Manulife | CQS Investment Management

# Investor Report

30 June 2025

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

## Key Facts[1]

| | |
|---|---|
| Portfolio Managers | Ian 'Franco' Francis<br>Keith Watson<br>Robert Crayfourd |
| Launch Date | August 2003 |
| Total Gross Assets | £145.3m |
| Reference Currency | GBP |
| Ordinary Shares | Net Asset Value: 212.47p<br>Mid-Market Price: 199.50p |
| Dividend Yield (est.) | 3.3% |
| Net gearing[4] | 5.1% |
| Discount | (6.1%) |
| 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<br>1.1% p.a. on net assets over £150 million and up to £200 million<br>1.0% p.a. on net assets over £200 million and up to £250 million<br>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 | CQSClientService@cqsm.com |
| Company Broker | Cavendish Capital Markets Limited<br>020 7220 0500 |
| AGM | December |
| Dividend Information 2024/25 | 1.26p interim paid 22 Nov 2024<br>1.26p interim paid 28 February 2025<br>1.26 interim paid on 30 May 2025 |
| Fiscal Year-End | 30 June |
| Previous Dividend Information | 2012/13 Total 5.50p<br>2013/14 Total 5.60p<br>2014/15 Total 5.60p<br>2015/16 Total 5.60p<br>2016/17 Total 5.60p<br>2017/18 Total 5.60p<br>2018/19 Total 5.60p<br>2019/20 Total 5.60p<br>2020/21 Total 5.60p<br>2021/22 Total 5.60p<br>2022/23 Total 8.60p<br>2023/24 Total 6.60p |
| Investor Report | Monthly Factsheet |
| Annual Report & Accounts | Published: October |
| Results Announced | Finals: October<br>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 | (0.5) | 5.6 | 12.5 | 4.1 | 16.1 | 155.8 | 677.8 |
| Share Price | (0.7) | 7.4 | 8.9 | 9.3 | 27.7 | 206.8 | 723.6 |
| MSCI World Energy Sector Index[3] | 3.1 | (10.4) | (4.1) | (7.7) | 18.6 | 128.6 | 491.4 |
| MSCI World Metals & Mining Index[3] | 1.1 | 0.8 | 5.3 | (4.5) | 15.5 | 62.5 | 457.8 |

## Commentary[4]

The Company NAV declined 0.5% during June. Some of the Australian-listed gold miners gave back prior gains. This was largely offset by positive performances from the uranium miners such as Nexgen, while sterling's 2% strengthening against the US dollar continued to act as a drag to returns.

Energy prices gained following a US/China trade agreement which helped signalling potential for a broader de-escalation to global trade tensions. This helped lift sentiment with crude benchmark prices gaining approximately 4% over the month. Middle East tensions remained high with energy prices rising strongly into mid-month following Israeli strikes on Iranian nuclear facilities with assistance from the US with their bunker busting bombs. However, prices subsequently retreated after a US-led ceasefire agreement between the two nations and commentary from OPEC which signalled a more rapid unwinding of production restrictions. This more than offset the ongoing supply risks in the Strait of Hormuz through which some 20% of seaborne oil and Liquefied Natural Gas (LNG) is transported. Regional gas prices saw more varied price moves with US and European benchmarks declining around 5-8%. In contrast, LNG prices in the Asian region, which is more exposed to Hormuz traffic, rose nearly 7% on the month.

The Uranium spot price rose nearly 4% to $74.3/lb after the Sprott Physical Uranium Trust, despite trading at a discount to its NAV, raised $200m for the purpose of acquiring more material. This helped boost related equities with Nexgen and Ur-Energy rising 15% and 40% respectively over the month.

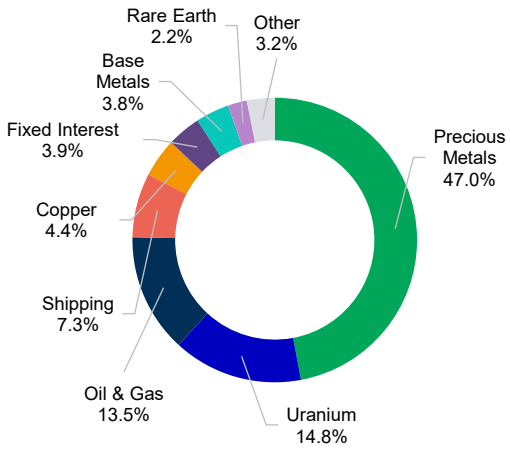
Weighed down by tariff-related trade friction, together with increased US government borrowing requirement implicit in the "Big Beautiful Bill", the US dollar continued to weaken and is now around 10% softer versus sterling year-to-date. While this has ramifications global markets, especially expected returns from investments made into the US, it remains a supportive factor for gold going forward. Physically-backed gold ETFs added over 2Moz during June taking total holdings above 90Moz, although after recent gains the dollar price was little changed at the end of the month. The Company did take profits on some gold stocks, noting the large weighting in the portfolio following the strong relative performance of the gold miners year-to-date. Proceeds were reinvested into shippers including BWLPG and Frontline.

The Company's tender process saw 45.72% of shareholders vote to tender their shares, including Saba's 29.1%. The tender pool split out on 1 July and has already seen over 90% of the holdings liquidated. As per the Tender Document, the Company will distributable proceeds returned to shareholders at the end of September once all the assets have been liquidated. For continuing shareholders, the dividend has been increased to 8% of NAV paid quarterly in arrears based on the prior quarter NAV, and the fee cut to 1% per annum. The Fund's investment strategy will remain exactly the same as before the tender process.

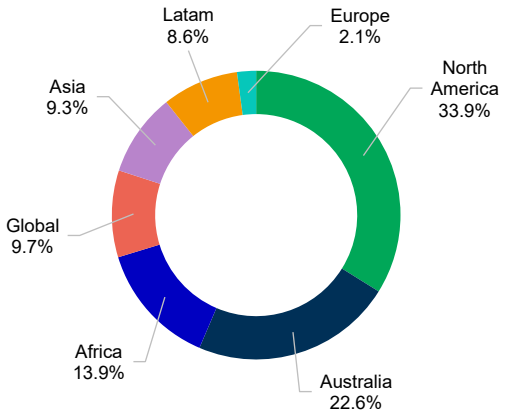
Sources:
**1** Manulife | CQS Investment Management and Frostrow LLP as at the last business day of the month indicated at the top of this investor report.
**2** Total return performance net of fees and expenses as at the last business day of the month indicated at the top of this investor report.
**3** 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.

## Portfolio Analysis[1,2]

### Sector




### Region




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

| Name | (% of MV) |
|---|---|
| NEXGEN ENERGY NPV | 8.2 |
| EMERALD RESOURCES NPV | 5.7 |
| GREATLAND RESOURCES NPV | 4.9 |
| WEST AFRICAN RESOURCES NPV | 4.9 |
| FRONTLINE USD1.0000 | 4.5 |
| REA HLDGS 9% CUM PREF GBP1 | 3.5 |
| ORA BANDA MINING NPV | 3.5 |
| SOUTHERN CROSS GOLD CONS-CDI NPV | 3.5 |
| BW LPG LTD USD 0.0100 | 3.0 |
| TAMBORAN RESOURCES CORP CDI NPV | 2.8 |
| **Top 10 Holdings Represent** | **44.5** |

| Name | (% of MV) |
|---|---|
| EQUINOX GOLD CORP NPV | 2.8 |
| UR ENERGY NPV | 2.6 |
| WHEATON PRECIOUS METALS CORP | 2.5 |
| TRANSOCEAN USD0.01 | 2.2 |
| ROBEX RESOURCES NPV | 2.2 |
| LYNAS RARE EARTHS NPV | 1.9 |
| POLYMETALS RESOURCES NPV | 1.8 |
| WESTGOLD RESOURCES NPV | 1.7 |
| PEYTO EXPLORATION & DEV CORP COM NPV | 1.7 |
| DIAMONDBACK ENERGY USD0.01 | 1.3 |
| **Top 20 Holdings Represent** | **65.2** |

## AIFMD Leverage Limit Report (% of NAV)

| | Gross Leverage (%)[3] | Commitment Leverage (%)[3] |
|---|---|---|
| CQS Natural Resources Growth and Income | 107 | 107 |

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.

**Important Information**

Manulife | CQS Investment Management is a trading name of CQS (UK) LLP which is authorised and regulated by the Financial Conduct Authority. This document has been issued by CQS (UK) LLP and/or CQS (US), LLC which is a registered investment adviser with the US Securities and Exchange Commission, The term "CQS" or "Manulife | CQS Investment Management" as used herein may include one or more of CQS (UK) LLP, CQS (US), LLC or any other affiliated entity. The information is intended solely for sophisticated investors who are (a) professional investors as defined in Article 4 of the European Directive 2011/61/EU or (b) accredited investors (within the meaning given to such term in Regulation D under the U.S. Securities Act of 1933, as amended) and qualified purchasers (within the meaning given to such term in Section 2(a)(51) of the U.S Investment Company Act 1940, as amended). This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation.

Manulife | CQS Investment Management is a wholly owned subsidiary of Manulife Investment Management (Europe) Limited.

This document is a marketing communication prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares or interests in any fund or investment vehicle managed or advised by CQS (a "CQS Fund") or any other security, commodity, financial instrument, or derivative; or (iv) an offer to enter into any other transaction whatsoever (each a "Transaction"). Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and appropriateness of such Transaction in light of your circumstances. Any decision to enter into any Transaction should be based on the terms described in the relevant offering memorandum, prospectus or similar offering document, subscription document, key investor information document (where applicable), and constitutional documents and/or any other relevant document as appropriate (together, the "Offering Documents"). Any Transaction will be subject to the terms set out in the Offering Documents and all applicable laws and regulations. The Offering Documents supersede this document and any information contained herein. The Offering Documents for CQS UCITS range of funds is available here (https://www.cqs.com/ucits-funds#global-convertibles) in English (US persons will not be eligible to invest in CQS managed UCITS funds save to the extent set out in the relevant Offering Document). A copy of CQS' Complaints Policy, which sets out a summary of investors' rights, is available here (www.cqs.com/site-services/regulatory-disclosures) in English. CQS may terminate the arrangements for marketing or distribution of any CQS Fund at any time.

Nothing contained herein shall give rise to a partnership, joint venture or any fiduciary or equitable duties. The information contained herein is provided on a non-reliance basis, not warranted as to completeness or accuracy, and is subject to change without notice. Any information contained herein relating to any non-affiliated third party is the sole responsibility of such third party and has not been independently verified by CQS. The accuracy of data from third party vendors is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives accept any liability whatsoever for any errors or omissions or any loss howsoever arising from the use of this document.

**Information contained in this document should not be viewed as indicative of future results as past performance of any Transaction is not indicative of future results. Any investment in a CQS Fund or any of its affiliates involves a high degree of risk, including the risk of loss of the entire amount invested. The value of investments can go down as well as up. Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.** Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Investments may lead to a financial loss if no guarantee on the capital is in place. An investment in any CQS Fund will involve a number of material risks which include, without limitation, risks associated with adverse market developments, currency and exchange rate risks, risk of counterparty or issuer default, and risk of illiquidity. Any assumptions, assessments, targets (including target returns and volatility targets), statements or other such views expressed herein (collectively "Statements") regarding future events and circumstances or that are forward looking in nature constitute CQS' subjective views or beliefs and involve inherent risk and uncertainties beyond CQS' control. Any indices included in this document are for illustrative purposes only and are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). Unless stated to the contrary CQS Funds are not managed to a specific index.

The information contained herein is confidential and may be legally privileged and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates. Unless otherwise stated to the contrary herein, CQS owns all intellectual property rights in this document.

**MSCI Disclaimer:** Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even **if notified of the possibility of such damages.**

**PRI Note:** PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact.

GMv12.

G1383433 / 07.25

**London**
4th Floor, One Strand,
London WC2N 5HR,
United Kingdom
T: +44 (0) 20 7201 6900
F: +44 (0) 20 7201 1200

**New York**
152 West 57th Street,
40th Floor, New York,
NY 10019, US
T: +1 212 259 2900
F: +1 212 259 2699

CQSClientService@cqsm.com | www.cqs.com

Signatory of: PRI Principles for Responsible Investment
Signatory of: UK Stewardship Code 2021
TCFD Task Force on Climate-Related Financial Disclosures
CDP Disclosure Insight Action
A proud participant of Climate Action 100+
IIGCC The Institutional Investors Group on Climate Change
Race to Zero Partner
SBai Signatory Jan 24