

Investor Report

30 November 2023

CQS Natural Resources Growth and Income Fund

Key Fund Facts¹

Fund Managers	Ian 'Franco' Francis Keith Watson Robert Crayfourd
Launch Date	August 2003
Total Gross Assets	£147.66m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 199.82p Mid-Market Price: 175.00p
Dividend Yield (estimated)	3.2%
Net gearing ⁴	7.6%
Discount	(12.42%)
Ordinary Shares in Issue	66,888,509
Annual Management Fee	1.2% on adjusted net assets
Bloomberg	CYN LN
Reuters	CYN.L
Sedol	0035392
Year End	30 June
Contact Information	contactncim@cqsm.com
Company Broker	FinnCap 020 7220 0500
AGM	December
Dividend Information 2023/24	1.26p interim paid 27 November 2023
Fiscal Year-End	30 June
Previous Dividend Information	2012/13 Total 5.50p 2013/14 Total 5.60p 2014/15 Total 5.60p 2015/16 Total 5.60p 2016/17 Total 5.60p 2017/18 Total 5.60p 2018/19 Total 5.60p 2019/20 Total 5.60p 2020/21 Total 5.60p 2021/22 Total 5.60p 2022/23 Total 8.60p
Investor Report	Monthly Factsheet
Annual Report & Accounts	Published: October
Results Announced	Finals: October Interims: March

Please see page 2 for footnotes.



Portfolio Managers

Ian Francis, Keith Watson and Robert Crayfourd

Fund Description

The Fund aims to generate capital growth and income, predominantly from a portfolio of mining and resource equities, and from mining, resource and industrial fixed interest securities.

Key Advantages for the Investor

- Access to under-researched, mid and smaller-cap companies in the Natural Resources sector
- Quarterly dividend paid to shareholders
- Potential inflation hedge

Ordinary Share and NAV Performance²

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Year (%)	5 Year (%)	Since Inception (%)
NAV	(0.4)	(3.4)	6.1	(14.8)	80.7	122.2	593.7
Share Price	7.5	3.9	5.3	(8.9)	93.4	143.2	589.2

Commentary³

The US Federal Open Market Committee (FOMC) minutes from the October meeting showed a unanimous agreement that policy decisions would remain data-dependant. However, with economic indicators pointing towards ebbing inflationary pressures, expectations moved to anticipate a pause in rate increases until March and some easing thereafter. Similarly, minutes from the European Central Bank's (ECB) September meeting showed that all members agreed to keep ECB interest rates at their current levels. Removing a drag on economic growth, the more dovish outlook provided a firmer footing for commodities. In addition, news of a possible bailout of troubled Chinese property developer, Country Garden, provided support for industrial metals. Iron ore prices remained resilient, rising 5.5%, while LME copper futures gained 4.4%.

The gold price gained 2.6% to finish the month at \$2,038/oz, close to its all-time high, while silver rose 10.6% over the month. Sentiment towards precious metal equities, which have been trading near record low price to NAV multiples, improved markedly as reflected by the 11% rise in the Philadelphia Gold and Silver Index. In addition to the strong relative performance, the Fund added to positions in Karora Resources and Ora Banda, both with gold mines in Australia. Precious metal exposure currently stands at 24.5%.

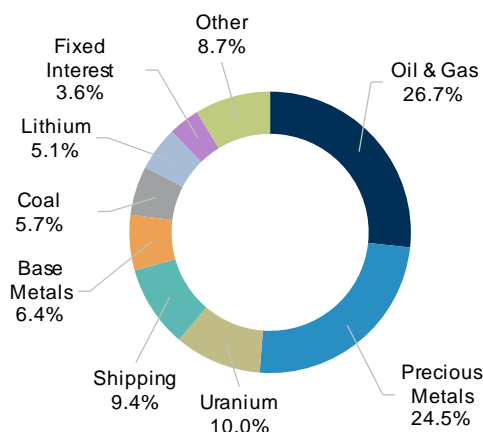
The performance of energy commodities lagged that of metals, and the collective exposure to related E&P from base metal miners offset the strong positive contributions from precious metal equities. Crude prices fell 5-6% after OPEC delayed a scheduled in-person meeting, holding a remote meeting four days later, due to disagreements on how any further cuts would be allocated. Nigeria and Angola were cited as those opposing their reduced output allocations. This raised questions as to OPEC's ability to enforce future production quotas, if required, to balance the market. Mild northern hemisphere temperatures together with high winter gas inventories caused near-term gas prices to fall. In Europe, which has yet to see any meaningful draw on winter inventories, benchmark gas prices fell 11%, weighing on the share price of Vermilion which has exposure to the region's gas market. The Fund continues to hold a large energy weighting, partly due to the belief that the oil market should tighten through next year, but also due to energy stocks trading at attractive discounted levels that we believe offer some protection against this volatility.

Uranium miners were strong performance contributors ahead of the COP28 climate conference, at which nuclear power's role was expected to figure significantly. With a 4% sterling share price sustaining its positive momentum, Nexgen, a company with ownership of a high-grade undeveloped uranium mine in Saskatchewan Canada, became the Fund's largest position. Nexgen was boosted by First Nation support, a provincial permit, and an expected federal permit - due in the next 12 months. Permitting timelines are never certain, but the high quality of this asset, completed environmental work and the global significance of the project's future uranium supply make this much lower risk than a typical mining project.

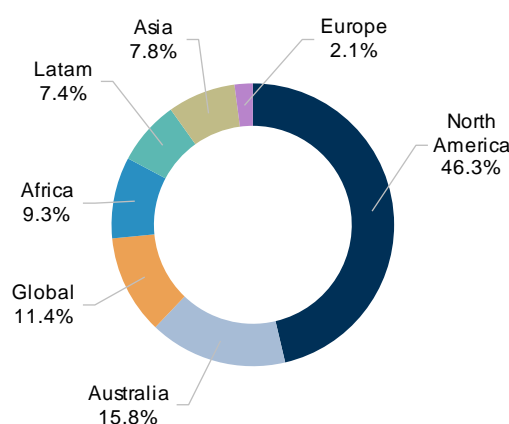
Sterling's 3.9% strengthening against the dollar dragged overall performance and the Fund NAV consequently closed the month little changed at 199.8p. Early in the month, positions in Precision Drilling and BWLPG were reduced and the residual position in First Quantum was sold. While the Fund increased exposure to Karora and Ora Banda, the holdings of Emerald Resource and West African Resources were trimmed.

Portfolio Analysis¹

Sector



Region



Top 20 Holdings (% of MV)^{1,7}

Name	(% of MV)
NEXGEN ENERGY NPV	7.1
BW LPG USD0.01	5.6
EMERALD RESOURCES NPV	4.7
TRANSOCEAN USD0.01	4.5
PRECISION DRILLING COM NPV	4.0
DIAMONDBACK ENERGY USD0.01	4.0
VERMILION ENERGY COM NPV	3.2
DIVERSIFIED ENERGY GBP0.01	3.0
EOG RESOURCES USD0.01	2.9
FRONTLINE USD1.0000	2.7
Top 10 Holdings Represent	41.6

Name	(% of MV)
REA HLDGS 9% CUM PREF GBP1	2.6
KARORA RESOURCES NPV	2.6
LEO LITHIUM NPV	2.5
FORAN MINING CORP NPV	2.4
WEST AFRICAN RESOURCES NPV	2.4
LYNAS RARE EARTHS NPV	1.8
PEABODY ENERGY CORP NPV	1.7
THUNGELA RESOURCES NPV	1.7
ORA BANDA MINING NPV	1.7
SIGMA LITHIUM CORP NPV	1.6
Top 20 Holdings Represent	62.5

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ⁵	Commitment Leverage (%) ⁶
CQS Natural Resources Growth and Income	110	110

Sources: ¹CQS as at the last business day of the month indicated at the top of this investor report. ²Total return performance net of fees and expenses as at the last business day of the month indicated at the top of this investor report. ³All market data sourced from Bloomberg unless otherwise stated. All returns quoted in local currency unless otherwise stated. The Company may since have exited some or all of the positions detailed in the commentary. ⁴CQS as at the last business day of the month indicated at the top of this investor report. ⁵CQS, as at the last business day of the month indicated at the top of this investor report. 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. ⁶CQS as at the last business day of the month indicated at the top of this investor report. 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. ⁷All holdings data are rounded to one decimal place. Totals may therefore differ to sum of constituents. 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 legal notice at the end of this document.

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PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv11.

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