



Monthly Investor Report - March 2024

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Golden Prospect Precious Metals Ltd

26 April 2024

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

[NCIM - Golden Prospect Precious Metals Ltd - Fund Page](#)

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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 Crayfound.

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:	£34.50m
Reference Currency:	GBP
Ordinary Shares:	85,503,021
Net Asset Value:	36.08p
Mid-Market Price:	31.00p
Net gearing:	11.6%
Discount:	(14.08%)

Ordinary Share and NAV Performance²

One Month	Three Months	One Year	Three Years	Five Years	
(%)	(%)	(%)	(%)	(%)	
NAV	16.12	(1.50)	(4.65)	(30.93)	31.53
Share Price	28.63	5.08	(6.06)	(31.03)	51.96

Commentary³

Having lagged the move in gold and silver prices thus far in 2024, sentiment to miners showed a marked improvement with the Fund NAV rising over 16%. The Fund performance compared to a 21% sterling return registered by the Gold Bugs Index and the GDXJ equity ETF. However, we anticipate that the lag in performance of the smaller equities held in the Fund will catch-up with larger peers given their relatively attractive valuations.

Gold was one of the stronger commodities with the price rising over 9% during March to new all-time highs. Silver is latterly starting to catch-up, registering a 10% price increase over the month. Prices held despite a more hawkish move in US FED rate expectations after FOMC minutes indicated broader US labour markets were stubbornly resilient despite relatively tepid economic growth. Increasingly there appears to be a focus on ever growing government debt levels which have shown little sign of reversing, as evidence by the latest US congression Budget Office projections.

Recent physical gold buying has been led by China, with a pick-up in retail demand showing in import data. This has been potentially driven by broader concerns on the economy, particularly the weak regional property sector. Alongside this is the healthy net central bank demand: People's Bank of China (PBoC) data showed China's gold reserves continued to rise with the addition of 0.39 Moz in February taking official reserves to 72.6Moz (+10% year-on-year). Physical gold ETF's showed a pick-up in buying but aggregate holdings nevertheless ended 246k ounces lower over the month. We believe gold hitting all-time highs despite steady ETF selling is a positive, as would also be the case should ETF's turn steady buyers, further tightening the market.

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West African **Resources** and Fortuna Gold and Silver were strong contributors to performance. This was closely followed by Australian gold producer Karora which received bid interest from ASX-listed **Ramelius**, as well as reports of a further interested party also in discussion with the company. While we do not focus our stock selection specifically on M&A targets, we believe quality undervalued assets should result in a higher probability of them becoming targets. The sector remains short of growth projects, and so we would anticipate a pick-up in M&A activity going forward. This should help close the discounts of junior miners to the larger. Calidus was the primary detractor to performance with the group undertaking an equity funding, in which the Fund participated, as part of a broader restructuring of its debt and gold hedging.

Gross Leverage ⁵ (%)	Commitment Leverage ⁶ (%)	
Golden Prospect Precious Metals Limited	111	11
		1

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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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Notes

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