NEW CITY INVESTMENT MANAGERS

City Natural Resources High Yield Trust

(as at 30 April 2017)

FACTSHEET I MAY 2017

Fund Details

Launch Date
- August 2003

Statistics

Total Gross Assets[1]
- £124.6m

Ordinary Share[1]
- Net Asset Value (bid price): 135.9p
- Mid-Market Price: 116.5p

Yield (estimated)[1]
- 4.81%

Gearing[1]
- 23.50%

Discount[1]
- (14.30%)

Annual Management Fee
- 1.2% p.a. (on adjusted net assets)

3.5% Convertible Unsecured Loan Stock 2018 ("CULS") Mid-Market Price:
- 101p

Pricing

Ordinary Shares
- Bloomberg: CYN LN
- Reuters: CYN.L
- Sedol: 0035392

CULS
- Bloomberg: CYNLN
- Reuters: GBB6YVTS1=RRPS
- Sedol: B6YVTS1

Financial Times (Investment Companies)

Capital Structure and Gearing

Ordinary shares:
- 66,882,974

CULS at nominal value:
- £34,530,458

Net Assets:
- £90,915,563

Structural gearing is provided by the 3.5% CULS 2018. At 30 April 2017 gearing stood at 23.50%. The Company held £12.3m of cash.

Financial Calendar

Year End
- 30 June

Results Announced
- Finals: October
- Interims: February

AGM
- November

Ordinary Share Dividends
- 2008/09 Total 3.07p
- 2009/10 Total 3.71p
- 2010/11 Total 4.22p
- 2011/12 Total 4.83p
- 2012/13 Total 5.50p
- 2013/14 Total 5.60p
- 2014/15 Total 5.60p
- 2015/16 Total 5.60p

2016/17
- 0.86p 1st interim: Paid 25 November 2016
- 0.86p 2nd interim: Paid 28 February 2017
- 0.86p 3rd interim: Payable 31 May 2017

Investment Objective

The investment objective of the Company is to provide shareholders with capital growth and income predominantly from a portfolio of mining and resource equities, and of mining, resource and industrial fixed interest securities.

Investment Manager Comment[2]

The month saw a continued decline in metal prices, led by iron ore which fell 16% to $68.8/ton. This was despite China reporting better-than-expected economic data, with a Q1 GDP growth of 6.9% and March Industrial Production growth of 7.6% year-on-year, which also exceeded market expectations. Although Chinese steel exports fell 24% year-on-year, customs data indicated regional iron ore imports during March rose to 95.5m tonnes, up 11% year-on-year. Despite the lagged effect of property cooling measures implemented earlier in the year we remain reassured by underlying fundamental supply and demand trends and believe this move was the result of a reduction in speculative money within the sector. Of note, Chinese property data for March was healthy, with property investment rising to 9.4% year-on-year from 8.9% in January–February and new build starts rose 13.1%. Zinc and nickel, as inputs for galvanised and stainless steel, were negatively affected by steel mill destocking. Against this trend coking coal prices rose strongly following weather-related disruption from Cyclone Debbie.

While the Fund holds minimal exposure to iron ore, base metals moved modestly lower in sympathy resulting in a negative overall performance during April. The Fund returned (9.7%) including a contribution from the maintained 0.86p interim dividend. Having risen 3% ahead of the first round of French Presidential elections the gold price subsequently retreated following Macron's initial success as investors reduced exposure; gold closed the month at $1,268/oz. Latterly Le Pen appeared to be making-up ground. An escalation in tensions between the US and North Korea and US airstrikes against the Syrian military helped boost crude and provided some support to gold.

Oil was weaker over the month, falling 3.2%, with the addition of 70 rigs highlighting the prospect of continued US production growth. OPEC's commitment to normalise global inventories, which remains high, gained attention ahead of the next meeting on 25 May. Saudi Arabia indicated it would support further cuts, which would be required to sustain prices in their recent range. The Fund's energy weighting remains minimal.

Ordinary Share and NAV Performance[3]

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Year (%)	5 Year (%)	From 1 August 2003 (%)
NAV	(9.70)	(17.73)	(5.85)	13.37	1.33	(46.99)	269.61
Share Price	(2.18)	(15.63)	(2.85)	28.06	5.32	(45.07)	226.55
Benchmark	(5.98)	(7.37)	(0.02)	31.09	16.97	(3.99)	248.56

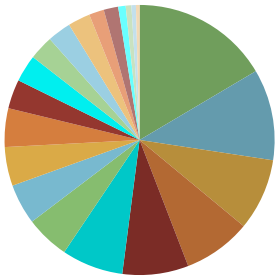
Top 20 Holdings (%)[1]

	% of Portfolio		% of Portfolio
Trevali Mining	7.3	BW LPG	2.4
Rea Finance [4]	4.8	Independence Group	2.2
First Quantum Minerals CAD	4.6	Americas Silver	1.9
PJSC MMC Norilsk Nickel	4.4	Tizir 9% 28/09/2017[7]	1.8
Trafigura Beheer [6]	3.7	Arch Coal	1.7
Ascendant Resources [5]	3.7	West African Resources AUD	1.6
Plant Impact	3.6	Mandalay Resources	1.5
Greencoat UK Wind	3.5	National Westminister 9.0% NC Pref Shares Series A	1.5
Louis Dreyfus 8.25% 29/12/2049 VAR	2.7	Bluewater Holding 10% 10/12/2019	1.4
Central Asia Metals	2.7	Goodbulk	1.3
Top 10 holdings represent:[7]	**41.0**	**Top 20 holdings represent:[7]**	**58.3**

The Company has exposure to 141 issues.

Source: [1]R&H Fund Services Limited, as at 30 April 2017. [2]All market data sourced from Bloomberg unless otherwise stated. All returns quoted in local currency unless otherwise stated. The Company may since have exited some or all of the positions detailed in the commentary. [3]R&H Fund Services Limited, total return performance. The Company's investment benchmark is 2/3 Euromoney Global Mining Index (sterling adjusted) and 1/3 Credit Suisse High Yield Index (sterling adjusted). Performance data is calculated from 1 August 2003 (total return basis). These include historic returns and past performance is not a reliable indicator of future results. The value of investments can go down as well as up. Please read the important legal notice at the end of this document. [4]Includes REA Holdings 9% Cum Pref Shares valued at £4,425,896 and REA Finance 8.75% 31/08/20 valued at £490,000 and REA equity holdings at £690,000. [5]Includes Ascendant Resources warrants valued at nil.[6]Includes Trafigura Beheer 7.625% 29/10/2049 valued at £2,772,162 and Trafigura Group 6.875% 21/12/2049 valued at £1,554,595. [7]All holdings data are rounded to one decimal place. Totals may therefore differ to sum of constituents.

Sector Split (as at 30 April 2017)[9]



Gold	10.9%	Zinc	10.9%	Oil & Gas	8.6%
Copper	7.9%	Shipping	7.9%	Finance	7.4%
Nickel	4.8%	Palm Oil	4.8%	Agriculture	4.7%
Other investments	3.5%	Alternative energy	3.5%	Silver	3.2%
Other mining investmen	2.8%	Uranium	2.8%	Treasury Stock	2.7%
Mineral Sands	1.7%	Coal	1.7%	Iron	0.9%
Platinum	0.5%	Base Metals	0.5%	Lithium	0.4%

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%)[10]	Commitment Leverage (%)[11]
City Natural Resources High Yield Trust	124	128

Issued Share Capital

Ordinary shares of 25p: 66,882,974 3.5% CULS 2018: £34,530,458 nominal

Investment Manager Information

Ian Francis, Keith Watson and Robert Crayfourd have day-to-day responsibility for managing the Company's portfolio.

Capital History

4 November 1994 20,000,000 ordinary shares of 25p each placed in Aberdeen Latin American Trust at 100p with 4,000,000 warrants attaching, each conferring the right to subscribe for one ordinary share of 25p for 100p. Following the June 2003 EGM, when the Company's name changed to City Natural Resources High Yield Trust, on 31 October 2003, 42,857,143 new shares were admitted to the London Stock Exchange by means of a placing at 70p each, with the subscription price for warrants being changed to 85p. 18,500 warrants were exercised in 2006, 10,000 warrants were exercised in 2007 and a further 38,586 warrants were exercised in 2008.

The final exercise date for the warrants was 31 October 2009. On 11 November 2009 3,932,914 ordinary shares of 25p each were admitted to the Official List following the exercise of 3,932,914 warrants. Trading on these additional shares commenced on 13 November 2009.

On 26 September 2011 the Company issued £40,000,000 nominal of 3.5% Convertible Unsecured Loan Stock 2018 ('CULS'). Holders of CULS are entitled to receive interest at a rate of 3.5% per annum payable semi-annually on 31 March and 30 September each year. Upon redemption CULS holders are entitled to repayment of the principal amount and any outstanding interest. CULS may be converted into ordinary shares on 31 March and 30 September each year; the conversion price will be 377.18p nominal CULS for one ordinary share. On 13 April 2017, the Company issued 932 ordinary shares in connection with the exercise of £3,518 nominal of the Company's CULS.

As at 30 April 2017 there were 66,882,974 ordinary shares in issue and £34,530,458 nominal of CULS.

NCIM Investment Team
Ian ('Franco') Francis
Keith Watson
Rob Crayfourd

Contact Information
Craig Cleland
+44 (0) 20 7201 5368

clientservice@cqsm.com

Address
New City Investment Managers
4th Floor, One Strand, London WC2N 5HR
United Kingdom
Tel: +44 (0) 20 7201 6900
Website: www.ncim.co.uk

Company Broker
Cantor Fitzgerald Europe
0207 894 8130

Market Makers

Canaccord Genuity
0207 665 4500
Investec Investment Banking
0207 597 5028
Cantor Fitzgerald Europe
0207 894 8130
Singers
0203 205 7500
Cazenove
0207 558 8149
Stifel
0207 710 7600
Cenkos
0207 397 8900
Winterfloods
0203 100 0258
Fidante Capital
0207 832 0999

Source: [9]R&H Fund Services Limited, as at 30 April 2017. [10]Source: CQS, as at 30 April 2017. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013. [11]Source: CQS, as at 30 April 2017. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 8, 9, 10 and 11 of Delegated Regulation 231/2013.

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