ASA Gold and Precious Metals Limited

Portfolio Valuation Guidelines and Procedures

Section 2(a)(41) of the 1940 Act and Rule 2a-4 thereunder provide that securities "for which market quotations are readily available" are to be valued at "current market value." For purposes of Section 2(a)(41), a market quotation is readily available only when the quotation is an unadjusted, quoted price in active markets for identical investments that a fund can access at the measurement date. All other securities are to be valued at "fair value as determined in good faith by the board of directors."

Rule 2a-5 and 31a-4 (together, the "Valuation Rule") under the 1940 Act establishes minimum requirements for making good faith determinations of fair value in accordance with Section 2(a)(41) and clarifies a board's role relating to such determinations. This determination involves assessing and managing material risks; selecting, applying, and testing fair value methodologies; and overseeing and evaluating any pricing services utilized by a fund.

A. <u>The Valuation Designee</u>

The Valuation Rule permits a fund's board of directors to designate certain parties, a Valuation Designee, to perform fair value determinations, subject to board oversight and specific reporting and recordkeeping requirements. For purposes of the Valuation Rule, the Board of Directors (the "Board") of ASA Gold and Precious Metals Limited (the "Company") has designated Merk Investments LLC (the "Adviser") as the Valuation Designee for the Company.

The Valuation Rule requires the Valuation Designee reasonably to segregate fair value determinations from the portfolio management of the Company such that the portfolio management of the Company may not determine, or effectively determine by exerting substantial influence on, the fair values ascribed to portfolio investments.[1] As such, all persons on the Adviser's Valuation Committee as described within the Adviser's Fair Valuation Policies and Procedures, are considered voting members, except for persons involved in the portfolio management of the Company, including the Company's portfolio manager and the Adviser's Chief Investment Officer ("CIO"). The Company's portfolio manager and the Adviser's CIO are permitted to attend the meeting and offer insight

[1] If portfolio managers provide a significant amount of input on the fair value of an investment, the segregation process should be appropriately rigorous and robust to mitigate any potential conflicts of interest. For example, in such a circumstance, the Valuation Designee could, as part of its reasonable segregation process, seek to provide independent voices as a check on any potential conflicts of interest to the extent appropriate. This may include obtaining the assistance from other parties, such as the Company's Fund Administrator.

1. **Responsibilities of the Valuation Designee.** As the Valuation Designee, the Adviser is responsible for carrying out certain functions relating to the valuation of the Company's portfolio securities and other assets under the circumstances enumerated herein for the purpose of determining the NAV of the Fund. These responsibilities include, among others:

    a. Periodically assessing any material risks associated with the determination of the fair value of the Company's investments, including material conflicts of interest, and to manage those identified valuation risks;
    b. Establishing and applying fair value methodologies, as further discussed below;
    c. Testing fair value methodologies selected for appropriateness and accuracy and making adjustments as necessary;
    d. Review of daily fair value price adjustments and their impact on the Company's NAV;
    e. Monitoring for circumstances that may necessitate fair value;
    f. Establishing a process for approving, monitoring, and evaluating each pricing agent, as described in these procedures;
    g. Preparing quarterly and annual reports to the Board, as further discussed below;
    h. Maintaining all pertinent records relating to fair valuation of Fund securities as required by Rule 31a-4 under the 1940 Act; and
    i. Review of these procedures annually.

2. **Assistance from Other Service Providers.** The Adviser may obtain assistance from other service providers in fulfilling its duties as Valuation Designee. It may seek assistance from pricing services, the Fund Administrator, officers of the Company or Company counsel. That assistance can take different forms and may include services such as providing pricing information, performing back-testing reports, pricing service due diligence, and performing calculations required by the valuation method selected by the Adviser. However, the Adviser, using this assistance, remains responsible for the fair value determination and may not designate or assign any fair value responsibility to a third party.

B. <u>Valuation Methodologies</u>

The net asset value ("NAV") of the Company generally is determined as of the close of regular trading on the New York Stock Exchange ("NYSE") (the "Valuation Time"). The NAV will be computed by the Company's Fund Administrator based on information obtained from independent data providers, pricing services, brokers or dealers, and from the Adviser with respect to fair valuations made according to Section C below. In the event that the market quotations that would be used for purposes of valuing securities under the methodologies set forth below are not readily available, such valuations would be determined according to Section C below.

1. Exchange Traded Assets.

1. Securities listed on one or more securities exchanges or over-the-counter will be valued:

    i. at the last reported sale price as of the Valuation Time;

ii. if a sale price is not available, at the last reported bid price; or

iii. for securities which have not opened for trading or for which trading has been suspended prior to the Valuation Time, the value may be determined according to Section C below.

2. Securities traded on a securities exchange will generally be valued based on values on the exchange on which the securities are primarily traded. If the market regularly used to value a security is closed for trading or trading is suspended, the security will be valued by the Adviser according to Section C below. If the Adviser, in accordance with section C below, does not determine that another valuation method provides a more reliable valuation, the value of the security will be based on the most recently available closing value.

2. **Debt Securities.** Debt securities and other assets not traded on any securities exchange, and for which over-the-counter market quotations are readily available from any generally-recognized over-the-counter market shall be valued based on the evaluated bid price calculated according to an independent data provider or pricing service's methodology for determining values for the applicable security type.

3. **Forward Contracts**. Forward contracts for foreign currency will be valued at the current cost of covering or offsetting such contracts. All investments quoted in non-U.S. currency will be valued in U.S. dollars on the basis of the foreign exchange rates reported by independent data providers.

4. **Amortized Cost Method.** Debt instruments purchased with an original or remaining maturity of sixty days or less may be valued at amortized cost, if the Adviser determines that such amount reflects fair value.

5. **Investment Companies and Money Market Funds.** Shares of an open-end investment company not traded on a securities exchange may be valued at the net asset value per share of the investment company determined at the Valuation Time.

6. **Fair Valuation.** Notwithstanding the above, if the Adviser questions the reliability of market quotations, the security will be valued according to Section C below.

C. Fair Valuation Determinations

1. Investments for which the most representative value is not established under Section B., above, will be valued at their fair value as described below. Fair value determinations will be based on the amount the Company might reasonably expect to receive for the security upon its current sale as of the Valuation Time. To the extent practicable, a fair value determination should be based on observable inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the Adviser and the Company.

2. In determining the fair value of a security the Adviser may consider any relevant factors that are known to them and are readily available (See also Section D regarding significant events). Such factors may include, but are not limited to, the following:

   a. nature and price (if any) of the security;

   b. whether any dealer quotations for the security are available;

c. last sale price of the security;

d. whether any other securities (e.g., securities underlying ADRs) or financial instruments, including derivative securities, traded on other markets or among dealers are indicative of the appropriate price;

e. for securities traded on non-U.S. markets, the value of Related Securities (i.e., the securities and any depository receipts representing such securities that are actively traded on any market) traded on other markets, closed-end fund trading, and foreign currency exchange activity;

f. for depository receipts the value of Related Securities traded on other markets;

g. trading volumes on markets, exchanges, or among dealers;

h. whether values of baskets of securities, or indices, traded on other markets, exchanges, or among dealers are indicative of the appropriate price;

i. changes in precious metals prices;

j. changes in interest rates;

k. observations from financial institutions;

l. government (foreign or domestic) actions or pronouncements;

m. other news events;

n. in the case of an emergency or other unusual event, the nature and duration of the event and the forces influencing the operation of financial markets, factors relating to the event that precipitated the problem, whether the event is likely to recur, whether the effects of the event are isolated or whether they effect entire markets, countries or regions;

o. possible valuation methodologies that could be used to determine the fair value of the portfolio instrument;

p. whether the issuer of the security has other securities outstanding and, if so, how those securities are valued; and

q. liquidity or illiquidity of the market for the particular security.

r. Materiality: this parameter has very broad characteristics; it is essentially a judgment call based upon the effect it will have on the valuation of the fund. To define materiality in any specific numerical or formulaic way would be difficult other than doing so on a case by case basis.

s. When the Company holds securities of a non-U.S. company, and Depository Receipts ("ADRs") representing those securities are actively traded on the NYSE or any other US markets, such securities will be valued based on the last reported sales price of the ADRs as of the Valuation Time, unless the Adviser determines that the indicated price does not represent an appropriate valuation, in which case the securities will be fair valued.

t. If a significant event materially affecting the value of an investment occurs between the close on the primary exchange and the Valuation Time, such investment will be fair valued.

3. **Restricted Securities**. In the case of a security the transfer of which is subject to legal or contractual restrictions, the following factors will be considered in valuing the security, to the extent applicable:

   a. company's purchase price;

   b. market price of unrestricted securities of the same class at the Valuation Time, taking into consideration the adequacy of the market, provided the valuation of restricted securities should not be at the market price for unrestricted securities of the same class without considering other relevant factors; in the case of a restricted security issued at a discount, if the valuation is based on the market price of unrestricted securities of the same class, a discount to the market price of the unrestricted security may be applied, with such discount to be amortized, if appropriate in the circumstances, over the restricted period on a straight line basis;

   c. potential expiration or release of restrictions on the security;

   d. existence of any registration rights; and

   e. cost to the Company related to registration of the security.

D. <u>Monitoring</u>

1. **Significant Events**

   a. **Definition.** A significant event is defined by the SEC staff as an event that "would materially affect the value of the security and therefore may suggest that market quotations are not reliable." The event may relate to a single issuer or to an entire market sector. Significant fluctuations in U.S. or non-U.S. securities and currency markets may constitute a significant event. Significant events also may result from such occurrences as natural disasters, armed conflicts, acts of terrorism or significant governmental actions.

   b. **Identification**

      i. The Adviser, with the assistance of the Fund Administrator, will monitor for circumstances in the market that may necessitate the use of fair value and determine whether an event is a significant event.

      ii. In identifying a significant event, the Adviser, with the assistance of the Fund Administrator, may consider any relevant factors that are known to them and are readily available. Such factors may include, but are not limited to, the following:

         A. **Foreign securities.** Events that occur that are particular to a non-U.S. security or the region to which the security has ties may cause the last trade price to not reflect the value of the security at the Valuation

Time, which may be several hours later than the local market close. As examples, events that should be considered are:

- natural disasters affecting the issuer's operations;
- significant movements in the U.S. markets, to the extent the U.S. market movements may bear a correlation to the particular foreign market(s);
- corporate actions such as reorganizations, acquisitions and buy-outs;
- corporate announcements on earnings or products;
- regulatory news;
- litigation announcements involving an issuer or another issuer not held by the Company that could affect the value of an issuer;
- political events;
- changes in precious metals prices; and
- currency issues.

B. **Market closures.** Market is closed, scheduled or unscheduled, on a day for which the Company calculates a NAV or prior to the Valuation Time.

C. **Collars and limits.** Trading in a particular market dictates that once a certain collar or limit is reached the security stops trading. In this case the last trade may not be reflective of a readily available market price.

c. **Assessing Impact**

i. If the Adviser is not able to assess with a reasonably high degree of certainty how the event has affected the value of the security (or securities), i.e. the direction and magnitude of the change, the Adviser may choose not to determine a new valuation for such security (or securities), in which case the security or securities will be valued as otherwise provided in this policy.

ii. The Adviser may also choose not to determine a new valuation for a security (or securities) if it determines that such valuation, individually or in the aggregate with other fair valuation adjustments in a given day, would not materially affect the Company's NAV.

d. **Process**

i. If identified as a significant event and the Adviser is able to assess the impact and considers it material, it may proceed to apply a fair value to the security or securities impacted in accordance with Section C, above.

e. **Follow-up monitoring.**

   i. When normal pricing procedures resume, as described in Section B above, the Adviser will have responsibility for reviewing the opening prices for securities fair valued, in order to determine the reasonableness of the Adviser's fair value decisions. Nothing in this paragraph, however, will be used to construe that the fair value price was unreasonable, erroneous, or should be adjusted simply because an opening price deviates from the fair value price determined by the Adviser.

2. Evaluation of Pricing Services

The Adviser, with the assistance of the Fund Administrator, is responsible for overseeing the independent data providers or pricing services utilized, including establishing the process for approving, monitoring, and evaluating each pricing service provider. As part of this oversight, the Adviser, with the assistance of the Fund Administrator, shall consider the qualifications, experience, and history of the independent data providers or pricing services; the methods, techniques, inputs, and assumptions for different classes of holdings during different market conditions; the quality of the pricing information provided when approving a particular independent pricing service; the independent pricing services' processes for considering pricing challenges, including how it incorporates information received from price challenges into its pricing information; the independent pricing services' actual and potential conflicts of interest and the steps it takes to mitigate such conflicts; and the resting processes used by the independent pricing service(s). On an ongoing basis, the Adviser, in consultation with the Fund Administrator, shall monitor and evaluate the Company's independent pricing services.

3. Pricing Challenges

In the event the Adviser questions a price provided by a pricing service, the Adviser may challenge such price on the basis of a good faith belief that the price determined by the pricing service is not reflective of the value of the security. If the Adviser chooses to challenge a price, the Adviser must document the basis of its challenge and propose an alternative price and methodology.

E. <u>Testing of Fair Value Methodologies</u>

1. The Adviser, on a quarterly basis, will test the appropriateness and accuracy of the aforementioned fair value methodologies and make any necessary changes or adjustments thereto. The Adviser may rely on reports and other information from the Company's Fund Administrator to assist with such testing, including the results of the procedures set forth in paragraphs 2, 3, and 4 of this Section E, below.

2. **The Fund Accountant.** The Fund Accountant shall document and retain as part of each Fund's daily records all material discrepancies identified by its control procedures and the resolution and verification steps taken by the Fund Accountant. The Fund Accountant shall

determine whether the result of the variance or price review should be brought to the attention of the Valuation Designee.

3. **Other Reviews of Valuations.** The Fund Accountant shall:

   a. Trade-Price Variance. When trades occur for a Fund, conduct a review for material variances between the trade price and the prior day's valuation for each asset. Material variances shall be researched and categorized as reasonable or considered unreliable.

   b. Stale Values. Weekly, conduct a review for stale values. A stale value is a value that has not fluctuated for five (5) business days due to a thinly traded market, no market for the asset or otherwise. Stale values will be researched and categorized as reasonable or considered unreliable.

   c. Equity Values. To the extent practicable, daily cross-check the prices received for equity securities to a second source. Material variances should be researched and the prices categorized as reasonable or considered unreliable.

   d. Price Not Available. Daily, conduct a review for assets for which a price has not been provided by an Independent Pricing Service (other than assets which are priced by broker quote or are fair valued).

F. Risk Assessment

On a periodic basis, but not less than annually, the Adviser will assess the material risks associated with the determination of the fair value of the Company's investments, including a review of any material conflicts of interest and an assessment of the Adviser's management of the material risks.

The Adviser may engage in ad-hoc assessments outside of the stated period, when the Adviser determines it is necessary due to significant changes in the Company's investment strategy or policies, market events or other relevant factors.

In completing its risk assessment, the Adviser will consider a variety of sources or types of valuation risk, including but not limited to:

1. The types of investments held or intended to be held by the Company and the characteristics of those investments including, among other things, the size of the investment relative to measure of market demand (e.g., daily trading volume);
2. Potential market or sector shocks or dislocations and other types of disruptions that may affect the Adviser's or a third-party's ability to operate, such as a significant change in short term volatility or market liquidity, significant changes in trading volume, or a sudden increase in trading suspensions. Additional types of disruptions that may affect a valuation designee's or a third-party's ability to operate include, for example, a system failure or cyber-attack;
3. The extent to which the fair value methodology uses unobservable inputs, particularly if such inputs are provided by the Adviser;
4. The proportion of the Company's investments that are fair valued as determined in good faith, and their contribution to the Company's returns;
5. Reliance on service providers that have more limited expertise in relevant asset classes; the use of fair value methodologies that rely on inputs from third-party service providers; and the extent to which third-party service providers rely on their own service providers; and
6. The risk that the methods for determining and calculating fair value are inappropriate or that such methods are not being applied consistently or correctly.

G. Periodic Board Reporting

The Adviser shall provide to the Board at each regularly scheduled meeting of the Board, unless otherwise noted below, the following information:

1. **Quarterly Reporting.** The Adviser must provide, at least quarterly, in writing, the following reports to the Board:

    a. Any reports or materials requested by the Board related to the fair value of designated investments or the Adviser's process for fair valuing Company investments; and
    b. A summary or description of material fair value matters that occurred in the prior quarter. This summary or description must include:

        i. Any material changes in the assessment and management of valuation risks, including any material changes in conflicts of interest of the Adviser (and any other service provider),
        ii. Any material changes to, or material deviations from, the fair value methodologies, and
        iii. Any material changes to the valuation designee's process for selecting and overseeing pricing services, as well as any material events related to the Adviser's oversight of pricing services.

    Material matters include those matters about which the Board would reasonably need to know in order to exercise appropriate oversight under these procedures. Such matters include, but are not limited to; (i) significant deficiencies or material weaknesses in internal control over financial reporting related to fair value determinations that have been identified; (ii) items that "could have materially affected" the fair value of the Company's investments as proposed; (iii) change to a pricing service utilized by the Adviser; and (iv) material changes to or deviations from methodologies, including changes to critical inputs or assumptions.

2. **Annual Reporting.** The Adviser must provide at least annually, in writing, to the Board, an assessment of the adequacy and effectiveness of the Adviser's process for determining the fair value of the designated portfolio of investments. This annual report must include:

   a. A summary of the results of the testing of fair value methodologies, including the identification and minimum frequency of the testing methods used; and
   b. An assessment of the adequacy of resources allocated to the process for determining the fair value of designated investments, including any material changes to the roles or functions of the persons responsible for determining fair value.

3. **Prompt Notification of Material Events.** The Adviser must provide the Company and its Board with a written notification of the occurrence of matters that materially affect the fair value of the designated portfolio of investments no later than five (5) business days after the Adviser becomes aware, including notification by a third party of a material matter. Material matters include:

   a. A significant deficiency or material weakness in the design or effectiveness of the valuation designee's fair value determination process; or
   b. Material errors in the calculation of net asset value.

   The Adviser must provide any follow-on reporting related to such matters as the Board may request.

H. Recordkeeping

The Adviser shall maintain appropriate documentation with respect to determinations of fair value to enable the Board and the SEC to review the determinations. Pursuant to Rule 31a-4 under the 1940 Act, the Fund shall maintain:

a. appropriate documentation to support fair value determinations made pursuant to the procedures for at least six years from the time that the determination was made, the first two years in an easily accessible place;
b. The reports and other information provided to the Board for at least six years after the end of the fiscal year in which the documents were provided to the Board, the first two years in an easily accessible place; and
c. A specified list of the investments or investment types whose fair value determination has been designated to the Adviser to perform pursuant to the procedures for a period beginning with the designation and ending at least six years after the end of the fiscal year in which the designation was terminated, in an easily accessible place until two years after such termination.

I. <u>Ongoing Review of the Portfolio Valuation Guidelines and Procedures</u>

These Portfolio Valuation Guidelines and Procedures will be reviewed at least annually by the Adviser and revised as deemed necessary or appropriate. Any proposed revisions will be presented to the Board of Directors for approval at the next regularly scheduled meeting.

Revised and Re-Approved September 22, 2022