

30 April 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	£141.8m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 200.84p Mid-Market Price: 192.00p
Dividend Yield (est.)	3.4%
Net gearing ⁴	8.1%
Discount	(4.4%)
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	CQSClientservice@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 paid 28 February 2025 1.26 interim payable on 30 May 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	(0.8)	(3.6)	(5.7)	(3.6)	(6.3)	179.9	624.3
Share Price	2.7	4.1	(0.2)	6.8	(2.9)	236.6	672.0
MSCI World Energy Sector Index ³	(14.1)	(10.8)	(8.2)	(13.7)	13.4	124.4	467.1
MSCI World Metals & Mining Index ³	(1.5)	(2.5)	(6.8)	(9.6)	(5.5)	82.0	445.2

Commentary⁴

Market sentiment remains extremely sensitive to news headlines regarding US President Trump's trade policies. In this regard, April was marked by continued high volatility following a slew of new tariffs announced early in the month. Despite this, and a 3% strengthening of sterling versus the dollar, the Company NAV ended the month largely unchanged. The Company's large weighting to precious metals helped defend against softness in more economically-led commodities. We continue to have a high conviction on the gold miners given US trade uncertainty will likely drive further flows from Central Banks into gold. The mining companies remain attractively valued versus historic earnings multiples and free cash flow, which was further evidenced by sector company reporting. We believe generalists continue to have limited exposure to the sector, either via physical or the mining equities. Inflows from generalist funds remains a key catalyst we look for to drive further gains and a catch up from the mining companies. Q1 reporting has supported our belief that cost inflation pressures remain limited and thus the sector can continue to sustain the current high margins even before any further upside in gold pricing.

Tariffs will likely deter investment following a period of elevated activity supporting our low weighting to economically sensitive copper and oil, although for oil at least valuations are approaching a level that may be close to pricing this in and see us begin to reallocate back. However, because industries worldwide sought to mitigate the effects of tariffs with pre-emptive inventory building, their impact is only just starting to feed through to fundamental economic data. Consumer purchases have begun to slow and businesses are reassessing discretionary capex as they wait and see where tariff levels settle. In the US, Q1 GDP dipped into contraction following a rise in its trade deficit during March, while China's manufacturing PMI slipped back into contraction in April. The slowdown is filtering into global growth estimates; after downgrading US GDP growth forecasts, from 2.1% to 1.7% for 2025, the US Fed's April commentary attested to the risks from stagflation and rising unemployment. We see further downside risks to economic data and thus continue to believe the large precious metal weighting remains the best exposure over the next few months.

The US administration's policies look to be inhibiting growth, straining international relations, complicating central bank monetary policy and undermining confidence in the President. How long these self-inflicted pressures can persist also remains uncertain as more pain may need to show in data in order to bring about an easing of the current headline framework. Furthermore, the manner in which US policies have been implemented may have longer lasting effects, both on the speed and extent with which the new equilibrium is restored after this jolt. Of note, the shake out has prompted a reappraisal of risks and US treasuries are no longer seen as the “risk free” assets they were. In such an environment, central banks may continue adding gold to reserves and an allocation to “safe haven” assets remains preferred in the Company. Indeed, the gold price rose over 5% in April and the outlook for robust earnings continues to highlight attractive valuations of related equities. This environment contributed positively to the Company's returns over the month, notably from Greatland Gold and Emerald Resources.

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.

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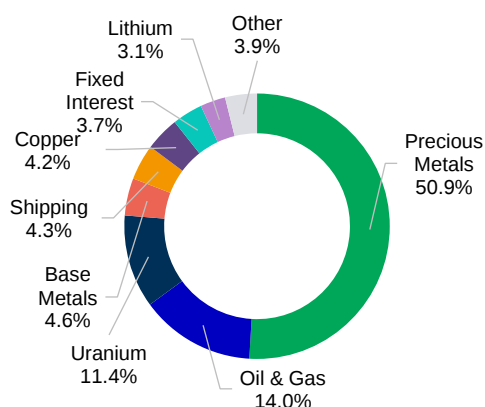
Commentary (continued)

During April, crude oil markets felt the brunt of GDP downgrades, but thankfully didn't weigh too heavily on NAV given the reduced energy weighting and greater exposure to gas over oil. This hastened a Saudi Arabia-led shift in OPEC strategy away from defending the oil price to gaining market share. This combined effect meant benchmark crude prices dropped over 15% during the month. For the Company, the positive precious metal contribution was largely offset by weaker performance from energy names, including E&P's Diamondback and Vermilion. Proposed US fees on Chinese built ships entering US ports were watered down, but uncertainty continues to disrupt trade flows into the US. The progress on fees has supported the Very Large Crude Carrier (VLCC) day rates despite demand fears that are weighing on oil. Frontline's share price rose over 12% in the month as a result.

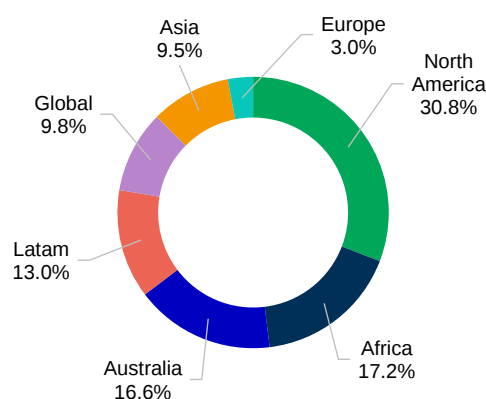
London Metal Exchange (LME) copper prices declined a moderate 6% over the month, with the prospect of some Chinese fiscal stimulus providing relative support versus crude prices. Having mandated an increase in borrowing capacity, the People's Bank of China (PBOC) appears well positioned to deliver stimulus this year, although we continue to believe its actions will be selective. It will likely target investment in infrastructure such as nuclear power generation, with less emphasis placed on property like has been witnessed previously. The Company continues to avoid iron ore markets which have been the beneficiaries of pre-emptive steel stockpiling. Iron ore face challenges from Chinese steel capacity restrictions and rising seaborne supplies from large scale development projects such as Simandou in Guinea. Uranium equities recovered markedly after their recent drop and Nexgen made a useful contribution to returns over the month. We believe this critical industry remains a focus of investment around the world and should continue to see secular improvement.

Portfolio Analysis^{1,2}

Sector



Region



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

Name	(% of MV)
NEXGEN ENERGY NPV	6.5
EMERALD RESOURCES NPV	6.0
WEST AFRICAN RESOURCES NPV	5.3
ORA BANDA MINING NPV	4.6
GREATLAND GOLD GBP0.001	4.5
POLYMETALS RESOURCES NPV	4.4
CALIBRE MINING CORP NPV	3.7
REA HLDGS 9% CUM PREF GBP1	3.4
TAMBORAN RESOURCES CORP CDI NPV	3.1
SOUTHERN CROSS GOLD CONS-CDI NPV	2.7
Top 10 Holdings Represent	44.2

Name	(% of MV)
FRONTLINE USD1.0000	2.3
WHEATON PRECIOUS METALS CORP	2.2
LYNAS RARE EARTHS NPV	2.2
WESTGOLD RESOURCES NPV	2.2
UR ENERGY NPV	2.1
ROBEX RESOURCES NPV	2.1
BW LPG LTD USD 0.0100	2.1
TRANSOCEAN USD0.01	1.9
G MINING VENTURE CORP 0.000001	1.9
DIAMONDBACK ENERGY USD0.01	1.7
Top 20 Holdings Represent	64.9

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ³	Commitment Leverage (%) ³
CQS Natural Resources Growth and Income	110	110

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.

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, 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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