Manulife | CQS Investment Management

Investor Report

31 March 2025

CQS Natural Resources Growth and Income PLC
(the "Company")

Key Facts[1]

Portfolio Managers	Ian 'Franco' Francis Keith Watson Robert Crayfourd
Launch Date	August 2003
Total Gross Assets	£142.9m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 202.43p Mid-Market Price: 187.00p
Dividend Yield (est.)	3.5%
Net gearing[4]	8.2%
Discount	(7.6%)
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	CQSClientServices @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
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 Performance[2]

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Year (%)	5 Year (%)	Since Inception (%)
NAV	4.1	6.5	1.5	4.1	(6.1)	251.4	630.0
Share Price	3.3	1.4	3.6	13.0	2.1	329.0	651.9
MSCI World Energy Sector Index[3]	2.1	7.1	11.6	1.7	35.8	199.0	559.9
MSCI World Metals & Mining Index[3]	(0.7)	4.5	(8.8)	(4.6)	(9.1)	119.2	453.5

Commentary[4]

The Company NAV gained 4.1% in March, ahead of the MSCI World Energy Sector Index and the MSCI World Metals & Mining Index which gained 2.1% and fell by 0.7% respectively.

Precious metals were the standout performer in March, helping to support the Company's large precious metal miner weighting. Gold and Silver gained 9.3% and 9.4% to $3,123/oz & $34.09/oz respectively. The miners have begun to show some of the operating leverage one would normally expect, with NYSE Gold Bugs index gaining 12.5% (in sterling terms) over the month, but they still trade at a notable valuation discount to average historic earnings multiples.

The geopolitical backdrop remains supportive, with the US-led trade war via tariffs increasingly pointing to "stagflation" (stagnating growth and inflation), which historically has been the best backdrop for precious metal pricing. This is less favourable for broader markets, which adds to the appeal of the "insurance" properties of precious metals as an asset class. Whilst we do not believe conflicts are currently a strong driver of gold price, it is worth noting that March also saw a lower chance of a Russian/Ukrainian ceasefire, a return to Israeli/Hamas fighting and an escalation of tensions with Iran.

General flows into the precious metal miners are still limited as indicated by the declining number of shares in issue for precious metal mining equity ETFs against this strong gold price performance. A return of generalist inflows to the sector would be an important driver to share valuations that have not kept pace with future earnings and cash flow generating potential in the current gold price environment.

Physical gold ETF's are now experiencing inflows, with March witnessing additions of 2.5Moz (+2.9%) to holdings, a similar levels of buying to February. This is an important driver of gold balances as, until recently, financial market participants have had little impact on the rise in the gold price; Central Banks along with retail bar and coin are the main drivers of demand.

Oil gained during the month, as crude prices rose as supply concerns impacted sentiment. This followed President Trump threatening 25% tariffs on any country buying Venezuelan crude while also stepping up sanctions on Iranian entities. We remain cautious on oil given weak demand fundamentals, instead preferring gas exposure. Geopolitcal tensions also supported oil.

The Copper price was supported by tariff threats and accelerating US demand ahead of these tariffs, with US prices trading up to $1,000/t premium. We remain cautious on copper miners, given demand concerns and premium valuations, instead preferring exposure via development assets. These trade at a discount and would come online in 4-6 years when we will have a higher conviction of tighter market fundamentals.

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.

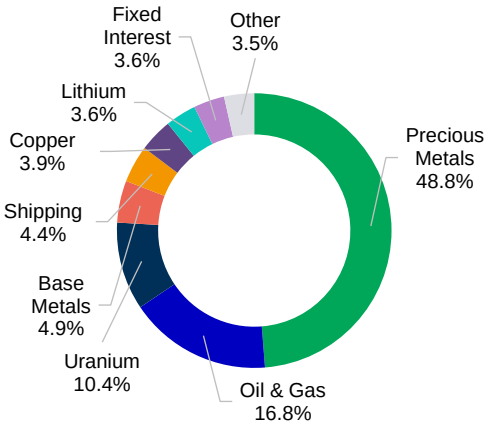
Commentary (continued)

Over the month, the Company took more profits on Ora Banda following good performance and its position sizing remained large. We added to Greatland Gold, believing the proposed Australian listing will be a key catalyst late in Q2 25. We also added to Uranium exposure via Nexgen, Isoenergy and Dension believing the sell off appeared overdone.

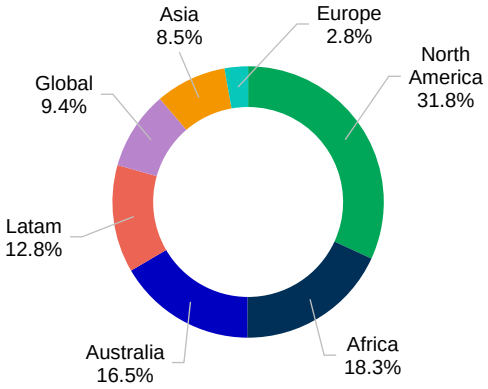
Sterling gained 2.7% over the month providing a performance headwind, given the Company does not hedge the currency and most assets are foreign denominated.

Portfolio Analysis[1,2]

Sector



Region



Top 20 Holdings (% of MV) [1,2]

Name	(% of MV)
NEXGEN ENERGY NPV	5.7
ORA BANDA MINING NPV	5.7
WEST AFRICAN RESOURCES NPV	5.2
EMERALD RESOURCES NPV	5.0
GREATLAND GOLD GBP0.001	3.9
CALIBRE MINING CORP NPV	3.6
TAMBORAN RESOURCES CORP CDI NPV	3.5
REA HLDGS 9% CUM PREF GBP1	3.3
BW LPG LTD USD 0.0100	2.3
TRANSOCEAN USD0.01	2.3
Top 10 Holdings Represent	**40.5**

Name	(% of MV)
DIAMONDBACK ENERGY USD0.01	2.2
WHEATON PRECIOUS METALS CORP	2.1
WESTGOLD RESOURCES NPV	2.1
FRONTLINE USD1.0000	2.1
VERMILION ENERGY COM NPV	2.0
UR ENERGY NPV	1.9
G MINING VENTURE CORP 0.000001	1.8
LYNAS RARE EARTHS NPV	1.8
PEYTO EXPLORATION & DEV CORP COM NPV	1.7
EOG RESOURCES USD0.01	1.5
Top 20 Holdings Represent	**59.7**

AIFMD Leverage Limit Report (% of NAV)

	Gross Leverage (%)[3]	Commitment Leverage (%)[3]
CQS Natural Resources Growth and Income	109	109

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. **5** 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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