

28 February 2025

Investor Report

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	£137.8m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 194.52p Mid-Market Price: 181.00p
Dividend Yield (est.)	3.6%
Net gearing ⁴	8.2%
Discount	(6.9%)
Ordinary Shares in Issue	64,157,838
Ongoing Charge Ratio	2.00%
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 2024/25	1.26p interim paid 22 Nov 2024 1.26p interim payable 28 February 2025
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 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	(6.6)	(6.2)	(1.8)	7.9	3.4	150.2	601.5
Share Price	(1.9)	(9.8)	3.3	23.4	17.1	211.3	627.7
MSCI World Energy Sector Index ³	1.6	(1.6)	3.5	8.7	46.2	113.1	546.2
MSCI World Metals & Mining Index ³	(0.3)	(3.4)	(1.4)	5.4	3.7	98.4	457.7

Commentary⁴

The escalation in the US-led application of trade tariffs, as Canada and Mexico implemented retaliatory measures, weighed on broader investor sentiment over the month. Equity markets reacted negatively to the proposals, which are seen as exacerbating uncertainty and deterring corporate investment, whilst also acting as a drag on growth by raising goods prices in the US. Whilst the effects have been reflected in the widening regional price premiums paid for steel and aluminium in the US, the disruption also affected the price of copper in the US. The country imports significant quantities of copper and the risk of tariffs being applied prompted COMEX futures to open up a 10% premium to London Metal Exchange (LME) benchmark price. Though the widening price spread saw some trader arbitrage activity, which acted to lift LME copper futures around 4% over the month, copper mining equities were largely unaffected and ended the month little changed. Elsewhere, iron ore prices closed February unchanged with well flagged steel tariffs having little impact on benchmark prices in China and little news emerging on possible economic stimulus from the government.

Against the backdrop of increasing stagflation risks, the Company retains a healthy exposure to “safe haven” precious metal equities which represents the portfolio’s largest allocation currently. Despite the gold price ending February with a 2.1% gain, having reached a new all-time high of \$2,956/oz intra-month, precious metal mining stocks pulled back into February-end, consolidating from their strong prior month gains. We believe the tariff-led uncertainty remains a supportive consideration for investor diversification and further allocation into defensive assets such as gold. This is evident with the pick-up in buying by physically-backed ETFs. Mining equities have not reflected the operational leverage to the strong gold price momentum and in our opinion continue to look attractively valued, trading at some of the lowest earnings multiples on record at the current spot price.

Energy prices softened over the month with benchmark prices slipping nearly 5% ahead of the scheduled OPEC+ gathering in early March. This was in anticipation that the petroleum-producing countries could commence the unwinding of their voluntary production quotas. In addition, news that US President Trump and Russian President Putin could meet in Saudi Arabia raised the possibility of an end to conflict in the Ukraine and that sanctions against Russian energy exports could be lifted. Partially offsetting this, the US Treasury outlined intentions to reduce Iran’s oil exports by more than 90%, equivalent to the potential rise in OPEC+ output of around 2Mbpod, with Trump seeking to exert “maximum economic pressure” on the Tehran government. While ‘exploration, development and production’ equities declined modestly, crude shippers and offshore drillers, which could in fact benefit from increased OPEC+ activity and rising export volumes, also declined a similar amount. The possibility of energy tariffs on imports of natural gas from Canada affected sentiment in this market. This came against a backdrop of a cold snap and lower-than-normal regional gas inventories. Henry Hub prices consequently gained nearly 25%. This contrasted with declines in Europe, which fell 25%, again potentially reflecting the possibility of a loosening of Russian gas exports while Asian liquefied natural gas (LNG) prices declined by a more modest 5%. Uranium equities came under considerable pressure as concerns over a possible reversal in the ban on importation of Russian supply weighed, though U3O8 (Uranium) prices did not react to the news.

Sources: 1 Manulife | CQS Investment Management and Frostrow LLP 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.

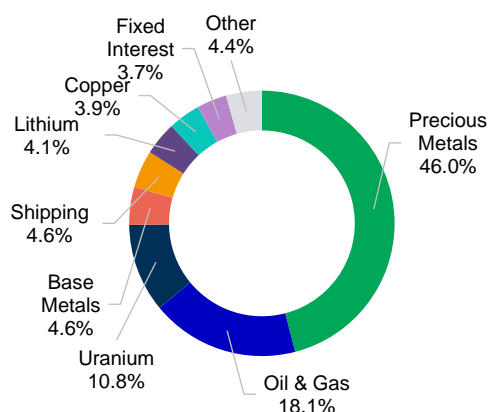
Monthly Investor Report – CQS Natural Resources Growth and Income PLC – February 2025

Commentary (continued)

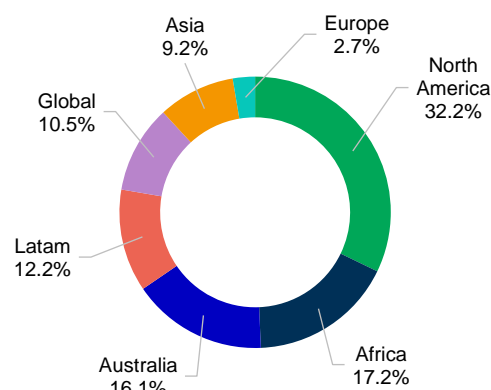
Overall, the Company NAV declined 6.6% with the uranium exposure acting as a drag to performance. The share price of Nexgen fell nearly 20% over the month, similar to share price declines across the wider uranium mining sector. After strong prior month gains, gold equities retreated, while sterling also strengthened nearly 1.5% against the US dollar reference currency, which both weighed on performance.

Portfolio Analysis^{1,2}

Sector



Region



Top 20 Holdings (% of MV)^{1,2}

Name	(% of MV)
NEXGEN ENERGY NPV	6.1
EMERALD RESOURCES NPV	5.7
ORA BANDA MINING NPV	5.7
WEST AFRICAN RESOURCES NPV	4.4
TAMBORAN RESOURCES CORP CDI NPV	4.1
CALIBRE MINING CORP NPV	3.4
REA HLDGS 9% CUM PREF GBP1	3.3
BW LPG LTD USD 0.0100	2.6
UR ENERGY NPV	2.6
GREATLAND GOLD GBP0.001	2.5
Top 10 Holdings Represent	40.4

Name	(% of MV)
DIAMONDBACK ENERGY USD0.01	2.3
VERMILION ENERGY COM NPV	2.3
TRANSOCEAN USD0.01	2.3
WHEATON PRECIOUS METALS CORP	2.0
WESTGOLD RESOURCES NPV	1.9
FRONTLINE USD1.0000	1.9
LYNAS RARE EARTHS NPV	1.8
EQUINOX GOLD CORP NPV	1.8
FORAN MINING CORP NPV	1.7
EOG RESOURCES USD0.01	1.6
Top 20 Holdings Represent	60.0

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ³	Commitment Leverage (%) ³
CQS Natural Resources Growth and Income	109	109

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

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