

Investor Report

30 June 2024

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

Key Facts¹

Portfolio Managers	Ian ‘Franco’ Francis Keith Watson Robert Crayfourd
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 Crayfourd

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.

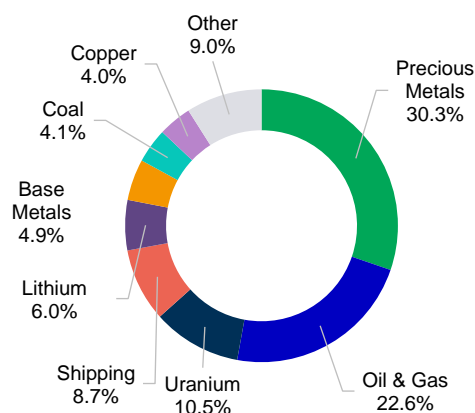
For the Company, we bought Robex Resources via a placement with a full warrant over the month. We believe Robex has an attractive gold development mine in Guinea with a new strong mine-building team that, in our opinion, offers significant scope to re-rate.

Sources: ¹Manulife | CQS Investment Management 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.

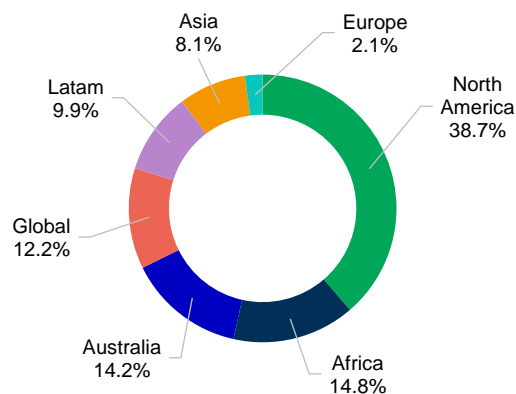
Monthly Investor Report – CQS Natural Resources Growth and Income PLC – June 2024

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.

Monthly Investor Report – CQS Natural Resources Growth and Income PLC – June 2024

Important Information

Manulife | CQS Investment Management is a trading name of CQS (UK) LLP which is authorised and regulated by the Financial Conduct Authority. This document has been issued by CQS (UK) LLP and/or CQS (US), LLC which is a registered investment adviser with the US Securities and Exchange Commission. The term “CQS” or “Manulife | CQS Investment Management” as used herein may include one or more of CQS (UK) LLP, CQS (US), LLC or any other affiliated entity. The information is intended solely for sophisticated investors who are (a) professional investors as defined in Article 4 of the European Directive 2011/61/EU or (b) accredited investors (within the meaning given to such term in Regulation D under the U.S. Securities Act of 1933, as amended) and qualified purchasers (within the meaning given to such term in Section 2(a)(51) of the U.S. Investment Company Act 1940, as amended). This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation.

Manulife | CQS Investment Management is a wholly owned subsidiary of Manulife Investment Management (Europe) Limited.

This document is a marketing communication prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares or interests in any fund or investment vehicle managed or advised by CQS (a “CQS Fund”) or any other security, commodity, financial instrument, or derivative; or (iv) an offer to enter into any other transaction whatsoever (each a “Transaction”). Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and appropriateness of such Transaction in light of your circumstances. Any decision to enter into any Transaction should be based on the terms described in the relevant offering memorandum, prospectus or similar offering document, subscription document, key investor information document (where applicable), and constitutional documents and/or any other relevant document as appropriate (together, the “Offering Documents”). Any Transaction will be subject to the terms set out in the Offering Documents and all applicable laws and regulations. The Offering Documents supersede this document and any information contained herein. The Offering Documents for CQS UCITS range of funds is available [here](https://www.cqs.com/ucits-funds/global-convertibles) (<https://www.cqs.com/ucits-funds/global-convertibles>) in English (US persons will not be eligible to invest in CQS managed UCITS funds save to the extent set out in the relevant Offering Document). A copy of CQS’ Complaints Policy, which sets out a summary of investors’ rights, is available [here](http://www.cqs.com/site-services/regulatory-disclosures) (www.cqs.com/site-services/regulatory-disclosures) in English. CQS may terminate the arrangements for marketing or distribution of any CQS Fund at any time.

Nothing contained herein shall give rise to a partnership, joint venture or any fiduciary or equitable duties. The information contained herein is provided on a non-reliance basis, not warranted as to completeness or accuracy, and is subject to change without notice. Any information contained herein relating to any non-affiliated third party is the sole responsibility of such third party and has not been independently verified by CQS. The accuracy of data from third party vendors is not guaranteed. If such information is not

accurate, some of the conclusions reached or statements made may be adversely affected. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives accept any liability whatsoever for any errors or omissions or any loss howsoever arising from the use of this document.

Information contained in this document should not be viewed as indicative of future results as past performance of any Transaction is not indicative of future results. Any investment in a CQS Fund or any of its affiliates involves a high degree of risk, including the risk of loss of the entire amount invested. The value of investments can go down as well as up. Don’t invest unless you’re prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Investments may lead to a financial loss if no guarantee on the capital is in place. An investment in any CQS Fund will involve a number of material risks which include, without limitation, risks associated with adverse market developments, currency and exchange rate risks, risk of counterparty or issuer default, and risk of illiquidity. Any assumptions, assessments, targets (including target returns and volatility targets), statements or other such views expressed herein (collectively “Statements”) regarding future events and circumstances or that are forward looking in nature constitute CQS’ subjective views or beliefs and involve inherent risk and uncertainties beyond CQS’ control. Any indices included in this document are for illustrative purposes only and are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). Unless stated to the contrary CQS Funds are not managed to a specific index.

The information contained herein is confidential and may be legally privileged and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates. Unless otherwise stated to the contrary herein, CQS owns all intellectual property rights in this document.

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

GMv12.

L1220618 / 06.24

CQS (UK) LLP

4th Floor, One Strand, London WC2N 5HR, United Kingdom

T: +44 (0) 20 7201 6900 | F: +44 (0) 20 7201 1200

CQS (US), LLC

152 West 57th Street, 40th Floor, New York, NY 10019, US

T: +1 212 259 2900 | F: +1 212 259 2699

✉ CQSClientservices@cqsm.com  www.cqs.com  Follow us

Signatory of:

