

Investor Report

30 August 2024

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

Key Facts¹

Portfolio Managers	Ian ‘Franco’ Francis Keith Watson Robert Crayford
Launch Date	August 2003
Total Gross Assets	£145.1m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 200.47p Mid-Market Price: 177.50p
Dividend Yield (est.)	3.8%
Net gearing ⁴	10.8%
Discount	(11.5%)
Ordinary Shares in Issue	65,265,301
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 2023/24 Total 6.60p
Investor Report	Monthly Factsheet
Annual Report & Accounts Published:	October
Results Announced	Finals: October Interims: March



Portfolio Managers

Ian Francis, Keith Watson and Robert Crayford

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	(3.3%)	(10.4%)	9.9%	(0.5%)	29.6%	109.9%	614.4%
Share Price	(2.3%)	(8.5%)	19.4%	6.2%	46.8%	163.2%	604.2%
MSCI World Energy Sector Index ³	(2.9%)	(3.8%)	5.0%	4.8%	102.1%	69.4%	524.0%
MSCI World Metals & Mining Index ³	(2.4%)	(7.8%)	7.0%	5.2%	23.2%	77.9%	465.6%

Commentary⁴

Including a 1.82p final quarter dividend and a 1p special, the Fund's total return was (3.3%) over August. As market sentiment turned more pessimistic about the outlook for broader economic demand, evidenced by manufacturing PMI data in many regions, most commodities were pressured over the month.

Gold was a notable exception. Prices ended August around 7% higher as investment allocations remained positive. This was illustrated by the continued additions to physically backed ETF holdings, which grew for a third consecutive month. Financial sector interest may have an important influence on gold pricing ahead of an anticipated US Fed rate-cutting cycle as inflationary pressures ease and employment markets cool. Uncertainties around US elections add to the supportive backdrop for safe-haven assets.

Related equities performed well. Positive earnings trends were evident during the second quarter reporting season, as producers showed improved cost management and margin expansion. Higher gold prices and easing cost inflation pressures fed through.

The Fund continues to be weighted towards precious metal miners due to their attractive valuations and improved earnings outlook.

Iron ore, in which the fund has zero weight, fell by over 8%, weighed down by ongoing market pressures, as reported by major steel producer China Baowu Group and miner BHP. Both companies highlighted a weak demand outlook from China's soft property market alongside regulatory changes, which have tightened the specification of some products such as rebar, used in construction, with disposal of such obsolete inventory further pressuring the market's already poor pricing conditions. Implied Chinese steel mill margins remain negative, suggesting that iron ore demand will remain subdued. Policies to ease China's property crisis latterly focused on converting excess housing inventory into social housing, are proving ineffective as evidenced by limited local government uptake of finance made available for this purpose which is hampered by poor returns limiting their motivation to participate in social housing programmes.

Base metals slipped to a lesser degree, with London Metal Exchange copper prices ending the month at around 4% lower.

Crude oil dropped over the month, with Brent and WTI benchmarks losing nearly 12% and 9% respectively. Despite ongoing Middle Eastern tension as truce talks between Israel and Palestine broke down and with Hezbollah stepping up attacks on Israel following the assassination of high-level Hamas commanders, soft Chinese demand concerns weighed on the oil market.

Sources: 1 Manulife | CQS Investment 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.

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

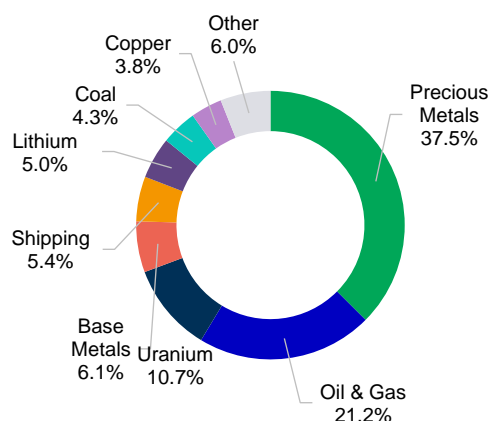
Commentary (continued)

Regional gas markets showed a sharp divergence in price moves. Despite EU gas storage reaching over 90% capacity, well ahead of the regulated November deadline for the coming winter, Ukraine's incursion into the Kursk region of Russia nevertheless helped drive European Liquid Natural Gas (LNG) prices up by 17% during the month. With increased competition for seaborne cargos, Asian LNG prices rose over 12% during the month. This contrasted with US benchmark prices which fell an equivalent amount through with warm weather and high by-product output from record Permian basin activity, weighing on the Henry Hub benchmark price.

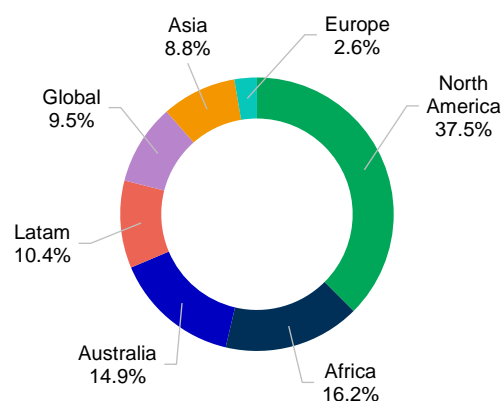
Australian Gold producer Ora Banda saw strong gains as it expanded production, gaining nearly 32% over the month. Completion of Westgold's merger with Karora, alongside positive operational updates, helped drive a 16% rise in the share price of the enlarged group aided by wider index inclusion. These contributions were offset by declines registered by offshore rig leaser Transocean, US gas producer and aggregator Diversified Energy and uranium mine developer Nexgen whose share prices declined 13%, 19% and 30% respectively during August.

Portfolio Analysis^{2,3}

Sector



Region



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

Name	(% of MV)
NEXGEN ENERGY NPV	6.2
EMERALD RESOURCES NPV	5.6
ORA BANDA MINING NPV	4.4
WEST AFRICAN RESOURCES NPV	3.8
WESTGOLD RESOURCES NPV	3.6
REA HLDGS 9% CUM PREF GBP1	3.2
TRANSOCEAN USD0.01	3.2
BW LPG LTD USD 0.0100	3.2
TAMBORAN RESOURCES CORP CDI NPV	3.0
UR ENERGY NPV	2.8
Top 10 Holdings Represent	39.0

Name	(% of MV)
DIVERSIFIED EN CO GBP 0.2	2.5
EOG RESOURCES USD0.01	2.5
REA HLDGS 9% CUM PREF GBP1	2.4
VERMILION ENERGY COM NPV	2.4
TAMBORAN RESOURCES CORP CDI NPV	2.2
CALIBRE MINING CORP NPV	2.2
LEO LITHIUM NPV	2.0
WHEATON PRECIOUS METALS CORP	1.9
THUNGELA RESOURCES NPV	1.9
FORAN MINING CORP NPV	1.9
Top 20 Holdings Represent	60.9

0

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ⁴	Commitment Leverage (%) ⁵
CQS Natural Resources Growth and Income	113	113

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

MSCI Disclaimer: Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if **notified of the possibility of such damages.**

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

GMv12.

G1255658 / 09.24

CQSClientService@cqsm.com | www.cqs.com

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

Signatory of:

