

# CQS New City High Yield Fund

## KEY FUND FACTS<sup>1</sup>

### Fund Manager

Ian 'Franco' Francis

### Launch Date

October 2004

### Total Gross Assets

£265.0m

### Reference Currency

GBP

### Ordinary Shares

Net Asset Value: 54.14p

Mid-Market Price: 56.60p

### Yield (estimated)

7.86%

### Gearing

11.98%

### Premium

4.54%

### Ordinary Shares in Issue

432,101,858

### Annual Management Fee

0.8% p.a. on assets up to £200 million

0.7% p.a. on assets over £200 million and up to £300 million

0.6% p.a. on assets greater than £300 million

**Bloomberg:** NCYF LN

**Reuters:** NCYF.L

**Sedol:** BILZSS1 GB

### Year End

30 June

### Contact Information

contactncim@cqsm.com

### Company Broker

Cantor Fitzgerald Europe

+44 (0) 207 894 8130

### AGM

December

### Dividend Information

#### 2019/20

1.00p interim paid 29 Nov 2019

1.00p interim paid 28 Feb 2020

See overleaf for previous Dividend information

### Fiscal Year-End

30 June



**Ian Francis**

Portfolio Manager

## Fund Description

The objective of the CQS New City High Yield Fund is to provide investors with a high dividend yield and the potential for capital growth by investing mainly in high yielding fixed interest securities.

## Fund Management

Founded in 1999, CQS is a \$19.3bn<sup>2</sup> global multi-strategy asset management firm.

The Fund is managed by Ian 'Franco' Francis, supported by the CQS credit analyst team.

## Ordinary Share and NAV Performance<sup>3</sup>

	1 Month (%)	3 Month (%)	1 year (%)	3 Year (%)	5 Year (%)	10 Year (%)
NAV	(0.79)	0.54	9.00	16.55	36.05	112.07
Share Price	(3.41)	(0.79)	7.01	15.16	33.79	111.08

## Investment Commentary<sup>4</sup>

February was the month that Coronavirus ('COVID-19') demolished the global market bull run, coming after several weeks of markets being unconvinced regarding the potential threat. The effect being that the economic damage across global economies is well under way, with supply chains being slowed down, if not halted, travel curtailed and, of course, the global media looking for headlines. As yet, there is no end in sight, the evidence seems to suggest that the mortality rate is quite low and skewed to the older generation. Even if the current virus spreads like the Spanish flu of 1918/20, the world is in a far better place to fight the epidemic than it was 100 years ago. It is significant that the Southern-Hemisphere has very few cases due to being in late summer with higher temperatures above which this type of virus struggles to survive for any period of time. There are many forecasters predicting that the virus will fade away over the Northern-Hemisphere summer and one hopes that this will be the case?

We are in nervous and volatile markets with prices moving on rumour and infection outbreaks! The overwhelming likelihood is that all PMI surveys are going to head into negative territory for some time. The recovery seen in January and early February in the UK post the election will likely be reversed in figures being released in March.

For the Company, the second interim dividend of 1p/share was paid at the end of the month. New investments were made in Urban Logistics REIT and an addition to AEW UK REIT ordinary shares, and in the Bonds, Hoist Finance 7 ¾% perpetual was a new issue in which we participated, replacing the called bond Altice Financing 7.625% 2025.

**KEY FUND FACTS** *(continued)*

**Dividend Information** *(continued)*

2007/08	Total	3.57p
2008/09	Total	3.65p
2009/10	Total	3.75p
2010/11	Total	3.87p
2011/12	Total	4.01p
2012/13	Total	4.10p
2013/14	Total	4.21p
2014/15	Total	4.31p
2015/16	Total	4.36p
2016/17	Total	4.39p
2017/18	Total	4.42p
2018/19	Total	4.45p
2019/20	Total	4.45p

**Investor Report**  
Monthly Factsheet

**Annual Report & Accounts**  
Published October

**AIFMD Leverage Limit Report (% NAV)**

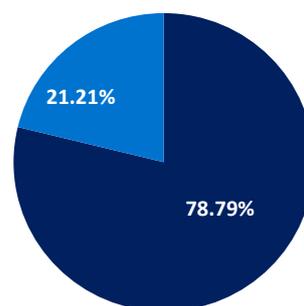
	Gross Leverage (%) <sup>5</sup>	Commitment Leverage(%) <sup>6</sup>
CQS New City High Yield Fund	113	113

<sup>5</sup>Source: CQS, as at 28 February 2020. 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

<sup>6</sup>Source: CQS, as at 28 February 2020. 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.

**Portfolio Analysis** <sup>1, 7</sup>

**Breakdown by asset Class**



- Fixed Income
- Convertibles/Equities/Preference

**Top 10 Holdings (%)** <sup>1, 7</sup>

Name	(% of NAV)
GALAXY FINCO LTD 9.25% 19-31/07/2027	5.01
PUNCH TAVERNS 7.75% 14-30/12/2025	4.70
SHAWBROOK GROUP 17-31/12/2059 FRN	4.53
CYBG PLC 16-31/12/2049 FRN	4.10
JUST GROUP PLC 8.125% 19-26/10/2029	3.26
AGGREGATED MICRO 8% 16-17/10/2036	3.14
GARFUNKELUX HOLD 11% 15-01/11/2023	2.99
REA FINANCE 8.75% 15-31/08/2020	2.92
ONESAVINGS BANK 17-31/12/2059 FRN	2.64
AMERICAN TAN 9.25% 17-22/02/2022	2.62
<b>Top 10 Holdings Represent</b>	<b>35.92</b>

*The Company has exposure to 108 issues*

*All holdings data are rounded to two decimal places*

*Total may differ to sum of constituents due to rounding*

**Source:** <sup>1</sup>BNP Paribas Securities Services S.C.A, as at 28 February 2020. <sup>2</sup>CQS as at 28 February 2020. <sup>3</sup>BNP Paribas Securities Services S.C.A, total return performance based on bid prices. 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. <sup>4</sup>All market data sourced from Bloomberg unless otherwise stated. Returns quoted in local currencies unless otherwise stated. The Company may have since exited some / all of the positions detailed in this commentary. <sup>7</sup>All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding. The Fund is regulated by the Jersey Financial Services Commission.

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**PRI Note:** PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv1.

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