

CQS Natural Resources Growth and Income

KEY FUND FACTS¹

Fund Managers

Ian 'Franco' Francis
Keith Watson
Robert Crayford

Launch Date

August 2003

Total Gross Assets

£86.42m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 111.26p
Mid-Market Price: 91.70p

Yield (estimated)

6.1%

Gearing

16.1%

Discount

(19.70)%

Ordinary Shares in Issue

66,888,509

Annual Management Fee

1.2% on adjusted net assets

Bloomberg: CYN LN

Reuters: CYN.L

Sedol: 0035392

Year End

30 June

Contact Information

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Company Broker

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AGM

December

Dividend Information

2019/20

1.26p interim paid 29 Nov 2019
1.26p interim paid 28 Feb 2020
1.26p interim paid 31 May 2020
1.82p interim payable 28 Aug 2020

See overleaf for previous Dividend information

Fiscal Year-End

30 June

Fund Description

The investment objective is to provide shareholders with capital growth and income predominantly from a portfolio of mining and resource equities, and of mining, resource and industrial fixed interest securities.

Ian Francis, Keith Watson and Robert Crayford (L to R)

Portfolio Managers CQS Natural Resources Growth and Income



Fund Management

Founded in 1999, CQS is a \$19.5bn² global multi-strategy asset management firm. The Fund is managed by Ian 'Franco' Francis, Keith Watson and Robert Crayford. Supported by the CQS credit analyst team.

Ordinary Share and NAV Performance³

	1 Month (%)	3 Month (%)	6 Month (%)	1 year (%)	3 Year (%)	5 Year (%)	Since Inception
NAV	2.9	26.2	22.8	1.3	(11.8)	36.5	256.3
Share Price	1.4	29.2	31.2	14.5	(6.5)	42.7	210.6
Benchmark	0.2	10.8	24.5	12.9	28.1	122.7	402.3

Investment Commentary⁴

The Fund NAV rose 2.9% over the month with base metal equities, particularly First Quantum, contributing to the overall performance. Some retracement by gold producer West African Resources and nickel explorer Talon Metals following their strong prior month performances acted as a drag.

Supported by a number of factors, investor sentiment was biased towards industrial metals during August. Hopes of renewed fiscal stimulus in the US together with FED commentary that it would maintain a relaxed stance towards monetary policy despite better-than-expected employment data contributed to this. In addition, US-China trade tensions also appeared to ease, as both nations reaffirmed their commitment to the phase-one trade deal, demonstrating a willingness to cooperate despite tensions over data protection and Hong Kong security together with Russia's approval of its Covid-19 vaccine also helped boost sentiment towards industrial assets. European PMI data, which has lagged improvements elsewhere, was also helpful.

Iron ore and steel inputs nickel and zinc performed particularly well rising around 15%, 12% and 8% respectively while copper rose 4%. China imported record quantities of iron ore while nickel firmed due to concerns of potential disruption to output from Indonesia, the largest global supplier of nickel units, as labour protests took place at regional nickel and stainless steel operations controlled by Tsingshan of China. Disruption to South American mine output also support zinc markets. However, underlying commodity price moves had less influence on mining equities with performance primarily driven by company specific news. First Quantum's encouraging update following the July restart of its Cobre Panama operation drove a strong equity performance during August. The Fund did not participate in a small share placement by nickel explorer, Talon Metals, which retraced following its strong prior month gain. The large iron ore majors shrugged off the commodity price rise ending the month little changed. While crude prices gained, rising around 5% over the month, related equities ended August little changed with poor Q2 earnings acting as a drag.

Gold's rise continued early in the month, with prices reaching new nominal highs of \$2,075/oz. However, gold's rise, along with related equities, subsequently consolidated. A one-day drop of 4.5% on the day Russia announced approval of its Covid-19 vaccine was notable and as a result the metal and related equities ended the month little changed. West African Resources was held back by profit taking, again following strong recent performance.

Trading activity was relatively minimal during the month and mainly focussed on profit taking of West African Resources and Talon early in the month. The Fund used some proceeds to participate in a placing by Australian iron ore developer, Fenix Resources.

KEY FUND FACTS *(continued)*

Dividend Information *(continued)*

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

Investor Report
Monthly Factsheet

Annual Report & Accounts
Published: October

Results Announced
Finals: October
Interims: March

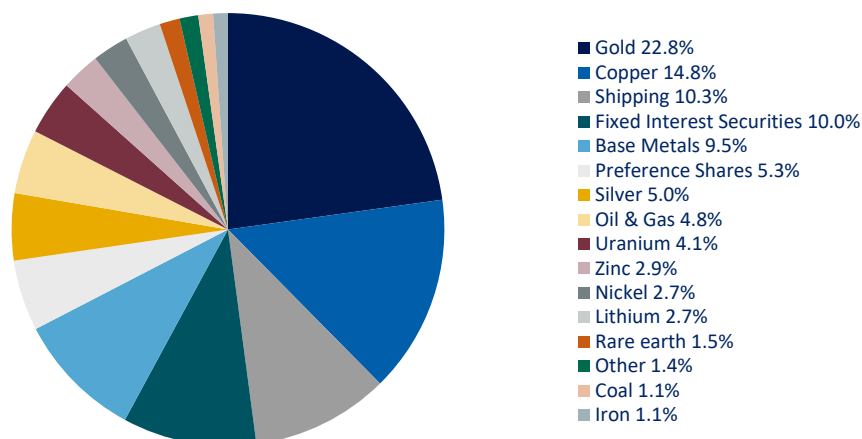
AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁵	Commitment Leverage(%) ⁶
CQS Natural Resources Growth and Income	118	118

⁵Source: CQS, as at 28 August 2020. 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.

⁶Source: CQS, as at 28 August 2020. 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.

Portfolio Analysis¹



TOP 20 HOLDINGS (%)^{1, 7}

Name	(% of MV)
First Quantum Minerals ⁸	8.4
West African Resources	5.9
Euronav ⁹	4.1
Americas Gold and Silver ¹⁰	4.0
Rea Holdings ¹¹	3.9
Ero Copper	3.5
BW LPG	2.8
Sigma Lithium	2.7
Talon Metals	2.7
Integra Resources	2.6
Top 10 Holdings Represent	40.5
NexGen Energy	2.6
2020 Bulklers	2.4
Diversified Gas & Oil	2.4
Adriatic Metals	2.3
Roxgold	2.1
Emerald Resources	2.1
Raven Property ¹²	2.1
Tizir	2.1
Trevali Mining	2.0
Central Asia Metals	1.9
Top 20 Holdings Represent	62.4
<i>The Company has exposure to 118 issues</i>	

Source: CQS. Please refer to page 3 for sources relating to relevant footnotes.

IMPORTANT INFORMATION:

Source: ^{1,2}CQS, as at 28 August 2020. ³CQS, as at 28 August 2020, total return performance. The Company's investment benchmark is 80 per cent. Euromoney Global Mining Index (sterling adjusted) and 20 per cent. Credit Suisse High Yield Index (sterling adjusted). Performance data is calculated from 1 August 2003 (total return basis). ⁴All 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. 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. ⁷All holdings data are rounded to one decimal place. Totals may therefore differ to sum of constituents. 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. ⁸Includes First Quantum Minerals equity valued at £6,459,724.66 and First Quantum Minerals 7.5% 01/04/2025 valued at £758,240.19. ⁹Includes Euronav NV equity valued at £2,872,903.25 and Euronav Luxembourg SA 7.5% 31/05/2022 valued at £620,604.61. ¹⁰Includes Americas Silver equity valued at £3,257,058.32 and Americas Silver Warrants 9/6/21 valued at £134,180.11 and Americas Silver Warrants 16/6/21 valued at £42,884.97. ¹¹Includes REA Finance 8.75% 31/08/2020 valued at £452,500, R.E.A. Holdings Plc Ordinary 25p valued at £116,000, R.E.A Holdings GBp1.26 Warrants 15/07/2025 valued at £16,900 4,950 and Rea Holdings Preferred at £2,758,502. ¹²Includes Raven Property Convertible Pref shares valued at £738,000.00 and Raven Russia Limited 12% Preferred valued at £1,039,133.16.

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