



AGM December 2020

CQS New City High Yield Fund Limited

LONDON
NEW YORK
HONG KONG
www.cqs.com



Signatory of:



All Investors should ensure that they have received and read the latest Offering Documentation and Pre-Investment Disclosure which is available from CQS at clientservice@cqsm.com

20+
Years

Delivering fundamental,
research-driven investment
across the entire capital structure

\$18.7bn
AUM

Multi-strategy asset management
in both traditional (long-only)
& hedge fund structures

~210
Employees

Headquartered in London
with investment offices in
New York & Hong Kong

70+
Investment Professionals

Including specialist research,
with sectoral, macro-economic
& geopolitical expertise

Fund Summary

CQS New City High Yield Fund Limited (NCHYF)

Fund	Aims	Focus
<p>Jersey-domiciled, London-listed closed-end fund</p> <p>AUM: c. £233.2m¹</p>	<p>To provide investors with a high gross dividend yield and the potential for capital growth.</p>	<p>Investing in high yielding fixed interest securities.</p> <p>Yield: c. 9.6%¹</p>

Ian Francis is a Senior Portfolio Manager for CQS' New City High Yield and Convertibles business. Ian joined CQS in 2007 as part of CQS' acquisition of New City, now known as CQS (UK) LLP and has more than 40 years' experience in trading and portfolio management.

Prior to joining CQS in 2007, Ian worked in a variety of roles in convertible bond trading and sales at firms including Collins Stewart Limited, where he was Head of Trading and Convertibles; West LB Panmure as Head of Convertibles, James Capel & Co. and Hoare Govett & Co. He began his career in fund management at Baring Bros. and Phillips & Drew.

Dividends – Rising Payout Profile

Progressive Dividends¹

9.6% Yield Paid gross quarterly

Extensive track record of rising distributions

1.03x revenue reserves (YE 30 June 2020)

Diversified income stream

Year ended 30 June 2020²

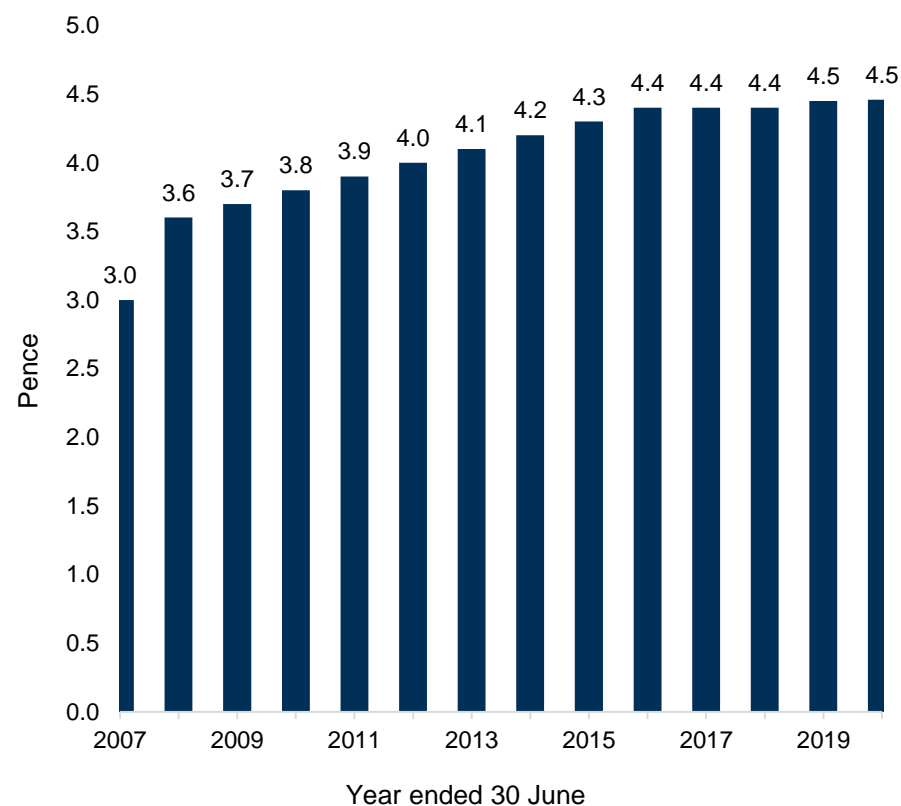
Revenue earnings per share	4.59p
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Dividends per share	4.46p
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Dividend cover	1.03x
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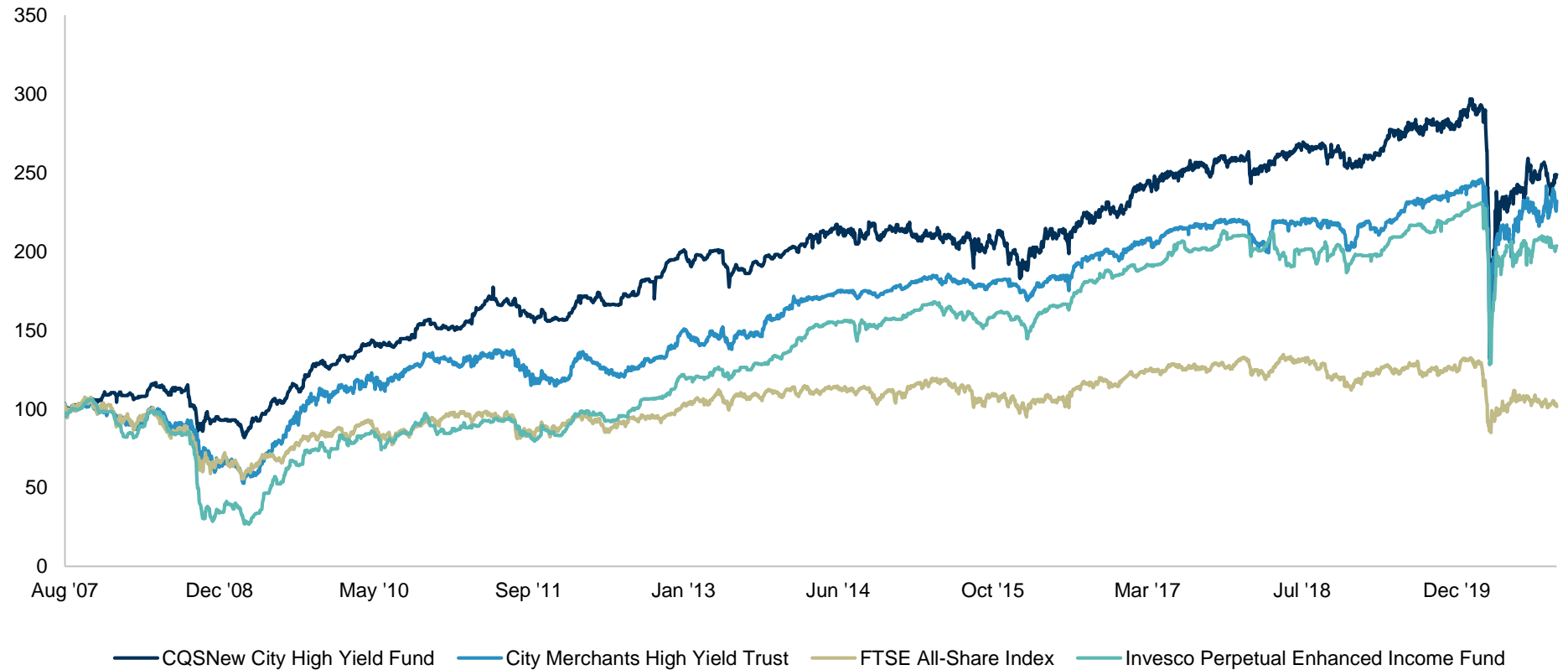
Revenue reserve per share	4.15p
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Dividends Per Share²



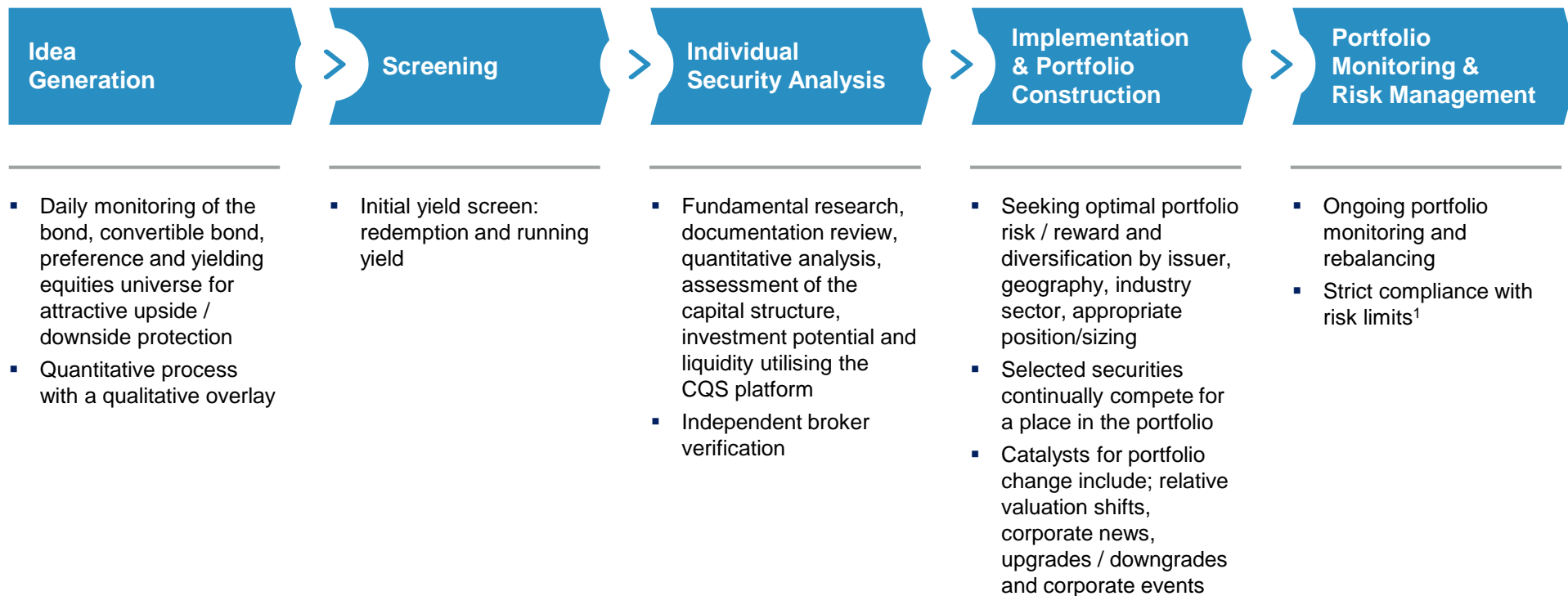
Share Price and Dividends

Total Return Performance Over Last 10 Years Rebased to 100 (Jan 2007)



Source: Bloomberg as at 21 October 2020. Rebased to 100 as at August 2007. Peer companies selected by Company Broker (Cantor Fitzgerald) as most similar mandate to CQS New City High Yield. These are 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.

Investment Process



¹Please refer to Fund Risk Limit Document for full details.

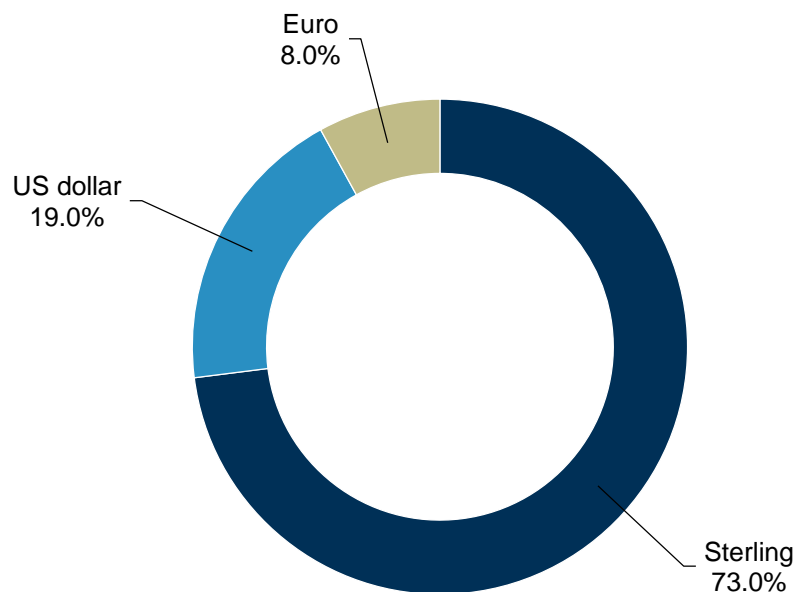
Sector Positioning



	September 2019 (%)	September 2020 (%)
Financials	47.4	48.6
Energy	11.5	14.6
Industrials	12.9	9.4
Consumer Discretionary	11.5	7.5
Consumer Staples	4.5	7.1
Real Estate	3.2	6.2
Materials	3.4	4.4
Information Technology	5.6	2.2
Total Investments	100	100

Investment Themes and Positioning

Portfolio is currently 83% fixed income, and 18% convertible/equities/preference¹



Monitoring Risks

Brexit, US Elections, Covid-19

Interest Rates

Lower for longer

Currencies

We seek to actively monitor, look to diversify where applicable

Sectors

Good insight from specialist CQS financial and commodity research teams

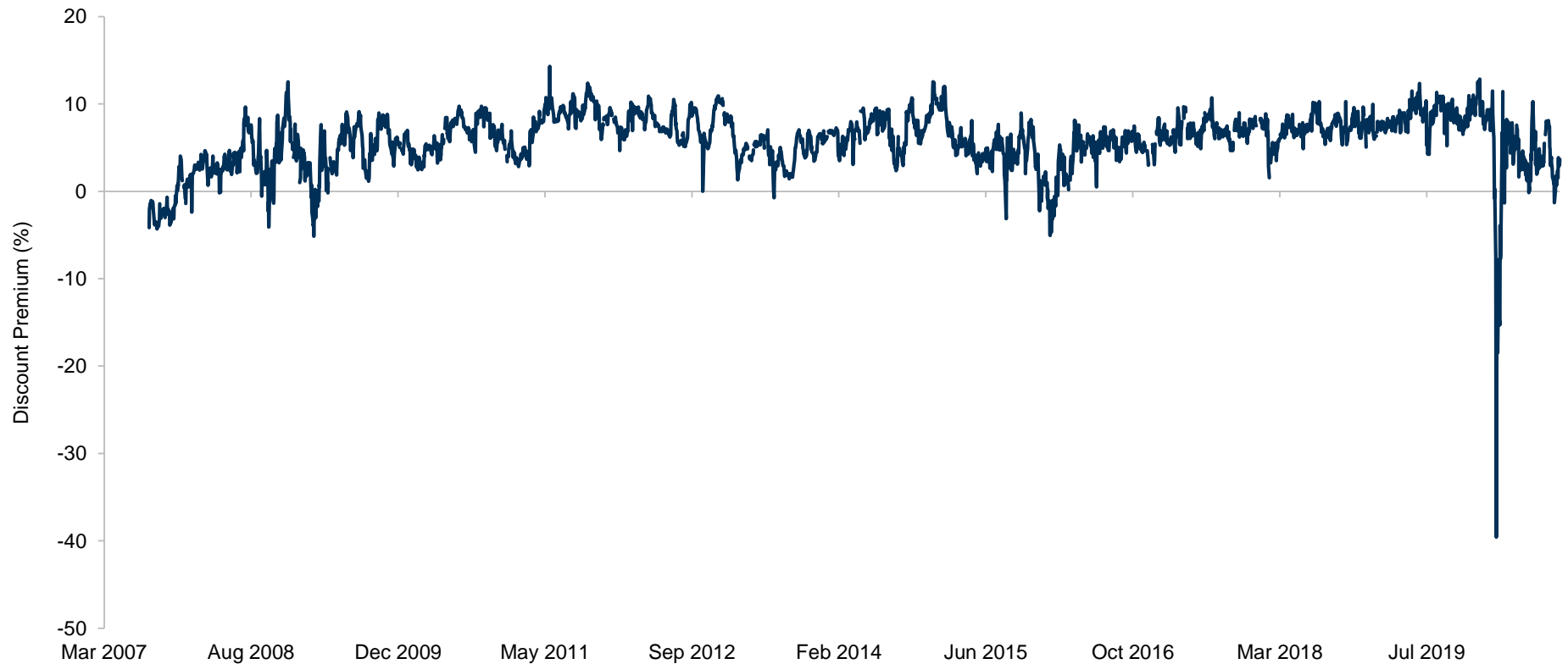
Source: NCHYF Annual Report as at 30 September 2020. These currency allocations are for illustrative purposes and are not indicative of future allocations. There is no guarantee that the Fund will invest in these currencies at all or do so in the same manner as set forth in this presentation.

Focus on Yield

	Gross Assets ¹ (%)	Current Yield ² (%)
CYBG PLC 16-31/12/2049 FRN	5.94	8.6
Galaxy Finco LTD 9.25% 19-31/07/2027	5.78	9.0
Onesavings Bank 17-31/12/2059 FRN	4.68	9.4
Punch Taverns 7.75% 14-30/12/2025	4.45	9.6
Shawbrook Group 17-31/12/2059 FRN	3.93	11.0
Aggregated Micro 8% 16-17/10/2036	3.54	8.0
Just Group PLC 8.125% 19-26/10/2029	3.41	7.6
Raven Russia 12% 09-31/12/2059	3.37	10.2
Co-operative Fin 19-25/04/2029 FRN	3.37	10.4
Rea Finance 8.75% 15-31/08/2025	3.15	9.6
Top 10 Holdings Represent	41.62	

Rating

Average premium of 5.7% over period 30 March 2007 to 20 October 2020



Sector Themes

Banks and Financials

- Biggest sector 49% of portfolio as at 30 June 2020
- Banks have strong capital position
- Benefit from Government support for SME Lending
- Main exposures are Virgin Money, Shawbrook, Co-op, Lloyds, Barclays and Deutsche Bank
- Financials exposure to Domestic & General (warranties & white goods) and Lowell (Garfunkelex – European debt management) which has just refinanced at beneficial terms to our holding

Portfolio Diversity

- Shipping stocks – Euronav (Equity & Debt), American Tanker (US Jones Act Shipper)
- Oil – Welltec – Specialist Driller
- Diversified Oil & Gas – UK Listed US Gas Producer

REITs & Retail

- REITs have had minor NAV falls but major share price declines – we believe these will recover
- Matalan – recovering and online sales picking up
- Iceland – Covid-19 has been beneficial to their sales



Appendix

New City Investment Managers*

Name	Background	Experience
<p>Ian “Franco” Francis Senior Portfolio Manager</p> <ul style="list-style-type: none"> ▪ CQS New City High Yield Fund Ltd <p>Joint Portfolio Manager</p> <ul style="list-style-type: none"> ▪ City Natural Resources High Yield Trust plc 	<p>44 years (Collins Stewart, West LB Panmure, James Capel & Co and Hoare Govett & Co)</p>	<ul style="list-style-type: none"> ▪ Variety of senior roles in convertible bond trading and sales including Head of Convertibles, Director of Trading and a Member of the Board at Collins Stewart and Head of Convertibles at West LB Panmure ▪ Began career at Baring Bros. and Phillips & Drew
<p>Keith Watson Joint Portfolio Manager:</p> <ul style="list-style-type: none"> ▪ Golden Prospect Precious Metals Limited ▪ Geiger Counter Limited ▪ City Natural Resources High Yield Trust plc 	<p>28 years (Mirabaud, Evolution and Dresdner Kleinwort Wasserstein)</p>	<ul style="list-style-type: none"> ▪ Various research roles focusing in gold, uranium and palm oil
<p>Rob Crayford Joint Portfolio Manager:</p> <ul style="list-style-type: none"> ▪ Golden Prospect Precious Metals Limited ▪ Geiger Counter Limited ▪ City Natural Resources High Yield Trust plc 	<p>17 years (Barclays, HSBC and USS)</p>	<ul style="list-style-type: none"> ▪ CFA Holder ▪ BSc in Geological Sciences
<p>Craig Cleland Head of Corporate Development: Investment Trusts</p>	<p>40 years (JP Morgan Chase and Fleming Investment Trust/Asset Management and Royal Bank of Scotland)</p>	<ul style="list-style-type: none"> ▪ Managing Director at JP Morgan Asset Management ▪ Director of Fleming Investment Trust Management and Fleming Investment Management Limited

*CQS (UK) LLP is the full legal name for New City Investment Managers.

Current Funds Under Management

Fund	Structure	Objective	Total assets
CQS New City High Yield Fund Limited ('NCHYF')	Jersey closed-end investment company	To provide investors with a high gross dividend yield and the potential for capital growth by mainly investing in high yielding fixed interest securities.	c. £233m
City Natural Resources High Yield Trust plc ('CNR')	UK investment trust	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 (including convertible securities and bonds).	c. £85m
Geiger Counter Limited ('Geiger Counter')	Jersey closed-end investment company	To deliver attractive returns to shareholders principally in the form of capital growth, initially focusing on companies involved in the uranium industry.	c. £17m
Golden Prospect Precious Metals Limited ('GPPM')	Guernsey closed-end investment company	To provide investors with capital growth, from a portfolio of companies involved in the precious metals and diamond sectors.	c. £43m

Biographies

Sir Michael Hintze

Sir Michael Hintze is the founder, Group Executive Chairman and Senior Investment Officer of CQS. He is also a Senior Portfolio Manager.

Prior to establishing CQS in 1999, Michael held a number of senior roles at CSFB and Goldman Sachs. He began his career in finance in 1982 with Salomon Brothers, New York, after working as an Electrical Design Engineer in Australia, where he had also served as a Captain in the Australian army.

Michael is a fluent Russian speaker. He holds a BSc in Physics and Pure Mathematics and a BEng in Electrical Engineering both from the University of Sydney. He also holds an MSc in Acoustics from the University of New South Wales, an MBA from Harvard Business School, received a DBA (honoris) from the University of New South Wales and a DEng (honoris causa) from the University of Sydney.

Ian Francis

Ian 'Franco' Francis is CIO New City, and a Senior Portfolio Manager for CQS' New City High Yield and Convertibles business and joint Portfolio Manager for City Natural Resources High Yield Trust plc.

Ian joined CQS in 2007 as part of CQS' acquisition of New City and has more than 35 years' experience in trading and portfolio management.

Prior to joining CQS in 2007, Ian worked in a variety of roles in convertible bond trading and sales at firms including Collins Stewart Limited, where he was Head of Trading and Convertibles; West LB Panmure as Head of Convertibles, James Capel & Co. and Hoare Govett & Co.

He began his career in fund management at Baring Bros. and Phillips & Drew.

Biographies

Keith Watson

Keith is joint Portfolio Manager for Golden Prospect Precious Metals Limited, Geiger Counter Limited, New City Energy Limited and City Natural Resources High Yield Trust plc.

Keith joined CQS in July 2013 from Mirabaud Securities where he was a Senior Natural Resource Analyst. Prior to Mirabaud, Keith was Director of Mining Research at Evolution Securities. Previous to this, he was a top-ranked business services analyst at Dresdner Kleinwort Wasserstein, Commerzbank and Credit Suisse/BZW. Keith began his career in 1992 as a portfolio manager and research analyst at Scottish Amicable Investment Managers.

Keith has a BSc (Hons) in Applied Physics from Durham University.

Craig Cleland

Craig is Head of Corporate Development: Investment Trusts. He is responsible for Sales, Investor Relations and Business Development for New City Investment Managers, as well as corporate relations with the trusts' Boards of Directors.

Prior to his appointment at CQS, Craig spent the majority of his career at JP Morgan Chase and Fleming Investment Trust/Asset Management, during which time he built an extensive network within the investment trust sector with strong relationships with trust Board of Directors, leading brokers, private wealth managers, platforms and the investment community. Most latterly he was a Managing Director at JP Morgan Asset Management working in the senior role of Client Director with a number of independent investment trust companies. During his tenure at JP Morgan and Fleming, he also served as a Director of Fleming Investment Trust Management and Fleming Investment Management Limited, with responsibility for all client-facing and administrative personnel, as well as for launching numerous new trusts and managing relationships with the key investment trust Boards.

Having joined Fleming's Investment Trust department in 1986 after six years at Royal Bank of Scotland, Craig initially acted as Company Secretary for as many as eight companies.

Robert Crayford

Robert is joint Portfolio Manager for Golden Prospect Precious Metals Limited, Geiger Counter Limited, New City Energy Limited and City Natural Resources High Yield Trust plc.

Rob joined CQS as an Analyst for the New City managed natural resources funds in 2011 and has previously held analyst roles at the Universities Superannuation Scheme and HSBC Global Asset Management where he focused on the resource sector.

Robert is a CFA Charterholder and holds a BSc in Geological Sciences from the University of Leeds.



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