dollar, the Fund NAV rose 4.5% in September. This is compared to sterling returns of 3-4% for the GDX and GDXJ ETFs and less than 1% for the Gold Bugs Index and Philadelphia Gold and Silver Index.

With gold continuing to make all-time highs and inflationary cost pressures for the miners easing, equities should show further margin improvement in the forthcoming Q3 reporting season, maintaining improving trends in the Q2 results. The sector is now experiencing some of the highest free cash flow on record, which could incentivise increased M&A by established producers as they look to grow or replace reserves. Reflecting the improved profitability outlook, many large gold producers continue to guide a pickup in dividends and share buybacks, which we believe should support investor confidence.

Gold’s latest leg higher has been primarily driven by a return of Western investment demand, most clearly represented by known physical ETF holdings which posted a fourth consecutive monthly increase in September. Given easing inflation data globally, the driver is lower interest rate expectations, with the 50bps cut by the US Fed providing a supportive tailwind for the sector’s performance.

We have previously noted the strong Chinese demand as a driver of gold prices. However, this appears to have softened lately in response to the higher price and stimulus discussions in China, as evidenced by the negative Shanghai premium.

Volatility over the next month may remain elevated ahead of the US Presidential election in November. With polls tied, a Trump win would likely see a more supportive backdrop for gold, as a more volatile geopolitical world could incentivise central banks to de-dollarise reserves and add gold to reserves.

That said, the strong performance of precious metals and related equities led to more concentrated portfolio positions. As a result, the Fund took profits in Ora Banda and West African Resources over the month. Proceeds were reinvested into a placement for UK-listed Greatland Gold after they acquired a mill and the outstanding working interest in their Havieron mine, located in Australia, from Newmont.

Source: Manulife | CQS Investment Management and APEX as at the last business day of the month indicated at the top of this report. 1 Performance is net of fees and expenses. New City Investment Managers took over the investment management function on 15 September 2008. 2 All market data is sourced from Bloomberg unless otherwise stated. The Company 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)<sup>1,2</sup>**

Name	(% of Gross Assets)
CALIBRE MINING CORP	9.56
EMERALD RESOURCES NL	8.90
WEST AFRICAN RESOURCES LT	8.79
ORA BANDA MINING LTD	8.54
WESTGOLD RESOURCES LTD	5.18
GREATLAND GOLD PLC	4.19
FORTUNA MINING CORP	3.77
MAG SILVER CORP	3.66
MAWSON GOLD LTD	3.16
OSISKO GOLD ROYALTIES LT	2.75
<b>Top 10 Holdings Represent</b>	<b>58.50</b>

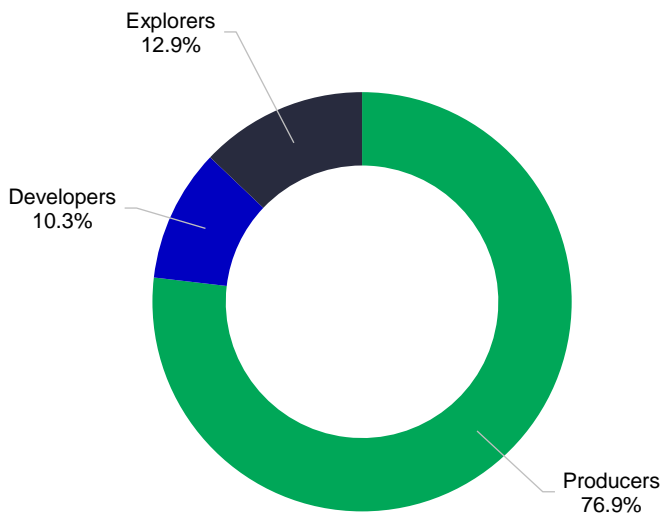
**AIFMD Leverage Limit Report (% of NAV)**

	Gross Leverage (%) <sup>3</sup>	Commitment Leverage (%) <sup>4</sup>
Golden Prospect Precious Metals Limited	114	114

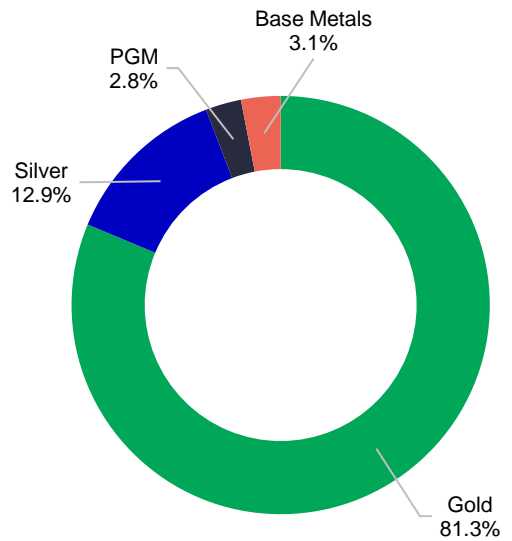
The proposal to create a Subscription Right was approved by Shareholders on 7 December 2022. The first Subscription Right has now expired and the Company has announced a second Subscription Right. The date is on 29 November 2024 and the Subscription Price is 35.94p for each new Share subscribed for. 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<sup>1,2</sup>**

**By Type**



**By Metal**



Source: 1 Manulife | CQS Investment Management 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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