

Investor Report

30 June 2024

CQS Natural Resources Growth and Income PLC (the “Company”)

Key Facts¹

Portfolio Managers	Ian 'Franco' Francis Keith Watson Robert Crayfoud
Launch Date	August 2003
Total Gross Assets	£155.7m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 209.57p Mid-Market Price: 189.00p
Dividend Yield (est.)	3.6%
Net gearing ⁴	10.0%
Discount	(9.81%)
Ordinary Shares in Issue	66,159,952
Annual Management Fee	1.2% p.a. on net assets up to £150 million 1.1% p.a. on net assets over £150 million and up to £200 million 1.0% p.a. on net assets over £200 million and up to £250 million 0.9% p.a. on net assets greater than £250 million
Bloomberg	CYN LN
Reuters	CYN.L
Sedol	0035392
Year End	30 June
Contact Information	CQSClientServices @cqsm.com
Company Broker	Cavendish Capital Markets Limited 020 7220 0500
AGM	December
Dividend Information 2023/24	1.26p interim paid 27 Nov 2023 1.26p interim paid 23 Feb 2024 1.26p interim paid 28 May 2024 1.82p interim payable 2 Sep 2024 1.00 special interim payable 2 Sep 2024
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



Portfolio Managers

Ian Francis, Keith Watson and Robert Crayfoud

Description

The Company 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	(7.7%)	5.1%	3.7%	7.2%	33.7%	118.7%	636.6%
Share Price	(4.1%)	11.0%	16.2%	17.1%	34.0%	167.0%	638.5%

Commentary³

The gold price remained steady on the month, holding May gains at around the \$2,400/oz level, close to all-time highs, although the mining stocks were softer.

We continue to hold a large weighting in precious metal miners. We believe that the higher gold prices in the second quarter and the easing of cost inflation prices for producers could enhance their earnings when reported. Gold strength year-to-date was initially driven by strong Chinese retail demand with Chinese gold continuing to trade at a premium, drawing imports from the West despite the Chinese central bank reporting a pause in additions through May and June.

Through June, Western demand has started to pick up. A key indicator is that the physical ETF holdings are now showing some additions after steady selling for two years. This is likely due to easing inflationary pressures enhancing expectations of interest rate cuts this year. With Chinese demand resilient, Western demand recovering and the combination of the gold price at all-time highs yet the miners close to all-time lows on price to NAV multiples, we believe the risk-reward profile is attractive.

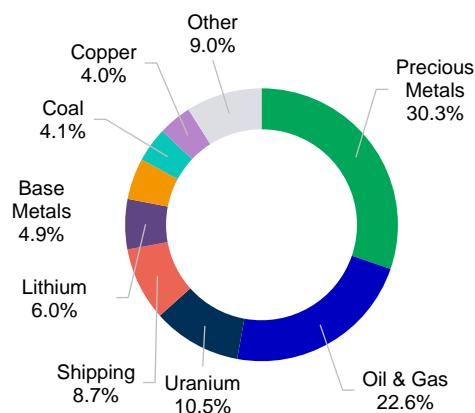
Although oil prices were stronger, supporting energy names, we believe there are less obvious near-term upside catalysts over the summer, despite attractive valuations in the sector. This is because Chinese demand has effectively fully recovered post-Covid and Middle Eastern tensions are easing with talks of an Israeli/Hamas ceasefire. In addition, the prospect of stricter Iranian sanctions appears to be muted until after the November US elections as the Biden administration is incentivised to avoid inflationary pressures. We reduced the energy exposure over the month but remain positive on longer term constrained supply fundamentals.

Base metals were weaker during the month, partly due to underwhelming Chinese economic data and continued softening in the property sector. The Company continues to hold a low exposure to base metals for these reasons, although we believe the premium valuations implied by the mining equities is unjustified against that backdrop. Having said this, we remain positive on the medium-term fundamentals in copper and have increased our investment in Solaris, an Ecuadorian copper developer which we believe is currently undervalued.

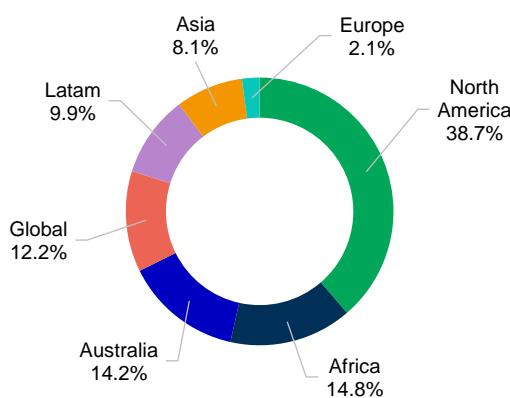
For the Company, we bought Robex Resources via a placement with a full warrant over the month. We believe Robex has an attractive gold development mine in Guinea with a new strong mine-building team that, in our opinion, offers significant scope to rerate.

Portfolio Analysis^{2,3}

Sector



Region



Top 20 Holdings (% of MV)^{2,3}

Name	(% of MV)
NEXGEN ENERGY NPV	7.1
EMERALD RESOURCES NPV	5.1
BW LPG USD0.01	4.5
WEST AFRICAN RESOURCES NPV	3.9
DIAMONDBACK ENERGY USD0.01	3.7
TRANSOCEAN USD0.01	3.6
FRONTLINE USD1.0000	3.3
KARORA RESOURCES NPV	3.2
EOG RESOURCES USD0.01	2.8
REA HLDGS 9% CUM PREF GBP1	2.7
Top 10 Holdings Represent	39.8

Name	(% of MV)
VERMILION ENERGY COM NPV	2.6%
DIVERSIFIED EN CO GBP 0.2	2.6%
ORA BANDA MINING NPV	2.6%
TAMBORAN RESOURCES CORP CDI NPV	2.3%
LEO LITHIUM NPV	2.2%
CALIBRE MINING CORP NPV	2.0%
FORAN MINING CORP NPV	1.9%
THUNGELA RESOURCES NPV	1.7%
LYNAS RARE EARTHS NPV	1.5%
PEABODY ENERGY CORP NPV	1.5%
Top 20 Holdings Represent	60.6

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ⁴	Commitment Leverage (%) ⁵
CQS Natural Resources Growth and Income	112	112

Sources: ¹All 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. ²Manulife | CQS Investment Management as at the last business day of the month indicated at the top of this investor report. ³All holdings data are rounded to one decimal place. Totals may therefore differ to sum of constituents. ⁴Manulife | CQS Investment Management, 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. ⁵Manulife | CQS Investment Management 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. 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.

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