

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

£93.74m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 122.20p
Mid-Market Price: 102.50p

Yield (estimated)

5.5%

Gearing

12.8%

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

2020/21

1.26p interim paid 30 Nov 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 \$19.9bn² 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	12.8	11.1	40.4	17.7	2.7	60.4	285.1
Share Price	16.2	15.0	48.9	30.8	10.5	62.4	256.4
Benchmark	8.7	5.8	15.8	21.9	45.4	157.4	432.9

Investment Commentary⁴

The Fund's NAV rose 12.8% over the month despite a drag from sterling's 3.3% strengthening against the US dollar. Supported by a broad based industrial recovery and hopes of Covid-19-vaccine approvals, industrial commodities strengthened over the month as sentiment shifted in favour of cyclical assets. With manufacturing data in most economic regions beating expectations, copper prices sustained solid momentum, rising 12% in November, while gold prices declined over 6%, in large part the result of a one-day fall of US\$100/oz after news of imminent vaccine approvals was announced. Against this backdrop the Fund's base metal exposure drove performance with copper miner First Quantum posting a notable 27% sterling rise over the period. Another significant contribution was made by Canadian base metals explorer-developer Foran Mining whose share price more than doubled over the month following a 6% rise in the zinc price and an equity placement which was substantially backed by significant shareholder Glencore. The strong positive contributions from these two positions alone was more than sufficient to offset modest declines registered by the precious metals holdings, such as West African Resource whose share price pulled back around 6% in sterling terms over the month.

Vaccine news also lifted optimism for a recovery in oil demand. The possibility of an extension to OPEC+ production quotas in January together with a Biden US election win, which could complicate a potential easing of sanctions against Iran and see tougher E&P regulations within the US industry, were also positive for crude prices. WTI and Brent rose 23% and 22% respectively, recovering the prior month's decline, though related E&P equities were less responsive with the US E&P equity ETF rising just 13%, or 9% in sterling terms. A positive update from BWLPG, indicating a much improved outlook on shipping rates and rapid debt pay-down and shareholder returns provided a boost to the share price which rose 43% in sterling terms during November.

REA made a useful contribution to performance with holdings gaining 23% over the month. Palm oil prices sustained their momentum with benchmark (CIF Rotterdam) prices up 22% as production expectations, especially from competing Malaysian producers curbed substantially as a result of poorer crop yields due to dry weather and lower fertilizer usage. This provides a much more solid backdrop for the group and improves confidence for a catch-up in coupons from the preference shares which are currently in arrears.

The Fund took some profits in First Quantum and Foran. Some proceeds were reinvested into a placement by zinc miner Trevali, providing more flexibility as it invests in its Rosh Pinah project. The improving zinc price together with a decline in treatment and refining costs, which have turned significantly more favourable reflecting some tightening of zinc supply, also provide a much improved footing for a share price recovery.

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

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
2019/20	Total	5.60p

Investor Report
Monthly Factsheet

Annual Report & Accounts
Published: October

Results Announced
Finals: October
Interims: March

AIFMD Leverage Limit Report (% NAV)

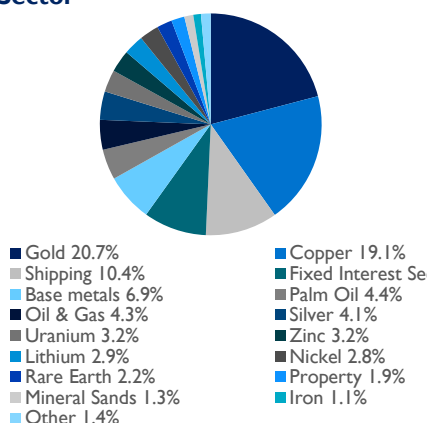
	Gross Leverage (%) ⁵	Commitment Leverage(%) ⁶
CQS Natural Resources Growth and Income	116	116

⁵Source: CQS, as at 30 November 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.

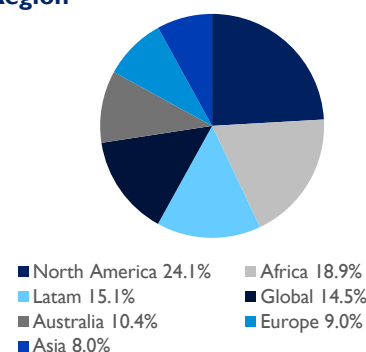
⁶Source: CQS, as at 30 November 2020. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 8, 9, 10 and 11 of Delegated Regulation 231/2013.

Portfolio Analysis¹

Sector



Region



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

Name	(% of MV)
First Quantum Minerals ⁸	10.3
West African Resources	5.1
Rea Holdings ⁹	4.9
Ero Copper	3.8
BW LPG	3.6
Euronav Luxembourg ¹⁰	3.5
Americas Gold and Silver ¹¹	3.2
Sigma Lithium	2.9
Talon Metals	2.8
Trevalli Mining	2.5
Top 10 Holdings Represent	42.6
2020 Bulkers Integra Resources	2.3
Foran Mining	2.3
Lynas	2.3
Diversified Oil & Gas	2.2
Integra Resources	2.2
NexGen Energy	2.2
Central Asia Metals	2.1
Roxgold	2.0
Calibre Mining	2.0
Tizir	1.9
Top 20 Holdings Represent	64.1
<i>The Company has exposure to 124 issues</i>	

IMPORTANT INFORMATION:

Source: ¹CQS, as at 30 November 2020. ²CQS, as at 30 November 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 7.5% 01/04/2025 equity valued at £ 777,124.45. ⁹Includes Rea Finance 8.75% 31/08/2025 equity valued at £452,500, R.E.A. Holdings Plc Ordinary 25p equity valued at £131,000.00 and R.E.A Holdings GBp1.26 Warrants 15/07/2025 equity valued at £8,006.44. ¹⁰Includes Euronav Luxembourg SA 7.5% 31/05/2022 equity valued at £623,197.63 and Euronav NV Common NPV equity valued at £331,373.36. ¹¹Includes Americas Gold and Silver Corporation Comm (USD) equity valued at £596,309.67, Americas Gold and Silver CAD 0.39 09/06/2021 Wts equity valued at £31,279.64, and Americas Gold and Silver CAD 0.39 16/06/2021 Wts valued at £10,135.82.

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