

Key Fund Facts¹

Fund Manager	Ian 'Franco' Francis
Launch Date	October 2004
Total Gross Assets	£272.8m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 45.93p Bid-Market Price: 48.70p
Dividend Yield (est.)	9.20%
Gearing	9.34%
Premium	6.03%
Ordinary Shares in Issue	517,851,858
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	B1LZS51 GB
Year End	30 June
Contact Information	contactncim@cqsm.com
Company Broker	Singer Capital Markets +44 (0) 207 496 3000
AGM	December
Dividend Information 2022/23	1.00p interim paid 25 November 2022 1.00p interim paid 28 February 2023 1.00p interim payable 26 May 2023
Fiscal Year-End	30 June
Previous Dividend Information	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 4.46p 2020/21 Total 4.47p 2021/22 Total 4.48p
Investor Report	Monthly Factsheet
Annual Report & Accounts	Published October



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

Key Advantages for the Investor

- Access to a high-income asset class and a well-diversified portfolio
- Low duration to help mitigate interest rate risk
- Quarterly dividends paid to shareholders

Ordinary Share and NAV Performance²

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
NAV	1.25	-0.55	-1.30	37.66	24.31	62.08
Share Price	1.43	-2.55	-2.67	37.03	22.01	58.72

Commentary³

The two-speed economy in the UK continued in April as the Service sector hit a 12-month high with the S&P Global/CIPS Flash UK Services PMI (Purchasing Managers Index) business activity index at 54.9, up from 52.9 in March. The UK consumer seems to have more confidence to spend on luxuries, although even here growth is dependent on consumers continuing to switch spending from goods to services. Strong wage inflation led to a steep rise in output charges, especially in the Service economy. Increased borrowing costs hit across the economy. In the weakening Manufacturing sector, participants in the survey noted that customer destocking and efforts to trim costs added to downward pressure in demand. One positive which is still in the background for manufacturing is the improved raw material supply chain, although sourcing electrical items from Asia is still a problem. As expected, the Bank of England raised rates again in early May, increasing costs again to tame inflation.

Europe too has a disconnected two speed economy with the service sector business activity index hitting new 12-month highs, whilst manufacturing took another beating with a larger than expected negative effect coming from the French pension protests. Although many participants were positive with the hope, rather than expectation, that the European Central Bank (ECB) will pause its interest rate hikes sooner rather than later given the strength of the service sector and the associated wage increases.

The United States continues to grow its economy in both services and manufacturing. The latest statistics implying Gross Domestic Product (GDP) growth of just over 2% this year. The renewal of the inflation risk, with core inflation at 5.6% currently, will keep interest rates on an upward trend for now. The major risk for the economy is the politics around the debt ceiling and whether a technical default of US Government debt occurs in the short term or whether, as previously, the two parties can reach a solution at the eleventh hour? An interesting summer lies ahead for markets!

For the company, the third interim dividend of 1p/share was declared and went ex-dividend at the end of the month.

For the portfolio, a new holding was added in RelyOn Nutec FRN 2026 with a yield margin of 850bp above Euribor; this is a leading health and safety training provider for offshore high risk environments serving oil, gas and renewables. On the announcement from REA that they will be paying their arrears of 7p per preference share, we increased the Fund's holding.

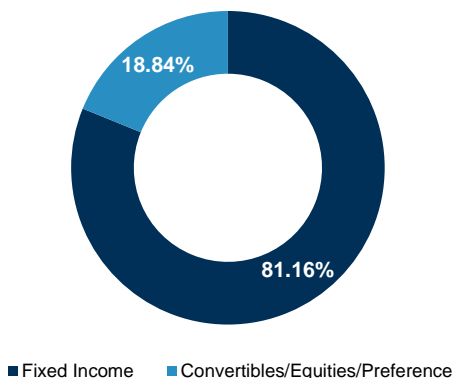
Sources: ¹BNP Paribas Securities Services S.C.A., as at the last business day of the month indicated at the top of this report. ²BNP Paribas Securities Services S.C.A., total return performance net of fees and expense based on bid prices. These include historic returns and past performance is not a reliable 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. ³All 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.

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁴	Commitment Leverage (%) ⁵
CQS New City High Yield Fund	113	113

Portfolio Analysis^{1,6}

Breakdown by Asset Class



Top 10 Holdings (%)^{1,6}

Name	(% of NAV)
Shawbrook Group 22-08/06/2171 FRN	5.38
Galaxy Finco LTD 9.25% 19-31/07/2027	5.24
Co-Operative Fin 19-25/04/2029 FRN	5.06
Virgin Money 22-08/12/2170 FRN	4.80
Aggregated Micro 8% 16-17/10/2036	4.62
REA Finance 8.75% 15-31/08/2025	3.72
Stonegate Pub 8.25% 20-31/07/2025	3.60
Barclays PLC 22-15/12/2170 FRN	3.50
Diversified Energy Co PLC	3.24
Albion Financing 8.75% 21-15/04/2027	3.19
Top 10 Holdings Represent	42.35

Sources: ¹BNP Paribas Securities Services S.C.A., as at the last business day of the month indicated at the top of this report. ⁴CQS as at the last business day of the month indicated at the top of this report. 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. ⁵CQS as at the last business day of the month indicated at the top of this report. 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. ⁶All 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. GMv11.

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