Investor Report

31 July 2024

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

Key Facts[1]

Portfolio Managers	Ian ‘Franco’ Francis Keith Watson Robert Crayfourd
Launch Date	August 2003
Total Gross Assets	£154.4m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 210.19p Mid-Market Price: 184.50p
Dividend Yield (est.)	3.6%
Net gearing[4]	11.5%
Discount	(10.9%)
Ordinary Shares in Issue	65,845,156
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 Performance[2]

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Year (%)	5 Year (%)	Since Inception (%)
NAV	0.3%	(1.7%)	9.0%	1.2%	36.0%	111.9%	638.7%
Share Price	(2.4%)	(0.3%)	17.6%	6.0%	46.3%	147.8%	620.9%
MSCI World Energy Sector Index[3]	0.3%	(2.2%)	10.9%	11.7%	108.5%	62.8%	543.8%
MSCI World Metals & Mining Index[3]	(0.8%)	(4.0%)	4.4%	2.2%	21.4%	72.5%	479.4%

Commentary[4]

Gold gained 5.2% over the month and reached new all-time highs intra-month of $2,483/oz. The Company remains heavily weighted to gold miners as we believe higher gold prices should feed through to improved earnings for the sector and the potential easing of cost inflation pressures could translate to increased profitability.

It was a weaker month for base metals as Chinese growth disappointed and property prices continue to decline. China’s third plenum policy meeting provided little stimulative measures to add support. Warehouse inventories, such as copper, continue to increase. This indicates soft demand but also adds further downside price risk. We continue to hold low weighting to copper producers as we don’t believe this near-term dynamic is implicit in valuations. We also continue to avoid Iron ore.

Energy gained with rising risk premiums applied to crude oil as Middle Eastern tensions increased after the assassination of Hamas leaders in Iran and Lebanon. The Company continues to hold a sizeable weighting to energy but has reduced exposure slightly to protect against near-term volatility as global data indicates a slowing economy.

Ahead of the US November election, Biden stepping down left Kamala Harris, his current Vice President, as the Democrat candidate. Trump has been a favourite in most polls as of the end of July, but in the current economic and geopolitical climate much could happen before November. For commodities, the implications of a Trump presidency would be pro energy (Democrats are viewed as more restrictive in this regard) and pro-tariffs, particularly on Chinese imports which would weigh on Chinese growth, slowing commodity demand.

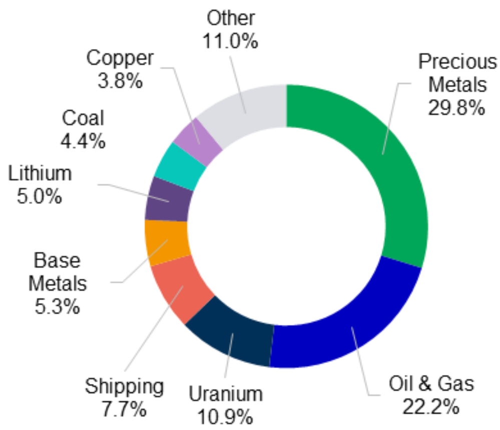
Uranium equities were softer after Kazatomprom raised its 2024 production guidance by 6%, largely recouping recent downgrades. Kazatomprom’s 2025 production guidance will come with the H1 results in late August. The underlying U3O8 price ended the month down around 1.7% while uranium mining equities, including Nexgen, slipped around 3.5%.

Over the month, positions were reduced in crude shipper Frontline, US onshore E&P producer Diamondback as well as Diversified Gas and Oil. Some proceeds were reinvested into a placing by uranium developer Ur-Energy, which is close to re-commencing production from its in-situ projects in the US.

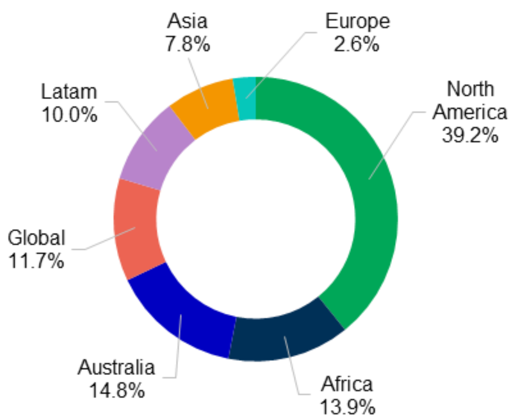
Sources: [1]Manulife | CQS Invesment Management as at the last business day of the month indicated at the top of this investor report. [2]Total return performance net of fees and expenses as at the last business day of the month indicated at the top of this investor report. [3]Source: MSCI is total return. [4]All 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.

Portfolio Analysis[2,3]

Sector



Region



Top 20 Holdings (% of MV) [2,3]

Name	(% of MV)
NEXGEN ENERGY NPV	6.6
EMERALD RESOURCES NPV	4.8
BW LPG LTD USD 0.0100	3.8
TRANSOCEAN USD0.01	3.8
WEST AFRICAN RESOURCES NPV	3.7
KARORA RESOURCES NPV	3.3
ORA BANDA MINING NPV	3.2
DIAMONDBACK ENERGY USD0.01	3.1
FRONTLINE USD1.0000	2.9
UR ENERGY NPV	2.9
Top 10 Holdings Represent	**38.2**

Name	(% of MV)
DIVERSIFIED EN CO GBP 0.2	2.9
EOG RESOURCES USD0.01	2.7
REA HLDGS 9% CUM PREF GBP1	2.7
VERMILION ENERGY COM NPV	2.5
TAMBORAN RESOURCES CORP CDI NPV	2.3
CALIBRE MINING CORP NPV	2.2
LEO LITHIUM NPV	2.1
WHEATON PRECIOUS METALS CORP	2.0
THUNGELA RESOURCES NPV	1.8
FORAN MINING CORP NPV	1.8
Top 20 Holdings Represent	**61.0**

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%)[4]	Commitment Leverage (%)[5]
CQS Natural Resources Growth and Income	114	114

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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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