

Investor Report

31 July 2025

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	£82.9m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 212.25p Mid-Market Price: 211.50p
Dividend Yield (est.)	8.0%
Net gearing ⁴	13.3%
Discount	(0.4%)
Ordinary Shares in Issue	34,823,779
Ongoing Charge Ratio	2.00%
Annual Management Fee	Annual Management Fee 1.0% p.a. on net assets.
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 paid on 30 May 2025 4.25p interm payable 1 September 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	1.85	8.44	4.53	6.33	10.24	134.79	692.20
Share Price	8.15	13.11	17.08	21.13	38.32	185.36	790.72
MSCI World Energy Sector Index ³	6.29	10.84	(1.16)	(2.22)	17.85	167.15	528.56
MSCI World Metals & Mining Index ³	4.54	6.96	4.24	0.66	20.71	62.32	483.17

Commentary⁴

This July, the Company had a return of 1.9%, which included the 4.25p interim dividend. The US trade policy remained the dominant influence on the global macroeconomic backdrop. Crude prices benefited the most, with Brent and WTI benchmarks rising 6-7% after Trump threatened to sanction Russia unless it agrees to end its conflict in Ukraine. Additionally, he imposed the threat of a secondary 25% tariff on goods imported into the US from India due to the latter's ongoing purchasing of Russian crude, proceeds of which are being used to help subsidise the ongoing conflict in Ukraine. The EU and the UK also lowered their Russian oil price cap from \$60 to \$47.6/bbl. However, any supply disruption that creates a gap for OPEC, via potentially faster quotas, unwinds the performance of related Exploration & Production (E&P) equities. These equities lag the rise in crude prices, which is illustrated by the MSCI World Energy Index ending the month up at approximately 2.5%.

Following the passing of President Trump's deficit-funded 'One Big Beautiful Bill' (OB BB), the administration's focus returned to tariff negotiations with global trading partners to help generate tax income from foreign goods. This aimed to soften the borrowing requirement, with a 15% tariff being applied to most imports from the EU.

Nevertheless, US debt continues to increase at an alarming pace, with the deficit estimated to be running at approximately \$1.8Trn/ yr, highlighting potential risks to the sustainability of the growing US debt burden, which is currently estimated at \$36.5 Trn. This issue of debt is amplified by the US FED's balancing act of setting interest rates to manage inflationary pressures versus a slowdown in US employment markets as the impact of tariffs feeds through to the economy.

While applying tariffs on imports into the US is a politically palatable way of effectively imposing taxes on the US consumers ahead of the mid-term elections next year, it is estimated that incremental taxes raised will fall well short of the current budget deficit. The cost of borrowing is shown to remain uncomfortably high, whilst Trump has also already flagged his desire for rates to return to 1% from the current 4.8% on the US 30-year treasuries. Furthermore, Trump is seeking to replace US Fed Chair Jerome Powell. Ultimately, this negatively impacts the FED's perceived independence, a crucial prop to the dollar's status as a global reserve currency. Whilst Trump may succeed in pressuring rates lower, inflation remains stubbornly high, this risk exacerbates stagflation (stagnating growth and high inflation) pressures, which is a positive backdrop to gold. Finally, we can note that generalists remain broadly underweight precious metals and would anticipate a rotation back in the sector given the protective properties against this backdrop and strong sector earnings.

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)⁴

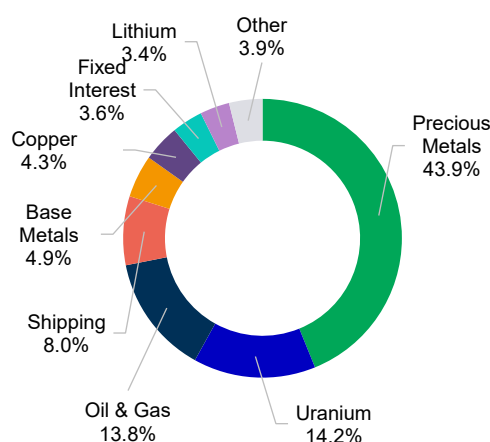
Meanwhile, in China, anecdotal data indicated growth was being maintained with electricity consumption rising 5.4% over the 12-month period to end-June, though within this the industrial usage was nearer flat. The Chinese authorities are highlighting that they will continue to pursue its consumer-led stimulus with fixed asset investment programmes targeting productivity-enhancing projects rather than the property sector. Nevertheless, Iron ore gained 8%, although this largely reflected its bounce from recent lows. With little obvious support for the industrial demand and an outlook for waning stock building following recent activity to pre-empt tariffs, base metals struggled with the benchmark LME copper price closing July 5% lower, a move mirrored by copper miners broadly. This resulted in the MSCI World Mining Index closing the month with a modest 0.9% return. Moreover, the significant price premium for US copper versus LME benchmarks, which peaked at over \$3,200/t, rapidly unwound when it was confirmed that refined copper would be excluded from import tariffs. Its prices closed July at near parity, around \$10,000/t at the end of the month.

This July, the underlying trading in the continuing Company was relatively limited. Of note, the Fund added back to Sigma Lithium given the prospects for some supply correction, particularly from supply rationalisation from Chinese lepidolite mines to tighten the market, and to benefit from the currently depressed prices of lithium products and related mining equities.

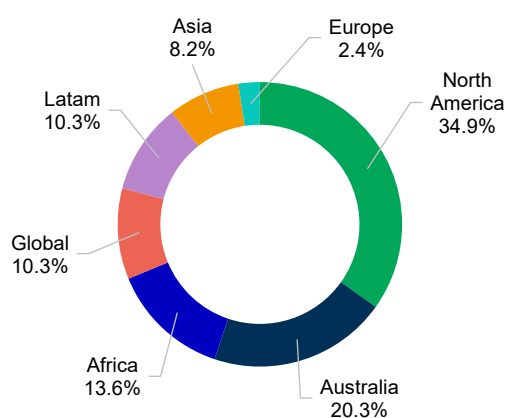
The majority of equities have now been sold in the tender pool.

Portfolio Analysis^{1,2}

Sector



Region



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

Name	(% of MV)
NEXGEN ENERGY NPV	7.7
EMERALD RESOURCES NPV	4.7
WEST AFRICAN RESOURCES NPV	4.4
FRONTLINE USD1.0000	4.1
BW LPG LTD USD 0.0100	3.6
REA HLDGS 9% CUM PREF GBP1	3.3
ORA BANDA MINING NPV	3.2
UR ENERGY NPV	3.1
EQUINOX GOLD CORP NPV	3.1
GREATLAND RESOURCES NPV	3.0
Top 10 Holdings Represent	40.2

Name	(% of MV)
TAMBORAN RESOURCES CORP CDI NPV	2.8%
POLYMETALS RESOURCES NPV	2.5%
LYNAS RARE EARTHS NPV	2.5%
TRANSOCEAN USD0.01	2.4%
SOUTHERN CROSS GOLD CONS-CDI NPV	2.4%
WHEATON PRECIOUS METALS CORP	2.2%
SIGMA LITHIUM CORP NPV	2.2%
TALON METALS CORP NPV	2.1%
ROBEX RESOURCES NPV	2.1%
DIAMONDBACK ENERGY USD0.01	1.8%
Top 20 Holdings Represent	63.2

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%) ³	Commitment Leverage (%) ³
CQS Natural Resources Growth and Income	96	104

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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