

4 FEBRUARY 2014

NEW CITY HIGH YIELD FUND LIMITED  
(THE "COMPANY")

RESULT OF PLACING

Further to the Company's announcement on 28 January 2014, the Board is pleased to announce that the Company has raised approximately £11.0 million before costs pursuant to a non-pre-emptive placing (the "**Placing**"). A total of 17,528,292 Ordinary Shares ("**New Shares**") will be issued to investors at the issue price of 62.76p per Ordinary Share, representing a premium of approximately 2.75% to the NAV per Ordinary Share (cum-income) at the close of business on 3 February 2014.

The New Shares will rank *pari passu* with the existing issued Ordinary Shares. Applications have been made for the New Shares to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities and dealings in the New Shares are expected to commence on 7 February 2014.

Following the issue of the New Shares, the Company's issued share capital will consist of 261,767,631 Ordinary Shares, none of which are held in treasury. Accordingly, with effect from 7 February 2014, the total number of voting rights in the Company will be 261,767,631 and that figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change to their interest, in the Company under the Disclosure and Transparency Rules.

Enquiries

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Important Information

Words and expressions defined in the prospectus relating to the Company in connection with the issue of up to 61,059,834 new ordinary shares of no par value in the capital of the Company and admission of such shares to the premium segment of the Official List of the UK Listing Authority and to trading on London Stock Exchange plc's main market for listed securities dated 28 February 2014 (the "**Prospectus**") have the same meanings when used in this announcement except where the context otherwise requires.

Cantor Fitzgerald, which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company and for no one else in connection with the Placing Programme (including the Placing) and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald or for providing advice in relation to the Placing Programme (including the Placing) or any other matter referred to in this announcement or the Prospectus. Nothing in this paragraph shall serve to exclude or limit any responsibilities that Cantor Fitzgerald may have under FSMA or the regulatory regime established under FSMA.

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