

Investor Report

30 September 2024

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	£147.6m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 201.89p Mid-Market Price: 183.00p
Dividend Yield (est.)	3.6%
Net gearing ⁴	10.4%
Discount	(9.4%)
Ordinary Shares in Issue	64,670,031
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 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	0.7	(2.9)	2.6	(1.0)	25.5	109.6	619.4
Share Price	3.1	(1.7)	9.1	6.1	47.3	158.0	626.0
MSCI World Energy Sector Index ³	(5.2)	(7.7)	(8.9)	(6.8)	71.2	54.9	491.4
MSCI World Metals & Mining Index ³	7.3	3.9	4.6	10.5	42.7	90.8	507.1

Commentary⁴

Despite Sterling rising nearly 2% against the dollar through September, the Company NAV rose over 3% primarily due to the performance of precious metal equities, which more than offset some drag from energy-related holdings.

Precious metals, representing the Company’s most significant exposure, gained again in September, with gold rising 5.2% and silver closing the month up 8.0%. With further all-time highs for gold, costs for the miners are no longer experiencing the same cost inflation pressures as felt post-Covid and, as a result, should be able to deliver further margin improvement for Q3 results to continue the positive trend from Q2 results. The sector is now generating some of the highest free cash flow on record which will likely incentivise an increase in M&A for established producers looking to grow or replace reserves and a greater consideration to boost shareholder returns as evidenced by sector leaders which continue to guide towards a pick-up in dividends and share buybacks. We believe this backdrop remains supportive of the Company’s large allocation to precious metal equities and for investor confidence. That said, the strong performance led to more concentrated positions, prompting some profit taking in companies such as Ora Banda and West African Resources over the month.

Base metals were stronger after sizeable Chinese stimulus measures targeting the region’s weak property and consumer demand. The initial announcement helped lift benchmark iron ore and copper prices, which rose over 13% and 7%, respectively. However, at this stage, Chinese stimulus does not appear sufficient to change end demand materially. Thus, our cautious view has not changed. The Company continues to hold a reduced exposure to base metals due to concerns about Chinese end demand given the nation’s property crisis and broader global economic softness. Indeed, in early October, prices of industrial metals such as iron ore and copper pulled back as further stimulus measures disappointed market expectations.

Oil prices were softer during September as demand concerns, mainly due to slowing Chinese growth, more than offset Middle Eastern risk premiums. Demand growth is increasingly concerning and the Company further reduced some of its oil exposure, exiting the position in shale driller Precision Drilling.

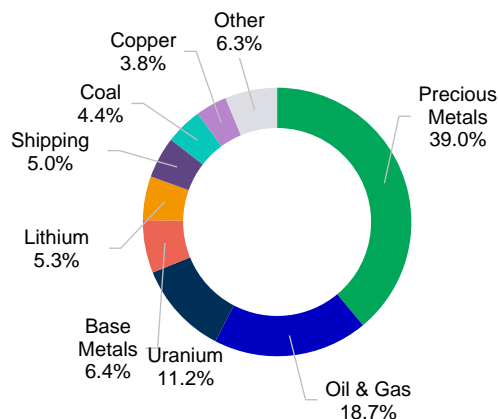
As mentioned above, the Company took profits on gold producers Ora Banda and West African Resources. Proceeds were reinvested into a placement for UK-listed Greatland Gold after the group acquired a mill and the outstanding working interest in their Havieron mine in Australia from Newmont.

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.

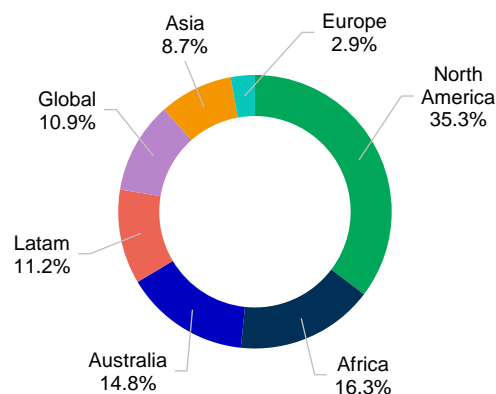
Monthly Investor Report – CQS Natural Resources Growth and Income PLC – September 2024

Portfolio Analysis^{2,3}

Sector



Region



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

Name	(% of MV)
NEXGEN ENERGY NPV	6.6
EMERALD RESOURCES NPV	5.4
WEST AFRICAN RESOURCES NPV	4.4
ORA BANDA MINING NPV	4.2
REA HLDGS 9% CUM PREF GBP1	3.2
TAMBORAN RESOURCES CORP CDI NPV	3.1
WESTGOLD RESOURCES NPV	2.9
UR ENERGY NPV	2.9
BW LPG LTD USD 0.0100	2.9
TRANSOCEAN USD0.01	2.8
Top 10 Holdings Represent	38.4

Name	(% of MV)
CALIBRE MINING CORP NPV	2.7
DIAMONDBACK ENERGY USD0.01	2.3
VERMILION ENERGY COM NPV	2.3
EOG RESOURCES USD0.01	2.2
LEO LITHIUM NPV	2.2
WHEATON PRECIOUS METALS CORP	2.1
DIVERSIFIED EN CO GBP 0.2	2.0
FORAN MINING CORP NPV	1.9
FRONTLINE USD1.0000	1.8
LYNAS RARE EARTHS NPV	1.8
Top 20 Holdings Represent	59.7

AIFMD Leverage Limit Report (% of NAV)

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

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