City Natural Resources

GROWTH AND INCOME PLC

(formerly CQS Natural Resources Growth and Income PLC)

Focused on the future, **delivering value today**



Annual Report
for the year ended 30 June 2026

Our Objective

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.



IFC Our Objective

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Key Metrics

for the year ended 30 June:

Net asset value total return[1]

2026	2025
76.6%	4.6%

Share price total return[1]

2026	2025
87.0%	9.3%

MSCI World Metals and Mining Index total return (sterling adjusted)[2]

2026	2025
63.5%	(4.5)%

MSCI World Energy Index total return (sterling adjusted)[2]

2026	2025
34.1%	(7.7)%

Dividend yield[1]

2026	2025
8.3%	4.0%

Dividend per share (pence)

2026	2025
28.30p	8.03p

Total return performance (cumulative)

	1 Year	3 Years	5 Years	Since inception*
Net asset value per share	76.6%	98.2%	147.5%	1,273.6%
Share price	87.0%	139.5%	169.4%	1,440.5%
MSCI World Metals and Mining Index (sterling adjusted)[2]	63.5%	68.4%	102.5%	843.3%
MSCI World Energy Index (sterling adjusted)[2]	34.1%	45.3%	139.6%	694.7%

* 31 July 2003.

1 Alternative Performance Measure ("APM"). A glossary of the terms used, including alternative performance measures, can be found on pages 84 to 86.
2 Used by the Company as a comparator, not a benchmark. As at 30 June 2026, 48.3% of the portfolio was attributable to the MSCI World Metals and Mining Index and 49.8% of the portfolio to the MSCI World Energy Index. Please refer to the 'by commodity' illustration on page 18 for further detail.

For full results see **page 4**

Why invest?

The Company:

- provides exposure to value focused, under-researched global energy and resources equities, aided by the investment trust closed-end structure;
- has unconstrained flexibility to invest in energy, mining or related service industries which assists in levelling the effect of cyclical impacts;
- is well positioned to benefit from potentially higher prices and profits for natural resources companies, following years of producer under-investment and subsequent supply constraint;
- has direct exposure to global growth and the energy transition to drive long-term demand; and
- pays an enhanced annual dividend of circa 8 per cent. of NAV.



Investment approach

The Company actively invests in global energy and mining companies, with a focus on total return. It pays a quarterly dividend of 2 per cent. of the preceding quarter-end net asset value per share, using capital reserves as necessary. The flexible mandate allows the Company to shift its portfolio weighting between energy and mining, with the aim of maximising returns depending on the point in the cycle, whilst providing relative value opportunities.

The closed-end structure is well suited to allowing the investment management team to focus on the best returns profile, rather than liquidity as is the case with Exchange Traded Funds ("ETFs") and open-ended investment companies. The nature of this focus results in the Company holding a large proportion of its holdings in names that fall just below major index or ETF inclusion, adding additional upside potential should they become included. The portfolio is invested mostly in developers, producers and providers in the natural resources sector with strong earnings profiles and market capitalisations around £300m to £2bn, although also below and above this range.

The majority of holdings are listed in North America, Australia or the UK.

The portfolio managers at Tufton Investment Management Ltd ("Tufton")

Keith Watson and Robert Crayfourd managed the Company's portfolio from the beginning of the financial year until May 2026 while employed by CQS (UK) LLP (trading as Manulife | CQS Investment Management), the Company's previous investment manager. Following their resignations, senior Manulife Investment Management Group portfolio managers, Craig Bethune and Diana Racanelli, acted as interim portfolio managers. Keith and Robert resumed day-to-day responsibility for managing the Company's portfolio on 14 September 2026 following the appointment of Tufton Investment Management Ltd as the Company's investment manager.



Keith Watson

Keith Watson joined Tufton in September 2026 and has over 30 years' experience as an analyst and portfolio manager in the natural resources sector.

Prior to Tufton, Keith held roles at Manulife | CQS Investment Management, Mirabaud Securities, Evolution Securities, Dresdner Kleinwort Wasserstein, Commerzbank and Credit Suisse/BZW and began his career in 1992 at Scottish Amicable Investment Managers.



Robert Crayfourd

Robert Crayfourd joined Tufton in September 2026 and has managed natural resources funds for over 20 years.

Prior to Tufton, Robert was a portfolio manager at Manulife | CQS Investment Management, Universities Superannuation Scheme and HSBC Global Asset Management where he focused on the natural resource sector.

The investment process

The investment process involves leveraging macro understanding, supporting commodity allocation decisions with hundreds of meetings a year with prospective companies, as well as extensive historical knowledge of assets globally, steering the bottom-up stock picking. This allows the portfolio managers to focus on the key themes they believe will generate the best risk-weighted returns at any particular point in the cycle and actively shift allocations accordingly.

Comparative indices

The Company does not utilise a formal benchmark but rather publishes its net asset value performance alongside two comparative indices: the MSCI World Metals and Mining Index (sterling adjusted) and the MSCI World Energy Index (sterling adjusted) as these best reflect the potential returns.

Gearing

The portfolio managers selectively employ gearing with the aim of enhancing returns. As at the year end, the Company had utilised £14.5 million drawn down from a £15 million facility with BNP Paribas S.A., London Branch, representing a gearing ratio of 10.9%. On 11 September 2026, the credit facility with BNP Paribas was terminated and replaced by a £25 million facility with The Bank of Nova Scotia, London Branch, of which £9.5 million has been drawn as at the date of this Report.

Dividend

The Board considers that the dividend policy is very attractive to shareholders and this policy contributes an element of share price stability.

The Company currently pays an enhanced annual dividend of circa 8 per cent. of NAV via a quarterly dividend of 2 per cent. of the preceding quarter-end NAV, which commenced from the quarter ended 30 June 2025. The total enhanced dividends paid during the year amounted to 28.30p per share (2025: 8.03p per share).

Performance Record

Total Return	Year ended 30 June 2026	Year ended 30 June 2025
Net asset value per share[1]	76.6%	4.6%
Share price (mid market)[1]	87.0%	9.3%
MSCI World Metals and Mining Index (sterling adjusted)[2]	63.5%	(4.5)%
MSCI World Energy Index (sterling adjusted)[2]	34.1%	(7.7)%

Capital Values	As at 30 June 2026	As at 30 June 2025
Net asset value per share	347.19p	212.56p
Share price (mid market)	343.00p	199.50p
Share price discount to NAV per share[1]	1.2%	6.1%
Net gearing[1]	10.9%	4.8%

Revenue Earnings and Dividends	Year ended 30 June 2026	Year ended 30 June 2025
Earnings per share	1.02p	0.00p
Dividends per share	28.30p	8.03p
Dividend yield[1]	8.3%	4.0%
Ongoing charges ratio[1]	1.7%	2.0%

1 Alternative Performance Measure ("APM"). A glossary of the terms used, including alternative performance measures, can be found on pages 84 to 86.
2 Used by the Company as a comparator, not a benchmark. As at 30 June 2026, 48.3% of the portfolio was attributable to the MSCI World Metals and Mining Index and 49.8% of the portfolio to the MSCI World Energy Index. Please refer to the 'by commodity' illustration on page 18 for further detail.

Highs and Lows during the year ended 30 June 2026	Highest	Lowest
Net asset value per share	457.03p	210.39p
Share price (mid market)	444.00p	202.50p
Share price premium/(discount) to NAV per share range (positive = premium)	5.6%	(14.9)%

Dividend History	Dividend per share	Ex-dividend date	Record date	Payment date
Fourth interim dividend 2026	6.94p	23 July 2026	24 July 2026	28 August 2026
Third interim dividend 2026	8.34p	30 April 2026	1 May 2026	29 May 2026
Second interim dividend 2026	7.00p	5 February 2026	6 February 2026	27 February 2026
First interim dividend 2026	6.02p	30 October 2025	31 October 2025	28 November 2025
Total for year ended 30 June 2026	28.30p			
Fourth interim dividend 2025	4.25p	31 July 2025	1 August 2025	1 September 2025
Third interim dividend 2025	1.26p	1 May 2025	2 May 2025	30 May 2025
Second interim dividend 2025	1.26p	30 January 2025	31 January 2025	28 February 2025
First interim dividend 2025	1.26p	24 October 2024	25 October 2024	22 November 2024
Total for year ended 30 June 2025	**8.03p**			

Chairman's Statement



Global macro themes continue to drive interest in natural resources which was reflected in the outperformance of the Company and a total return in NAV per share of 76.6%.

Christopher Casey

Overview

I am sure shareholders will agree it has been an eventful year, not only for the underlying markets that the Company invests in, but also for the Company itself. I am pleased to say, after much hard work in the background, the transfer of the investment management mandate to Tufton Investment Management was completed after the financial year end, along with a new name to reflect the change.

As part of this, we have been reunited with long standing fund managers, Keith Watson and Robert Crayfourd, who for the past 11 years have demonstrated their abilities with exceptional returns and an ability to foresee changes in underlying themes and make the necessary adjustments ahead of the broader market.



I must emphasise the move to Tufton is not a sea change for the Company. Our investment strategy remains unchanged. We believe Tufton is an organisation that will provide the support, industry knowledge and market intelligence required to create lasting shareholder value.

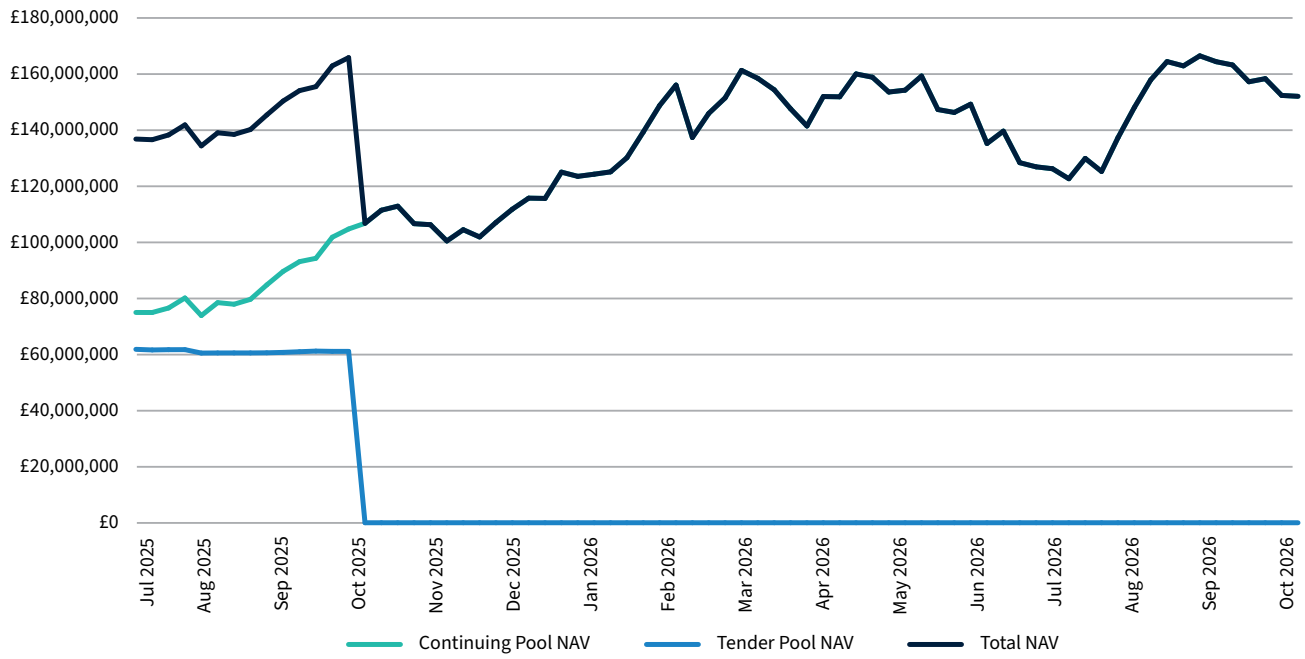
This access to information, knowledge and experience is of paramount importance when making investment decisions for an active manager in the commodities, energy and shipping space.

With the volatility experienced in commodity markets this year, influenced by factors such as the Iran conflict, ongoing protectionist measures and existing themes such as electrification and AI data centre rollout, the ability to see through the noise and take advantage of opportunities has never been more important.

These global macro themes have amplified focus and interest in commodities by the general public, governments and investors, and this Company, with its active management, we believe is one of the best ways to take advantage of this.

This has been reflected in the Company's net asset value ("NAV") per share total return of 76.6% over the 12 month period, outperforming its performance comparators, the MSCI World Metals and Mining Index, which returned 63.5%, and the MSCI World Energy Index, which returned 34.1% (both sterling adjusted).

Changes in the Company's Net Asset Value



Company activity over the year

Together with the commentary which follows, I would again like to draw shareholders' attention to the timeline of events set out overleaf which I hope is helpful in aiding an understanding of the various matters which have developed during the Company's financial year and to date.

The Company's financial year began with the announcement of the result of the Tender Offer on 1 July 2025. A total of 29,334,059 shares, representing 45.72% of the shares in issue at the time (excluding shares held in treasury) were tendered. In September 2025, the Tender Offer was concluded and resulted in a Tender Price of 208.33 pence per share for those exiting shareholders.

Around the same time, the Company's shares began to trade at a premium to NAV. As I noted in the Company's half year report, we believe that the value-enhancing initiatives (including the enhanced dividend yield and reduced management fee) and the strong performance of the portfolio led to improved investor sentiment and the increased demand for the Company's shares.

Despite the significant reduction in the Company's net assets on completion of the Tender Offer, the strong performance of the portfolio, particularly in the first half of the year, meant that during the year the Company's NAV reached the pre-Tender Offer level. However, towards the end of the financial year it dipped back, before recovering in the period to date. The graph above illustrates the effect of the Tender Offer and the strong performance of the portfolio on the Company's NAV over the financial year to 30 June 2026 and beyond.

A General Meeting was held on 2 March 2026, and the Board was pleased that shareholders voted in favour of the two proposed resolutions permitting the Company to issue in aggregate up to 20 per cent. of its issued share capital (excluding shares held in treasury) as at the date of the General Meeting. If the Board had not taken steps to renew the Company's authority to issue shares, the share issuance authority routinely approved by shareholders at the last annual general meeting ("AGM") held on 9 December 2025 would have been exhausted in mid-August 2026 and been insufficient to allow the Company to satisfy demand for its shares during the period up to the next AGM in December 2026.

In early March 2026, the Company announced that it had been informed that its named portfolio managers, Keith Watson and Robert Crayfourd, had tendered their resignations to the Company's investment manager at the time, CQS (UK) LLP, part of the Manulife group ("CQS"). Later in March 2026, the Company announced that it had served six months' protective notice to CQS. Shortly after, Tufton Investment Management Ltd ("Tufton") announced that Keith and Robert would be joining as employees as soon as their contractual arrangements allowed them to do so.

Following a period of handover during Keith and Robert's notice periods, senior Manulife Investment Management Group portfolio managers, Craig Bethune and Diana Racanelli, assumed responsibility for the management of the portfolio in May 2026. There was no change to the Company's investment process, strategy or operations.

Chairman's Statement continued

Following the resignations, the Board considered the options available to the Company to move forward in the best interests of shareholders. These options included remaining with CQS or appointing a new investment manager, so the Board conducted an evaluation of possible investment management groups with expertise and a proven track record of performance in the natural resources sector. The Board engaged in a number of discussions with investment management firms (including but not exclusively, CQS and Tufton), received presentations from a shortlist of firms, conducted the necessary due diligence and took into account the learnings and results of its wide-ranging strategic review in 2025. The Board concluded that the appointment of Tufton as investment manager, and the ongoing stewardship of the portfolio by Keith and Robert, was in the best interests of shareholders.

The Company announced on 27 May 2026 that Heads of Terms had been agreed to appoint Tufton as investment manager and alternative investment fund manager with effect from 14 September 2026, with Keith and Robert to resume as the Company's portfolio managers at that time. The Company shall pay Tufton an annual management fee of 1 per cent. per annum of the NAV of the Company, calculated monthly and payable monthly in arrears. This is in line with the reduced management fee introduced in May 2025.

In June, the Company also received notice from BNP Paribas S.A., London Branch ("BNP") of its intention to terminate its agreements to provide depositary and custody services. In addition, BNP gave notice that it would cease the provision of a lending facility to the Company. Aided by its advisers, the Board commenced a review of alternative service providers and, following thorough review and negotiation, resolved to appoint Apex Depositary (UK) Limited ("Apex") as the Company's depositary and European Depositary Bank SA, Dublin Branch ("EDB") as the custodian (sub-contracted to Citibank N.A., London Branch) with effect from 14 September 2026, and The Bank of Nova Scotia, London Branch ("Scotiabank") as lender with effect from 11 September 2026. Further detail on the Company's borrowing arrangements can be found within Note 12 to the Financial Statements.

Performance and Returns

During the year to 30 June 2026, the Company's NAV per share total return was 76.6%, outperforming the total return of 63.5% of its performance comparator, the MSCI World Metals and Mining Index (sterling adjusted), to which 48.3% of the Company's portfolio (as at 30 June 2026) can be attributed. The Company similarly outperformed the total return of 34.1% of the MSCI World Energy Index (sterling adjusted), the sector to which the Company's portfolio has a greater relative exposure (49.8% as at 30 June 2026).

Performance during the year can largely be attributed to the exposure of the Company's portfolio to the precious metals rally which was driven by geopolitical uncertainty and a return to safe haven assets.

However, in the second half of the year, Keith and Robert took a conscious decision to re-weight the portfolio in response to the evolving geopolitical situation in the Middle East, which they believed warranted a higher energy risk premium. As a result, profits derived from the portfolio's precious metals exposure were used to fund this reallocation into energy.

2025

July

Result of Tender Offer announced and Tender Pool formed of 45.72% of the Company's shares in issue (excluding shares held in treasury)

Declaration of a fourth interim dividend (2025) of 4.25 pence per share, the first following the adoption of an enhanced dividend policy of 2 per cent. of the preceding quarter-end net asset value

September

Realisation of Tender Pool for cash concluded

Shares began to trade at a premium to NAV and issuance from treasury took place

October

Cash exit for Tender Pool at a Tender Price of 208.33 pence per share

Declaration of a first interim dividend (2026) of 6.02 pence per share

December

Annual General Meeting held and Paul Cahill appointed as the Board's Senior Independent Director

Confirmation of the Company's Share Buyback Policy

2026

January

Declaration of a second interim dividend of 7.00 pence per share

February

Circular to shareholders with share issuance proposals, and Notice of General Meeting

March

General Meeting held and resolutions passed to renew share issuance authorities

Resignation of named portfolio managers, Keith Watson and Robert Crayfourd

Service of protective notice to CQS (UK) LLP

April

Declaration of a third interim dividend of 8.34 pence per share

May

Following a handover period, Craig Bethune and Diana Racanelli assumed responsibility for the Company's portfolio

Assessment by the Board of alternative investment managers, selection of preferred candidate and negotiations of terms

Heads of Terms agreed to appoint Tufton as investment manager and AIFM

July

Declaration of a fourth interim dividend of 6.94 pence per share

August

Circular to shareholders with proposal to amend the Company's Articles of Association to enable the Board to determine the name of the Company

September

General Meeting held to facilitate the change of the Company's name

Tufton became the Company's Investment Manager, and Keith and Robert resumed responsibility for the Company's portfolio

October

Declaration of a first interim dividend (2027) of 7.88 pence per share

Appointment of Apex as depositary, EDB as custodian and Scotiabank as lender

The Company's share price total return over the year was 87.0%, with the share price increasing from 205.00 pence on 1 July 2025 to 343.00 pence as at 30 June 2026. The Company's share price during the year peaked at 440.00 pence on 27 February 2026, before falling sharply over the following weeks in response to the initiation of the US and Israeli attacks on Iran and fall in precious metals prices.

As at 23 October 2026, the latest practicable date prior to the publication of this Report, the Company's share price had reached 376.50 pence.

Management of Premium/Discount

The Board recognises the importance to shareholders of managing the premium or discount of the Company's share price relative to the NAV per share. Bearing in mind the underlying volatility of the markets in which the Company invests, the Board has determined to use share buybacks with the aim of maintaining a single digit discount to the Company's NAV per share in normal market conditions.

During the year the Company bought back a total of 30,097,420 shares, however, a significant portion of this relates to the Tender Offer, pursuant to which 20,534,059 shares were bought back for cancellation and 8,800,000 shares were bought back to be held in treasury. This means that only 763,361 shares were bought back in the ordinary course of share price discount management. Those shares were bought back at an average price of 346.63 pence per share and discount to NAV of 9.9%.

With periods of sustained premium driven by demand during the year, the Company was able to sell a total of 2,150,000 shares from treasury at an average price of 379.04 pence per share.

As at 30 June 2026, the Company had 36,210,418 shares in issue (excluding 10,144,032 shares held in treasury) and the discount to NAV was 1.2%. Over the year the discount averaged 3.6%, compared with 8% over the course of the previous financial year.

Gearing

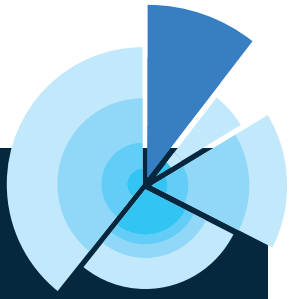
As at the year end, gearing was 10.9%, compared with 4.8% at the beginning of the year. The increase reflects both an additional draw down under the borrowing facility, enabling the portfolio managers to take advantage of market opportunities presented by geopolitical events at the beginning of March 2026, and a reduction in net assets following completion of the Tender Offer.

Dividends

In July 2025, the Company declared a fourth interim dividend (2025) of 4.25 pence per share, the first following the adoption of an enhanced dividend policy to distribute circa. 8 per cent. of the Company's NAV via a quarterly dividend of 2 per cent. of the preceding quarter-end NAV per share.

Since then, the Company has declared interim dividends (2026) of 6.02 pence per share; 7.00 pence per share; 8.34 pence per share; and 6.94 pence per share, a total of 28.30 pence per share in respect of the year ended 30 June 2026 (2025: 8.03 pence per share) and representing a yield of 8.3% as at the year end (2025: 4.0%). On 15 October 2026, the Company declared its first interim dividend (2027) of 7.88 pence per share to shareholders on the register on 30 October 2026 and which will be payable on 30 November 2026.

Highlights



76.6% (2025: 4.6%)

Net asset value per share total return

87.0% (2025: 9.3%)

Share price total return

8.3% (2025: 4.0%)

Dividend yield

Because the dividend is linked to the Company's NAV rather than being set at a fixed pence per share, the amount paid per share may rise or fall over time. Therefore, if the Company's NAV declines, shareholders should expect the dividend in pence per share to reduce correspondingly. This mechanism helps ensure that distributions remain aligned with the Company's NAV and are sustainable over the longer term.

Post reporting period update

Since the year end, in early July 2026, a further 37,180 shares have been bought back into treasury at an average price of 325.09 pence per share and discount to NAV of 8.9%.

Since 3 August 2026, the Company's shares once again began to trade at a premium to NAV and the Company has sold a further 3,965,000 shares from treasury at an average share price of 391 pence. As at 23 October 2026, the latest practicable date prior to the publication of this Report, the number of shares held in treasury had reduced to 6,216,212, increasing the number of shares with voting rights since the period end to 40,138,238.

In preparation for the change in Investment Manager, on 8 September 2026, the Company held a General Meeting where shareholders approved an amendment to the Company's Articles of Association ("Articles") which permitted the directors of the Company to determine the name of the Company. The Board of Directors resolved to change the name of the Company from CQS Natural Resources Growth and Income PLC to City Natural Resources Growth and Income PLC, and this change took effect on 15 September 2026.

On 14 September 2026, Tufton took over from CQS as the Company's investment manager, and we as a Board very much look forward to continuing to build a productive relationship with the team there.

My fellow directors and I would like to thank Craig Bethune and Diana Racanelli at Manulife Investment Management for their professionalism and responsible stewardship during their interim management of the Company's portfolio, as well as all involved at CQS throughout the business' tenure as the Company's investment manager.

Board of Directors
Carole Cable, having served nine years as a director, will not be seeking re-election and will retire as a Director of the Board at the conclusion of the AGM in December 2026. This is in line with best practice corporate governance. Carole has made an outstanding contribution to the Board during her tenure, bringing a wealth of experience, sound judgement and unwavering commitment to the Company and its shareholders. She has always strived to ensure the best possible communication and engagement with the Company's shareholders in both routine and challenging circumstances. On behalf of my fellow directors and all shareholders, I would like to express our sincere gratitude to Carole for her dedication to the Company over her tenure and wish her every success for the future.

As previously communicated, I intend to continue to serve as Chairman and will therefore stand for re-election by shareholders at the forthcoming AGM. In 2025, the Nomination Committee assessed the impact of the simultaneous retirement of both Carole and me following our respective nine year tenures. The Committee concluded that a staggered retirement would be in the interests of orderly succession and facilitate continuity and stability of the Board. In light of the developments of recent years, including the changes outlined earlier in this report to the Company's investment manager and other key service providers, the Board believes that stability and continuity of leadership remain a priority.

As part of its succession planning in 2026, the Nomination Committee has concluded that the Company and its shareholders would be best served by asking me to remain as Chairman for a further year until the AGM to be held in 2028. This will enable the consideration and development of possible candidates on the Board to succeed me as Chair and, in due course, the commencement of a search process to identify and recruit a new non-executive director with the skills the Board has identified that it requires. The Nomination Committee does not consider that my serving on the Board for more than nine years from the date of first appointment impacts my independence as a non-executive director.

Annual General Meeting
The AGM will be held at One Fleet Place, London, EC4M 7RA at 12 noon on 1 December 2026. The business of the AGM is summarised in the Directors' Report on pages 41 and 42 and the Notice of Meeting beginning on page 87.

Auditor
During the year the Audit Committee led a competitive audit tender process, which resulted in the recommendation that PricewaterhouseCoopers LLP be appointed as the Company's new auditor for the year ending 30 June 2027. Further information concerning the audit tender process can be found within the Report of the Audit Committee on page 54, but I would like to take this opportunity to express the Board's thanks to BDO LLP for its service to the Company as auditor since 2017.

Articles of Association
The Directors are proposing amendments to the Company's Articles of Association to enhance transparency and strengthen governance. It is the Directors' belief that these amendments are in the best interests of shareholders as a whole.

Your attention is drawn to Resolution 15 within the Notice of Annual General Meeting beginning on page 87, as well as the Appendix – Summary of the Principal Amendments to the Company's Articles of Association on page 93.

Voting and Q&A
The Board encourages all shareholders to exercise their right to vote at the AGM and, where possible, to do so online in advance. Registering your vote in advance will not restrict you from attending and voting at the meeting in person should you wish to do so. The Board recommends that shareholders vote in favour of all resolutions as each of the Directors intends to do in respect of their own shares.

As well as the formal proceedings, this will be an opportunity to meet the Board and to receive a presentation from our portfolio managers and we hope as many shareholders as possible will attend. Shareholders can submit questions in advance by writing to the Company Secretary, Frostrow Capital LLP ("Frostrow"), at cosec@frostrow.com.

Outlook
While the geopolitical backdrop is likely to remain volatile, the Board shares the portfolio managers' positive outlook and is confident that, through active, specialist management, the Company is well placed to navigate the uncertainty and take advantage of the opportunities emerging across natural resources markets. The appointment of Tufton as Investment Manager is already bringing complementary expertise and resources, and the Board looks forward to the Company benefiting further from these synergies.

Christopher Casey
Chairman
27 October 2026

Investment Manager's Review



Keith Watson



Robert Crayfourd

The outlook for the sector remains positive. Real assets and real returns are highly attractive in the current high inflation environment, and volatile commodity markets provide opportunities for active management of the Company's portfolio.

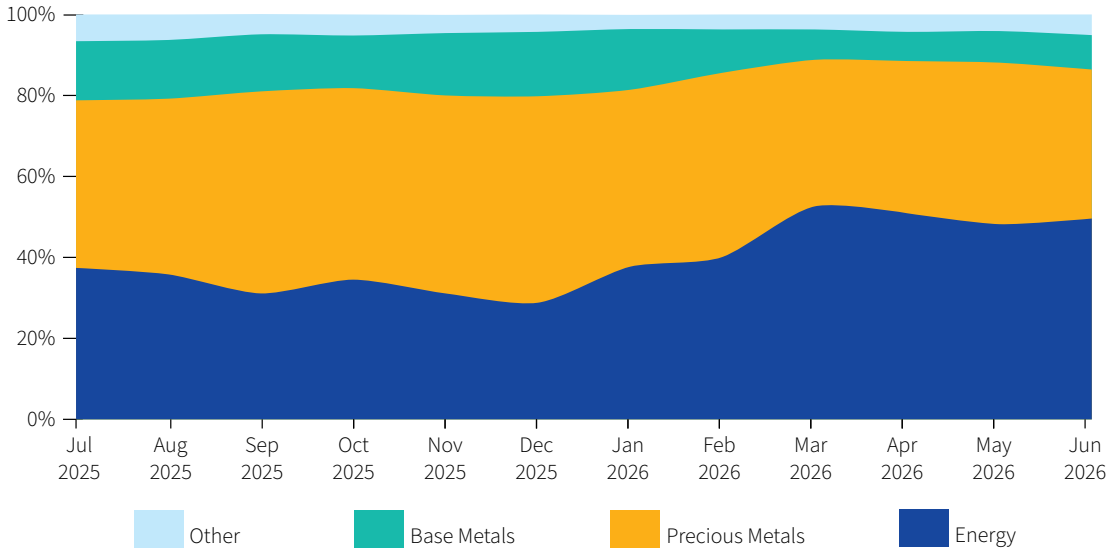
Overview and Performance as at 30 June 2026

We are delighted to report another strong year of performance for the Company with a NAV total return of 76.6% and a share price total return of 87.0% in the 12 months to 30 June 2026. While the Company has no formal benchmark, we do track our performance against the MSCI World Metals and Mining and the MSCI World Energy indices which, over the same period, returned gains of 63.5% and 34.1% respectively, on a sterling adjusted basis.

The financial year was marked by a period of significant macro volatility, driven not least by a more aggressive US trade policy, including the implementation of tariffs and a general shift to upending global trade flows. The ongoing war in Ukraine disrupted energy flows as OPEC focused on regaining share. From early July 2025 to the end of February 2026, strength in precious metals triggered a lift in metals prices across the board, with gold and silver the standouts. The US-Iran conflict, which began on 28 February 2026, marked the high point for precious metal prices, which subsequently fell sharply throughout the remaining months of the financial year. Gold, however, ended the financial year about 20% higher year-on-year, and silver gained an even more impressive c.63%, having finally caught up after years of underperformance compared with gold.

The Company's large weighting to precious metals was the primary driver of outperformance during the year under review. In early 2026, the Company took some profits from its gold and silver holdings and reallocated the proceeds towards the energy sector, reflecting the view that the evolving geopolitical situation in the Middle East warranted a higher energy risk premium. This helped sustain performance over the full year. Alongside profit taking, gearing was reduced to lower risk and to retain flexibility to act more opportunistically should market volatility present further opportunities.

The graph overleaf shows how the major sectors in the portfolio have moved over the last year and further details are set out in the sections that follow.



Footnote: 'Energy' includes Oil and Gas producers and rigs, Shipping and Uranium.

Precious Metals (Gold/Silver): 38.7% of the portfolio
The first half of the financial year and the early part of 2026 marked continued record-setting all-time highs for precious metals. The gold price stood at US$3,339 per ounce at the start of the financial year on 1 July 2025 and rose rapidly throughout the second half of 2025, reaching US$5,417 per ounce at the end of January 2026 – a gain of 62.3%. The gold price subsequently fell back to US$4,008 per ounce by 30 June 2026, but this still represented a 20.0% increase over the financial year as a whole. Silver was even more volatile, having started the financial year at US$36.0 per ounce, it rose throughout the second half of 2025 and into January 2026, reaching an astonishing price of US$116.7 per ounce – a gain of 219.3%. The silver price subsequently fell back to US$58.6 per ounce by 30 June 2026, which represented an impressive 62.6% increase over our financial year.

These price rises up to January 2026 were driven by increasing investor concerns around US dollar currency debasement risks amid elevated US government debt levels, expectations of future Federal Reserve rate cuts, and President Trump's comments suggesting indifference to dollar volatility, all of which supported a return to precious metals as a safe haven. Central bank gold purchases continued, and physical exchange-traded funds also contributed to this positive momentum. The silver rally followed five consecutive years of supply deficits, as highlighted by the Silver Institute, and was exacerbated by China's decision to restrict exports of refined silver given its strategic importance for the high tech and defence industries.

As the US-Iran conflict escalated in March 2026, gold and silver saw a heavy sell off with liquidity-driven deleveraging in response to uncertainty, a stronger US dollar, and surging real bond yields increasing the opportunity cost of holding non-yielding assets. This sharp sell-off occurred despite strong macroeconomic tailwinds from elevated geopolitical tensions and inflation fears. Although prices have cooled from the January 2026 peak, they remain higher than a year ago and continue to be supported by global inflation fears stemming from the ongoing conflict and higher oil prices, strong retail demand, and concern about the future of the US dollar.

The Company's exposure to the precious metals sector is our largest weighting at almost 39% of the portfolio as at 30 June 2026. Among our larger positions, the standout performers over the year were Greatland Resources (+43.9%), an Australian gold and copper producer; Predictive Discovery (+87.0%), a West African gold producer; and Emerald Resources, a Cambodian gold producer (+35.5%). Just outside of the top 10 holdings we also saw good returns from Ora Banda Mining and Equinox Gold.

We took profits in early 2026, selling around 15% of net assets in the form of gold and silver companies to lock in gains for the year and reinvested the proceeds into energy companies. This reallocation proved beneficial to the Company's overall performance.

Energy (Oil and Gas/Rigs/Shipping): 34.7% of the portfolio
The conflict involving the US and Iran dominated news flow throughout the latter part of the Company's financial year and introduced heightened geopolitical uncertainty for commodity markets. The key outcome for markets has been disruption to energy supply routes, most notably through the Strait of Hormuz, with the loss of approximately 13 million barrels per day (MMb/d) of oil supply, a material reduction in global liquefied natural gas flows, and disruption to other energy linked industrial inputs, including sulphuric acid used in fertiliser production and metal processing. These developments may have implications beyond inflation over the coming months, increasing downside risks to global growth and requiring a more balanced approach to central bank interest rate policy.

The Brent oil price was initially a clear beneficiary of the ongoing conflict, benefiting the Company's increased oil and gas, shipping and refining weighting. Having traded for most of the Company's financial year between US$60 and US$70 per barrel it rose to

a high of US$117 per barrel at the end of March 2026. The oil price then whipsawed throughout the April to June 2026 period as optimism sparked by seemingly weekly announcements of a potential US-Iran peace agreement was repeatedly offset by headlines pointing to continued conflict or delays in reaching a deal. Each additional day of conflict weighs further on global production and accelerates inventory depletion.

With oil exports through the Strait of Hormuz having been impacted since the end of February 2026, the full extent of the supply loss will become more evident over time, adding an increased risk premium should it be resolved, despite mitigation efforts such as the US administration releasing a proportion of its Strategic Petroleum Reserve. Oil reacted swiftly to the signing of the Memorandum of Understanding between Iran and the US, falling sharply in June 2026 to just over US$70 per barrel even as attacks continued between the US and Iran during the ceasefire.

US shale supply growth has slowed due to sector consolidation, lower prices and a decrease in drilling activity. The oil and gas producers have been slower to respond to higher prices, preferring to return free cash flow to investors via buybacks and dividends than investing in growth.

On the demand side, growth continues primarily coming from countries like India and other emerging markets. While China has hit peak demographics with its population in decline, global electric vehicle sales are increasing, including in heavy vehicles which is likely to see Chinese oil demand soften but be partially offset from growing chemicals production.

The shipping exposure was also a notable beneficiary of Middle Eastern disruption, following the loss of around 13MMb/d of oil transiting the Strait of Hormuz, with further disruptions to the Red Sea from Houthi attacks on vessels, causing chaos to global shipping routes. This increased the days required to ship oil and liquefied petroleum gas cargoes whilst increasing regional price differentials, which boosted day rates and thus earnings for holdings in the portfolio, such as Frontline (+51%) and BW LPG (+45%).

Product markets such as diesel and gasoline continued to enjoy robust refining margins. Physical damage to refining assets within OPEC from Iranian attacks and Russia from Ukrainian drone attacks has constrained supply, while real-world demand for oil products remained resilient despite the International Energy Agency's cautionary outlook. Our view is that the market has removed practically all conflict-related risk and is underestimating the prospects of continued conflict.

The Company increased its weighting to oil and gas through early 2026, with further exposure weighted towards gas, offshore rigs and shipping companies. We saw good performance from the energy names such as Tamboran Resources (+50.0%), an Australian natural gas explorer and producer and Spartan Delta (+198.3%), a Canadian energy company. In the ancillary sectors in the energy space, two of these stocks produced excellent returns: BW LPG (+72.0%), the world's largest independent LPG shipper and Transocean (+95.4%), an international provider of offshore drill rigs. The Company's holdings in the refining sector also provided strong returns with record refining margins due to the Iran and Ukraine conflicts.

Uranium: 11.1% of the portfolio

The uranium market continues to be well-supported, driven by rising electricity demand required to power AI data centres, coupled with energy and national security concerns, and a desire for a carbon-free energy source capable of providing reliable baseload power.

On the supply side, industry sources such as the World Nuclear Association forecast a global uranium deficit by 2035 owing to operational hurdles from current production in Kazakhstan and Canada and the long lead times needed to build primary uranium mines. Notably, these market forecasts still include uranium supply from projects currently being developed by NexGen and Denison Mines. This supply/demand dynamic has seen the spot price and term price, a level contracted by utilities, push up close to $100/lb, yet this is still having little noticeable impact on incentivising further production growth.

AI data centre growth is adding a new and significant driver of power demand growth, with numerous previously closed reactors in the process of restarting, backed by the hyperscalers. These include Microsoft signing a 20-year Power Purchase Agreement ("PPA") with US utility business, Constellation, for the restart of the Three Mile Island reactor in the US and Meta signing a 20 year PPA for Constellation's Clinton Clean Energy Centre. Meanwhile, Google and Amazon are each partnering with two different Small Modular Reactor ("SMR") developers.

SMRs are advancing in their development and may prove a significant incremental demand driver from the mid-2030s, which sounds long dated, but this will require additional U3O8 contracting from as early as 2028, with some reports suggesting the hyperscalers are exploring market opportunities to secure future supply.

The Company's largest exposure to uranium is through NexGen Energy (+26.3%), an emerging uranium producer in the Athabasca Basin in Canada which received final permits in March 2026



and has now begun construction with first uranium production targeted for 2030 from its Rook I asset. Along with smaller scale projects such as Denison's Wheeler River project, this additional production is crucial to addressing the current market supply deficit. Despite taking some profits in Q1 2026, after a strong period of price appreciation, NexGen Energy nevertheless remains one of the Company's largest positions.

Base Metals (Copper): 7.3% of the portfolio

Over the year, the portfolio has remained at a low weighting towards base metals such as copper, aluminium, nickel, and tin. While the longer-term outlook for exposure to these metals remains attractive, nearer-term caution appears warranted, with high energy prices acting as a drag on industrial demand and valuations, especially for copper producers. In our view, the valuations look more inflated relative to the energy or precious metal miners, which has been primarily driven by increased inflow of generalist money seeking exposure to the proposed AI data centre build out.

Furthermore, US copper exchange warehouse inventories have risen to an all-time high, equivalent to over six months of the region's annual consumption, driven by expectations that US tariffs will create a premium for US metal - a dynamic we believe is distinct from real end demand, and one that will ultimately unwind as supply returns to the broader market. As a result, this build up may act as an overhang to metal prices and could contribute significantly to sector volatility.

We have, however, maintained some base metal exposure in high quality companies where we have seen more attractive valuations. This includes development stage plays such as Talon Metals (copper/nickel), Metals X (tin) and Solaris Resources (copper) whose assets have the potential to grow in scale and grade. Alongside these, the Company also holds Ero Copper (copper), a producer with future production growth from its Brazilian projects. Future production from these investments may better match prospective base metal demand, while their respective valuations remain extremely appealing when set against current producers, especially the development stage projects.

Outlook

We view the outlook for the energy and natural resources sector to be positive over the next 12 months and beyond, as investment into commodities moves to the fore in an environment where access to resources is increasingly shaping investor and geopolitical thinking.

Oil and gas equities remain attractive as the disruptions in the Middle East continue, with the potential for a prolonged disruption remaining under appreciated by the broader market. With most countries around the world operating on a just-in-time basis for energy purchases, many have run down their inventory and will be looking to restock, adding incremental demand.

Refining capacity has been even more of a bottleneck than oil supply, as the loss of refining capacity in the Gulf, together with continued attacks on Russian refining facilities by Ukrainian drones has led to a structural diesel shortage. This has seen diesel crack spreads hit >$100/bbl as compared with a more normalised $25/bbl.

The shipping sector continues to benefit since the Company's June 2026 year end, from the Strait of Hormuz disruption and Houthi attacks in the Red Sea, with day rates for Very Large Crude Carriers ("VLCCs") reaching >$1M/d, multiples of prior all-time highs.

The defensive properties of the precious metal asset class remain attractive, notwithstanding short-term risks as policy makers grapple with interest rate policy. Central Bank demand remains strong given the preference for a shift to gold over US Treasuries to mitigate risk. Questions on US government debt affordability also lessen the appeal of US Treasuries, as the US continues to run a $2 trillion deficit, having breached the historic $40 trillion debt milestone in August 2026. This is very likely to result in more money printing and currency devaluation (loss of purchasing power) which in turn drives the attractiveness of the precious metal asset class.

The transition to an AI driven world looks set to be the fastest technological shift the world has ever seen, and commodities are essential in that capacity build out. Data centres require vast amounts of energy and critical minerals and metals that go into their construction, cooling, electrification, and grid storage batteries. With current supply constraints we will continue to look for attractive opportunities to capitalise on this macro trend.

Against this supportive backdrop for the underlying commodity prices, equity valuations remain attractive, with record earnings margins for the sector overall and strong free cash flow for the miners.

Cost pressures from higher oil prices, other input prices (such as sulfuric acid) and labour remain but the impact to the current large margins is expected to be muted. We continue to focus on miners with higher ore grades and ideally cheap grid power that we believe will protect margins.

Keith Watson and Robert Crayfourd
Tufton Investment Management Ltd
27 October 2026

Top ten largest holdings

as at 30 June 2026*

NexGen Energy

(5.4% of investments)

A Canadian tier 1 uranium exploration and development company focusing on the established Athabasca Basin uranium mining district in Saskatchewan, Canada has the potential to be the lowest cost uranium mine globally. As a zero-carbon source of energy, civil nuclear power generation, and hence uranium, may gain further traction in the global energy mix.
Company website: https://www.nexgenenergy.ca

19.8%
Total return



Tamboran Resources

(5.2% of investments)

An Australian natural gas exploration and production company, which specialises in the transition to cleaner energy and supports the energy transition by developing commercial production of natural gas while targeting net zero scope 1 and 2 equity emissions.
Company website: https://www.tamboran.com

37.0%
Total return



Spartan Delta

(4.1% of investments)

A Canadian energy company that explores, develops, and produces crude oil and natural gas. The company has a portfolio of production and development opportunities in the Deep Basin and the Duvernay. It is focused on the execution of the company's organic drilling program across its portfolio, delivering operational synergies.
Company website: https://www.spartandeltacorp.com

87.5%
Total return



Emerald Resources

(3.7% of investments)

An Australian gold mining, exploration and development company, with a producing mine in Cambodia and development asset in Australia. The company has successfully commissioned its low cost Okvau gold mine in Cambodia on time and budget. This strong management team has a long history of delivering mines on time and budget and are self-funded for the future growth profile.
Company website: https://www.emeraldresources.com.au

45.4%
Total return



Top ten largest holdings continued

as at 30 June 2026*

Greatland Gold

(3.3% of investments)

An Australian gold and copper producer operating the Telfer gold mine, one of Australia's largest gold-copper mining complexes. It is concurrently developing the nearby world-class Havieron gold-copper project and exploring across a significant regional portfolio.
Company website: https://www.greatland.com.au

28.5%
Total return



BW LPG

(3.2% of investments)

The world's largest independent owner and operator of LPG vessels, predominantly sending propane from the US and Middle East to Asia. Propane is a by-product of shale production, so benefits from increased activity in the US. Naphtha switching at refiners and displacing wood for propane as fuel in the likes of India are major drivers of demand growth. The company has a strong capital returns policy, primarily through dividends.
Company website: https://www.bwlpg.com

46.0%
Total return



Predictive Discovery

(3.0% of investments)

An Australian-listed leading West African gold production and development company, combining a portfolio of high-quality assets with a proven execution capability and strong financial platform. The company's portfolio is anchored by the Kiniero gold mine in Guinea and the Nampala gold mine in Mali, with long-life growth asset of Tier-1 Bankan Gold Project in Guinea, one the largest undeveloped gold projects in Africa.
Company website: https://pdigold.com

87.0%
Total return



Core Natural Resources

(2.6% of investments) (new investment in 2026)

A major US producer and exporter of high-quality, low-cost coals, for the global marketplace, including metallurgical and high calorific value thermal coals. The company plays an essential role in meeting the world's growing need for steel, infrastructure, and energy, while simultaneously serving the resurgent requirements of the US power generation fleet. Core Natural Resources was recently formed by a merger of Arch Resources and CONSOL Energy to help meet the rising demand for critical resources and energy around the world.
Company website: https://corenaturalresources.com

(10.6)%
Total return



West African Resources

(2.5% of investments)

An Australian-listed emerging mid-tier gold producer based in the West African region. The company engages in the acquisition, exploration and development of resource projects in West Africa, and its key asset is the Sanbrado Gold Project located in Burkina Faso.
Company website: https://www.westafricanresources.com

8.3%
Total return



Transocean

(2.4% of investments)

A US-listed Swiss offshore oil and gas drilling company. The company contracts its drilling rigs, related equipment, and work crews to customers on a dayrate basis to support exploration and development activities across global offshore regions, and it is the world's largest offshore drilling contractor based on revenue. The offshore rig market looks attractive as spending from global oil and gas increases, while the availability of rigs remains constrained given the large capital requirement and long lead times for new builds. The company is well placed to benefit from an improvement in offshore rig day rates.
Company website: https://www.deepwater.com

142.2%
Total return

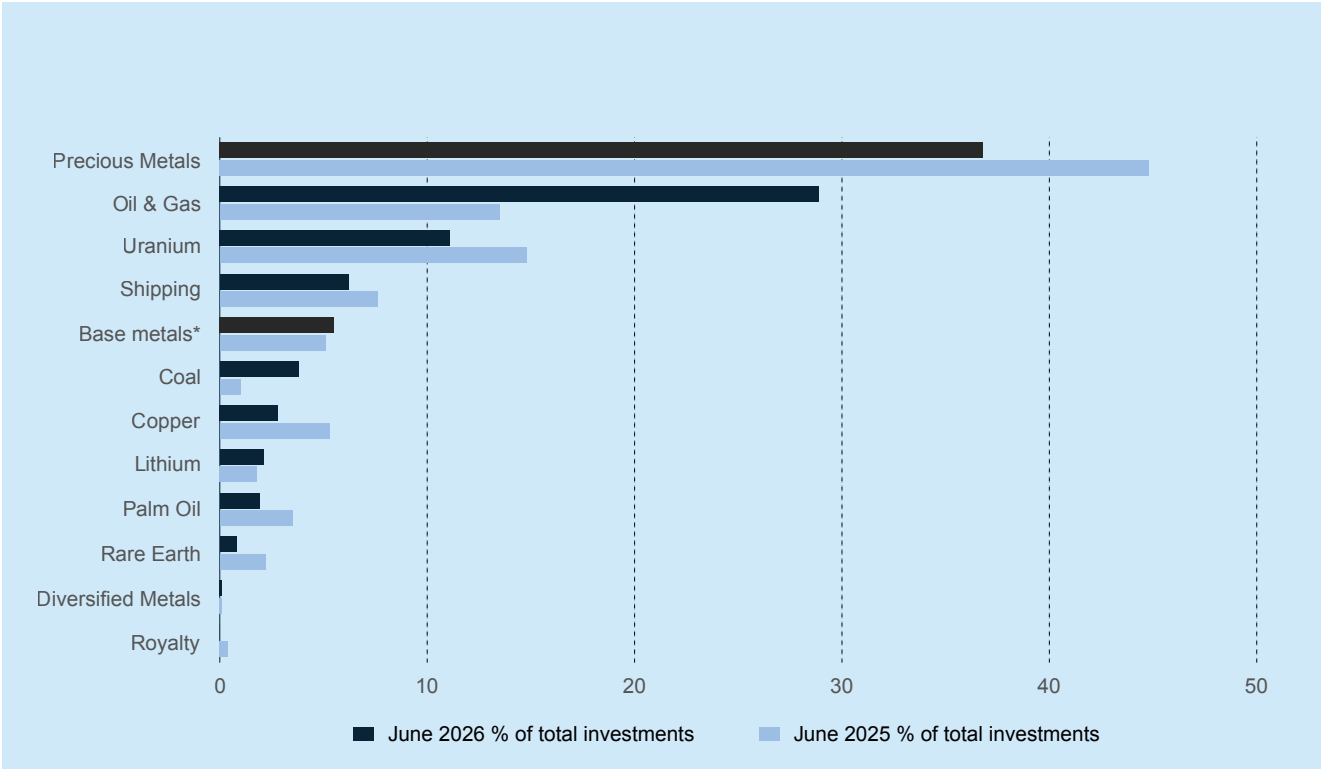


* The total return figure for each of the top 10 investments reflects the capital gains/losses and income received during the Company's financial year to 30 June 2026.

To see a full breakdown of our investments as at 30 June 2026 see **pages 19 to 21**

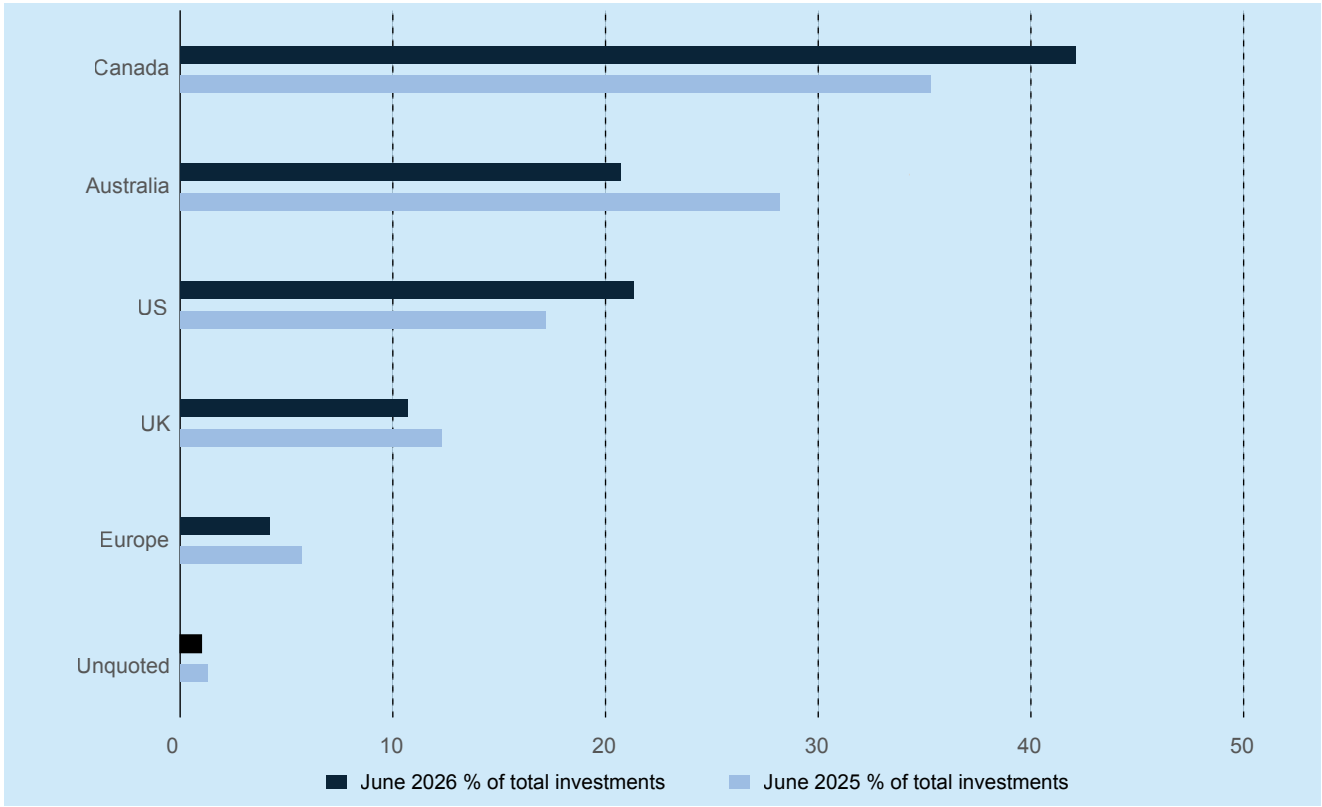
Portfolio at a glance as at 30 June

By commodity



* Comprises polymetallic investee companies.

By location of listing



Investment Portfolio

as at 30 June 2026

Company	Sector	Valuation £'000	% of total investments
NexGen Energy	Uranium	7,489	5.4
Tamboran Resources	Oil & Gas	7,209	5.2
Spartan Delta	Oil & Gas	5,717	4.1
Emerald Resources	Precious Metals	5,228	3.7
Greatland Gold	Precious Metals	4,658	3.3
BW LPG	Shipping	4,476	3.2
Predictive Discovery	Precious Metals	4,259	3.0
Core Natural Resources	Coal	3,681	2.6
West African Resources	Precious Metals	3,472	2.5
Transocean	Oil & Gas	3,390	2.4
Top ten investments		**49,579**	**35.4**
Ora Banda Mining	Precious Metals	3,324	2.4
Talon Metals	Base metals	3,263	2.3
Suncor Energy	Oil & Gas	3,215	2.3
Southern Cross Gold	Precious Metals	3,129	2.2
Ur-Energy	Uranium	3,099	2.2
Equinox Gold	Precious Metals	3,006	2.1
Frontline	Shipping	2,968	2.1
G Mining	Precious Metals	2,794	2.0
Polymetals Resources	Precious Metals	2,667	1.9
REA Holdings	Fixed interests	2,641	1.9
Top twenty investments		**79,685**	**56.8**
Tamarack Valley Energy	Oil & Gas	2,613	1.9
Goldsky Resources	Precious Metals	2,393	1.7
Cenovus Energy	Oil & Gas	2,365	1.7
Americas Gold and Silver	Precious Metals	2,299	1.6
Metals X	Base metals	2,279	1.6
Solaris Resources	Copper	2,260	1.6
Harbour Energy	Oil & Gas	2,255	1.6
Silver Mountain Resources	Precious Metals	2,049	1.5
Afentra	Oil & Gas	1,794	1.3
Diamondback Energy	Oil & Gas	1,775	1.3
Top thirty investments		**101,767**	**72.6**

Investment Portfolio continued

as at 30 June 2026

Company	Sector	Valuation £'000	% of total investments
Eldorado Gold	Precious Metals	1,769	1.3
Par Pacific Holdings	Oil & Gas	1,689	1.2
Thungela Resources	Coal	1,680	1.2
Denison Mines	Uranium	1,648	1.2
Sigma Lithium Resources	Lithium	1,641	1.2
Peyto Exploration & Development	Oil & Gas	1,634	1.2
Ithaca Energy	Oil & Gas	1,417	1.0
ISOEnergy	Uranium	1,380	1.0
Cerrado Gold	Base Metals	1,371	1.0
Petrol Brasileir	Oil & Gas	1,218	0.9
Top forty investments		**117,214**	**83.8**
Valero Energy	Oil & Gas	1,177	0.8
AbraSilver Resource	Precious Metals	1,138	0.8
Lynas Corporation	Rare Earth	1,096	0.8
Tolu Minerals	Precious Metals	1,088	0.8
Osisko Development	Precious Metals	1,000	0.7
Paladin Energy	Uranium	999	0.7
Teekay Tankers	Oil & Gas	979	0.7
Goliath Resources	Precious Metals	936	0.7
Cosa Resources	Uranium	900	0.6
Canadian Natural Resources	Oil & Gas	894	0.6
Top fifty investments		**127,421**	**91.0**
EOG Resources	Oil & Gas	849	0.6
Vizsla Silver	Precious Metals	781	0.6
Larvotto Resources	Precious Metals	780	0.6
Collective Mining	Base Metals	676	0.5
PMET Resources	Lithium	666	0.5
Sinda	Precious Metals	610	0.4
Pan American Silver	Precious Metals	602	0.4
Ero Copper	Copper	601	0.4
Vermilion Energy	Oil & Gas	588	0.4
True North Copper	Copper	465	0.3
Top sixty investments		**134,039**	**95.7**

Company	Sector	Valuation £'000	% of total investments
Integra Resources	Precious Metals	462	0.3
Prospect Resources	Lithium	462	0.3
Castile Resources	Base Metals	447	0.3
Firefinch (unquoted)	Precious Metals	432	0.3
Greenlight Metals	Precious Metals	382	0.3
Greenheart Gold	Precious Metals	359	0.3
Golden Horse Minerals	Precious Metals	356	0.3
NorAm Drilling	Oil & Gas	352	0.3
TDG Gold	Precious Metals	332	0.2
CVW Sustainable Royalties	Royalty	283	0.2
Top seventy investments		**137,906**	**98.5**
Central Asia Metals	Copper	272	0.2
Euronav	Fixed interests	262	0.2
Newcore Gold	Precious Metals	256	0.2
Platinum Group Metals	Precious Metals	241	0.2
Tharisa	Precious Metals	199	0.1
C3 Metals	Precious Metals	192	0.1
LI-FT Power	Lithium	163	0.1
Odyssey Gold	Precious Metals	150	0.1
Richmond Vanadium	Base metals	114	0.1
Antipa Minerals	Precious Metals	67	0.1
Top eighty investments		**139,822**	**99.9**
Other investments		105	0.1
Total		**139,927**	**100.0**

Further details on the Company's top ten largest holdings within its Investment Portfolio are on pages 15 to 17.

Principal Risks, Uncertainties and Mitigations

Risks are inherent in the investment process and it is important that their nature and magnitude are understood so that they can be identified and controlled to the extent possible. The Board has overall responsibility for the Company's risk management and internal control framework and, through delegation to the Audit Committee, has established a detailed framework designed to identify and monitor the key risks to which the business is exposed with associated policies and processes devised to mitigate, to the extent possible, those risks.

A risk management process has been established to identify and assess risks, their likelihood and the possible severity of impact. For each risk identified, during the year the Audit Committee considers both the likelihood and impact of the risk and then assigns an inherent risk score. The scoring of the risk is then reconsidered once the respective key mitigations are applied, and a residual risk score is assigned.

Principal risks and mitigations are discussed regularly at Audit Committee meetings and the summarised conclusions of such meetings held during the year are set out below.

Risk trend and levels
Change in inherent risk assessment over the last financial year:

↑ Increasing → Stable ↓ Decreasing

Risk and trend	Principal Risks and Uncertainties	Controls and mitigations
Investment and Strategy Risk →	Underperformance of the Company's portfolio resulting in loss of shareholder interest. Inappropriate investment strategy, including country and sector allocation, stock selection and the use of gearing, could lead to poor returns for shareholders. Investment objectives are not met, Company does not perform well against peers / benchmark, internal targets are not met. Loss of shareholder interest could result in reduced liquidity of the Company's shares in the market, widening of discount and diminished ability to issue new shares and grow the Fund.	**Board and Committees** • A formal investment mandate and compliance monitoring framework, including independent verification of adherence to investment policy limits and restrictions and Board oversight of mandate compliance. • The Board consists of experienced and competent Directors in their respective fields. • The Board has appointed an investment manager with long and deep natural resources knowledge, networks and experience. The Managers understand the global trends of energy transition, digital and economic growth and energy security. The Board receives and reviews the explanation of significant asset selection decisions and the rationale for the composition of the investment portfolio provided by the investment manager at quarterly Board and interim dividend review meetings. • The Company spreads investment risk over a portfolio of global resource quoted equities and fixed-interest securities and the Board regularly monitors the spread of investments to ensure that it is adequate to minimise the risk associated with specific countries or sectors.

Risk and trend	Principal Risks and Uncertainties	Controls and mitigations
Investment and Strategy Risk (continued)		**Key Service Providers** • The investment manager has a well-defined investment strategy and process and an investment management contract, which includes safeguards such as provision of service termination, is in place which defines their duties and responsibilities. • The investment manager produces monthly factsheets, which include an investment commentary. • Reports and updates on the Company's investment portfolio, including currency exposures, and recent transactions, latest income and expense forecasts are prepared by the investment manager and Frostrow for the Board's review at each quarterly meeting. • Frostrow produces a monthly compliance report, confirming the Company's compliance with its published Investment Policy and restrictions, or reporting any breaches or issues. • The Board receives regular reporting from the Company's brokers on shareholder composition and activity, including review of the shareholder register and key movements, to identify emerging concentration risks, changes in investor behaviour or negative trends.
Market, Sector and Geopolitical Risk 	By the nature of its investing activities, the Company's portfolio is exposed to fluctuations in market prices (both individual security prices and foreign exchange) and risks associated with the specific sectors in which its portfolio companies operate, such as inflation, interest rates, commodity and energy prices. Geopolitical developments and regional conflicts could affect the environment in which the Company operates, resulting in volatilities in prices, foreign exchange rates and interest rates, which can negatively impact the value of the Company's investments and/or demand for its shares. Excess exposure to any stocks or sectors, geographies or currencies could reduce diversification and lead to unacceptable volatility of returns.	**Board and Committees** • The closed-end structure of the Company is an essential part of the Board's management of this risk, ensuring that parts of the portfolio do not have to be sold to raise liquidity to fund redemptions at short notice. • Limits and restrictions set out in the Company's Investment Policy are intended to mitigate the Company's specific risk exposures. These are reviewed monthly by the Board. • The Board reviews the Company's performance against comparator indices on an ongoing basis and receives a formal report from the investment manager at quarterly meetings. • The Board has a regular dialogue with the investment manager to assess the impact of geopolitical events and to evaluate both the risks and opportunities and considers asset allocation and concentration of the portfolio to minimise the risk associated with sector and/or geopolitical exposures.

Risk and trend	Principal Risks and Uncertainties	Controls and mitigations
Market, Sector and Geopolitical Risk (continued)		**Key Service Providers** • Geopolitical risk forms part of the investment manager's investment process and decisions and the investment manager reports sector risks arising from the general market and/or specific geopolitical environments to the Board at each quarterly meeting. • The Company does not hedge against any foreign currency movements, but income received from foreign investee companies is converted into sterling upon receipt. • Reports and updates on the Company's investment portfolio, including currency exposures and recent transactions, latest income and expense forecasts, as well as a monthly compliance report, confirming the Company's compliance with its published Investment Policy and restrictions, or reporting any breaches or issues are prepared by the investment manager and Frostrow for the Board's review regularly and at each quarterly meeting.

Risk and trend	Principal Risks and Uncertainties	Controls and mitigations
Widening share price discount to NAV per share 	Demand for shares in the Company declines due to failure to promote the Company, meet investors' objectives, poor investment performance, and/or poor communication with shareholders (including information published on the Company's website), resulting in falling share prices and widening of discount, and/or reputational damage. Arbitrageurs may acquire large stakes in the Company which could threaten its viability and the liquidity of its shares. Arbitrageurs may also restrict the strategy options open to the Company. This risk is heightened by the persistent wide discount to NAV per share in the investment trust sector.	**Board and Committees** • The Board operates a formal discount management and shareholder engagement governance framework, under which the Company's share price, discount/premium to NAV, trading volumes and peer group trends are monitored on an ongoing basis. Persistent or adverse movements in demand or discount levels are discussed by the Board and, where appropriate, actions are considered and approved. • The Board has authority to undertake share buy-backs and oversees the timing, scale and execution of any buy-back activity as part of its capital management strategy. The Board holds periodic strategy sessions to review the Company's investment objectives, strategy and structural features, and to consider actions intended to support shareholder demand for the Company's shares. • The Board has appointed an independent investment research provider to enhance transparency and understanding of the Company among retail investors and support informed demand. • The Board receives regular reporting on shareholder composition and activity, including review of the shareholder register and key movements, to identify emerging concentration risks, changes in investor behaviour or negative trends. • The Board has overseen enhancements to the Company's dividend policy, including the introduction of an 8% p.a. dividend target, as part of its broader approach to maintaining the attractiveness of the Company's shares. • The Board maintains oversight of the Company's continuation vote framework, including timetable, shareholder communication and engagement arrangements, recognising that the outcome of any vote is ultimately determined by shareholders. • The Board recognises that market conditions and investor sentiment are external factors; however, the Board assesses the effectiveness of the governance framework and capital management authorities in place to manage discount risk.

Risk and trend	Principal Risks and Uncertainties	Controls and mitigations
Widening share price discount to NAV per share (continued)		**Key Service Providers** • The investment manager undertakes regular engagement with existing and potential investors to understand investor objectives and ensure the Company's strategy remains appropriate; the Chair of the Board attends selected meetings. • The investment manager, Cavendish, Frostrow's Investor Relations team and Tavistock carry out co-ordinated marketing and investor relations activities to promote awareness of the Company and support demand for its shares. • The investment manager produces a monthly factsheet providing investment performance and portfolio information, which is published on the Company's website, released via the regulatory news service and circulated to key investors.
Key Person Risk 	Performance of the Company may be negatively affected by a change or loss of key personnel in the fund management team or the Board of Directors (Non-Executive Directors). The risk of manager loss is material given the specialist nature of the Fund. Loss of key personnel could result in poor performance, lower investor demand and/or a widening of the discount which could limit the strategic options of the Board.	**Board and Committees** • A formal framework operated by the Board and Management Engagement Committee to mitigate reliance on individual investment professionals, comprising: o Appointment of an investment manager with a multi-manager investment team structure with expertise in the resources space o Contractual protections within the Investment Management Agreement, including: notice periods and termination provisions. o Ongoing Board oversight of key personnel changes, succession planning arrangements, and manager resourcing and stability. • Annual performance and appointment review by the Management Engagement Committee. • The Nominations Committee oversees Board composition and succession planning, including the use of a skills matrix to assess the balance of experience and expertise on the Board and to identify and address any capability gaps. • The Management Engagement Committee reviews the investment manager's appointment and performance annually. • The Board receives regular updates on developments and succession planning, where appropriate, and any key personnel changes at the Investment Manager.

Risk and trend	Principal Risks and Uncertainties	Controls and mitigations
Key Person Risk (continued)		• The Company's agreement with the investment manager contains a six-month notice period, which helps minimise any potential disruptions from changes in key personnel. • Board members spend time with the management team outside of meetings to build a rapport and understand any issues they may have. • The Board documents in its minutes its review of succession planning, team resourcing and any changes in key personnel, and assesses whether the framework operated as intended during the period. • Directors' skillsets and succession planning are given regular and appropriate considerations during Board and Committee meetings. **Key Service Providers** • There are two fund managers who are responsible for day-to-day portfolio management which reduces the risk of any one fund manager's departure. • The investment manager has a broad team with experience in resources and commodities. They can pull on internal resources in the short term should the need arise.
Cyber Risk 	Cyber risk has previously been monitored as an element of operational risk, but, given the heightened risk to information security as cyber criminals become more sophisticated and increasing reliance on electronic communication and storage of data, the Board now considers cyber risk and data security as a principal risk. The emergence of AI could jeopardise IT controls and this, together with cyber risk more generally, could cause reputational damage to the Company, threaten shareholder funds and ultimately the viability of the Company	**Board and Committees** • Due to the structure of the Company's business model, all cyber risk rests with our service providers. Key service providers are highly regulated entities, nevertheless increased monitoring (such as regular cyber resilience and penetration testing) has been in operation and confirmations that cyber risk is appropriately controlled, and no significant incidents impacting the Company have occurred are provided to the Board on an annual basis. **Key Service Providers** • The investment manager has introduced an AI controls procedure. • Penetration testing is carried out by the investment manager and Frostrow, and other key services providers annually. Frostrow produces a regular compliance report, which includes any exceptions noted in any of the Company's key service providers' operations.

Emerging risks

During Board discussions on principal risks and uncertainties, the Board considered any risks that were not an immediate threat but could arise in the longer term and have significant impact on the ability of the Company to continue to meet its objectives.

Focus areas have been the management of the Company's portfolio since the resignation of its named portfolio managers in March 2026 and the subsequent transition of AIFM and Investment Manager, as well as the transition of other key operational service providers. The Board will continue to assess newly emerging risks on a regular basis to ensure that the implications for the Company are properly assessed and mitigating controls introduced where necessary.

Business Review

Introduction
This Business Review is designed to provide information primarily about the Company's business and results for the year ended 30 June 2026. It should be read in conjunction with the Chairman's Statement on pages 6 to 10, and the Investment Manager's Review on pages 11 to 14, which give a detailed review of the investment activities for the year and look to the future.

Within the Business Review we discuss our approach to our stakeholder responsibilities within our S. 172 Statement beginning on page 32 and the Board's review of the Company's purpose, culture and values during the year. We also discuss our approach to social and governance matters and the environment on page 36.

Investment objective
The Company seeks 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.

Investment policy
The Company invests predominantly in mining and resource equities and mining, resource and industrial fixed interest securities (including, but not limited to, preference shares, loan stocks and corporate bonds, which may be convertible and/or redeemable). The Company may invest in companies regardless of country, sector or size and the Company's portfolio is constructed without reference to the composition of any stock market index or benchmark. Exposure to higher yielding securities may also be obtained by investing in other sectors, including closed-end investment companies and open-ended collective investment schemes.

The Company may, but is not obliged to, invest in derivatives, financial instruments, money market instruments and currencies for the purpose of efficient portfolio management.

The Company may acquire securities that are unquoted at the time of investment but which are about to be, or are immediately convertible at the option of the Company into securities which are, listed or traded on a stock exchange, and may continue to hold securities that cease to be quoted or listed if the Investment Manager considers this appropriate. In addition, the Company may invest up to 10 per cent. of its gross assets in other securities that are unlisted or unquoted at the time of investment.

The Company will not invest more than 15 per cent. in aggregate of the value of its total assets (measured at the time of investment) in other investment trusts or investment companies which are listed on the Official List except that this restriction does not apply to investments in other investment trusts or investment companies which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other investment trusts or investment companies which are listed on the Official List.

The Company may borrow an amount up to 25 per cent. of shareholders' funds (measured at the time of drawdown).

The Investment Manager expects that the Company will normally be fully invested. However, during periods in which changes in economic circumstances, market conditions or other factors so warrant, the Company may reduce its exposure to securities and increase its position in cash, money market instruments and derivative instruments in order to seek protection from stock market falls.

The Company's performance in meeting its objectives is measured against key performance indicators ("KPIs") as set out on pages 30 and 31.

Purpose, values and culture
The Board and the Investment Manager consider the expectations of the AIC Corporate Governance Code (the "AIC Code") in the areas of corporate purpose, values and culture. The Board has identified the following for each on behalf of the Company:

Purpose – The Company's purpose is defined as the Board working collaboratively with the Investment Manager to deliver its agreed investment approach within its chosen natural resource and mining sectors of the global economy to generate capital growth and income for investors, whilst cognisant of its regulatory, stakeholder and societal responsibilities.

Values – Given the Company's status as a listed investment trust, and lack of direct employees, the Company's values are essentially those of the Board and its interactions with its key third party advisers, which are defined by trust, rigorous review, and foresight amongst others.

Culture – The Board emphasises open collaboration between directors and the Company's third-party advisers, including the Investment Manager, to create an environment conducive to effective decision-making. This also facilitates prompt and appropriate response to material issues by the Board. Where necessary, the Board challenges to ensure that performance is maintained on behalf of investors and stakeholders.

Investment manager and management fees
For the year ended 30 June 2026 and until 14 September 2026, the Company's investments were managed by CQS (UK) LLP (trading as Manulife | CQS Investment Management). Ian Francis stepped away from his role as co-portfolio manager during the year, with effect from 28 October 2025. Keith Watson and Robert Crayfourd remained as the named co-portfolio managers until May 2026, following receipt of their resignations in March 2026. Between May 2026 and 14 September 2026, two senior Manulife Investment Management Group portfolio managers, Craig Bethune and Diana Racanelli, took over management of the Company's portfolio on an interim basis. Previously, CQS (UK) LLP was entitled to receive a management fee of 1.0 per cent. on net assets.

As announced during the year, Tufton Investment Management Ltd ("Tufton") were appointed as investment manager and Keith Watson and Robert Crayfourd resumed as the Company's named portfolio managers with effect 14 September 2026. Further details on the portfolio managers can be found on page 3.

Tufton are entitled to receive a management fee of 1.0 per cent. on net assets. This is in line with the reduced investment management fee introduced in May 2025. The Company's Investment Management Agreement shall be terminable during the 12 months following 14 September 2026 (the "Initial Period") by the Company serving three months' notice to Tufton (which for the avoidance of doubt may expire after the Initial Period) or Tufton serving six months' notice to the Company. After the Initial Period, the Investment Management Agreement shall be terminable by either party serving six months' notice to the other.

The Board keeps under review the appropriateness of the Investment Manager's appointment. In doing so the Management Engagement Committee considers the investment performance of the Company and the capability and resources of the Investment Manager to deliver satisfactory investment performance. It also considers the length of the notice period of the investment management agreement and the fees payable to the Investment Manager, together with the standard of the other services provided.

The Board concluded that the appointment of Tufton, together with the continued involvement of Keith Watson and Robert Crayfourd, would provide continuity for the portfolio, preserve the Company's established investment strategy and be in the best interests of shareholders as a whole.

Frostrow Capital LLP is appointed as Company Secretary and Administrator as well as providing Investor Relations and Marketing services. Equiniti Limited is appointed as the Company's share registrar.

UK Alternative Investment Fund Managers Directive ("UK AIFMD")

As at 30 June 2026, CQS (UK) LLP, trading as Manulife | CQS Investment Management, was appointed as the Company's alternative investment fund manager ("AIFM"). CQS (UK) LLP had been approved by the FCA to act as AIFM of the Company. A requirement of the UK AIFMD is for the Company to appoint a depositary to oversee the custody and cash arrangements and undertake other UK AIFMD required depositary responsibilities. As at 30 June 2026 BNP Paribas S.A., London Branch was appointed as the Company's depositary. As described above, Tufton Investment Management Ltd was appointed as the Company's AIFM with effect from 14 September 2026. Apex Depositary (UK) Limited was appointed as the Company's depositary from the same date.

Further UK AIFMD disclosures as at 30 June 2026 are shown on page 94.

Long-term viability statement

In accordance with the provisions of the AIC Code, the Directors have assessed the viability of the Company over a period of three years, which reflects the long-term nature of its investment objective, and the longer-term view adopted by the Investment Manager when making investment decisions and delivering total returns to shareholders.

The Board has reviewed the Company's financial position and its ability to liquidate its portfolio and meet its expenses as they fall due and, in doing so, noted the following:

- the assumption that the loan facility is rolled over rather than repaid. The Company had a secured loan facility with BNP Paribas S.A., London Branch which expired on 11 September 2026 after a two-year period. A new secured facility was agreed with The Bank of Nova Scotia, London Branch with effect 11 September 2026 on an evergreen basis. In order to assess the impact of underperformance of the portfolio on the loan, the Board reviewed a series of stress tests and detailed financial modelling including in particular the effects of any substantial future falls in investment value on the Company's ability to repay and re-negotiate borrowings, potential breaches of loan covenants and the maintenance of dividend payments. All tests concluded that there was no uncertainty over the Company's financial viability over the assessment period;

- Directors monitor and discuss the effects of any risks such as geopolitical events, inflation levels and adverse market conditions on the Company's investment strategy, outlook and financial position. Underlying core revenue income from the Company's portfolio continues to be strong and the Board believes that the Company is well placed to withstand the wider economic effects of the ongoing geopolitical events. The Board was therefore comfortable to declare a fourth quarterly interim dividend and special interim dividend payment, to be drawn from the Company's strong reserves, and also firmly considers it is appropriate to adopt the going concern basis as at 30 June 2026;

- that the continuation vote should not be a factor to affect the three-year period given the ongoing support of shareholders. As part of the Tender Offer and value enhancing initiatives announced by the Company on 28 May 2025, and approved by shareholders at the General Meeting held on 25 June 2025, the annual continuation vote has been postponed until the AGM in 2028 and will move to biennial votes thereafter;

- that the diverse nature of investments held gives stability and liquidity along with flexibility to be able to react positively to market and political forces outside of the Board's control;

- the assumption that there are no significant changes in market conditions or the tax and regulatory environment that could not reasonably have been foreseen;

- the impact of potential regulatory change and the controls in place surrounding significant third-party providers, including the Investment Manager. The Board also noted the liquidity in the portfolio where the percentage of Level 1 listed investments held at the year end was 98.8% (2025: 97.4%);

- the Company's processes for monitoring investment revenue and costs, with the use of frequent revenue forecasts, and the Investment Manager's compliance with the investment objective and policies. The Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due;

  Directors do not currently expect there to be any significant change to the current principal risks facing the Company. Furthermore, the Directors do not envisage any change in strategy which would prevent the Company from operating over the three-year period; and

- Directors have carried out a robust assessment of the principal risks and potential emerging risks facing the Company. These risks and their mitigations are set out on pages 22 to 27. The principal risks identified as most relevant to the assessment of the viability of the Company were those relating to a future macro-event likely to have a material impact on the financial position of the Company and the potential under-performance of the portfolio and its effect on the ability to pay dividends. When assessing these risks, the Directors have considered the risks and uncertainties facing the Company in severe but plausible scenarios, taking into account the controls in place and mitigating actions that could be taken.

After making enquiries of the Company's Investment Manager, and having considered the Company's investment objective, nature of the investment portfolio and expenditure projections, and a detailed assessment of the Company's ability to meet its liabilities as they fall due, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, and in light of the Company's long-term investment record, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the accounts.

Based on the results of its review and taking into account the long-term nature of the Company and its financing, the Board has a reasonable expectation that the Company will be able to continue its operations and meet its expenses and liabilities as they fall due for the foreseeable future, taken to mean at least the next three years. The Board has chosen this period as the timeframe being deemed most appropriate to the cycles within which the Company's investee companies operate and the sectors of the economy in which the portfolio is concentrated. The Board continues to consider that this period also reflects the long-term objectives of the Company, being a Company with no fixed life, whilst considering the impact of uncertainties in the markets.

Performance Measurement and Key Performance Indicators ("KPIs")

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The tables and data on page 4 show how the Company has performed against those KPIs, and a glossary of terms and alternative performance measures is included on pages 84 to 86.

The KPIs, which are used to measure progress and performance over time and which are comparable with those reported by other investment trusts are as follows:

- **Investment Performance**

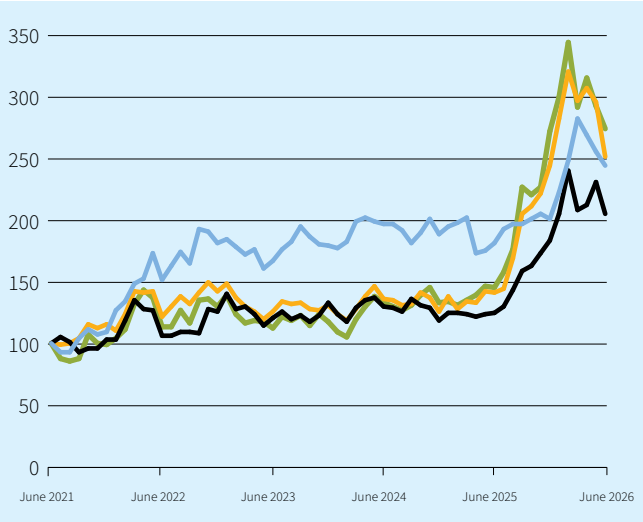
  The Company does not utilise a formal benchmark. To assess investment performance, the Board monitors and publishes the Company's NAV per share performance relative to that of two comparator indices: the MSCI World Metals and Mining Index (sterling adjusted) and the MSCI World Energy Index (sterling adjusted) as these best reflect the potential returns.

  The Company invests principally in equity-related investments in companies, usually mid and small cap companies, with a wide range of commodity exposures as well as a number of fixed interest securities.

  The performance of the NAV and comparative indices are shown on page 1 with statistics also shown on page 4. Over a five year period, the Company's share price and NAV total returns have both outperformed its comparator indices, as shown by the graph overleaf.

  Refer to the Chairman's Statement on pages 6 to 10 for the Chairman's commentary on the Company's development and performance during the year as well as the position of the Company's business as at the year end.

NAV per share and Share Price Performance vs. Comparator Indices over the 5 years to 30 June 2026



- **Dividend per share**
  As part of the Tender Offer and value enhancing initiatives announced on 28 May 2025, the Company also announced the adoption of an enhanced annual dividend of circa 8 per cent. of NAV via a quarterly dividend of 2 per cent. of the preceding quarter-end NAV per share, using capital reserves as necessary, starting from the quarter ended 30 June 2025. In respect of the year under review, four interim dividends per share totalling 28.30 pence per share were declared (2025: 8.03 pence per share).

- **Ongoing charges ratio**
  The ongoing charges ratio is a measure of the total expenses incurred by the Company expressed as a percentage of the average shareholders' funds over the year. The Board regularly reviews the ongoing charges and monitors all expenses. For the year under review the ongoing charges ratio is 1.7% (2025: 2.0%).

Dividend yield and ongoing charges ratio fall within the definition of "Alternative Performance Measures" ("APMs") under guidance issued by the European Securities and Markets Authority ("ESMA"). Additional information explaining how these are calculated is set out in the Glossary beginning on page 84.

The Directors have carefully selected these KPIs as in their view these combine to provide the most appropriate measures of performance, both in terms of managing the business and presentation to shareholders and stakeholders. The Board is satisfied that performance against each measure has been satisfactory in the context of the events in the financial year.

Further information regarding forward looking assessments for the KPIs can be found in the Chairman's Statement and Investment Manager's Review.

Future prospects
The Chairman's Statement beginning on page 6 and the Investment Manager's Review beginning on page 11 include a review of developments during the year as well as information on investment activity within the Company's portfolio and the factors likely to affect the future performance of the Company.

Employees, Social, Human Rights and Environmental matters
As an externally managed investment trust, the Company has no employees and accordingly it has no direct social or community impact and very limited environmental impact from its operations. Nevertheless, the Board determines that, given the profile of the natural resource sectors on which the investment strategy focuses, it is important that the Investment Manager monitors performance across these areas, specifically including human rights and health and safety performance, in finalising investment decisions.

The Directors recognise that their first duty is to act in the best financial interests of the Company's shareholders and to achieve good financial returns against acceptable levels of risk, in accordance with the objectives of the Company.

In asking the Investment Manager to deliver against these objectives, the Directors have also requested that the Investment Manager take into account the broader social, ethical and environmental issues of all companies within the Company's portfolio, acknowledging that companies failing to manage these issues adequately run a long-term risk to the sustainability of their businesses.

More specifically, to access capital they now expect companies to demonstrate ethical conduct, effective management of their stakeholder relationships, responsible management and mitigation of social and environmental impacts, as well as due regard for wider societal issues. The Investment Manager is expected to engage with investee companies on these themes, in line with the expectations of the UK Stewardship Code.

Please refer to page 36 for further detail on the ESG approach of CQS (UK) LLP, the investment manager as at 30 June 2026. Further details of Tufton Investment Management's Responsible Investing Policy are available at: https://www.tufton.com/responsible-investing.

Stakeholder Interests (S. 172 statement)

The following 'Section 172' disclosure, which is required by the Companies Act 2006 and the AIC Code, as explained on pages 32 to 35, describes how the directors have had regard to the views of the Company's stakeholders in their decision-making. The Board regularly reviews its responsibilities vis-à-vis Section 172 of the Companies Act 2006, in conjunction with the Company Secretary. The key areas, being only those relevant to the Company as a listed investment trust, are applied to all relevant board decision-making:

(a) the likely consequences of any decision in the longer term;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

The Board considers the factors outlined under Section 172 and the wider interests of stakeholders as a whole in all decisions it takes on behalf of the Company.



Who? Stakeholder group: Shareholders

Why?
The benefit of engagement with the Company's stakeholders

Shareholders are the owners of the Company and the Board's principal responsibility is to promote the long-term success of the Company for their benefit as a whole.

Clear communication of the Company's strategy and the performance against the Company's objective can help the share price trade closer to its NAV per share which benefits shareholders. The Board operates an investment strategy designed to deliver strong performance over the medium to longer term, based on exposure to valuable commodity markets.

New shares may be issued to meet demand without net asset value per share dilution to existing shareholders. Increasing the size of the Company can benefit liquidity as well as spread costs.

While share buybacks will not necessarily prevent the discount from widening further, particularly in times of market volatility, they may, to a limited extent, mitigate a widening trend. In addition, buybacks enhance the net asset value per share for remaining shareholders, provide some additional liquidity and help to dampen discount volatility which can damage shareholder returns. The Board has resolved to use share buybacks with the aim of maintaining a single digit discount to the Company's net asset value per share in normal market conditions, taking into account the inherent volatility of the markets in which the Company invests.

How?
How the Board and the Company's service providers have engaged with the Company's stakeholders

The Investment Manager and Frostrow Capital LLP's investor relations & marketing team, on behalf of the Board, complete a programme of investor relations throughout the year.

An analysis of the Company's shareholder register is provided to the Directors at each Board meeting along with investor relations and marketing reports from the Company Secretary and Administrator. The Board reviews and considers the marketing plans on a regular basis. Reports from the Company's broker are submitted to the Board on investor sentiment and industry issues. At each meeting the Board reviews movements in the Company's shareholder register. There are regular interactions and engagement with shareholders (including at the AGM). Regular feedback from shareholders is received from the Company's broker.

Shareholders' rights are protected under the Company's Articles of Association which require any proposal that may materially change those rights to be subject to prior approval by a majority of shareholders in general meeting.

What?
The key areas of engagement

Ongoing dialogue with shareholders concerning the strategy of the Company, performance and the portfolio.

Key mechanisms of engagement include:

- The Annual General Meeting, whereby shareholders are invited to attend, ask questions and vote;
- The Chairman and non-executive directors make themselves available to engage with shareholders;
- The Company's website hosts reports, video interviews with the portfolio managers and monthly factsheets; and
- One-on-one investor meetings facilitated by Frostrow Capital LLP who actively engage with professional investors, typically discretionary wealth managers, some institutions and a range of execution-only platforms. Regular engagement helps to attract new investors and retain existing shareholders, and over time results in a stable share register made up of diverse, long-term holders.

In the event of any significant (defined as 20% or more of those voting) vote against any of the resolutions put to shareholders at the AGM, the Board will explain in its announcement of the results of the AGM the actions it intends to take to consult shareholders in order to understand the reasons behind any significant votes against resolutions. Following the consultation, an update will be published no later than six months after the AGM and the annual report will detail the impact the shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed.

Outcomes and Actions
The actions, principal decisions and outcomes

Shareholders are provided with performance updates via the Company's website as well as the annual and half-year financial reports and monthly factsheets. The Investment Manager and Frostrow's investor relations and marketing team meet regularly with shareholders and potential investors to discuss the Company's strategy, performance and portfolio. Both the Investment Manager and Frostrow also engage with the Press on the Company's behalf.

The Board aims to ensure that key matters affecting the Company are communicated clearly to shareholders and encourages shareholder voting on proposals put forward by the Board. Information on how shareholders can vote their Company shares on a selection of major platforms can be found by following the link within the Notice of Meeting on page 92.

The Board and the Company's advisers review the Company's share price discount/premium on a daily basis. In the financial year to 30 September 2026, the Company both bought back shares into treasury in response to widening share price discount to NAV and issued shares from treasury to satisfy investor demand when the Company's shares traded at a premium to NAV.

The Board, on the recommendation of the Audit Committee, approved the proposed appointment of PricewaterhouseCoopers LLP following a formal audit tender. The appointment, for the audit for the year ending 30 June 2027, will be submitted to shareholders for approval at the Annual General Meeting.

Stakeholder Interests (S. 172 statement) continued

Who? Stakeholder group: AIFM and Investment Manager

Why?

The benefit of engagement with the Company's stakeholders

The investment manager and AIFM is integral to the delivery of the Company's investment objective, portfolio management, risk management and regulatory compliance obligations.

Engagement with the Investment Manager is necessary to:

- evaluate their performance against the Company's stated strategy and to understand any risks or opportunities this may present;
- ensure that portfolio management costs are closely monitored and remain competitive; and
- better understand the internal controls in place.

The Board ensures that the Investment Manager's ESG approach meets standards set by the Board.

How?

How the Board and the Company's service providers have engaged with the Company's stakeholders

Representatives of the AIFM attend each quarterly Board meeting and present a report on investment performance and other related matters. Between meetings the Board maintains regular contact with the Investment Manager.

The Audit Committee annually review reports from the AIFM's Money Laundering Reporting Officer and Compliance Officer to assess the adequacy and effectiveness of both functions.

What?

The key areas of engagement

Portfolio composition, performance, ESG matters, outlook, and business updates.

The integration of ESG into the Investment Manager's investment processes.

A key focus during the year was the resignation of the Company's named portfolio managers and the Board's subsequent consideration of the future investment management arrangements. The Board assessed the implications for shareholders, investment continuity, retention of specialist natural resources expertise and the long-term competitiveness of the Company. The Board also considered the appointment of a new Investment Manager and associated AIFM arrangements.

Outcomes and Actions

The actions, principal decisions and outcomes

The Board's appointed Investment Manager is committed to integrating environmental, social and governance themes into both its research engagement and investment activities. Both its previous and current investment manager are also signatories to the Principles for Responsible Investment, amongst other initiatives. Further details of the Investment Manager's ESG related activities and reports can be found on page 36.

Since the resignations, the Company considered the options available to it to move forward in the best interests of shareholders. These options included remaining with CQS or appointing a new investment manager so the Board conducted a search of possible investment management groups with expertise and a proven track record of performance in the natural resources sector.

The Board engaged in a number of discussions with investment management firms (including but not exclusively, CQS and Tufton), conducted the necessary due diligence and took into account the learnings and results of its wide ranging strategic review in 2025. The Board concluded that the appointment of Tufton as investment manager, and the ongoing stewardship of the portfolio by Keith and Robert, are in the best interests of shareholders.

Advised by the Company Secretary and Administrator, undertook due diligence on Tufton Investment Management Ltd ("Tufton") as the Company's new investment manager. The Board evaluated the experience and resources of the wider Tufton team.

The Board oversaw an orderly transfer of responsibilities with a view to minimising operational risks and impact to the management of the portfolio.

Who? Stakeholder group: Service Providers

Why?

The benefit of engagement with the Company's stakeholders

As an externally managed investment company, the Company does not have employees. Its main stakeholders therefore comprise its shareholders and a small number of service providers. The Board has delegated a wide range of activities to external agents, in addition to the Investment Manager.

The Company contracts with third parties for other services including: depositary, investment accounting & administration as well as company secretarial and registrars. The Company ensures that the third parties to whom the services have been outsourced complete their roles in line with their service level agreements and are able to continue to provide these services, thereby supporting the Company in its success and ensuring compliance with its obligations.

How?

How the Board and the Company's service providers have engaged with the Company's stakeholders

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board regularly evaluates the performance of its third-party service providers.

The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting and due diligence meetings or site visits by the Company Secretary and Administrator. This engagement is completed with the aim of maintaining an effective working relationship and oversight of the services provided.

What?

The key areas of engagement

The Board met regularly with representatives of the Company Secretary and Administrator which attend every Board meeting to provide updates on risk management, accounting, administration and corporate governance matters. The Company Secretary and Administrator will periodically conduct oversight visits to the Company's service providers.

Following notice to terminate the provision of depositary and custody services to the Company by BNP Paribas, the Board, with the support of the Company Secretary and Administrator, reviewed alternative service providers. In doing so, the Board considered quality of service, value for money, operational resilience and transition risks.

During the year, the Audit Committee conducted a formal tender for the Company's external audit. The tender process considered audit quality, the experience and resources of the proposed audit teams, independence, approach to transition, service levels and the proposed fees.

Outcomes and Actions

The actions, principal decisions and outcomes

All service providers engaged and supplied requested information for the due diligence exercise to be completed.

Reviews of the Company's service providers in June 2026 were positive, and the Directors believe the continued appointment of those other than the depositary and custodian is in the best interests of the Company. The Board oversaw the orderly transition of service providers and will continue to monitor service standards following appointment of new service providers.

The Audit Committee met with BDO LLP to review the audit plan for the year, agree their remuneration, review the outcome of the annual audit and to assess the quality and effectiveness of the audit process.

Following completion of the tender process, the Audit and Risk Committee recommended the appointment of PricewaterhouseCoopers LLP, which the Board concluded was in the best interests of the Company and its shareholders as a whole. The appointment, for the audit for the year ending 30 June 2027, is subject to shareholder approval at the forthcoming Annual General Meeting. The Audit Committee will oversee the transition to support an orderly handover and maintain the quality and continuity of the external audit. Please refer to the Audit Committee Report beginning on page 52 for further information.

Who? Stakeholder group: The Company's Lender

Why?

The benefit of engagement with the Company's stakeholders

Investment companies have the ability to borrow with a view to enhancing long-term returns to shareholders. Engagement with the Company's lender ensures that it fully understands the nature of the Company's business, the strategy adopted by the Investment Manager and the extent to which the Company complies with is loan covenants.

How?

How the Board and the Company's service providers have engaged with the Company's stakeholders

Regular monitoring of gearing levels and reporting to the lender with respect to adherence with loan covenants and ad hoc meetings with the AIFM.

During the year, the previous AIFM engaged with BNP Paribas following the announcement of the result of the Tender Offer which would result in a reduction in the size of the Company.

In view of the changing AIFM responsibilities, the Company Secretary and Administrator engaged with the provider of the Company's previous loan facility in advance of expiry in September 2026.

What?

The key areas of engagement

Continued compliance with covenants set out within the loan agreement between the Company and the lender.

In order to reflect the reduced size of the Company and to ensure compliance with loan covenants, it was agreed that the loan facility due to expire in September 2026 should be reduced.

The Company Secretary and Administrator sought quotations from the previous and alternative lenders and the Board considered the replacement of the Company's expiring lending arrangements. In assessing the proposed change, the Board considered financing terms and value for money, flexibility, covenant requirements and operational implications.

Outcomes and Actions

The actions, principal decisions and outcomes

The Board ensures compliance with loan covenants throughout the year.

The Board met on 11 September 2025 to consider the reduction of the Company's loan facility and review an Amendment Agreement relating to the Company's Facility Agreement with BNP Paribas. The Amendment Agreement was approved and the Company's secured revolving credit facility was reduced from £25 million to £15 million with effect from 11 September 2025.

As detailed on page 76, the Company entered into an 'evergreen' agreement with The Bank of Nova Scotia, London Branch with improved commercial terms on 11 September 2026.

Relations with shareholders

The Directors place a great deal of importance on communication with shareholders. The annual report is widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through its website. The Company responds to correspondence from shareholders on a wide range of issues.

A regular dialogue is maintained with the Company's institutional shareholders and with private client asset managers. Reference to significant holdings in the Company's ordinary shares can be found under "Substantial Interests in the Company's Shares" on page 39. The Notice of the annual general meeting included within the annual report and financial statements is sent out at least 20 working days in advance of the AGM. All shareholders have the opportunity to put questions to the Board or Investment Manager, either formally at the Company's AGM or subsequent to the meeting when light refreshments will be offered to shareholders.

Disclosure and transparency rules

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 38 to 42 because it is information which refers to events that have taken place during the course of the year.

By order of the Board

Christopher Casey
Chairman
27 October 2026

Environmental, Social and Governance ("ESG") Statement

Introduction
City Natural Resources Growth and Income PLC (the "Company") is a UK listed investment company whose objective is to provide shareholders with capital growth and income from a portfolio of mining and resource equities and mining, resource, industrial and other fixed interest securities. As at 30 June 2026, CQS (UK) LLP, trading as Manulife | CQS Investment Management ("Manulife | CQS") was appointed as the Company's Investment Manager. Further details of Tufton Investment Management's Responsible Investing Policy are available at: https://www.tufton.com/responsible-investing.

The Board fully supports the growing importance placed on ESG factors when asking the Company's Investment Manager to deliver against the Company's objectives. The Board has requested that the Investment Manager take into account the broader social, ethical and environmental issues of companies within the Company's portfolio, acknowledging that companies failing to manage these issues adequately run a long-term risk to the sustainability of their businesses.

Manulife | CQS Responsible Investment Policy incorporating our ESG Statement
Manulife | CQS Investment Management views ESG factors as potential drivers of credit risk that may influence financing costs, risk assessment valuations and performance of the issuers in whom Manulife | CQS Investment Management managed funds and/or mandates invest. It believes that an active approach to stewardship and investing sustainably are vital factors in creating long-term value for its clients. Manulife | CQS Investment Management has integrated ESG factors into the firm-wide five-stage responsible investment integration process. ESG considerations are embedded into the bottom-up fundamental analysis undertaken by its Research Analysts throughout its process, and by its Portfolio Managers in the investment decision-making process.

To enhance its stewardship efforts, Manulife | CQS Investment Management are active members, signatories and participants in key initiatives that foster best practice. Manulife | CQS Investment Management is a signatory to, and supporter of, a number of organisations which drive process, action and disclosure. This includes the United Nations PRI, Climate Action 100+ and CDP. In addition, as a signatory to the UK Stewardship Code and public supporter of TCFD, Manulife | CQS Investment Management reports annually, demonstrating stewardship, engagement activity and publishing annual product level climate reporting. Manulife | CQS Investment Management has also moved to align with a number of sustainability policies and statements adopted by its parent company Manulife Investment Management ("MIM"). It believes this strengthens its process and accountability of ESG risks and opportunities.

More broadly, engagement is part of a wider approach to the assessment and integration of ESG factors and evidencing stewardship outcomes. During the year, Manulife | CQS Investment Management updated its engagement framework specifically to create a more forward-looking strategic approach, which more closely aligns to long-term themes that reflect the priorities of investors, corporate issuers and industry initiatives. Additionally, this considers increasingly important issues relevant to Research Analysts in their assessment of their respective coverage sectors, and more closely aligns to the engagement priorities adopted by MIM.

Manulife | CQS Investment Management's strategic engagement campaigns focus on four material sustainability themes which are central to its active ownership strategy: Climate; Natural Capital; Responsible Technology; and Human Capital. It considers these themes to be material drivers of long-term value, reflecting the combined perspective of investment professionals across the firm. For each theme, it sees a number of underlying mega-trends, which it considers pivotal to help identify long-term systemic risks and address key ESG factors. These themes may often interconnect, and understanding these connections helps further deepen corporate engagement.

During the year, Manulife | CQS Investment Management also continued to make progress with its Climate Targeted Engagement Programme, which it formalised in 2022, and is a key component for the monitoring and review of fund-level financed emissions. As part of Manulife | CQS Investment Management's climate strategy, a key objective of its Targeted Engagement Programme is to engage issuers to push for improved environmental data disclosure, and to encourage companies to adopt comprehensive climate transition plans which have emissions reduction targets that are externally verified using science-based methodologies, such as those from the Science Based Target initiative (SBTi).

In addition, Manulife | CQS Investment Management recognises that collaborative engagement can be a lever for managing climate change-related risk and supporting real economy emissions reduction, where appropriate, via participation in industry initiatives. Manulife | CQS Investment Management also values engagement with stakeholders through industry groups that support partnering with companies to understand and address investment risks, including systemic-level stewardship risks.

For example, Manulife | CQS Investment Management continues to participate in CDP's Non-Disclosure Campaign, targeting 9 companies to encourage for improvement in enhanced environmental reporting covering climate and nature themes. It also remains a signatory of the IIGCC, a collaborative platform for asset managers and asset owners focused on environmental action through policy advocacy, corporate engagement and lobbying. Some of its participation in the period includes providing input and views on the deforestation investor group, joining consultations on the 'engage series' research programme and sharing feedback on defining the concept of 'Systems Stewardship'.

Further detail can be found within Manulife | CQS Investment Management's Responsible Investment Policy on their website: www.manulifeim.com/content/dam/mim-institutional/global/documents/resources/cqs-policies-and-procedures/2025-03-mcqs-responsible-investment-policy.pdf

Board of Directors

All of the Directors are non-executive and all are considered by the Board to be independent of the Investment Manager. Details on Directors' remuneration and shareholdings in the Company can be found on pages 49 and 50 respectively. No Directors have any shared directorships with any other Company Directors.

Key to membership of Board Committees:

● Audit Committee ■ Management Engagement Committee ▲ Nomination Committee C Chair of Committee



Christopher Casey

Non-executive director and Chairman of the Board

■ ▲

Length of service:
9 years – appointed a Director on 1 October 2017; appointed Chairman of the Board with effect from 10 December 2024.

Experience:
Christopher is currently a non-executive director and chair of the audit committees of BlackRock Frontiers Investment Trust plc, Fidelity Special Values plc and Life Settlement Assets PLC. Christopher was a KPMG partner until 2010. Since then, he has carried out a number of non-executive board roles including chairman of The European Smaller Companies Trust PLC and China Polymetallic Mining Ltd. Christopher previously served as Chair of the Audit Committee from 1 April 2022 until his appointment as Chairman of the Board.

All other public company directorships:
- BlackRock Frontiers Investment Trust plc
- Fidelity Special Values plc
- Life Settlement Assets PLC



Carole Cable

Non-executive director

● C ■ ▲

Length of service:
9 years – appointed a Director on 1 October 2017. Carole will retire as a director at the conclusion of the AGM in December 2026.

Experience:
Carole is a partner and co-head of the Energy and Resources practice at Brunswick Group LLP, where she advises clients in the mining and metals sector. Carole has had a 25-year career connected to the mining and commodities sector, initially on the sell side at JP Morgan and Credit Suisse. Carole was the chair of Women in Mining UK and, until June 2025, a non-executive director of Nyrstar NV, the former holding entity of a global multi-metals business.

All other public company directorships:
None



Paul Cahill

Non-executive director and Senior Independent Director

● ■ C

Length of service:
4 years – appointed a Director on 23 June 2022.

Experience:
Paul is chairman of the Advisory Board of Bacchus Capital Advisers (an independent investment and merchant banking platform focused on metals and mining); a non-executive director of ASX-listed Skylark Minerals Limited; and a Senior Adviser, Mineral Resources for Mitsubishi Corporation. Paul has over 30 years of experience in the natural resources sector, most of which was with the Anglo American Group in various senior roles, including Group Head of Business Development.

All other public company directorships:
- Skylark Minerals Limited



Louise Hall

Non-executive director

● ■ ▲

Length of service:
2 years – appointed a Director on 1 August 2024.

Experience:
Louise spent over 30 years as an investment manager at Investec Wealth and Investment, a private client wealth management firm, ultimately sitting as an Executive Director on their board and running their largest office. Since retiring from full time work, Louise has sat on the Save the Children Investment Committee and been Chair of Governors at a girls' school in Dorset. More recently, Louise has become an independent non-executive Director at wealth management firm, JM Finn.

All other public company directorships:
None



Seema Paterson

Non-executive director and Chair of the Audit Committee

C ■ ▲

Length of service:
2 years – appointed a Director on 1 August 2024; appointed Chair of the Audit Committee with effect from 10 December 2024.

Experience:
Seema is a chartered accountant, having qualified in 1999 with Arthur Andersen in London. Seema has also worked in mergers and acquisitions at Société Générale and in corporate finance at Collins Stewart. Until July 2026, she was chief financial officer and board director of This Works Products Limited, a private equity owned wellness and beauty brand with operations across the world. Seema is a non-executive director of AVI Global Trust plc and Baillie Gifford UK Growth Trust plc. Seema previously served on the board of Resurgo Trust, a youth employment charity based in London.

All other public company directorships:
- AVI Global Trust plc (with effect from 1 September 2026)
- Baillie Gifford UK Growth Trust plc

Directors' Report

The Directors present the Annual Report on the affairs of the Company, together with the audited Financial Statements and the Independent Auditor's Report for the year ended 30 June 2026.

In accordance with the requirement for the Directors to prepare a Strategic Report and an enhanced Directors' Remuneration Report for the year ended 30 June 2026, the following information is set out in the Strategic Report:

- a review of the Company including details about its objective, strategy and business model;
- future developments, details of the principal risks and uncertainties associated with the Company's activities (including the Company's financial risk management objectives and policies); and
- information regarding community, social, employee, human rights and environmental issues.

Information about Directors' interests in the Company's ordinary shares is included within the Directors' Remuneration Report on page 50.

The Statement of Corporate Governance is set out on pages 43 to 47 and forms part of this Report.

Principal Activity and Status
The Company is registered as a public limited company in terms of the Companies Act 2006 (company number: 02978531). It is an investment company as defined by Section 833 of the Companies Act 2006. It carries on the business of an investment trust and has been approved under Sections 1158 and 1159 of the Corporation Tax Act 2010 by HM Revenue and Customs as such, subject to continuing to meet eligibility requirements. The Directors are of the opinion that the Company has conducted its affairs in a manner compliant with the conditions for continued approval and intend that it should continue to do so.

The Company is listed on the Main Market of the London Stock Exchange, within the Financial Services sector, and is identified by the TIDM or ticker symbol 'CYN'. The Company's ISIN is GB0000353929 and SEDOL is 0035392.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund ("AIF") falling within the scope of, and subject to the requirements of, the UK Alternative Investment Fund Managers Directive ("UK AIFMD"). Further details are provided in the UK AIFMD Disclosures on page 94.

The Company's shares are eligible for inclusion in an Individual Savings Account ("ISA"). The Company is a member of the Association of Investment Companies ("AIC").

Results and Dividends
Details of the Company's results and dividends paid are shown on pages 4 and 5 of this Report.

Dividend Policy
Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay an enhanced annual dividend of circa 8 per cent. of NAV via a quarterly dividend of 2 per cent. of the preceding quarter-end NAV per share, using capital reserves as necessary.

The Company intends to continue to pay all dividends as interim dividends. A resolution to approve this dividend policy will be proposed at the AGM.

Directors
Biographical details of the current Directors of the Company can be found on page 37. All members of the Board are non-executive. None of the Directors has any other connection with the Investment Manager or is employed by or is an officer of any of the companies in which the Company holds an investment or any of the Company's service providers.

As explained in more detail within the Statement of Corporate Governance, the Board has agreed that all Directors will retire and, where appropriate, offer themselves for re-appointment annually. All current Directors will retire and, with the exception of Ms Cable, offer themselves for re-appointment at the AGM to be held in December 2026.

The Board believes that each of the Directors brings a significant range of business, financial and management skills and experience to the Company and enables the Board to provide effective strategic leadership and proper guidance of the Company. The Board confirms that, following the annual evaluation process set out in the Corporate Governance Statement on page 46, the performance of each of the Directors continues to be effective and demonstrates commitment to the role. The Board therefore believes that it is in the interests of shareholders that these Directors are re-appointed.

None of the Directors is entitled to compensation for loss of office. None of the Directors has a service contract with the Company.

The Directors exercise the powers conferred by the Company's Articles of Association and UK Company Law to manage the Company's interest for the benefit of shareholders and stakeholders.

Directors' and Officers' Insurance
The Company has a Directors' and Officers' insurance policy in respect of liabilities that may attach to them in their capacity as Directors of the Company. This covers certain liabilities that may arise to a third party for negligence, default or breach of trust or duty. This policy has been in force throughout the year under review and remains in place as at the date of this report.

Directors' Indemnity
During the year under review and to the date of this report, deeds of indemnity were in force between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out their role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred. Where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third-party indemnity provisions for the purposes of the Companies Act 2006. A copy of each deed of indemnity is available for inspection at the Company Secretary's offices during normal business hours and will be available at the Annual General Meeting.

Conflicts of Interest
The Board has a procedure for identifying, reporting and addressing conflicts of interest, or potential conflicts. Directors report on actual or potential conflicts of interest at each Board meeting and no conflicts of interest were identified during the year. Any Director with a conflict would be excluded from any related discussion. The Board considers that the procedure has worked effectively during the year under review and intends to continue to review all notified situations at each meeting.

Directors' Remuneration Report
The Directors' Remuneration Report is set out on pages 49 to 51. An advisory ordinary resolution to approve the report will be put to shareholders at the Company's AGM. The Company is also required to put the Directors' Remuneration Policy to a binding shareholder vote on a triennial basis. The Remuneration Policy was last approved by shareholders at the AGM held in 2024 and has continued to apply for the financial year to 30 June 2026.

Directors' Responsibilities
The Directors' responsibilities in preparing these Financial Statements are stated on page 48.

Capital Structure
The Company's capital structure is composed solely of ordinary shares. The ordinary shares give shareholders the entitlement to all of the capital growth in the Company's net assets and to all the Company's income that is resolved to be distributed. The voting rights of the shares on a poll are one vote for every share held.

As at 30 June 2026 there were 46,354,450 Ordinary shares of 25 pence each in issue, of which 10,144,032 were shares held in treasury. Treasury shares do not carry voting rights or the right to receive dividends and thus the number of voting rights was 36,210,418.

During the year, the Company bought back 30,097,420 shares (with a nominal value of £7,524,355) at a cost of £64.3 million. Of the shares bought back during the year, 29,334,059 shares were repurchased pursuant to the Tender Offer, of which 20,534,059 were cancelled and 8,800,000 were retained in treasury. Adjusted for the Tender Offer, the repurchase of 763,361 shares in the normal course of business represented 2.1% of the shares in issue (excluding shares held in treasury) as at 30 June 2026.

Due to investor demand, 2,150,000 shares were re-issued from treasury between 29 September 2025 and 30 June 2026, generating proceeds of £8.2 million. A further 3,965,000 shares were re-issued from treasury in the period following the year end to 23 October 2026, the latest practicable date prior to the publication of this Report.

As at 23 October 2026 there were 46,354,450 shares in issue of which 6,216,212 were held in treasury.

The Company's Articles of Association permit the Company to purchase its own shares and to fund such purchases from its accumulated realised capital profits. At the AGM on 9 December 2025 a special resolution was passed giving the Company authority, until the conclusion of the AGM in 2026, to make market purchases to be held in treasury of the Company's ordinary shares up to a maximum of 5,258,308 shares, being 14.99% of the issued ordinary share capital as at 9 December 2025.

The authorities required to enable the Company to make market purchases in connection with the Tender Offer were approved by shareholders by way of a special resolution at the General Meeting held on 25 June 2025.

The Board is seeking to renew its powers at the forthcoming AGM to buy shares into treasury, for possible reissuance when the shares trade at a premium. The Company makes use of share buybacks, purchasing shares to be held in treasury with the objective of achieving a sustainable low discount (or a premium) to net asset value. Shares are not bought back unless the result is an increase in the net asset value per ordinary share. Shares will only be re-sold from treasury at, or at a premium to, the net asset value per ordinary share.

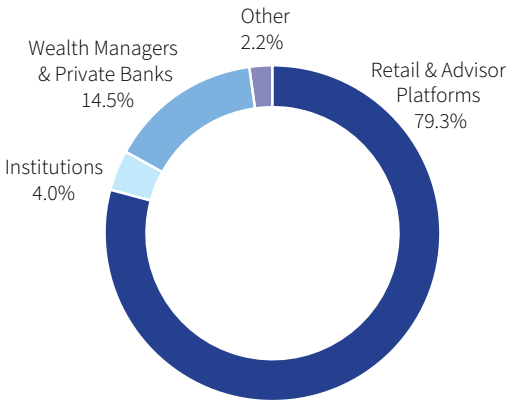
There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer which are known to the Company; and no agreements to which the Company is party that might affect its control following a successful takeover bid.

Substantial Interests in the Company's Shares
As at 30 June 2026, the Company had not been notified of any substantial interests in the Company's shares in accordance with DTR 5 (the Disclosure Guidance and Transparency Rules). No notifications were received following the year end and to 23 October 2026, being the latest practicable date prior to the production of this Report.

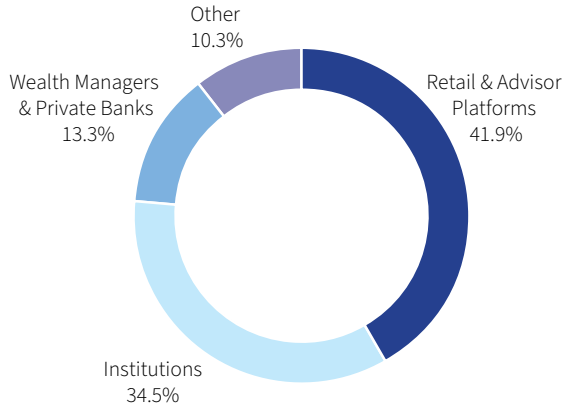
The shareholder register is principally comprised of private wealth managers and retail investors owning their shares through a variety of online platforms.

A profile of the Company's ownership as at 30 June 2026 and comparatively with ownership as at 30 June 2025 is shown below.

Profile of the Company's ownership of shares held as at 30 June 2026



Profile of the Company's ownership of shares held as at 30 June 2025



Source: Equiniti RD:IR

Change of Control
There are no agreements to which the Company is party that might be affected by a change of control of the Company.

Exercise of Voting Powers
The Investment Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights in respect of investee companies. The underlying aim of exercising such voting rights is to protect the return from an investment.

Financial Statements
The Directors' responsibilities regarding the financial statements and safeguarding of assets are set out on page 48.

Global Greenhouse Gas ("GHG") emissions for the year ended 30 June 2026
The Company is an investment company, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Directors' Report is prepared and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria. It has no GHG emissions to report from its operations nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within the Company's underlying investment portfolio.

The Company's approach with regard to the environmental standards and performance of investee companies is discussed in more detail in the section headed Stewardship Code on page 46.

Taskforce for Climate Related Financial Disclosures ("TCFD")
The Company notes the TCFD recommendations on climate related financial disclosures. The Company is an investment company and, as such, it is exempt from the UK Listing Rules requirement to report against the TCFD framework. However, for the year ended 30 June 2026, the Investment Manager prepared a Climate-related Financial Disclosures report, the latest of which can be accessed via the following link: https://ncim.co.uk/wp/wp-content/uploads/2026/09/CNR-TCFD-Product-Level-Reporting-December-2025.pdf

Modern Slavery Act 2015
As an investment vehicle the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company does not fall within the scope of the Modern Slavery Act 2015 and is not, therefore, obliged to make a slavery and human trafficking statement.

UK Listing Rule 6.6.4
UK Listing Rule 6.6.4 requires the Company to include certain information, more applicable for traditional trading companies, in a single identifiable section of the annual report or a cross-reference table indicating where the information is set out. The Directors confirm that there were no disclosures to be made in this regard.

Annual General Meeting
The Notice of the Annual General Meeting is contained on pages 87 to 93. As well as resolutions relating to the Financial Statements, re-appointment of Directors, and the Company's auditor, resolutions relating to the following items of business will be proposed at the forthcoming Annual General Meeting.

Directors' Authority to Allot Shares
The Directors are seeking authority to allot shares. Resolution 11 will, if passed, authorise the Directors to allot new shares up to an aggregate nominal amount of £2,006,911.75 per annum being 20 per cent. of the total issued shares, excluding shares held in treasury, as at 23 October 2026, the latest practicable date prior to the publication of this Report or, if changed, the number representing 20 per cent. of the total issued shares, excluding shares held in treasury, at the date on which the resolution is passed.

The Board confirms that it would not, under any ordinary circumstance, seek to issue shares at a discount to net asset value per share. In the unlikely circumstance that the Directors consider such an action to be in the interests of shareholders, it would seek a specific enabling, or ratifying, authority to do so from shareholders.

Authority to Disapply Pre-Emption Rights
Resolutions 12 and 13, which are Special Resolutions, will, if passed, renew the Directors' existing authority to make allotments of shares or sell shares from treasury for cash without first offering them to existing holders in proportion to their existing holdings.

Resolutions 12 and 13 authorise the Directors to allot new ordinary shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis up to an aggregate nominal amount of £1,003,455.75 which is equivalent to 4,013,823 ordinary shares and represents 10 per cent. of the Company's ordinary share capital, excluding shares held in treasury, as at 23 October 2026, being the latest practicable date prior to the publication of this Report or, if changed, the number representing 10 per cent. of the total issued shares, excluding shares held in treasury, at the date on which the resolution is passed. There are two resolutions being proposed, with each resolution being for up to 10 per cent. and, therefore, for an aggregate of up to 20 per cent. This approach follows best practice and allows any shareholder who may not wish to give approval to an aggregate limit higher than that recommended by corporate governance guidelines the ability to approve the first resolution for up to 10 per cent. and to also consider the second resolution separately for a further 10 per cent. Resolution 13 is conditional on Resolution 12 having been exhausted.

These authorities, if passed, will continue in effect until the conclusion of the Annual General Meeting in 2027. The Directors do not have any immediate plans to issue further ordinary shares in the Company given the number of shares currently held in treasury which can be sold from treasury.

Directors' Authority to Buy Back shares
Resolution 14, as set out in the Notice of the Annual General Meeting, seeks renewal of the Company's authority to purchase its own shares. The renewed authority to make market purchases will be in respect of 6,016,721 ordinary shares being approximately 14.99 per cent. of the issued ordinary shares of the Company in issue, excluding shares held in treasury, as at 23 October 2026, being the latest practicable date prior to the publication of this Report or, if changed, the number representing 14.99 per cent. of the total issued share capital at the date on which the resolution is passed (excluding shares held in treasury).

The price paid for the shares will not be less than the nominal value of 25 pence per share nor more than the higher of (i) 105 per cent. of the average middle market quotations taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased or (ii) the higher of the price of the last independent trade and the highest current independent bid.

This power will only be exercised if, in the opinion of the Directors, a purchase would result in an increase in net asset value per share and be in the interests of the shareholders as a whole. Any shares purchased under this authority will, as the Directors of the Company may from time to time determine, be cancelled immediately on completion of the purchase or held in treasury for possible sale when the shares trade at a premium. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2027.

New Articles of Association
Resolution 15, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Existing Articles"). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include: -

- provisions enabling the Company to hold wholly virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);
- amendments in response to the requirements of the UK Alternative Investment Fund Managers Directive;
- changes in response to the introduction of international tax regimes (notably FATCA and the Common Reporting Standard) requiring the exchange of information;
- the removal of historic provisions relating to share warrants and stock;
- expanding the provisions on uncertificated shares;
- simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements, and removing the provision for a permanent debt to be owed to the shareholder by the Company;
- a provision enabling the Directors to postpone a general meeting after notice of the meeting has been sent but before the meeting is held; and

- providing for a situation in which insufficient directors are appointed.

A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on page 93 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions may be used where the Directors consider it is in the best interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The full terms of the proposed amendments to the Company's Articles of Association can be found on the Company's website, https://citynats.com, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Recommendation
Your Board considers the passing of the resolutions to be proposed at the forthcoming Annual General Meeting is likely to promote the success of the Company for the benefit of its members as a whole.

Accordingly, the Directors unanimously recommend that shareholders should vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings of 53,244.

Disclosure of Information to the Auditor
As required by Section 418 of the Companies Act 2006 each of the Directors who held office at the date of approval of this Directors' Report confirm that, so far as each of the Directors is aware, there is no relevant information of which the Company's Auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor
Following an audit tender undertaken during the year, resolutions to appoint PricewaterhouseCoopers LLP as the Company's auditor for the audit for the year ending 30 June 2027 and to authorise the Audit Committee to determine the Auditor's remuneration for the ensuing year will be proposed at the forthcoming Annual General Meeting. Further details of the audit tender are included in the Chairman's Statement and the Report of the Audit Committee.

By Order of the Board

Christopher Casey
Chairman
27 October 2026

Statement of Corporate Governance

Introduction
The Board has considered the principles and recommendations of the AIC Corporate Governance Code (the "AIC Code"). The AIC Code addresses all the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council ("FRC") (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and recommendations of the AIC Code will provide the best information to shareholders and the FRC has confirmed that by following the AIC Code, boards of investment companies will meet their obligations in relation to the UK Corporate Governance Code and associated disclosure requirements under paragraph 6.6.6 of the UK Listing Rules. The Corporate Governance Code can be viewed at www.frc.org.uk. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Corporate Governance Code to make them relevant for investment companies.

Statement of Compliance
The Board has considered the principles and recommendations of both the UK Code and the AIC Code and confirms that the Company has complied with the applicable provisions throughout the year under review and up to the date of this report, except the UK Code provisions relating to:

- The role of the chief executive;
- Executive directors' remuneration, including formation of a separate board remuneration committee and appointment of any remuneration consultant;
- The need for an internal audit function; and
- The appointment of a Senior Independent Director. However, during the year, Mr Cahill was appointed as the Board's Senior Independent Director. The Company has therefore been compliant with this provision since 9 December 2025.

As the AIC Code acknowledges in setting out additional provisions relevant to the industry, the above exceptions are not believed to be automatically relevant to externally managed investment companies. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. As discussed in the Report of the Audit Committee, it was concluded that no internal audit function was required. Therefore, the Company has not reported further in respect of these provisions. The Directors, having regularly reviewed the Company's compliance, are therefore comfortable that the Company complies as appropriate with both the UK Code and the AIC Code. This report further describes how this compliance is achieved.

Committees of the Board
The Board has three principal committees: the Audit Committee, the Management Engagement Committee and the Nomination Committee. The terms of reference for these committees are available from the Company Secretary and via the Company's website.

A separate remuneration committee has not been established as the Board would ordinarily, except in transitionary periods to assist smooth succession planning, consist of only five non-executive directors. The whole Board is responsible for setting directors' fees in accordance with the Remuneration Policy set out on page 49, which is subject to periodic shareholder approval.

Audit Committee
The Audit Committee comprises all directors, with the exception of the Chairman of the Board, and is chaired by Mrs Paterson. Further details are provided in the Report of the Audit Committee on pages 52 to 54.

Management Engagement Committee
The Management Engagement Committee is chaired by Ms Cable and comprises the full Board. The Management Engagement Committee annually reviews matters concerning the management contract which exists between the Company and the Investment Manager and the Company's contracts with other service providers. Details of the Management Agreement are shown in Note 3 to the Financial Statements.

Nomination Committee
The Nomination Committee is chaired by Mr Cahill and comprises the full Board. The Committee's role is to review the Board's structure and composition and to make recommendations for any changes or new appointments and oversee any Board recruitment processes. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. External search consultants may be used to assist in the appointment of new Directors.

Board, committee and general meetings
During the year ended 30 June 2026 and under the ordinary course of business, the Board met quarterly and on three additional occasions to consider the Company's dividend, a total of seven meetings. Two additional meetings were held where a committee was formed for the approval of the Company's half year and annual reports. The Board met a further three times on an ad hoc basis to consider parameters around the repurchase of the Company's shares; receive and consider the Audit Committee's recommendation regarding the audit tender process; and to approve the Circular to shareholders in respect of the renewal of the Company's authority to issue shares.

In addition there were three routine Audit Committee meetings and a further meeting to consider proposals from audit firms invited to tender. The Company's Annual General Meeting was held in December 2025 and a General Meeting was held in March 2026 to renew the Company's share issuance authority.

The 2025 annual meetings of the Management Engagement Committee and Nomination Committee took place shortly after the year ended 30 June 2025, following postponement so that discussion could more usefully and appropriately take place following the conclusion of the Tender Offer. Ordinarily there would only be one meeting of each of the committees per year.

Lastly, the Board formally met on a further two occasions during the year in respect of the Tender Offer and to consider the outcome of the Board's review of the Company's investment management arrangements, resulting in the approval of Heads of Terms in relation to the Investment Management Agreement with Tufton Investment Management Ltd.

This brought the total number of formal meetings by the Board and its committees during the year to 24.

Between meetings the Board maintains regular contact with the Investment Manager and the Company's other advisers.

The following table sets out the number of Board and committee meetings each of the directors has attended against the number of meetings they were eligible to attend during the year ended 30 June 2026.

	Audit Committee	Board	General Meetings	MEC	Nom Co	Other*
Christopher Casey**	4/4	4/4	2/2	2/2	2/2	9/10
Carole Cable	4/4	4/4	1/2	2/2	2/2	10/10
Paul Cahill	4/4	4/4	2/2	2/2	2/2	7/10
Louise Hall	4/4	4/4	2/2	2/2	2/2	10/10
Seema Paterson	4/4	4/4	2/2	2/2	2/2	10/10

* Meetings to approve the Company's dividend, ad hoc Board meetings in the normal course of business and Board meetings relating to the Tender Offer and change of Investment Manager.

** Not a member of the Audit Committee but in attendance by invitation for all or part of the meetings.

The Board

The Chair is responsible for the leadership of the Board and ensuring its effectiveness on all aspects of its role. The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders, as appropriate. All Directors are considered by the Board to be independent of the Investment Manager. Each of the Directors is independent in character and judgement and there are no relationships or circumstances which the Board considers likely to affect the judgement of the independent Directors. The Board takes the view that independence is not compromised by length of tenure and that experience and continuity can add significantly to the Board's strength.

The Board has a schedule of matters reserved for its decision and the requirement for Board approval on these matters is communicated directly to the senior staff of the Investment Manager. Such matters include strategy, borrowings, treasury and dividend policy. Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

Policy on Director Tenure

The Company is strongly committed to striking the correct balance between the benefits of continuity, experience and knowledge and those that come from the introduction of new perspectives and skills to the Board. It is the intention of the Board that each Director will retire after no longer than nine years in the role, however, it is acknowledged that in some circumstances an extension of that time period could be beneficial to the Company. A comprehensive explanation will be provided for the extension where applicable, as can be found within the Chairman's Statement on page 10.

The terms of Directors' appointments and the Company's Articles of Association provide that Directors should retire and be subject to appointment at the first Annual General Meeting after their appointment. Directors are obliged to retire by rotation, and to offer themselves for re-appointment by shareholders at least every three years after that. Any Director who has served on the Board for more than nine years will offer themselves for re-appointment annually. However, in 2011 the Board agreed that, as recommended by the AIC Code, all Directors will retire annually and, if appropriate, seek re-appointment. There is no notice period and no provision for compensation upon early termination of appointment.

Appointments to the Board

A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek appointment by shareholders at the next Annual General Meeting.

Induction/Development

New appointments to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. New Directors are also given

key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board committees, the Company's corporate governance practices and procedures and the latest financial information. Following their appointment, Directors are encouraged to participate in training courses where appropriate.

Directors' Other Commitments
Each of the Directors has assessed the overall time commitment of their external appointments and it was concluded that they have sufficient time to discharge their duties. When appointing new Directors, the Board takes into account other demands on the Directors' time. Any additional external appointments are only undertaken with prior approval of the Board.

Diversity Policy
The Board supports the principle of boardroom diversity and therefore the Company's Diversity Policy applies to both the Board and its committees. The Company's policy is that the Board and its committees should be comprised of directors with a diverse range of skills, knowledge and experience and that appointments to the Board should be made on merit, against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. To this end, achieving a diversity of perspectives and backgrounds on the Board is a key consideration in any director search process and the Board encourages any recruitment agencies it engages to find a diverse range of candidates that meet the criteria agreed for each appointment.

The Board will give due regard to diversity-based targets, namely The Parker Review, FTSE Women Leaders Review and the UK Listing Rules, but will not discriminate on the grounds of age, gender, sexual orientation, disability or socio-economic background in considering the appointment of Directors.

Board Diversity
Details of the Directors of the Company are set out on page 37.

The Board is supportive of the FCA's UK Listing Rules (UKLR 6.6.6(9)) to encourage greater diversity on listed company boards and has implemented the FCA's disclosure requirements.

The Company has met the three targets on board diversity as at its chosen reference date, 30 September 2026:

(i) at least 40% of the individuals on its board of directors are women;

(ii) at least one of the following senior positions on its board of directors is held by a woman:

  (A) the chair;

  (B) the chief executive;

  (C) the senior independent director; or

  (D) the chief financial officer; and

(iii) at least one individual on its board of directors is from a minority ethnic background.

The relatively small size of the Board, and therefore more infrequent vacancies and opportunities for recruitment, make achieving diversity on the Board a more challenging process. As succession planning of the Board progresses over future years, the Company will continue to strive for increased diversity on its Board of which gender and ethnicity are two important aspects. Further details on the Company's appointment process can be found under 'Appointments to the Board'. This includes engaging recruitment agencies that sign up to recognised codes of conduct, which include principles on diversity with the aim of increasing board diversity integrated through their search processes.

As required under UKLR 6.6.6(10), further detail in respect of the three targets outlined above as at 30 September 2026 is disclosed in the following tables.

Number of Board members	Number of Board members	Percentage of the Board	Senior positions on the Board*
Men	2	40%	2
Women	3	60%	1
Not specified/prefer not to say	–	–	–

Number of Board members	Number of Board members	Percentage of the Board	Senior positions on the Board*
White British or other White (including minority-white groups)	4	80%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	20%	1
Black/African/ Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

* As an externally managed investment company, the Company has no executive directors, employees or internal operations. The Board has therefore excluded the columns relating to executive management from the tables above. In addition, the senior positions on the Company's Board of (B) the chief executive and (D) the chief financial officer are not applicable to the Company. In the absence of the aforementioned roles, the Board considers the chair of the audit committee to also be a senior position on the Board.

In order to collect the data required to fulfil the disclosures in the tables on the prior page, the Board agreed that self-reporting by the individuals concerned was the most appropriate method. The data was collected anonymously by the Company Secretary using a web-based survey where the following two questions were posed, and individuals were reminded that 'Not specified / prefer not to say' could be recorded in response:

1. For the purposes of the UK Listing Rules disclosures, how should you be categorised; and
2. Please advise your ethnicity.

There have been no changes in Board composition that have occurred between the reference date and the date on which this Report was approved.

Board Evaluation
The Board has put in place procedures to conduct, on an annual basis, an appraisal of the Chair of the Board as well as a performance evaluation of the Board as a whole, the individual Directors and the Board committees. The Chair regularly reviews and agrees with each Director their training and development needs.

Between June and September 2026, an external independent review of the Board, its committees and individual Directors was carried out by Stogdale St James Ltd. The process was informed by confidential interviews with 18 participants, comprising the Board and key service providers, supported by structured questionnaires, and commenced with observation by representatives of Stogdale St James of the three committee meetings and Board meeting held on 25 June 2026. The evaluation process considered the performance of the Chairman separately.

The Board reviewed the outcome reports from Stogdale St James in October 2026. The reports concluded that the Board and its committees continued to operate effectively, did not raise any substantive issues and identified a limited number of minor recommendations to further enhance the effectiveness of the Chairman and Board. The Senior Independent Director, in conjunction with the Chairman, will oversee the implementation of recommendations and report on progress to the Board during the year.

Following the year end and having obtained an in-depth understanding of the Company and the work of its Board, Stogdale St James was also commissioned to conduct analysis to benchmark and review the Company's remuneration. The Board is satisfied that Stogdale St James Ltd remains independent and has no other connection with the Company or the individual Directors.

The Board considered the performance and contribution of each of the Directors as part of the evaluation process and believes that it is, once again, in the Company's best interests to propose that all directors, except where retiring, be re-appointed by shareholders at the forthcoming AGM. The Board reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company.

Directors' Interests
The beneficial interests of the Directors in the Company are set out on page 50.

Company Secretary
The Directors have access to the advice and services of a specialist investment trust company secretary, who is responsible for advising the Board on all governance matters. The Company Secretary ensures governance procedures are followed and that the Company complies with applicable statutory and regulatory requirements.

Independent Professional Advice
The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense.

Principal Risks
The Board has reviewed the Company's internal controls and principal risks and uncertainties, and the key risks faced by the Company are set out in the Strategic Report on pages 22 to 27. The Board and Audit Committee regularly review the Company's emerging and principal risks and consider related changes in the Company's risk profile.

Stewardship Code
The Financial Reporting Council ("FRC") published The UK Stewardship Code 2026 ("Stewardship Code") for institutional shareholders in June 2025. The purpose of the Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The FRC encourages institutional investors to make a statement of their commitment to the Stewardship Code. The Board has delegated responsibility for actively monitoring the activities of investee companies to the Company's investment manager. The Investment Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee companies, and for attending company meetings. This includes environmental, social and governance matters, as further discussed on page 36. In the absence of explicit instruction from the Board, the Investment Manager is empowered to use discretion in the exercise of the Company's voting rights.

The Investment Manager's policy is to assess each voting opportunity individually and to vote only in cases where it is believed that the Company's best interests need to be protected. As at the year end, the Board had reviewed, and endorsed, the Investment Manager's Statement of Compliance with the Stewardship Code, which can be viewed by following this link: https://media.frc.org.uk/documents/Updated_MCQS_Stewardship_2025_Email_Version_-_Not_Interactive.pdf

The Board receives reports from the Investment Manager on the exercise by the Investment Manager of the Company's voting rights.

Bribery Prevention
The Board confirms it has zero tolerance to bribery and corruption in its business activities and takes its responsibility to prevent bribery very seriously.

Criminal Finances Act 2017
In line with the requirements of The Criminal Finances Act 2017, the Directors confirm that the Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Principal Decisions
The Section 172 statement set out on pages 32 to 35 outlines decisions taken during the year which the Board considers have the greatest impact on the Company's long-term success. The Board considers the factors outlined under Section 172 of the Companies Act and the wider interests of stakeholders as a whole in all decisions it takes on behalf of the Company.

Relations with Shareholders
The AIC Code requires directors to explain their statutory duties as stated in Sections 171–177 of the Companies Act 2006. Under Section 172, directors have a duty to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to the consequences of any decisions in the long term, as well as having regard to the Company's stakeholders amongst other considerations. The Board's report on its compliance with Section 172 of the Companies Act 2006 is contained within the Strategic Report on pages 32 to 35.

By Order of the Board

Christopher Casey
Chairman
27 October 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for:

- safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006;
- preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with relevant laws and regulations; and
- the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement
The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced, understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the 'Board of Directors' section on page 37 confirms that, to the best of their knowledge:

- the Company's Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Christopher Casey
Chairman
27 October 2026

Note to those who access this document by electronic means:
The Annual Report for the year ended 30 June 2026 has been approved by the Board of City Natural Resources Growth and Income PLC. Copies of the Company's annual report are circulated to shareholders and, where possible, to potential investors. It is also made available in electronic format for the convenience of readers. Printed copies are available from the Company Secretary's office in London.

Directors' Remuneration Report

Statement from the Chairman
As the Company has no employees and all Directors are non-executive, the Board has not established a separate remuneration committee. The full Board fulfils the role of a remuneration committee within its meetings under the leadership of the Chair, and the determination of Directors' fees is a matter dealt with by the whole Board. Non-executive Directors receive an annual fee for their services and are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. It is the Board's policy that Directors do not have service contracts, but the terms and conditions of the Directors' appointments are set out in formal letters of appointment which are available for review on request from the Company Secretary at cosec@frostrow.com and at the forthcoming Annual General Meeting.

The Board considers the framework for the remuneration of the Directors on an annual basis. In doing so, the Board reviews the ongoing appropriateness of the Company's Remuneration Policy and the remuneration of Directors by reference to various factors, such as levels of inflation, the activities of the Company, and demands on Directors, including any one-off projects undertaken in the best interests of shareholders. The Board also takes into account comparison with other companies of a similar structure. This is in line with the AIC Code. The Directors exercise independent judgement and discretion when authorising remuneration outcomes, taking into account the Company's performance together with wider circumstances.

An analysis and report was commissioned from Stogdale St James after the year end to benchmark the Company's remuneration against a peer group of investment companies. The Board considered this report alongside research produced by The Association of Investment Companies, Nurole Limited and Trust Associates Limited.

Following this review, the Board concluded that Directors' fees remained appropriate at the current level, so no increase is proposed for the year ending 30 June 2027. The current level of fees came into effect on 1 July 2025.

At the forthcoming annual general meeting, shareholders will be asked, however, to approve a one-off payment to the Directors in accordance with Article 81 of the Company's Articles of Association of additional remuneration (in addition to their fixed fees) of up to in aggregate £180,000. This additional remuneration is in recognition of the extraordinary contribution made by the Directors in the Company's financial years to 30 June 2025 and 30 June 2026, and beyond. Please refer to the 'Proposed one-off payments' section on page 51 for further details.

Remuneration Policy
The Remuneration Policy (the "Policy") sets out the principles applied in the remuneration of the Company's Directors. The current Policy was approved by shareholders at the annual general meeting on 10 December 2024.

The Board's policy is that the remuneration of Directors should:

- reflect the experience of the Board as a whole;
- be fair and comparable with that of other relevant investment trusts that have similar investment objectives and structures;
- be sufficient to attract and retain the Directors needed to oversee the Company properly;
- reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs; and
- not exceed the aggregate limit for ordinary remuneration under Article 80 in the Articles of Association, which has been £250,000 per annum since 9 December 2025.

No Director is eligible to receive bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place. The Directors are entitled to claim reasonable expenses from the Company in relation to the performance of their duties.

Annual report on implementation
The Directors' Remuneration Report for the year ended 30 June 2026 (the "Report") is prepared in accordance with Sections 420 - 422 of the Companies Act 2006. An ordinary resolution to approve this Report will be put to an advisory shareholder vote at the forthcoming annual general meeting to be held on 1 December 2026.

The Companies Act 2006 requires the Company's auditor to report to shareholders on certain information contained in this Report and to state whether, in its opinion, those parts have been properly prepared in accordance with the Regulations. Where information has been audited, it is indicated as such.

Directors' fees
The current fees for specific roles are set out in the table below.

Role	From 1 July 2026 £	% change	At 30 June 2026 £	% change	At 30 June 2025 £
Chair of the Board	45,000	0%	45,000	18.42%	38,000
Chair of the Audit Committee	38,000	0%	38,000	13.43%	33,500
Director	33,000	0%	33,000	15.79%	28,500

Single Total Figure of Remuneration and Expenses (audited)

The remuneration paid to the Directors serving during the years ended 30 June 2026 and 30 June 2025 is set out in the table below. Fees have been pro-rated where a change of appointment or role took place during a financial year.

	Year ended 30 June 2026			Year ended 30 June 2025		
Director	Fees £	Total expenses and taxable benefits[7] £	Total £	Change %	Total expenses and taxable benefits[7] £	Total £
Christopher Casey[1]	45,000	–	45,000	36,052	3,051	39,103
Seema Paterson[2,3]	38,000	–	38,000	28,950	–	28,950
Carole Cable[4]	33,000	–	33,000	43,500[5]	–	43,500
Paul Cahill	33,000	–	33,000	28,500	–	28,500
Louise Hall[3]	33,000	–	33,000	26,125	–	26,125
Alun Evans[6]	–	–	–	12,642	217	12,859
Helen Green[6]	–	–	–	16,957	585	17,542
Total	182,000	–	182,000	192,726	3,853	196,579

Notes:

The table above omits other columns set out in the relevant Regulations because no payments of other types such as performance related pay, vesting performance related pay and pension related benefits were made.

1 Chairman
2 Chair of the Audit Committee
3 Appointed as a Director on 1 August 2024
4 Expected to retire as a Director with effect from the annual general meeting to be held on 1 December 2026
5 Includes a one-off additional fee of £15,000 for the additional time and commitment given in respect of the Company's response following receipt of a requisition notice from Saba Capital Management, L.P. on 18 December 2024
6 Retired as Director on 10 December 2024
7 Expenses relate to the reimbursement of costs incurred in connection with the performance of Directors' duties, predominantly attendance at meetings, including properly incurred travel, accommodation and subsistence costs

Directors' interests in shares (audited)

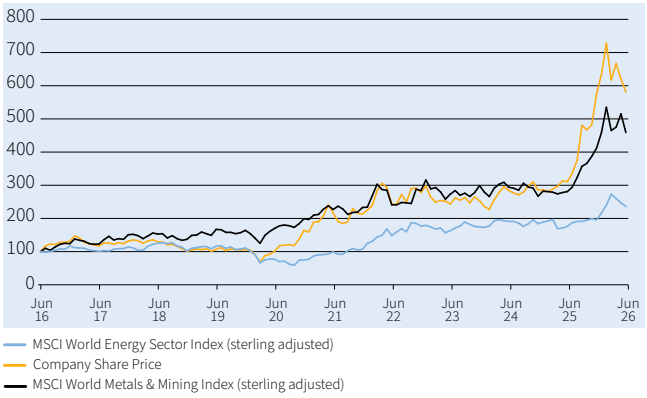
The interests of the Directors who held office at the year end in the ordinary shares of the Company, all of which were beneficial, are set out in the table below.

Director	Ordinary shares held as at 30 June 2026	Ordinary shares held as at 30 June 2025
Christopher Casey	16,500	16,500
Carole Cable	–	–
Paul Cahill	14,749	14,749
Louise Hall	9,000	5,000
Seema Paterson	12,793	7,660

Between 1 July 2026 and 23 October 2026, Seema Paterson acquired a further 202 shares through dividend reinvestment, bringing her total holding to 12,995. No further changes to these holdings have been reported up to the date of this report. There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company.

Total return performance over ten years

The graph illustrates the Company's share price total return performance compared with that of its comparator indices, the MSCI World Energy Index and the MSCI World Metals and Mining Index (both sterling adjusted), over the ten years to 30 June 2026. The analysis assumes all dividends are reinvested.



Statement of voting at annual general meetings

In accordance with the Companies Act 2006, shareholders have a binding vote on the Company's Remuneration Policy every three years, with the next vote due at the 2027 AGM. Shareholders also have an annual advisory vote on the Directors' Remuneration Report, and a resolution to approve this Report will be proposed at the forthcoming AGM. The table below sets out the votes received in respect of the last time each such resolution was proposed.

Ordinary Resolution	For (incl discretionary)	% of votes[1]	Against	% of votes[1]	Withheld
Remuneration Policy (last voted on 10 December 2024)	5,019,962	98.28	87,952	1.72	1,456,339
Directors' Remuneration Report (last voted on 9 December 2025)	3,833,829	96.31	147,029	3.69	99,884

[1] Votes withheld are not votes by law and are therefore not counted in the calculation of votes for or against a resolution.

Relative importance of spend on pay

The table below sets out the total level of Directors' remuneration compared to the distributions paid to shareholders by way of dividends and repurchases of the Company's own shares.

	Year ended 30 June 2026 £	Year ended 30 June 2025 £	Year ended 30 June 2026 % change
Total remuneration paid to Directors[1]	182,000	196,579	(7.4)
Dividends paid on ordinary shares[2]	10,212,969	4,267,000	96.6
Share buybacks	2,732,233	3,635,312	(24.8)

1 Changes will fluctuate due to the number of Directors in any one year. Remuneration for the year ended 30 June 2025 included a one-off additional fee of £15,000 in respect of the Company's response to the requisition notice received from Saba Capital Management, L.P.

2 Includes the Fourth Interim Dividend 2026 of 6.94 pence per share relating to the year ended 30 June 2026 but paid on 28 August 2026 (2025: includes the Fourth Interim Dividend 2025 of 4.25 pence per share relating to the year ended 30 June 2025 but paid on 1 September 2025).

Proposed one-off payments

Between December 2024 and September 2026, the Board carried out a number of projects which, collectively, resulted in significant additional work outside that expected from the ordinary duties of Non-executive Directors in any single year. These additional projects commenced with receipt of a requisition notice from Saba followed by a detailed consideration of the options available that ultimately led to a tender offer and an exit of Saba from the shareholder register, the introduction of an enhanced dividend policy and a reduction in investment the management fee. As well as ad-hoc background work and informal meetings, the Board convened formally on an additional 20 occasions in the financial year ended 30 June 2025 in order to deliver these benefits to shareholders. Your Board believes that these changes have contributed to an increasing demand for the Company's shares resulting in the premium rating that they have enjoyed in recent months.

Since then, the Board has overseen completion of the tender offer and changes to various service providers, most notably the Investment Manager following the move of the portfolio managers to Tufton, but also the depositary, custodian and lender. In each case, consideration was given to different options available including face-to-face presentations from alternative investment management firms. The additional Board meetings, as well as work to review documents, oversee due diligence and an orderly transition to Tufton on 14 September 2026, has ensured good outcomes for investors in the Company in terms of offering and price.

As a result of this additional work and time commitment, the Board considers it justified to make one-off, additional payments to the Directors. Such payments are expressly permitted by Article 81 of the Company's Articles of Association. However, as a matter of good corporate governance, the Company will be seeking approval of these additional payments from its shareholders by way of an ordinary resolution at the forthcoming AGM.

The proposed payments, which will be made in the financial year ending 30 June 2027 and will also be disclosed in the report for the year in which they are made, are set out below.

Director	Requisition, Strategic Review and Tender Offer £	Change of AIFM and key service providers £	Total £
Christopher Casey	40,000	20,000	60,000
Seema Paterson	20,000	10,000	30,000
Carole Cable	20,000	10,000	30,000
Paul Cahill	20,000	10,000	30,000
Louise Hall	20,000	10,000	30,000
Total	120,000	60,000	180,000

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf on 27 October 2026.

Christopher Casey
Chairman

Report of the Audit Committee

Composition of the Audit Committee
An Audit Committee has been established with written terms of reference and comprises all non-executive Directors, except the Chair of the Board, who is invited to attend meetings of the Committee. The Audit Committee members have recent and relevant financial experience, and the Audit Committee as a whole has competence relevant to the sector in which the Company operates. The terms of reference of the Audit Committee are reviewed and reassessed for their adequacy on an annual basis and are disclosed on the Company's website.

Role of the Audit Committee
A summary of the Committee's main audit review functions is shown below:

- to monitor the integrity of the half year report and annual report of the Company by reviewing, and challenging where necessary, the actions and judgements of the Investment Manager and Administrator;
- to make recommendations in relation to the appointment of the external Auditor, including conducting audit tender processes, and to approve the remuneration and terms of engagement of the external Auditor;
- to meet with the external Auditor to review their proposed audit programme of work and their findings. The Board also use this as an opportunity to assess the effectiveness of the audit process;
- to monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualifications;
- to develop and implement the policy on the engagement of the external Auditor to supply non-audit services;
- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function; and
- to review an annual statement from the Investment Manager and Administrator detailing the arrangements in place whereby the staff of the Investment Manager and of the Administrator may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters.

Half Year Report and Annual Report
The Board of Directors are responsible for the half year report and annual report. The Audit Committee advises the Board on the form and content of the annual report and financial statements, any issues which may arise and any specific areas which require judgement.

Auditor
BDO LLP ("BDO") was appointed as statutory auditor in 2017. In accordance with the current legislation, the Company is required to re-tender for new auditors at least every ten years and has to change its auditor after 20 years. Following professional guidelines, the audit partner rotates after five years. The audit partner is in their fifth year of appointment. Accordingly, the Committee re-tendered the audit in preparation for the financial year ending 30 June 2027, with BDO having just completed its final audit.

As part of its review of the scope and results of the audit, during the year the Audit Committee considered and approved BDO's plan for the audit of the Financial Statements for the year ended 30 June 2026. At the conclusion of the audit, BDO did not highlight any issues to the Audit Committee which would cause it to qualify its audit report. BDO issued an unqualified audit report which is included on pages 56 to 61.

Non-Audit Services
The Committee has previously agreed that non-audit fees cannot be more than 70% of the average audit fees for the last three years. The Company's policy on non-audit services was updated in 2020 to comply with the FRC Revised Ethical Standard 2019 and most recently revised following review by the Audit Committee in June 2024.

It has been agreed that all non-audit work to be carried out by BDO must be approved in advance by the Audit Committee.

As part of the review of auditor independence and effectiveness, BDO has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating BDO, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. The Audit Committee is satisfied from direct observation and enquiry of the Investment Manager and Administrator that BDO provides effective independent challenge in carrying out its responsibilities.

No non-audit services have been provided by BDO during the year, nor the prior year.

Significant matters considered regarding the Annual Report and Financial Statements
During the year, the Audit Committee considered a number of significant matters and areas of key audit risk in respect of the Annual Report and Financial Statements.

Significant Matters Considered by the Audit Committee and the Board

Significant matter	How the matter was addressed
External audit plan, including significant risks and key audit matters	The Audit Committee reviewed the external audit plan and concluded that the appropriate areas of audit risk relevant to the Company had been identified by the Auditor. The Committee also discussed the audit procedures and plan with the Auditor and whether suitable control procedures had been put in place to obtain reasonable assurance that the Financial Statements as a whole would be free of material misstatements. During the audit planning process, and as in the prior year, the Auditor identified management override of controls as a significant risk for the Company, along with five other risks considered less significant: valuation of investments; ownership of investments; revenue recognition; compliance with investment trust tax legislation; and investment management fees. The Committee again noted that they did not view management override of controls as a likely risk nor was it considered one of the Company's principal risks, but one that was mandated by audit standards.
Review of the Company's Risk Register	A thorough review of the Company's Risk Register was undertaken by the Committee in conjunction with representatives of the Investment Manager and the Company Secretary and Administrator. The Committee considered how each of its principal risks could be linked to controls in place.
Changes to legislative and governance requirements	At each meeting the Board consider developments to legislation and governance requirements affecting the Company. The Committee has not had to consider any new audit regulations in the past year. It has, however, taken note of reporting guidance and thematic reviews published by the FRC and determined how to apply any relevant best practice to the Company's reporting.
Material Controls (AIC Code Provision 34)	In light of the approaching requirement for the Company to report on its material controls under Provision 34 of the AIC Code, the Audit Committee has undertaken a comprehensive review of the Company's material controls and how those controls act to mitigate the principal risks identified.
The Company's Audit Tender	Having noted that the audit for the year ending 30 June 2026 would be the fifth undertaken by the current audit partner, Mr Chris Meyrick, and the tenth undertaken by BDO, the Audit Committee had well prepared for the tender of the Company's audit for the year ending 30 June 2027 forwards. During the year the Committee led the audit tender and recommended the appointment of PricewaterhouseCoopers LLP as Auditor. Further detail can be found overleaf.

Audit Process and Tender
During the year, in accordance with the Company's audit tender guidelines, the Audit Committee led a competitive audit tender process. A selection of audit firms was invited to participate, including members of the 'big four' firms and mid-tier firms; three firms submitted proposals and all were interviewed by the Audit Committee.

Each firm that participated in the process was given access to any necessary documentation, met with the Chair of the Committee and was requested to submit a written proposal to the Committee. The firms then gave presentations to the Committee and were judged against a number of objective criteria determined in advance of the process.

The Committee submitted two audit firm candidates to the Board for consideration together with a justified preference for one of them. The Committee concluded that PricewaterhouseCoopers LLP was the preferred firm to conduct the audit engagement judged against the selection criteria and the quality of the proposed team and firm (including industry experience) and the approach to managing the audit. The Board agreed with the recommendation and the Company will seek shareholder approval of the appointment of PricewaterhouseCoopers LLP at the forthcoming Annual General Meeting.

Accordingly, BDO LLP will cease to hold office as the Company's auditor and provide a statement confirming the reasons for this will be posted to Shareholders in accordance with the Companies Act 2006. The statement will also available on the Company's website.

The Directors wish to thank BDO LLP for its service as auditor.

As a public company listed on the London Stock Exchange, the Company is subject to mandatory auditor rotation requirements. Based on these requirements, another tender process will be required in 2036. The Committee will, however, continue to consider annually the need to go to tender for audit quality, remuneration or independence reasons.

Internal Controls
The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Report and is regularly reviewed by the Board and accords with the FRC Guidance.

The key components designed to provide effective internal control are outlined below:

- The Company Secretary and Administrator together with the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Investment Manager as appropriate;
- the Investment Manager's compliance department regularly reviews the Investment Manager's operations and reports to the Board on a quarterly basis;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager, Administrator and other third party service providers; and
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Investment Manager and the Administrator, has decided to place reliance on the Investment Manager's and the Administrator's systems and their internal audit procedures.

The Audit Committee has established a set of ongoing processes designed to meet the particular needs of the Company in managing the risks to which it is exposed. The process is one whereby the Investment Manager has identified the key risks to which the Company is exposed and recorded them on a risk matrix together with the controls employed to mitigate these risks. A residual risk rating has been applied to each risk. The Audit Committee is responsible for reviewing the risk matrix and associated controls before recommending the matrix to the Board for consideration and approval, challenging the Investment Manager's assumptions to ensure a robust internal risk management process.

As detailed above, the Audit Committee formally reviewed and updated the Company's risk matrix during the year and will continue to do so on at least an annual basis.

During the year, the Audit Committee also discussed and reviewed the internal controls frameworks in place at the Investment Manager and the Administrator. Discussions focused on three lines of defence: assurances at operational level; internal oversight; and independent objective assurance. The Audit Committee concluded that these frameworks were appropriate for the identification, assessment, management and monitoring of financial and regulatory risks, with particular regard to the protection of the interests of the Company's shareholders.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss. Further details of the Company's internal controls are set out within the structure diagram on the next page.

Seema Paterson
Chair of the Audit Committee
27 October 2026

INTERNAL CONTROLS STRUCTURE

as at 30 June 2026

The Board has a responsibility for establishing and assessing internal controls to ensure the Company operates effectively, efficiently and within the risk appetites set by the Board. As the Company relies on third-party service providers for all of its operations, it obtains regular reports from these counterparties on the nature and effectiveness of controls within these organisations.

The Company's principal service providers are the Investment Manager and AIFM, Company Secretary and Administrator, the custodian and depositary, and the registrar. The Board receives regular reporting on compliance with the control environment and assesses the effectiveness of the internal controls through review of the assurance reports from each of these organisations.

In addition, the Company retains a number of secondary providers who report regularly to the Board. These include the Company's legal adviser and the corporate stockbroker.

The Management Engagement Committee formally evaluates the performance and service delivery of all third-party service providers at least annually and the Audit Committee evaluates the performance of the Company's external auditor annually, following the completion of the annual audit process.

Board of Directors
Entirely independent non-executive

Committees:

- Audit Committee
- Management Engagement Committee
- Nomination Committee

Principal third-party service providers

The Directors:

- receive regular reporting at meetings;
- review the assurance report produced by each organisation;
- receive additional reporting on the control environment from each of the principal third–party service providers; and
- formally evaluate their performance on an annual basis.

Company Secretary, Administrator
(Frostrow Capital LLP)

Reporting

- Balance sheet
- Liquidity and gearing
- Income forecasts
- Portfolio valuation
- Portfolio transactions
- Investment limits and restrictions (monthly)
- Compliance with investment policy and guidelines (monthly)
- Effectiveness of control environment (annually)

AIFM and Portfolio Management
(Manulife | CQS Investment Management until 14 September 2026, Tufton Investment Management Ltd thereafter)

Reporting

- Portfolio performance update at each meeting
- Valuation of unquoted assets
- Compliance report (quarterly)
- Effectiveness of control environment (annually)
- Presentations on subjects of interest (as required)

Depositary and Custodian
(BNP Paribas S.A. until 14 September 2026, Apex Depositary (UK) Limited thereafter)

Reporting

- Depositary's report (quarterly)
- Effectiveness of control environment (annually)
- Presentations on subjects of interest (as required)

Registrar
(Equiniti Limited)

Reporting

- Effectiveness of control environment (annually)
- Presentations on subjects of interest (as required)

Secondary third-party service providers

The Directors:

- receive regular reporting on their activities at meetings; and
- formally evaluate their performance on an annual basis.

Legal Advisor
(Dentons UK and Middle East LLP)

Corporate Broker
(Cavendish Capital Markets Limited)

Tax Advisor
(Grant Thornton LLP)

Independent Auditor's Report to the Members of City Natural Resources Growth and Income PLC

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of City Natural Resources Growth and Income PLC (the "Company") for the year ended 30 June 2026 which comprise of the following:

- the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Cash Flow Statement;
- noted 1 to 19 of the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their forecasts including consideration of the available cash and liquid assets relative to forecast expenditure and other commitments as applicable;
- Challenging the Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the investment portfolio; and
- Reviewing the disclosures in the financial statements relating to going concern to assess whether they are consistent with the Company's circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2026	2025
Key audit matters	Valuation and ownership of investments	✓	✓
Materiality	*Company financial statements as a whole* £1.25m (2025: £1.36m) based on 1% (2025: 1%) of net assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the system of internal control. We identified and assessed the risks of material misstatement of the financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risk of material misstatement to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Basis for opinion section, we have determined that there are no other key audit matters to be communicated in our report.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of investments **(Notes 1d) and 9 to the financial statements)**	The investment portfolio at the year-end comprised 99% quoted investments held at fair value through profit or loss. We considered the valuation and ownership of investments to be a key audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the Company. While we do not consider the valuation of quoted investments to involve a significant degree of estimation or judgement, there is a risk that the prices used for the quoted investments held by the Company may not reflect their fair value at the year end. Additionally, in relation to ownership and recording, there is a risk of error in the recording of quoted investment holdings which could result in the incorrect recognition of investments by the Company. For these reasons, and due to the materiality of the balance in the context of the financial statements as a whole, we considered this to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.	We responded to this mater by testing the valuation and ownership of 100% of the quoted investments by performing the following procedures: • Checked that the year-end bid price has been used by agreeing to externally quoted prices; • Recalculated the valuation by multiplying the number of shares held (as per the statement independently obtained from the custodian), by the price per share; • Assessed whether there were any contra indicators, such as liquidity considerations, that could suggest the bid price was not the most appropriate measure of fair value by considering the realisation period for individual holdings; and • Obtained direct confirmation of the number of shares held from the custodian. **Key observations:** Based on our procedures performed, we did not identify any matters to suggest that the valuation or ownership of the quoted investments were not appropriate.

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2026 £m	2025 £m
Materiality	1.25	1.36
Basis for determining materiality	1% of net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	£0.937	£0.102
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold
We agreed with the Audit Committee that we would report to them individual audit differences in excess of £62,000 (2025: £68,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 29 and 30; • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 29 and 30; and • The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 30.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 48; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 22 to 27; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 54; and • The section describing the work of the audit committee set out on pages 52 to 54.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate governance statement	In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information. In our opinion, based on the work undertaken in the course of the audit, the information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees comply with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules. We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.

Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both Those Charged with Governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager, Administrator and Those Charged with Governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Companies Act 2006, the FCA's UK Listing and Disclosure Guidance and Transparency Rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Investment Manager, Administrator and Those Charged with Governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings of Those Charged with Governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust status.

Fraud
We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, Administrator and Those Charged with Governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of Those Charged with Governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Performed a review of estimates and judgements applied by the Directors in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Considered the opportunity and incentive to manipulate accounting entries and assessed the appropriateness of any post-closing adjustments made in the period end financial reporting process;
- Reviewed for significant transactions outside the normal course of business; and
- Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address
We were appointed by the Board of Directors on 23 May 2017 to audit the financial statements for the year ended 30 June 2017. Our total uninterrupted period of engagement is ten years, covering the years ended 30 June 2017 to 30 June 2026.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

27 October 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

	Notes	Year ended 30 June 2026 Revenue £'000	Capital £'000	Total £'000	Year ended 30 June 2025 Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	9	–	53,693	53,693	–	6,425	6,425
Exchange gains/(losses) on foreign currencies		–	88	88	–	(118)	(118)
Income	2	1,908	2,648	4,556	2,571	1,324	3,895
Investment management fee	3	(319)	(958)	(1,277)	(391)	(1,175)	(1,566)
Other expenses	4	(903)	(14)	(917)	(1,803)	–	(1,803)
Net return before finance costs and tax		**686**	**55,457**	**56,143**	**377**	**6,456**	**6,833**
Finance costs	5, 11	(165)	(495)	(660)	(234)	(701)	(935)
Net return before tax		**521**	**54,962**	**55,483**	**143**	**5,755**	**5,898**
Taxation	6, 11	(81)	(67)	(148)	(143)	(25)	(168)
Net return for the year		**440**	**54,895**	**55,335**	**–**	**5,730**	**5,730**
Basic and diluted return per ordinary share (pence)	8	**1.02p**	**127.75p**	**128.77p**	**0.00p**	**8.88p**	**8.88p**

The "total" column of this statement is the Income Statement of the Company, prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the AIC ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income, and therefore the net return for the period is also the total comprehensive income. The Notes on pages 66 to 83 form part of these Financial Statements.

Balance Sheet

	Notes	As at 30 June 2026 £'000	As at 30 June 2025 £'000
Fixed assets			
Investments at fair value through profit or loss	9	**139,927**	143,266
Current assets			
Debtors	10	**122**	406
Cash at bank		**961**	2,404
		1,083	2,810
Current liabilities			
Bank overdraft		**(169)**	–
Creditors: amounts falling due within one year	11	**(623)**	(700)
Bank loan	12	**(14,500)**	(9,000)
Net current liabilities		**(14,209)**	(6,890)
Net assets		**125,718**	136,376
Capital and reserves			
Called-up share capital	13	**11,589**	16,722
Share premium		**8,748**	4,851
Treasury shares	13	**(2,536)**	(683)
Capital redemption reserve		**5,133**	–
Special distributable reserve		**13,977**	21,449
Capital reserve		**88,807**	94,037
Revenue reserve		**–**	–
Equity shareholders' funds		**125,718**	136,376
Net asset value per ordinary share (pence)	14	**347.19p**	212.56p

Company number: 02978531

These Financial Statements on pages 62 to 83 were approved by the Board of Directors and authorised for issue on 27 October 2026 and were signed on its behalf by:

Christopher Casey
Chairman

The Notes on pages 66 to 83 form part of these Financial Statements.

Statement of Changes in Equity

	Notes	Called-up Share capital £'000	Share premium £'000	Treasury shares £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 30 June 2026									
Balance at 30 June 2025		**16,722**	**4,851**	**(683)**	**–**	**21,449**	**94,037**	**–**	**136,376**
Net return for the year		**–**	**–**	**–**	**–**	**–**	**54,895**	**440**	**55,335**
Shares bought back into treasury		**–**	**–**	**(191)**	**–**	**(2,541)**	**–**	**–**	**(2,732)**
Shares issued from treasury		**–**	**3,897**	**538**	**–**	**3,812**	**–**	**–**	**8,247**
Tender offer		**(5,133)**	**–**	**(2,200)**	**5,133**	**–**	**(60,125)**	**–**	**(62,325)**
Dividends paid		**–**	**–**	**–**	**–**	**(8,743)**	**–**	**(440)**	**(9,183)**
Balance at 30 June 2026		**11,589**	**8,748**	**(2,536)**	**5,133**	**13,977**	**88,807**	**–**	**125,718**
For the year ended 30 June 2025									
Balance at 30 June 2024		16,722	4,851	(182)	–	27,127	88,307	1,741	138,566
Net return for the year		–	–	–	–	–	5,730	–	5,730
Shares bought back into treasury		–	–	(501)	–	(3,135)	–	–	(3,636)
Dividends paid	7	–	–	–	–	(2,543)	–	(1,741)	(4,284)
Balance at 30 June 2025		**16,722**	**4,851**	**(683)**	**–**	**21,449**	**94,037**	**–**	**136,376**

The special distributable reserve, capital reserve (excluding the unrealised gains on Level 2 and Level 3 investments detailed in Note 9) and the revenue reserve are distributable by way of dividend. The Company's net distributable reserve is £102,070,000 (2025: £115,486,000) after taking into account the unrealised cumulative gains of £714,000 (2025: unrealised cumulative losses of £20,861,000) relating to Level 2 and Level 3 investments in the portfolio.

The Notes on pages 66 to 83 form part of these Financial Statements.

Cash Flow Statement

	Notes	Year ended 30 June 2026 £'000	Year ended 30 June 2025 £'000
Operating activities			
Investment income received (net of withholding tax)		4,469	3,633
Deposit interest received		95	80
Investment management fees paid		(1,301)	(1,454)
Overseas withholding tax reclaims received		158	–
Other expenses paid		(1,029)	(1,826)
Net cash inflow from operating activities		2,392	433
Investing activities			
Purchases of investments		(55,918)	(37,869)
Disposals of investments		47,470	53,984
Disposals of investments - tender offer		65,921	–
Net cash inflow from investing activities		57,473	16,115
Financing activities			
Equity dividends paid		(9,183)	(4,284)
Shares bought back into treasury		(2,730)	(3,752)
Shares issued from treasury		8,247	–
Cash payment to tendering shareholders		(62,752)	–
Drawdown from/(repayment of) credit facility	12	5,500	(8,000)
Interest and costs paid on bank loan		(647)	(942)
Net cash outflow from financing activities		(61,565)	(16,978)
Decrease in net cash		(1,700)	(430)
Reconciliation of net cash flow movement to movement in net cash			
Decrease in net cash during the year		(1,700)	(430)
Foreign exchange gains/(losses) on cash		88	(118)
Movement in net cash during the year		(1,612)	(548)
Opening cash balance at 1 July		2,404	2,952
Closing cash balance at 30 June		792	2,404

The Notes on pages 66 to 83 form part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 June 2026

1 Accounting policies

City Natural Resources Growth and Income PLC (formerly CQS Natural Resources Growth and Income PLC) is a public company limited by shares, incorporated in accordance with the Laws of England and Wales. Details of the registered office are included on page 95.

A summary of the principal accounting policies adopted is set out below.

(a) Basis of accounting
The financial statements are prepared on a going concern basis, in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Principles ("UK GAAP") including FRS102 'The Financial Reporting Standard applicable in the UK and Ireland' and the Statement of Recommended Practice regarding the Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies in December 2025.

The Company's financial statements are presented in sterling, being the functional and presentational currency of the Company. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Having considered the Company's investment objective, nature of the investment portfolio, loan facility, expenditure projections, suitable stress testing and the impact of the current geopolitical and market uncertainty, covering a period of 12 months from the date this Report is approved, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

(b) Financial assets
All financial assets are initially recognised at fair value, recorded at the date on which the Company became party to the contractual requirements of the financial asset, with the related transaction costs expensed under the capital column of the Income Statement. Subsequently, they are measured at fair value through profit or loss.

Cash at bank
Cash comprises cash at bank, which is carried at amortised cost.

(c) Financial liabilities
All financial liabilities are initially recognised at fair value net of transaction costs incurred, recorded on the date on which the Company becomes party to the contractual requirements of the financial liability, and subsequently carried at amortised cost with the exception of bank loans, which are measured at cost, being the fair value of the consideration received.

(d) Fixed asset investments
Financial assets which comprise equity shares, preference shares, fixed income securities and warrants, are classified as held at fair value through profit or loss as the financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Company's investment strategy and this is also the basis on which information about investments is provided internally to the Board.

Purchases or sales of financial assets are recognised/derecognised on the date the Company trades the investments. On initial recognition investments are classified at fair value as fair value through profit or loss with any resultant gain or loss, including any gain or loss arising from a change in exchange rates, recognised in the Income Statement. For listed securities this is either the bid price or last traded price, depending on the convention of the exchange on which the investment is listed.

Financial assets which are not listed, or where trading in the securities of an investee company is suspended, are valued at the Board's estimate of fair value in accordance with International Private Equity and Venture Capital Valuation ("IPEV") guidance. Unquoted financial assets are valued on the basis of all the information available to them at the time of valuation. This includes a review of the financial and trading information of the Company, covenant compliance, ability to pay the interest due and cash held. Valuation methodologies for the Company's unquoted investments include:

- the last published net asset value or traded share price of the security, after adjustment for factors that the AIFM and Board believe would affect the amount of cash that the Company would receive if the security were realised as at the reporting date; or
- the estimated, discounted cash distribution based on information provided by the management or liquidators of the security. The discount applied will take account of various factors, including the expected timings of the cash flow and the level of certainty associated with the estimate; or
- in the case of warrants, a widely accepted valuation model, such as the Black-Scholes model.

Changes in fair value and gains or losses on disposal are included in the Income Statement as a capital item.

1 Accounting policies continued

(e) Income
Dividends receivable on equity shares are recognised as income on the date that the related investments are marked ex-dividend. Dividends receivable on equity shares where no ex-dividend date is quoted are recognised as income when the Company's right to receive payment is established. Dividend income is recognised through the revenue or capital column of the Income Statement based on the nature of the distributions. Income from special dividends is taken to capital where relevant circumstances indicate that the dividends are capital in nature.

Fixed interest returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective interest rate on those instruments. Any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation. Other returns on non-equity shares are recognised when the right to the return is established. Income from deposit interest and underwriting commission is recognised on an accruals basis.

(f) Taxation
The charge for taxation is based on net revenue for the year. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Because the Company intends each year to qualify as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 (previously S842 of the Income and Corporation Taxes Act 1988), no provision is made for deferred taxation in respect of the capital gains that have been realised, or are expected in the future to be realised, on the sale of fixed asset investments.

(g) Expenses
All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement as a revenue item except the following which are charged to capital:

- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- the Company charges 75 per cent. of investment management fees to capital, in line with the Board's expected long-term return in the form of capital gains and income respectively from the investment portfolio of the Company. This split has been reassessed annually and remains appropriate. For further details refer to Note 3.

(h) Dividend payments
Dividends paid by the Company on its shares are recognised in the financial statements in the period in which they are paid and are shown in the Statement of Changes in Equity. Shares held in treasury carry no entitlement to dividends.

(i) Foreign currency
Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates at the date of the transaction. Overseas assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Instruments held at fair value are translated at the rate prevailing at the time the fair value is determined.

Any gain or loss arising from a change in exchange rates subsequent to the date of a transaction and before the settlement date is included as an exchange gain or loss under the capital column of the Income Statement. The functional currency of the Company, being its statutory reporting currency, is pound sterling.

1 Accounting policies continued

(j) Finance costs
Finance costs are accounted for on an accruals basis. Finance costs of debt, insofar as they relate to the financing of the Company's investments or to financing activities aimed at maintaining or enhancing the value of the Company's investments, are allocated between revenue and capital in accordance with the Board's expected long-term split of returns, in the form of income and capital gains respectively, from the Company's investment portfolio. For further details refer to Note 5.

(k) Capital and reserves
(i) Share capital – represents the nominal value of authorised and allocated, called-up and fully paid shares issued. The reserve is non-distributable.

(ii) Share premium – the surplus of net proceeds received from the issuance of new shares over their par value is credited to this account and the related issue costs are deducted from this account. The reserve is non-distributable.

(iii) Capital reserve – The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- realised and unrealised exchange differences on transactions of a capital nature;
- capitalised expenses and finance costs, together with the related taxation effect; and
- increases and decreases in the valuation of investments held.

This reserve, excluding the unrealised gains on Level 2 and Level 3 investments detailed in Note 9, is distributable by way of dividends.

(iv) Special distributable reserve – originally created from the Court cancellation of the share premium account which had arisen from premiums paid at launch. This reserve is distributable by way of dividends and has been used to facilitate reserve movements on share buybacks and issuances.

(v) Revenue reserve – the net profit/(loss) arising in the revenue column of the Income Statement is added to or deducted from this reserve. This reserve is distributable by way of dividends.

(vi) Treasury shares – shares that have been repurchased by the Company but not cancelled. These shares are held in a treasury account and remain part of the Company's share capital but do not carry any rights to receive dividends or vote at general meetings. This reserve is non-distributable.

(vii) Capital redemption reserve – the nominal value of the Company's own shares that have been bought back and cancelled. An amount equal to the nominal value of the shares cancelled is transferred from the share capital account to the capital redemption reserve in accordance with the Companies Act 2006. The reserve is non-distributable.

(l) Single segmental reporting
The Company is engaged in a single segment of business, being an investment business, and consequently no segmental analysis is provided.

(m) Critical accounting estimates and judgements
The only significant accounting estimate and judgement is the valuation of the unquoted investments which is described in Note 1(d) above.

The Company does not intend to acquire securities that are unquoted at the time of investment with the exception of securities which, at the time of acquisition, are intending to list on a stock exchange or securities which are convertible into quoted securities.

The Board delegates to a formal Valuation Committee ("VC"), which sits within the Company's AIFM and meets on a monthly basis, the review of developments in relation to unquoted investments in the portfolio and the assessment of whether adjustments are required to reflect the fair value of the unquoted investments.

1 Accounting policies continued

The valuation methodologies for unquoted investments are dependent on the type of instruments in the portfolio. For securities that have been delisted, fair value may be determined based on the expected future cash flow or the last price traded immediately prior to delisting, with appropriate illiquidity or similar discounts applied. Derivative instruments are fair valued using well established and commonly accepted techniques and models with inputs and assumptions determined by the VC. The Company uses the Black Scholes model for the valuation of warrants.

2 Income

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Income from investments						
UK dividend income	165	–	165	291	–	291
Preference share dividend income	253	–	253	466	–	466
Overseas dividend income	1,260	2,648	3,908	1,596	1,324	2,920
Fixed interest	135	–	135	137	–	137
	1,813	2,648	4,461	2,490	1,324	3,814
Other income						
Bank interest	95	–	95	81	–	81
Total income	1,908	2,648	4,556	2,571	1,324	3,895

3 Investment Management Fees

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Investment management fee	319	958	1,277	391	1,175	1,566

As at the Company's year end, the Investment Manager was CQS (UK) LLP (trading as Manulife | CQS Investment Management).

The balance due to Manulife | CQS for management fees at the year end was £228,000 (2025: £252,000) , which has been settled post year end.

Investment management fees have been allocated 75% to capital and 25% to revenue (2025: 75% capital and 25% revenue) in the Income Statement. This capital and revenue split is reviewed by the Board annually.

4 Other Expenses

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Secretarial and administration fees	275	–	275	266	–	266
Directors' fees	161	–	161	193	–	193*
Employer's National Insurance contributions	11	–	11	14	–	14
Auditor's remuneration for the audit of the Company's financial statements	54	–	54	63	–	63
Tax advisor remuneration for tax services	8	–	8	72	–	72
Directors' and Officers' liability insurance	18	–	18	19	–	19
Registrar fees	44	–	44	39	–	39
Custody and depositary fees	76	–	76	91	–	91
Public relations	85	–	85	92	–	92
Broker fees	50	–	50	50	–	50
Stock exchange fees	25	–	25	29	–	29
Legal and professional fees	48	–	48	826	–	826**
Other	48	14	62	49	–	49
	903	14	917	1,803	–	1,803

£183,000 of the operating expenses incurred during the period between the Calculation Date (30 June 2025) and the Tender Pool Determination Date (29 September 2025) were borne by the Tender Pool in line with the terms outlined within the Circular dated 28 May 2025, and the balances disclosed above for 2026 reflect the remaining ongoing trust only.

* Directors' fees are higher in 2025 due to an overlap between the appointment of two new directors joining and the retiring of two directors from the Board, together with a one-off £15,000 payment to one of the Directors in compensation for the additional time and commitment given in respect of the Company's response following receipt of a requisition notice from Saba Capital Management, L.P. on 18 December 2024. Further details can be found in the Directors Remuneration Report on page 50.

** Legal and professional fees in 2025 includes £714,000 in relation to the dealings of the Requisitioned General Meeting by Saba Capital Management, L.P. and the subsequent Strategic Review carried out by the Board. Subsequent to the year end and pursuant to Section 316 of the Companies Act 2006, £5,540 was reclaimed from Saba in respect of the circulation of its statement to shareholders alongside notice of the Requisitioned General Meeting held on 4 February 2025.

The Company does not have any employees and no pension contributions were payable in respect of any of the Directors. The Auditor's remuneration for non-audit services amounted to £nil in 2026 (2025: £nil).

5 Finance Costs

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Interest on bank loan	165	495	660	234	701	935
	165	495	660	234	701	935

Interest on the bank loan has been allocated 75% to capital and 25% to revenue (2025: 75% capital and 25% revenue) in the Income Statement. This capital and revenue split is reviewed by the Board annually.

6 Taxation

	2026 Revenue £'000	2026 Capital £'000	2026 Total £'000	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000
Overseas withholding tax	81	67	148	143	25	168
	81	67	148	143	25	168

Reconciliation of Tax Charge

The tax in the Income Statement for the year is lower than the current standard rate of corporation tax in the UK of 25% (2025: 25%). A reconciliation of the total tax charge is set out below:

	2026 Total £'000	2025 Total £'000
Return on ordinary activities before taxation	55,483	5,898
Corporation tax at 25% (2025: 25%)	13,871	1,475
Effects of:		
Non-taxable income	(420)	(588)
Non-taxable gains	(14,085)	(1,938)
Overseas withholding tax	148	168
Excess management expenses (deferred tax not recognised)	656	1,022
Non-taxable exchange (losses)/gains	(22)	29
Current year tax charge	148	168

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation and disposal of investments as it is exempt from tax due to its investment trust status. The Company can offset excess management expenses (management fees, other administrative expenses, and interest costs) against taxable income to eliminate any tax charge on such income, but it is unlikely to generate future taxable profits to utilise these amounts. The unrecognised deferred tax assets as at 30 June 2026 totalled £6,127,000 (2025: £5,471,000) arising as a result of having excess management expenses of £24,509,000 (2025: £21,884,000) and based on a prospective tax rate of 25% (2025: 25%).

7 Dividends

	2026 £'000	2025 £'000
Amounts recognised as distributions to equity holders in the year:		
Fourth interim dividend for the year ended 30 June 2025 of 4.25p (2024: 1.82p) per share	1,480	1,198
Special interim dividend for the year ended 30 June 2025 of nil (2024: 1.00p) per share	–	659
First interim dividend for the year ended 30 June 2026 of 6.02p (2025: 1.26p) per share	2,112	811
Second interim dividend for the year ended 30 June 2026 of 7.00p (2025: 1.26p) per share	2,561	808
Third interim dividend for the year ended 30 June 2026 of 8.34p (2025: 1.26p) per share	3,030	808
	9,183	4,284

7 Dividends continued

	2026 £'000	2025 £'000
Amounts relating to the year but not paid at the year end*:		
Fourth interim dividend for the year ended 30 June 2026 of 6.94p (2025: 4.25p) per share	2,510	1,480
Total	2,510	1,480

* Figures under the 2026 column above are calculated using the number of voting shares (excluding shares held in treasury) in issue of 36,173,238 as at the record date of 24 July 2026, and the comparatives under the 2025 column were calculated using the number of voting shares (excluding shares held in treasury and tender shares) in issue of 34,824,874 as at the record date of 1 August 2025.

In accordance with FRS 102, the fourth interim dividends have not been included as a liability in these accounts and will be recognised in the period in which they are paid.

8 Return per ordinary share

Return per ordinary share attributable to shareholders reflects the overall performance of the Company in the year.

	Year ended 30 June 2026 £'000	Year ended 30 June 2025 £'000
Revenue return	440	–
Capital return	54,895	5,730
Total Return	55,335	5,730

	Year ended 30 June 2026	Year ended 30 June 2025
Weighted average number of ordinary shares in issue	42,973,567	64,516,804
Revenue return per share (pence)	1.02	0.00
Capital return per share (pence)	127.75	8.88
Total return per share (pence)	128.77	8.88

There were no dilutive instruments issued by the Company for the years ended 30 June 2026 and 30 June 2025.

9 Investments

	2026 £'000	2025 £'000
Equity shares	136,012	137,154
Preference shares	2,641	4,580
Fixed income securities	279	951
Warrants	995	581
	139,927	143,266

All investments are designated at fair value through profit or loss at initial recognition, therefore all gains and losses arising on investments are recognised in profit or loss.

Investments at fair value through profit or loss

	2026 £'000	2025 £'000
Opening book cost	142,707	162,667
Opening investment holding gains/(losses)	559	(10,040)
Opening fair value	143,266	152,627
Analysis of transactions made during the year		
Purchase at cost	55,918	38,167
Sales of investments - ongoing operation	(47,467)	(53,953)
Sales of investments - tender offer	(65,483)	–
Gains on investments	53,693	6,425
Closing fair value	139,927	143,266
Closing book cost	96,178	142,707
Closing investment gains	43,749	559
Closing fair value	139,927	143,266

The gains and losses included in the table below have all been recognised within gains on investments held at fair value in the Income Statement on page 62.

Gains/(losses) on investments	2026 £'000	2025 £'000
Realised gains/(losses) on sales of investments	10,503	(4,174)
Unrealised gains on investments	43,190	10,599
Gains on investments	53,693	6,425

During the year the Company purchased £55,918,000 (2025: £38,167,000) of investments and incurred a total transaction cost of £70,000 (2025: £23,000). Disposals of investments amounted to £112,950,000 (2025: £53,953,000), which includes £65,483,000 in relation to the tender offer (2025: nil), with a total transaction cost of £39,000, excluding those related to the tender offer (2025: £46,000). As at 30 June 2026, £nil of the disposal proceeds were receivable (2025: £4,000).

9 Investments continued

FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland requires an analysis of investments valued at fair value based on the reliability and significance of information used to measure their fair value. The level is determined by the lowest (that is the least reliable or independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

- Level 1 – investments quoted in an active market;
- Level 2 – investments whose fair value is based directly on observable current market prices or indirectly being derived from market prices; and
- Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or based on observable market data.

As at 30 June 2026	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit or loss				
Equities	135,580	–	432	136,012
Preference shares	2,641	–	–	2,641
Fixed income securities	–	264	15	279
Warrants	–	–	995	995
Total	138,221	264	1,442	139,927

As at 30 June 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit or loss				
Equities	135,790	–	1,364	137,154
Preference shares	4,580	–	–	4,580
Fixed income securities	–	940	11	951
Warrants	–	–	581	581
Total	140,370	940	1,956	143,266

Level 2 investments are priced using evaluated prices from a third-party vendor, together with a price comparison made with secondary and tertiary evaluated third party sources. Evaluated prices are in turn based on a variety of sources, including broker quotes and benchmarks. As a result, these investments are disclosed as Level 2 as the fair values of these investments are not as visible as quoted equity investments and their higher inherent pricing risk. However, this does not mean that the fair values shown in the portfolio valuation are not achievable at point of sale.

There has been no transfer of financial assets between fair value levels during the year (2025: none).

The Level 3 investments at the year end, along with the respective valuation methods utilised, are as follows:

The fair value of Level 3 financial assets has been determined by reference to valuation techniques described in Note 1(d) of these Financial Statements. Judgement has been exercised in each of these valuations in determining the most appropriate valuation methodology and inputs into the valuation models used.

9 Investments continued

Unquoted equity investments:
As at 30 June 2026, the Company held one unquoted equity investment in Firefinch (£432,000), whose shares were delisted from the ASX on 1 July 2024 and is in the final stage of its liquidation. The investment is valued at expected liquidation proceeds and a 10% decrease in its valuation would result in a £43,000 negative impact on the Company's net return for the year and NAV as at the year end date, and a 10% increase would result in an equal but opposite effect.

Unquoted warrants:
The Company's investments in unquoted warrants are valued using the Black Scholes Model and the inputs into the model require judgements and estimates, which are detailed as follows:

- Volatility and time to maturity: for any warrants with a maturity greater than 1 year, the 90-day volatility is used and for any securities with a maturity less than 1 year, the 60-day volatility is used. These have been deemed appropriate periods to use, as often using the time to expiry has captured market or firm events that have artificially inflated the volatility which has, in turn, inflated the valuation. If the period used still yields an unreflective level of volatility, then the volatility period used is overridden. When appropriate to extend the period, the time to maturity is used, up to a maximum of 400 days, which is in line with Bloomberg's option and warrant valuation model assumptions; and
- Risk free rate: in determining the risk free rate, the swap price discount curve is used for the relevant currencies. The swap curve in the warrant currency is deemed an appropriate method for approximating the yield curve for the following reasons:
  - there is sufficient liquidity and depth of pricing to provide reliable valuations for the Swap curves for the points and currencies that the Company currently requires;
  - using Swaps allows for the same discount rate methodology to be used across the range of maturities of the Warrant portfolio, whereas using other instruments to construct a yield curve would typically be more limited across different tenors. This is relevant to the current portfolio as there is a wide range of time-to-maturities; and
  - using Swaps allows for the same discount rate methodology to be used across different currencies, which is applicable to the Company's current portfolio which contains warrants listed and traded in a range of currencies.

As at 30 June 2026, the fair value of warrants held by the Company was £995,000 (2025: £581,000). If the market value of the warrants were to fall by 10 per cent., the impact on the net return and the net asset value of the Company would be a reduction of £100,000 (2025: a reduction of £58,000). If the value of the Level 3 warrants were to rise by the same percentage, the effect on the Company's net return and net asset value would be equal and opposite.

All other Level 3 securities, except for one bond instrument valued at £15,000 (2025: one bond instrument valued at £11,000), have been priced at nil in the absence of any indicators of higher value. There are normal voting rights attached to all Level 3 equity holdings which are directly proportionate to the percentage holding in the company.

10 Debtors

	2026 £'000	2025 £'000
Prepayments and accrued income	82	72
Overseas withholding tax recoverable	13	252
VAT recoverable	27	78
Other debtors	–	4
	122	406

11 Creditors: Amounts Falling Due Within One Year

	2026 £'000	2025 £'000
Other creditors	501	578
Corporation tax	122	122
	623	700

Included within other creditors is £228,000 (2025: £252,000) due to the Investment Manager in respect of management fees.

Corporation tax liability relates to certain overseas dividend income recognised during the year ended 30 June 2009, which was treated as exempt for corporation tax following the ruling of the HMRC's First Tier Tribunal in December 2021. The ruling was reversed by the Upper Tribunal in January 2024 and consequently the Company has recognised a tax liability of £122,000. An interest charge of £66,000 has been provided in respect of this tax liability. The actual amount is subject to HMRC confirmation, however, the Company believes that the interest exposure provided for is a conservative estimate and may not materialise.

12 Bank Loan

	2026 £'000	2025 £'000
Bank loan	14,500	9,000

As at the year end, the Company had a secured loan facility with BNP Paribas S.A., London Branch ("BNP"), on which drawdowns attracted an interest rate of Sterling Overnight Index Average ("SONIA") plus 1.35%, and a commitment fee of 0.45%. The credit facility had a floating charge covering all the property or undertaking of the Company. As at 30 June 2026, £14.5 million was drawn down at an indicative rate of 5.07% fixed until 11 September 2026 (2025: £9 million was drawn down at an indicative rate of 5.6% fixed until 12 September 2025).

Covenant conditions under the BNP facility were as follows:

- the borrower shall not permit the net asset value to be less than £45 million;
- maximum loan to value ratio of 30%; and
- minimum coverage ratio (total adjusted total assets value over debt) of 1.

The loan facility was rolled over every three months and could be cancelled at any time.

On 11 September 2026, a new secured facility was agreed with The Bank of Nova Scotia, London Branch ("Scotiabank") on an evergreen basis. The new facility has an initial commitment of £25 million with an option to extend a further £10 million at the Company's request. Drawdowns from the facility attract an interest rate of SONIA plus a 1% margin and a commitment fee of 0.35%.

Covenants conditions under the Scotiabank facility include a minimum net asset value of no less than £60 million at any time and a minimum coverage ratio (adjusted total net assets over debt) of 3.33 to 1.

As at the date this Report was approved, £9.5 million was drawn down under this facility at an indicative rate of 4.73%.

13 Share Capital

	2026 £'000	2025 £'000
Allotted, called up and fully-paid:		
36,210,418 (2025: 64,157,838) ordinary shares of 25p each	9,053	16,039
10,144,032 (2025: 2,605,671) ordinary shares held in treasury	2,536	683
46,354,450 (2025: 66,888,509) total ordinary shares of 25p each	11,589	16,722

13 Share Capital continued

In early October 2025, the Company completed the Tender Offer announced in July 2025, which resulted in 29,334,059 ordinary shares being repurchased by the Company, 8,800,000 of those shares were kept in treasury and the remaining 20,534,059 shares were cancelled. Other than the buyback of shares under the Tender Offer, the Company has bought back 763,361 shares to be held in treasury at a cost of £2,730,000 (2025: 2,002,114 shares at £3,636,000) and issued 2,150,000 shares from treasury for total proceeds of £8,247,000 during the year (2025: no shares issued).

Between 1 July 2026 and 23 October 2026, the latest practicable date prior to the publication of this Report, the Company sold 3,965,000 shares from treasury and bought back a further 37,180 shares into treasury at a cost of £121,730. As at 23 October 2026 the Company had 46,354,450 shares in issue, including 6,216,212 shares held in treasury.

Capital management policies and procedures
The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Company's Investment Policy limits gearing to 25% of net assets. The highest level of gearing during the course of the year was 13.4% (2025: 14.0%) and it was 10.9% at 30 June 2026 (2025: 4.8%).

The capital of the Company is managed in accordance with its Investment Policy detailed in the Business Review on page 28, and the details of the Company's reserves are shown in the Statement of Changes in Equity on page 64.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Investment Manager's views on the market, and the extent to which revenue in excess of that which is required to be distributed should be retained. The Company has no externally imposed capital requirements.

14 Net Asset Value per ordinary share

The net asset value per ordinary share is based on net assets of £125,718,000 (2025: £136,376,000) and on 36,210,418 (2025: 64,157,838) ordinary shares in issue, being the number of ordinary shares in issue, excluding shares held in treasury, at the year end.

There were no dilutive instruments issued by the Company for the years ended 30 June 2026 and 30 June 2025.

15 Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank facilities, debtors and creditors that arise directly from its operations. As an investment trust, the Company holds a portfolio of financial assets in pursuit of its investment objective. The Company can make use of flexible borrowings for short-term purposes to achieve improved performance in rising markets and to seek to enhance the returns to shareholders, when considered appropriate by the Investment Manager. The downside risk of borrowings may be reduced by raising the level of cash balances held.

Financial assets designated at fair value through profit or loss (see Note 9) are measured at fair value. For actively traded listed securities, fair value is considered to be equivalent to the most recent available bid price. Where listed securities are not actively traded, multiple broker quotes are referenced to estimate fair value. For unlisted securities, fair value is determined by the Board using valuation techniques based on unobservable inputs. The fair value of other receivables, cash, and other payables is represented by their carrying value in the Balance Sheet shown on page 63. These are short-term financial assets and liabilities whose carrying value approximate fair value.

The main risks that the Company faces arising from its financial instruments are:

(i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movements;

(ii) interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates;

(iii) foreign currency risk, being the risk that the value of investment holdings, investment purchases, investment sales and income will fluctuate because of movements in currency rates;

(iv) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

(v) liquidity risk, being the risk that the bank may demand repayment of a loan or that the Company may not be able to quickly liquidate its investments.

15 Financial Instruments continued

Financial assets and liabilities
The financial assets and liabilities of the Company are as follows:

	2026 £'000	2025 £'000
Financial assets		
Investments	139,927	143,266
Cash at bank	961	2,404
Accrued income	43	50
Other debtors	79	356
Financial liabilities		
Bank loan	14,500	9,000
Bank overdraft	169	–
Other creditors	623	700

The bank loan balance was due for renewal on 11 September 2026 (2025: 12 September 2025) and the related interest payable until renewal was £147,000 (2025: £124,000).

Market price risk
Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. To mitigate the risk the Investment Manager's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long-term investments. An appropriate spread of investments is held in the portfolio in order to reduce both the statistical risk and the risk arising from factors specific to a country or sector. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly, in order to consider investment strategy.

Investment and portfolio performance are discussed in more detail in the Investment Manager's Review and further information on the investment portfolio is set out on pages 19 to 21.

If the investment portfolio valuation were to fall by 5% at 30 June 2026 (2025: 5%), the impact on the profit or loss and the net asset value would be a reduction of £6,996,000 (2025: a reduction of £7,163,000). If the investment portfolio valuation were to rise by 5% the impact would be equal and opposite. The calculations are based on the portfolio valuation as at the respective balance sheet dates and are not representative of the year as a whole and may not be reflective of future market conditions. A 5% sensitivity has been selected as this level of change is considered to be reasonable based on observations of post year end performance of the portfolio investments.

Interest rate risk
Financial assets
Fixed, floating rate and preference share yields and their prices are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee company.

Interest rates on fixed income instruments are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. Consequentially, if a fixed income instrument is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a fixed income instrument the market price at any given time will depend on the market environment at that time. Therefore, a fixed income instrument sold before its redemption date is likely to have a different price from its purchase level and a profit or loss may be incurred.

Interest rates on floating rate instruments vary throughout the life of the instrument based on movements in the applicable underlying base rate. Consequentially, the total return achieved on these positions changes throughout the life of the position. In addition, over the life of the financial instrument, the market price of such instruments will depend on the market environment at that time. Therefore, a floating rate instrument sold before its redemption date is likely to have a different price from its purchase level and a profit or loss may be incurred.

15 Financial Instruments continued

Interest rates on floating rate instruments vary throughout the life of the instrument based on movements in the applicable underlying base rate. Consequentially, the total return achieved on these positions changes throughout the life of position. In addition, over the life of the financial instrument, the market price of such instruments will depend on the market environment at that time. Therefore, a floating rate instrument sold before its redemption date is likely to have a different price from its purchase level and a profit or loss may be incurred. Bond yields, and their prices, are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons.

Returns from bonds are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds.

The Company's exposure to floating interest rates gives rise to cash flow interest rate risk and its exposure to fixed interest rates gives rise to fair value interest rate risk. Interest rate risk on fixed rate interest instruments is considered to be part of market price risk as disclosed above.

If the bank base rate were to increase by 1%, the impact on the Company's net return and NAV would be a reduction of £137,000 (2025: a reduction of £66,000). If the bank base rate were to decrease by 1%, the impact on the profit or loss would be equal and opposite. The calculations are based on borrowings as at the respective balance sheet dates and are not representative of the year as a whole.

Floating rate
When the Company retains cash balances they are held in floating rate deposit accounts. The benchmark rate which determines the interest payments received on cash balances, is the bank base rate for the relevant currency for each deposit.

Financial liabilities
The Company may utilise drawdowns from the credit facility, which provides borrowings in pound sterling at a variable rate based on the SONIA rate. The Board sets borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

Fixed rate
The Company holds fixed interest investments and the interest rate profiles are as follows:

	2026 £'000	2026 Weighted average interest rate (%)*	2026 Weighted average period for which the rate is fixed (years)	2025 £'000	2025 Weighted average interest rate (%)*	2025 Weighted average period for which the rate is fixed (years)
Assets:						
Fixed income securities	279	6.6	1.4	951	7.6	0.7

* The "weighted average interest rate" is based on the current yield of each asset, weighted by their market value.

Foreign currency risk
The Company invests in overseas securities and may hold foreign currency cash balances which give rise to currency risks. The Company does not hedge its currency exposure and, as a result, the movement of exchange rates between pound sterling and the other currencies in which the Company's investments are denominated may have a material favourable or unfavourable effect on the returns generated by the Company's investments. Although the Investment Manager may seek to manage all or part of the Company's foreign exchange exposure, there is no assurance that this can be performed effectively.

15 Financial Instruments continued

The Company's foreign currency exposure as at 30 June 2026 and 30 June 2025 were as follows:

30 June 2026	Investments £'000	Cash £'000	Net current assets £'000	Total £'000	Sensitivity Impact sterling weakens by 5% £'000	Sensitivity Impact sterling strengthens by 5% £'000
Canadian dollar	59,050	22	16	59,088	3,110	(2,814)
Australian dollar	30,868	67	45	30,980	1,630	(1,475)
US dollar	29,436	26	–	29,462	1,551	(1,403)
Norwegian krone	5,656	(169)	–	5,487	289	(261)
Euro	–	27	83	110	6	(5)
Brazilian real	–	105	–	105	6	(5)
	125,010	78	144	125,232	6,592	(5,963)

30 June 2025	Investments £'000	Cash £'000	Net current assets £'000	Total £'000	Sensitivity Impact sterling weakens by 5% £'000	Sensitivity Impact sterling strengthens by 5% £'000
Canadian dollar	51,040	4	32	51,076	2,688	(2,432)
Australian dollar	40,939	55	4	40,998	2,158	(1,952)
US dollar	25,998	64	80	26,142	1,376	(1,245)
Norwegian krone	7,680	7	–	7,687	405	(366)
Euro	–	6	127	133	7	(6)
	125,657	136	243	126,036	6,634	(6,001)

If the value of pound sterling were to strengthen against the foreign currencies the portfolio is exposed to by 5%, the impact on the Company's net return and the net asset value would be a reduction of £5,963,000 (2025: a reduction of £6,001,000). If the value of pound sterling were to weaken by the same amount, the impact on the Company's net return and the net asset value would have been an increase of £6,592,000 (2025: an increase of £6,634,000). The calculations are based on the portfolio valuation, cash balances and net current assets/(liabilities) as at the respective balance sheet dates and are not representative of the year as a whole and may not be reflective of future market conditions.

A 5% sensitivity has been selected as this level of change is considered to be reasonable based on observations of current market conditions.

The Investment Manager does not intend to hedge the Company's foreign currency exposure at the present time.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

15 Financial Instruments continued

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2026 £'000	2025 £'000
Fixed interest investments	279	951
Cash at bank	961	2,404
Interest, dividends and other receivables	122	406
	1,362	3,761

As at 30 June 2026 and as at 30 June 2025 there were no debtors that were overdue.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the high credit quality of the brokers used. The Board monitors the quality of service provided by the brokers used to further mitigate this risk.

As at 30 June 2026, the cash held by the Company and all the assets of the Company which are traded on a recognised exchange were held by BNP Paribas, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Board monitors the Company's risk by reviewing the custodian's internal control reports. Should the credit quality or the financial position of BNP Paribas deteriorate significantly, the Investment Manager will move the cash holdings to another bank.

The latest credit ratings for BNP Paribas are: A+ by Standard & Poor's, AA- by Fitch and A2 rated by Moody's.

There were no significant concentrations of credit risk to counterparties as at 30 June 2026 and as at 30 June 2025. The Company's largest single holding represented 5.4% of its total investments as at 30 June 2026 (2025: 8.2%).

Liquidity risk

The Company's liquidity risk is managed on an ongoing basis by the Investment Manager in accordance with policies and procedures in place as described in the Directors' Report. The Company's overall liquidity risks are monitored on a quarterly basis by the Board. The Company maintains sufficient cash and readily realisable securities to pay accounts payable and accrued expenses.

The contractual maturities of the financial liabilities at each Balance Sheet date, based on the earliest date on which payment can be required, were as follows:

30 June 2026	Three months or less £'000	More than three months but less than one year £'000	More than one year £'000	Total £'000
Current liabilities	501	–	–	501
Bank overdraft	169	–	–	169
Bank loan	14,500	–	–	14,500
	15,170	–	–	15,170

The bank loan balance represents drawdowns from the loan facility detailed in Note 12 and was rolled over every three months.

30 June 2025	Three months or less £'000	More than three months but less than one year £'000	More than one year £'000	Total £'000
Current liabilities	700	–	–	700
Bank loan	9,000	–	–	9,000
	9,700	–	–	9,700

16 Net Debt Reconciliation

	As at 30 June 2025 £'000	Currency differences £'000	Cash flows £'000	As at 30 June 2026 £'000
Cash at bank net of overdraft balance	2,404	88	(1,700)	792
Bank loan	(9,000)	–	(5,500)	(14,500)
	(6,596)	88	(7,200)	(13,708)

	As at 30 June 2024 £'000	Currency differences £'000	Cash flows £'000	As at 30 June 2025 £'000
Cash at bank	2,952	(118)	(430)	2,404
Bank loan	(17,000)	–	8,000	(9,000)
	(14,048)	(118)	7,570	(6,596)

17 Significant Interests

The following investments are considered significant holdings as the Company owns 3% or more of the relevant investee company's issued share capital.

Investments as at 30 June 2026	Valuation £'000	Ownership %
REA Holdings 9% 31/12/49	2,641	3.9
Castile Resources	447	3.1
Greenlight Metals	382	3.0

Investments as at 30 June 2025	Valuation £'000	Ownership %
REA Holdings 9% 31/12/49	4,581	7.2%
True North Copper	893	3.5%
Cosa Resources	330	3.4%
Castile Resources	316	4.1%

18 Related Party Transactions and Transactions with the Investment Manager

The Directors are considered related parties to the Company.

There are no transactions with the Directors other than remuneration for services as Directors as disclosed in the Directors' Remuneration Report on pages 49 to 51, and as set out in Note 4. The beneficial interests of the Directors in the ordinary shares of the Company are disclosed on page 50.

No balance was due to Directors for fees at the year end (2025: £nil).

Details of the fee arrangement with the Investment Manager are included in Note 3.

19 Post Balance Sheet Events

Change of Investment Manager and AIFM, Custodian and Depositary and the Company name
As announced during the year, and explained in more detail in the Chairman's Statement, Tufton Investment Management Ltd ("Tufton") was appointed as investment manager and Keith Watson and Robert Crayfourd resumed as the Company's named portfolio managers with effect 14 September 2026. The transition has completed post year end on the expected effective date.

The Company's depositary and custodian changed from BNP Paribas S.A. to Apex Depositary (UK) Limited and European Depositary Bank SA, Dublin Branch (subcontracted to Citibank N.A., London Branch) respectively with effect from 14 September 2026.

With effect from 15 September 2026, the Company changed its name from CQS Natural Resources Growth and Income PLC to City Natural Resources Growth and Income PLC.

There are no other post balance sheet events which require adjustment of or disclosure in the Financial Statements.

Glossary of Terms and Definitions

AIC

Association of Investment Companies. The AIC represents a broad range of investment companies, investment trusts, VCTs and other closed-ended funds.

UK Alternative Investment Fund Managers Directive ("UK AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIF"s) and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Alternative Performance Measure ("APM")

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Dividend Yield (APM)

The annual dividend expressed as a percentage of the share price.

	Year ended 30 June 2026	Year ended 30 June 2025
Total non-special interim dividends paid and declared (pence)	**28.30**	8.03
Closing share price (pence)	**343.00**	199.50
Dividend yield	**8.3%**	4.0%

Gearing (APM)

Net debt (bank loan net of cash) as a percentage of net asset value.

Gearing amplifies the impact of gains or losses on the net asset value of the Company. It can be positive for a company's performance, although it can have negative effects on performance when underlying assets fall in value. It is the Company's policy to determine the adequate level of gearing appropriate to its own risk profile.

The Company may borrow an amount up to 25 per cent. of shareholders' funds (measured at the time of drawdown).

Gearing is calculated in accordance with guidance from the AIC as follows:

	Year ended 30 June 2026 £'000	Year ended 30 June 2025 £'000
Cash at bank (net of overdraft)	**792**	2,404
Bank loan	**(14,500)**	(9,000)
Net debt	**(13,708)**	(6,596)
Net asset value	**125,718**	136,376
Gearing	**10.9%**	4.8%

Net Asset Value ("NAV")

The value of total assets less all liabilities of the Company. Liabilities for this purpose include current and long-term liabilities.

NAV per share (APM)

NAV per ordinary share is calculated by dividing total net asset value by the total number of ordinary shares in issue (excluding shares held in treasury).

NAV per share Capital Return (APM)

The movement between opening NAV per share (212.56p) and closing NAV per share (347.19p), which shows the capital return element (without the impact of dividend reinvestment) of the Company's NAV per share during the year.

NAV per share Total Return (APM)

The theoretical total return on an investment over a specified period assuming dividends paid to shareholders are reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment companies which is not affected by movements in discounts or premiums. The Directors regard the Company's net asset value total return per share as being the overall measure of value delivered to shareholders over the long term.

	Year to 30 June 2026	Year to 30 June 2025	3 Years to 30 June 2026	5 Years to 30 June 2026	Since inception
Opening NAV per share (pence)	**212.56**	209.44	204.16	172.40	53.15
Closing NAV per share (pence)	**347.19**	212.56	347.19	347.19	347.19
Percentage change in NAV per share	**63.3%**	1.5%	70.1%	101.4%	553.2%
Impact of dividend reinvestment	**13.2%**	3.2%	28.1%	46.1%	720.3%
NAV per Share Total Return	**76.6%**	4.6%	98.2%	147.5%	1,273.6%

Ongoing Charges Ratio (APM)

A measure of all operating costs incurred in the reporting period, calculated as a percentage of average net assets in that year. Operating costs exclude costs incurred within underlying investee funds, costs of buying and selling investments, interest costs, taxation and the costs of buying back or issuing ordinary shares.

	Year ended 30 June 2026	Year ended 30 June 2025
Total expenses (per Note 3 and 4) (£'000)	**2,180**	3,369
Less non-recurring expenses – Strategic Review (£'000)	**–**	(714)
Ongoing expenses (£'000)	**2,180**	2,655
Average net assets value (£'000)	**124,952**	131,290
Ongoing charges ratio	**1.7%**	2.0%

Share Price Capital Return

The movement between opening share price (199.50p) and closing share price (343.00p), which shows the capital return element (without the impact of dividend reinvestment) of the Company's share price during the year.

Share Price Total Return (APM)

The change in capital value of a company's shares over a given time period, plus dividends paid to shareholders, expressed as a percentage of the opening value. The assumption is that dividends paid to shareholders are re-invested in the shares at the time the shares are quoted ex-dividend. The Directors regard the Company's share price total return to be a key indicator of performance. This reflects share price growth of the Company which the Board recognises is important to investors.

	Year to 30 June 2026	Year to 30 June 2025	3 Years to 30 June 2026	5 Years to 30 June 2026	Since inception
Opening share price (pence)	**199.50**	189.00	169.50	160.50	52.50
Closing share price (pence)	**343.00**	199.50	343.00	343.00	343.00
Percentage change in share price	**71.9%**	5.6%	102.4%	113.7%	553.3%
Impact of dividend reinvestment	**15.1%**	3.7%	37.1%	55.7%	887.2%
Share Price Total Return	**87.0%**	9.3%	139.5%	169.4%	1,440.5%

Share Price Discount or Premium to NAV per share (APM)

The amount by which the market price per share of an investment trust is lower or higher than the net asset value per share. The discount or premium is normally expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

The Board regularly reviews the level of the discount/premium of the Company's share price to the net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of share buybacks, where appropriate.

	Year ended 30 June 2026	Year ended 30 June 2025
Closing NAV per share (pence)	**347.19**	212.56
Closing share price (pence)	**343.00**	199.50
Share price discount to NAV per share	**1.2%**	6.1%

TCFD

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures ("TCFD") to improve and increase reporting of climate-related financial information.

Treasury shares

Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential re-issuance or cancellation at a later date. Shares held in treasury do not carry voting rights or rights to dividends.

Notice of Annual General Meeting

Notice is hereby given that the 31st Annual General Meeting of City Natural Resources Growth and Income PLC (formerly CQS Natural Resources Growth and Income PLC) will be held at One Fleet Place, London EC4M 7RA on 1 December 2026 at 12 noon to consider the following resolutions.

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Directors' Report and Financial Statements for the year ended 30 June 2026, together with the Auditor's report thereon.

2. To approve the Company's Dividend Policy as set out on page 38 of the Company's Annual Report for the year ended 30 June 2026.

3. To approve the Directors' Remuneration Report for the year ended 30 June 2026, other than the part containing the Directors' Remuneration Policy.

4. To approve the one-off payment to the Directors in accordance with Article 81 of the Company's Articles of Association of additional remuneration (in addition to their fixed fees) of up to in aggregate £180,000, in recognition of the extraordinary contribution made by the Directors.

5. To re-appoint Christopher Casey, who retires annually, as a Director of the Company.

6. To re-appoint Paul Cahill, who retires annually, as a Director of the Company.

7. To re-appoint Louise Hall, who retires annually, as a Director of the Company.

8. To re-appoint Seema Paterson, who retires annually, as a Director of the Company.

9. To appoint PricewaterhouseCoopers LLP as Independent Auditor of the Company to hold office from the conclusion of the Annual General meeting of the Company until the conclusion of the next general meeting at which financial statements are laid before the Company.

10. To authorise the Audit Committee to determine the remuneration of the Auditor of the Company.

11. That, in substitution for any existing authority, but without prejudice to the exercise of any such authorisation prior to the date of this resolution, the Directors of the Company be and they are hereby generally and unconditionally authorised, in accordance with Section 551 of the Companies Act 2006, to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (together being "relevant securities"), up to an aggregate nominal amount of £2,006,911.75 being 20 per cent. of the total issued shares (excluding shares held in treasury) as at 23 October 2026, being the latest practicable date prior to the publication of this Notice or, if changed, the number representing 20 per cent. of the total issued shares (excluding shares held in treasury) at the date at which the resolution is passed, such authorisation to expire after a period of 15 months or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2027, unless previously revoked, varied or renewed by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authorisation, make an offer or enter into an agreement which would or might require relevant securities to be allotted or granted after the expiry of such authority and the Directors of the Company may allot or grant relevant securities in pursuance of such an offer or agreement as if such authorisation had not expired.

To consider and if thought fit, pass the following resolutions which will be proposed as special resolutions:

12. That, subject to the passing of resolution 11 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date of this resolution, the Directors of the Company be and they are hereby empowered, in accordance with Sections 570 and 573 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act) either pursuant to the authorisation under Section 551 of the Act conferred on the Directors of the Company by such resolution numbered 11, or by way of a sale of treasury shares, in each case for cash, as if Section 561(1) of the Act did not apply to any such allotment:

    (i) other than pursuant to sub-paragraph (ii) below, up to an aggregate nominal amount of £1,003,455.75 (representing approximately 10 per cent. of the issued share capital of the Company (excluding shares held in treasury) as at 23 October 2026, being the latest practicable date prior to the publication of this Notice or, if changed, the number representing 10 per cent. of the total issued shares (excluding shares held in treasury) at the date at which the resolution is passed); or

    (ii) in connection with an offer of equity securities open for acceptance for a period fixed by the Directors of the Company to the holders of ordinary shares in the share capital of the Company on a fixed record date in proportion (or as nearly as practicable) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the Directors of the Company may consider necessary or expedient to deal with any legal problems under or resulting from the application or apparent application of the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever);

    such power to expire after a period of 15 months or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2027 unless previously revoked, varied

or renewed by the Company in general meeting, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors of the Company may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

13. That, subject to the passing of resolutions 11 and 12 above, only once the authority granted in Resolution 12 has been exhausted, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date of this resolution, the Directors of the Company be and they are hereby empowered, in accordance with Sections 570 and 573 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act) either pursuant to the authorisation under Section 551 of the Act conferred on the Directors of the Company by such resolution numbered 11, or by way of a sale of treasury shares, in each case for cash, as if Section 561(1) of the Act did not apply to any such allotment:

    (i) other than pursuant to sub-paragraph (ii) below, up to an aggregate nominal amount of £1,003,455.75 (representing approximately 10 per cent. of the issued share capital of the Company (excluding shares held in treasury) as at 23 October 2026, being the latest practicable date prior to the publication of this Notice or, if changed, the number representing 10 per cent. of the total issued shares (excluding shares held in treasury) at the date at which the resolution is passed); or

    (ii) in connection with an offer of equity securities open for acceptance for a period fixed by the Directors of the Company to the holders of ordinary shares in the share capital of the Company on a fixed record date in proportion (or as nearly as practicable) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the Directors of the Company may consider necessary or expedient to deal with any legal problems under or resulting from the application or apparent application of the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever);

    such power to expire after a period of 15 months or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2027 unless previously revoked, varied or renewed by the Company in general meeting, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors of the Company may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

14. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date of this resolution, the Company be and is hereby authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 25p each in the capital of the Company on such terms and in such manner as the directors of the Company may from time to time determine (either for cancellation or for retention as treasury shares for future re-issue, resale, transfer or cancellation), provided that:

    (i) the maximum number of ordinary shares hereby authorised to be purchased shall be 14.99 per cent. of the issued share capital (excluding shares held in treasury) of the Company as at the date of the passing of this resolution;

    (ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 25p (being the nominal value of an ordinary share);

    (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not be more than the higher of (i) 5 per cent. above the average of the middle market quotations for an ordinary share on the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any such purchase is made and (ii) the higher of the last independent trade and the highest current bid on the London Stock Exchange;

    (iv) the authority hereby conferred shall expire after a period of 15 months or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2027 unless such authority is renewed, varied or revoked by the Company in general meeting prior to such time; and

    (v) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

15. That the Articles of Association produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

16. That a general meeting of the Company (other than the annual general meeting) may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next annual general meeting of the Company.

Frostrow Capital LLP
Company Secretary
25 Southampton Buildings,
London WC2A 1AL
27 October 2026

Notes

1. Information about this meeting is available from the Company's website: https://citynats.com/

2. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote in their stead. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company. It is recommended that shareholders exercise their votes by means of registering them with the Company's registrar ahead of the meeting, by completing paper proxy forms, and appointing the Chair of the meeting as their proxy.

3. A form of proxy is enclosed for use at the above meeting. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person. To be effective, the form of proxy, duly executed, must be lodged at the address shown on the form of proxy not later than 12 noon on 27 November 2026, 48 hours (excluding non-working days) before the time of the meeting.

4. The right to vote at the meeting is determined by reference to the Company's register of members as at 6.30 pm on 27 November 2026. Changes to entries on the register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

5. As at 23 October 2026, the latest practicable date prior to the publication of this Notice, the Company's issued share capital comprised 46,354,450 ordinary shares of 25 pence each, including 6,216,212 shares held in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company, and therefore, the total number of voting rights in the Company as at 23 October 2026 was 40,138,238.

6. Shareholders have the right to put questions at the meeting relating to the business being dealt with at the meeting.

7. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

8. The statement of the rights of members in relation to the appointment of proxies in notes 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for the receipt of proxy appointments specified in note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

13. Institutional investors may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. Further information regarding Proxymity can be found on www.proxymity.io. Proxies must be lodged by 12 noon on 27 November 2026 in order to be considered valid. Before appointing a proxy via this process investors will need to have agreed to Proxymity's associated terms and conditions. It is important to read these carefully as investors will be bound by them and they will govern the electronic appointment of proxies.

14. If you wish to register your proxy appointment electronically through the internet, please use www.shareview.co.uk where full details of the procedure are given. You will have to register for an online portfolio using your Shareholder Reference Number shown on this form. Alternatively, if you have already registered with the Registrar's online portfolio service, Shareview, you can submit your proxy electronically by logging onto your portfolio at www.shareview.co.uk using your user ID and password. Once logged in simply click "View" on the "My Investments" page, click the link to vote and follow the instructions on the screen. In order to be valid your Proxy must be lodged at least 48 hours (excluding non-working days) before the time of the meeting.

15. No Director has a service contract with the Company. Copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.

16. Under Section 338 of the Companies Act 2006, members may require the Company to give to members of the Company entitled to receive this notice of meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting. Under Section 338A of that Act, members may request the Company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business.

17. It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

18. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website.

19. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Explanation of the Resolutions

The following information is an explanation of the business to be considered at the Annual General Meeting to be held on 1 December 2026 at 12 noon at One Fleet Place, London EC4M 7RA.

Annual Report (Resolution 1) (ordinary resolution)

The directors are required to lay before the Annual General Meeting the Annual Report, including the Directors' Report and the Independent Auditor's Report on the audited Financial Statements for the year ended 30 June 2026. Shareholders are asked to receive the Annual Report.

Dividend Policy (Resolution 2) (ordinary resolution)

Resolution 2 relates to the approval of the Company's dividend policy which is as follows: Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay an enhanced annual dividend of circa 8 per cent. of NAV via a quarterly dividend of 2 per cent. of the preceding quarter-end NAV per share using capital reserves as necessary.

Directors' Remuneration Report (Resolution 3) (ordinary resolution)

Listed companies are required to put their Report on Directors' Remuneration to an advisory shareholder vote each year and their Remuneration Policy to a binding shareholder vote at least every three years. The Report on Directors' Remuneration is set out in full in the Annual Report on pages 49 to 51 and the Directors' Remuneration Policy is set out in full in the Annual Report on page 49.

The Remuneration Policy was approved by shareholders at the Annual General Meeting in 2024 and the Policy is expected to remain in effect until the Annual General Meeting in 2027 when the Company will next be required to submit the Directors' Remuneration Policy to its shareholders.

Additional Remuneration for the Directors (Resolution 4) (ordinary resolution)

In the Company's financial years to 30 June 2025 and 30 June 2026, and until the conclusion of work streams on 14 September 2026, the Directors had to carry out a number of projects outside of the ordinary duties of non-executive directors. These included the conclusion of the Company's strategic review, agreement with Saba Capital Management, L.P. to its exit from the Company through the Company's 2025 tender offer, and more recently the transition of the Company's investment management functions to Tufton Investment Management, which continued into the current financial year, alongside other changes to service providers mentioned elsewhere in the Report. The Board consider that this justifies a one-off payment to the Directors of additional remuneration of up to in aggregate £180,000. Such a payment is expressly permitted by Article 81 of the Company's Articles of Association. However, as a

matter of good corporate governance, the Company seeks approval of its shareholders by way of ordinary resolution to this proposed additional remuneration.

Directors (Resolutions 5 to 8) (ordinary resolutions)
In accordance with the AIC Corporate Governance Code, all directors stand for re-appointment annually. Directors appointed since the last Annual General Meeting also stand for appointment.

The Directors have reviewed the performance and commitment of the directors standing for re-appointment and consider that each of them should continue to serve on the Board as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company. Biographies of each of the current Directors can be found on page 37.

Auditor (Resolutions 9 and 10) (ordinary resolutions)
There is a requirement to appoint an auditor at each general meeting at which accounts are laid before the Company, with the expectation that the auditor will then hold office until the next such meeting. In accordance with Sections 489 and 492 of the Companies Act 2006 (the "Act"), shareholders are required to approve the appointment of the Company's auditor each year and to determine or authorise the Audit Committee to determine the auditor's remuneration. Following the implementation of the Competition and Markets Authority Order on Statutory Audit Services, only the Audit Committee may negotiate and agree the terms of the auditor's service agreement. Resolution 9 covers the appointment of PricewaterhouseCoopers LLP who the Board recommend are appointed as the Company's auditor following a competitive tender process, and Resolution 10 authorises the Audit Committee to determine their remuneration.

Authority to Allot Shares (Resolution 11) (ordinary resolution)
Resolution 11 will give the Company the authority to allot ordinary share capital up to an aggregate nominal amount of 20% of the Company's existing issued ordinary share capital (excluding shares held in treasury) as at the date of the Annual General Meeting (equivalent to such number of ordinary shares with an aggregate nominal value of £2,006,911.75 if there is no change in the issued ordinary share capital between now and the date of the Annual General Meeting). Such authority will expire on the date of the next annual general meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next annual general meeting.

Disapplication of Pre-emption Rights (Resolutions 12 and 13) (special resolutions)
When shares are to be allotted for cash, Section 561 of the Act provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the directors to allot shares otherwise than by a pro rata issue to existing shareholders.

Resolutions 12 and 13 will, if passed, give the directors power to allot for cash equity securities representing up to 20% of the Company's existing issued ordinary share capital (excluding shares held in treasury) as at the date of the Annual General Meeting (equivalent to such number of ordinary shares with an aggregate nominal value of £2,006,911.75 if there is no change in the issued ordinary share capital between now and the date of the Annual General Meeting), as if Section 561 of the Act does not apply. There are two resolutions being proposed, with each resolution being for up to 10 per cent. and, therefore, for an aggregate of up to 20 per cent. This approach follows best practice and allows any shareholder who may not wish to give approval to an aggregate limit higher than that recommended by corporate governance guidelines the ability to approve the first resolution for up to 10 per cent. and to also consider the second resolution separately for a further 10 per cent. Resolution 13 is conditional on Resolution 12 having been exhausted. This authority will also expire on the date of the next annual general meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

Under Section 724 of the Act the Company is permitted to buy back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. It is a requirement of Section 561 of the Act that such sale be on a pre-emptive, pro rata, basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights.

Accordingly, in addition to giving the directors power to allot ordinary share capital on a non pre-emptive basis (subject to the same combined 20% cap), Resolutions 12 and 13, if passed, will also give the directors authority to sell shares held in treasury on a non pre-emptive basis (subject to the same combined 20% cap). The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital and improve liquidity in its shares. It is the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market.

As at 23 October 2026 (being the latest practicable date prior to the publication of this Notice), the Company held 6,216,212 ordinary shares of 25p each in treasury, representing 15.49% of the total ordinary shares in issue (excluding treasury shares). The Directors intend to use the authority given by Resolutions 11, 12 and 13 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting. Any such issue of shares or re-sale of treasury shares will take place only at, or at a premium to, the prevailing net asset value per share.

Share Buyback Facility (Resolution 14) (special resolution)

The Company's Articles of Association permit the Company to purchase its own shares and to fund such purchases from its accumulated realised capital reserves. The Directors believe that buying back the Company's own shares in the market, at appropriate times and prices, is in the best interests of shareholders generally. Therefore, the Board considers that the Company should continue to have authority to buy back its own ordinary shares. Shares bought back may be cancelled immediately upon completion of the purchase or held, sold, transferred or otherwise dealt with as treasury shares (see above).

Share buybacks are used as a means of helping to balance the supply and demand for the Company's shares in the market. In respect of the ordinary shares, buybacks seek to reduce the volatility of the discount to the underlying net asset value per share at which the ordinary shares may from time to time trade. Ordinary shares are bought back only when the immediate outcome is an increase in the net asset value per share attributable to the remaining ordinary shares.

Resolution 14 authorises the Company to make market purchases (for cancellation or to be held, sold, transferred or otherwise dealt with as treasury shares) of up to 14.99% of the issued ordinary share capital (excluding shares held in treasury) as at the date of the Annual General Meeting. Under the Listing Rules of the Financial Conduct Authority, this is the maximum percentage of its equity share capital that a company may purchase through the market pursuant to such authority. The Company will make purchases within guidelines set from time to time by the Board, and if or when market conditions are suitable, with the aim of maximising the benefit to the remaining shareholders. The Directors will not use this authority unless to do so would result in an increase in the net asset value per ordinary share. Ordinary shares will not be bought back at a price that is less than their nominal value or more than the higher of: (i) 5 per cent. above the average middle market price of the ordinary shares over the preceding five business days; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venue where the market purchases will be carried out. The Directors intend to seek a fresh authority at the annual general meeting in 2027. There are no warrants or options to subscribe for ordinary shares that are outstanding as at 23 October 2026 (the latest practicable date prior to publication of this Notice).

Articles of Association (Resolution 15) (special resolution)

Please see the Appendix - Summary of the Principal Amendments to the Company's Articles of Association on page 93.

The full terms of the proposed amendments to the Company's Articles of Association are available at the Company's registered office, between the hours of 9.00am and 5.00pm (Saturdays, Sundays and public holidays excepted), and on the Company's website, https://citynats.com, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Notice of General Meetings (Resolution 16) (special resolution)

The notice period for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. Resolution 16 seeks this authority from shareholders. The Company will only use the shorter notice period where it is merited by the purpose of the meeting. Annual general meetings will continue to require 21 clear days' notice.

In order to call a general meeting on less than 21 clear days' notice the Company must make a means of electronic voting available to all shareholders for that meeting.

Recommendation

The Board considers that the resolutions relating to the above items are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings totalling 53,244 shares.

The results of the proxy votes will be published following the conclusion of the AGM by way of a stock exchange announcement and on the Company's website. Details of how shareholders who hold their shares on retail platforms can vote is set out on the AIC's website: https://www.theaic.co.uk/how-to-vote-your-shares

Appendix – Summary of the Principal Amendments to the Company's Articles of Association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 15 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, https://citynats.com, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Hybrid and Virtual-only Shareholder Meetings
The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using an electronic platform. A shareholder meeting may be virtual-only if attendees participate only by electronic means or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using an electronic platform. This should make it easier for the Company's shareholders to attend shareholder meetings, should the Board elect to conduct meetings virtually. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings. While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions may be used where the Directors consider it is in the best interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from continuing to hold physical shareholder meetings.

The Alternative Investment Fund Managers Directive (2011/61/EU) ("AIFMD") as incorporated into UK law by the European Union (Withdrawal) Act 2018 and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the "AIFM Regulations")
The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFM Regulations and all applicable rules and regulations implementing the AIFMD. The proposed new provisions are as follows: (i) the Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply reflects the minimum requirements of the AIFM Regulations; and (ii) the New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, the AIFM Rules, or such other accounting standards, bases, policies and procedures as the Board may determine from time to time. This reflects best practice, has no bearing on current practice, and simply captures the minimum requirements of the AIFM Regulations.

International Tax Regimes Requiring the Exchange of Information
The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations, including, without limitation, under or in relation to FATCA, the Common Reporting Standard and the European Union's Directive on Administrative Co-operation ("Tax Reporting Requirements"). The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its Tax Reporting Requirements. The Existing Articles will also be amended to provide that: (i) where any member fails to supply the relevant information to the Company within the relevant time period, the member will be deemed to have forfeited their shares; and (ii) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, the Common Reporting Standard or any similar laws as such liability would be to the detriment of shareholders as a whole.

Minor Amendments
The Board is also taking the opportunity to make some additional minor, technical, or modernising amendments to the Existing Articles, including:

(i) the removal of historic provisions relating to share warrants and stock;

(ii) expanding the provisions regarding uncertificated shares;

(iii) simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements, and removing the provision for a permanent debt to be owed to the shareholder by the Company;

(iv) a provision enabling the Directors to postpone a general meeting after notice of the meeting has been sent but before the meeting is held; and

(v) an amended provision on retirement of Directors, requiring all Directors to retire at each Annual General Meeting and be eligible for reappointment except any Directors appointed after notice of the meeting has been sent but before the meeting is held. A provision has also been implemented, detailing the procedure should the number of Directors consequently fall below the Prescribed Minimum.

These changes generally reflect modern best practice and should assist in relieving certain administrative burdens on the Company.

Report of the UK Investment Adviser Relating to Matters under the Alternative Investment Fund Managers' Directive (the "Directive") (Unaudited)

City Natural Resources Growth and Income PLC (formerly CQS Natural Resources Growth and Income PLC)

The following report for the year ended 30 June 2026 is from CQS (UK) LLP, the AIFM as at the year end.

Risk management systems
The Company's Annual Report and Pre-investment Disclosure Document sets out the risks to which the Company is exposed. The AIFM (CQS (UK) LLP, trading as Manulife | CQS Investment Management) employs risk management disciplines which monitor the Company's portfolio and to quantify and manage the associated market and other risks. A permanent independent department has been established by the AIFM to perform the risk management function. The Manulife | CQS Investment Management Risk Team is led by the Head of Risk and is functionally and hierarchically separate from the operating units of the portfolio managers.

The Risk Team is a dedicated control function over the operating units of the AIFM and is not involved in the performance activities of the Company. The Risk Team has designed, documented, and implemented effective risk management policies, processes, and procedures in order to identify, quantify, analyse, monitor, report on and manage all material risks relevant to the Company's investment strategy.

Leverage
For the purposes of the AIFM Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of the Company's exposure to its net asset value and is calculated on a gross and commitment method. Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other. The leverage limits are set by the AIFM and approved by the Board. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

The Company's maximum limits and actual leverage levels are shown below:

Leverage exposure	Gross method	Commitment method
Maximum limit (AIFM)	200%	200%
Maximum limit (Board)	200%	200%
Actual as at 30 June 2026	112%	112%

Material changes to information required to be made available to investors of the Company
No material changes since 31 December 2025.

Assets of the Company subject to special arrangements arising from their illiquid nature
There are no assets of the Company which are subject to special arrangements arising from their illiquid nature.

Remuneration
The AIFM has adopted a remuneration policy which meets the requirements of the Directive and was in place for the financial year of the Company under review. The variable remuneration period of the AIFM ended on 31 December 2025.

The below information provides the total remuneration paid by the AIFM (and any delegates) for the year ended 31 December 2025. This has been presented in line with the information available to the Company. There is no allocation made by the AIFM to each AIF and as such the disclosure reflects the remuneration paid to individuals who are partly or fully involved in the AIF, as well as staff of any delegate to which the firm has delegated portfolio management and/or risk management responsibilities in relation to the AIF.

Of the total AIFM remuneration paid of $51.7m for the year ending 31 December 2025 to 124 individuals (full time equivalent), $19.4m has been paid as fixed remuneration determined with the remainder being paid as variable remuneration.

The AIFM has assessed the members of staff whom it determines to be code staff in accordance with the requirements of SYSC 19.B of the FCA Handbook (the AIFM Remuneration Code). There are 12.0 individuals (full time equivalent) who meet this definition and these individuals have collectively been compensated $24.9m.

Not all individuals are directly remunerated by the AIFM due to the structure of the AIFM entity, however in the interests of meeting the underlying requirement of this disclosure all staff involved have been assessed as if directly remunerated by the AIFM.

Corporate Information

Registered Number
02978531
The Company is an investment company in England and Wales as defined under Section 833 of the Companies Act 2006.

Registered Office
25 Southampton Buildings
London
WC2A 1AL

Directors
Christopher Casey (Chairman)
Carole Cable (Chair, Management Engagement Committee)
Paul Cahill (Chair, Nomination Committee and Senior Independent Director)
Louise Hall
Seema Paterson (Chair, Audit Committee)

AIFM and Investment Manager
Tufton Investment Management Ltd
(with effect 14 September 2026)
70 Pall Mall
London
SW1Y 5ES
Telephone: +44 (0)20 7518 6700
Email: cyn@tufton.com

CQS (UK) LLP (trading as Manulife | CQS Investment Management) was the AIFM and Investment Manager until 14 September 2026.

Company Secretary and Administrator
Frostrow Capital LLP
25 Southampton Buildings
London
WC2A 1AL
Telephone: +44 (0)203 008 4910
Email: cosec@frostrow.com

Financial Adviser and Corporate Broker
Cavendish Capital Markets Limited
1 Bartholomew Close
London
EC1A 7BL

Depositary and Custodian
Apex Depositary (UK) Limited
(with effect 14 September 2026)
4th Floor
140 Aldersgate Street
London
NW1 6AA

European Depositary Bank SA, Dublin Branch (subcontracted to Citibank N.A., London Branch) (with effect from 14 September 2026).

BNP Paribas S.A., London Branch was the custodian and depositary until 14 September 2026

Auditor
BDO LLP
(for the year ended 30 June 2026)
55 Baker Street
London
W1U 7EU

Registrar
Equiniti Limited
Highdown House
Yeoman Way
Worthing
West Sussex
BN99 3HH

Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk. Shareholder helpline: +44 (0) 371 384 2410. Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at international rates. Other telephone provider costs may vary. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales). Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting your shareholder reference number.

Solicitors
Dentons UK and Middle East LLP
One Fleet Place
London
EC4M 7WS

Shareholder Information and Website
General information about the Company, monthly factsheets and data, reports and details of general meetings can be found at https://citynats.com/.

aic
The Association of Investment Companies

Disability Act

For deaf and speech impaired customers, calls are welcomed to the Company's Registrar, Equiniti Limited, via Relay UK. Please see www.relayuk.bt.com for more information.

The Company is a member of the Association of Investment Companies.

Unsolicited approaches for shares:

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. Please note that it is very unlikely that either the Company or the Company's Registrar, Equiniti Limited, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'. Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ("FCA") using the share fraud report form at www.fca.org.uk/scams or call the FCA Customer Helpline on 0800 111 6768. You may also wish to call either the Company Secretary or the Registrar whose contact details can be found on page 95.

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