



Golden Prospect Precious Metals Limited

Monthly Investor Report - July 2025

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

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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:	£71.1m
Reference Currency:	GBP
Ordinary Shares:	93,248,499
Net Asset Value:	64.74p
Mid-Market Price:	53.80p
Net gearing:	11.1%
Discount:	(16.90%)

Ordinary Share and NAV Performance²

	One Month	Three Months	One Year	Three Years	Five Years
	(%)	(%)	(%)	(%)	(%)
NAV	(5.78)	(1.63)	50.07	48.38	(9.59)
Share Price	(7.56)	8.69	60.60	46.39	(23.14)

Commentary³

This July remained another month of US trade policy-led macroeconomics. Once US President Trump had passed his 'One Big Beautiful Bill' (OB BB) the administration's focus returned to negotiating tariffs to be applied on trading partners. This was in order to help generate tax income from foreign goods and cushion the government's borrowing requirement, with a 15% tariff being applied to most imports from the EU. Nevertheless, US debt continues to increase at an alarming pace. The deficit is estimated to be running at approximately 1.8Tm/ yr, highlighting potential risks to the sustainability of the growing US debt burden, which is currently estimated at 36.5 Tm. This issue is amplified by the FED's balancing act to set interest rates to manage inflationary pressures versus a slowdown in US employment markets as the impact of tariffs feeds through to the economy.

While applying tariffs on imports into the US is a politically palatable way of effectively imposing taxes on the US consumers, ahead of mid-term elections next year, it is estimated that incremental taxes raised will fall well short of the current budget deficit. The cost of borrowing remains uncomfortably high, whilst Trump has also already flagged his desire for rates to return to 1% from the current 4.8% on the US 30yr treasuries, with Trump seeking to replace US Fed Chair Jerome Powell. This negatively impacts the FED's perceived independence, a crucial prop to the dollar's status as a global reserve currency. Whilst he may succeed to pressure rates lower, inflation remains stubbornly high and this risk exacerbating stagflation (stagnating growth and high inflation) pressures, which is a positive backdrop to gold. We note generalists remain broadly underweight precious metals and would anticipate a rotation back in the sector given the protective properties against this backdrop and strong sector earnings

Material growth or a significant reduction in the cost of borrowing to offset deficit spending is needed to address the growing concerns around US, and indeed global, debt sustainability. With global growth remaining pressured amid inflationary trade policies, Real assets, such as commodities but particularly gold and related precious metal mining equities, should benefit. Having yet to exhibit operational gearing, we believe precious metal mining equity valuations are extremely attractive, providing a strong reason for ownership in our opinion.

Indeed, the sector continues to show strong free cash flow, driving a strengthening of balance sheets. This could support further M&A, which could become a more important investment theme. This month the Company rotated into some earlier stage projects that may attract interest from consolidators in the sector. Positions in Tolu Minerals, Polymetals, and TDG were increased. Against this, profits were taken on the positions in Greatland Gold and Antipa Minerals. Greatland's operational update indicated a larger-than-expected capex programme with more aggressive spending plans pushing out future free cash flow. This came despite plans to extend Telfer Mine production, enhancing the overall project NPV.

Not helped by sterling's near 4% strengthening against the dollar, the Fund NAV declined 5.8% over the month. This compared to a 1.5% sterling decline registered by the GDXJ equity ETF and a 5% positive sterling return registered by the Gold Bugs Index. Greatland Gold acted as a drag to performance with the share price ending the month around 26% lower following its disappointing update, but remains one of the Company's strongest contributors year-to-date. Colombian explorer Collective Mining also pulled back after its strong recent performance with the share price slipping around 17%. Positive contributions from Equinox Gold, Americas Gold & Silver and Silver Mountain Resources helped partially offset these.

	Gross Leverage ⁵ (%)	Commitment Leverage ⁶ (%)
Golden Prospect Precious Metals Limited	114	114

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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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