



Golden Prospect Precious Metals Limited

Monthly Investor Report - February 2025

The full monthly factsheet is now available on the Company's website and a summary can be found below.

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Enquiries:

For the Investment Manager

Manulife | CQS Investment Management
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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.

Portfolio Managers

Keith Watson and Robert Crayford.

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

Key Fund Facts¹

Total Gross Assets:	£54.35m
Reference Currency:	GBP
Ordinary Shares:	93,248,499
Net Asset Value:	53.87p
Mid-Market Price:	41.00p
Net gearing:	5.9%
Discount:	(23.89%)

Ordinary Share and NAV Performance²

	One Month	Three Months	One Year	Three Years	Five Years
	(%)	(%)	(%)	(%)	(%)
NAV	0.48	10.14	73.38	2.75	45.36
Share Price	(1.20)	5.81	70.12	(5.86)	41.87

Commentary³

The escalation in the US-led application of trade tariffs, as Canada and Mexico implemented retaliatory measures, weighed on broader investor sentiment over the month. Equity markets reacted negatively to the proposals, which are seen as exacerbating uncertainty and deterring corporate investment, whilst also acting as a drag on growth by raising goods prices in the US. Whilst the effects have been reflected in the widening regional price premiums paid for steel and aluminium in the US, the disruption also affected the price of copper in the US. The country imports significant quantities of copper and the risk of tariffs being applied prompted COMEX futures to open up a 10% premium to London Metal Exchange (LME) benchmark price. The threat of tariffs also affected gold, where US prices have traded at a premium to London Bullion Market prices as the US draws in physical inventory.

Despite the backdrop of increasing stagflation risks, gold prices ended February with a modest 2.1% gain, having reached a new all-time high of 2,956/oz intra-month. US Treasury rates also trended lower, prompted by worsening economic signals, with resultant dollar softness providing some support to the gold price. However, precious metal mining stocks pulled back into month-end, consolidating from their strong prior month gains. We believe tariff-led uncertainty remains a supportive consideration for investor diversification and further allocation into defensive assets such as gold. This is evident with a sharp pick-up in the pace of buying by physically-backed ETFs which added over 2Mozs (a rise of approximately 2.5%). The World Gold Council (WGC) also confirmed that the recent increase in ETF demand more than offset the decline in retail demand as jewellery buyers adjust to higher prices. Notably, the WGC also confirmed that Central Bank demand for gold exceeded 1,000t for the third consecutive year, with Q4 marking a higher run rate at 333t.

Precious metal equities continued to track the gold price. Having risen to record highs early in the month, the Company's NAV gained 12% at one stage intra-month before moving lower in the latter half of the month. As a result of the month-end consolidation and additional drag from a 1.5% strengthening in sterling-dollar exchange rate, the NAV ended February with a modest 0.5% decline. Mining equities have not reflected the operational leverage to the strong gold price momentum and in our opinion continue to look attractively valued, trading at some of the lowest earnings multiples on record at the current spot price. Overall trading activity for the Company was minimal, with the portfolio's position in Westgold reduced slightly early in the month.

	Gross Leverage ⁵	Commitment Leverage ⁶
	(%)	(%)
Golden Prospect Precious Metals Limited	107	107

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Sources: ^{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 since have exited some / all the positions detailed in the commentary. 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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