

Investor Report

30 September 2025

CQS New City High Yield Fund Limited ("the Company")

Key Facts¹

Portfolio Manager	Ian 'Franco' Francis
Launch Date	October 2004
Total Gross Assets	£351.4m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 48.66p Bid-Market Price: 51.60p
Dividend Yield (est.)	8.68%
Gearing	12.53%
Premium (Discount)	6.04%
Ordinary Shares in Issue	640,001,858
Ongoing Charge Ratio	1.18%
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	CQSClientService@cqsm.com
Company Broker	Singer Capital Markets +44 (0) 207 496 3000
AGM	December
Dividend Information 2024/25	1.00p paid 29 November 2024 1.00p paid 21 February 2025 1.00p paid 30 May 2025 1.51p paid 29 August 2025
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 2022/23 Total 4.49p 2023/24 Total 4.50p 2024/25 Total 4.51p
Investor Report	Monthly Factsheet
Annual Report & Accounts	Published October



Ian Francis
Portfolio Manager

Description

The objective of CQS New City High Yield Fund Limited 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	0.91	3.78	9.11	31.90	65.96	105.29
Share Price	1.57	3.37	8.32	30.07	72.10	106.53

Commentary³

It is unusual for the Flash PMIs and full PMIs to diverge significantly, but the September S&P Global UK PMI Composite Output Index came in 0.9 points lower than the Flash estimate at 50.1, its lowest level for five months, implying unchanged business volumes across the private sector.

Notably, manufacturing was at its weakest for six months. The growth seen over the summer was short-lived, and the economy is now focusing more closely on the upcoming Autumn Budget, with both businesses and households deferring major decisions and orders until after 26th November. Further to this, more job cuts were recorded, alongside slower growth projections for companies, which may weaken cost pressures and ease inflation. This could benefit the more dovish members of the Bank of England's Monetary Policy Committee, as well as the Chancellor of the Exchequer.

In contrast, the HCOB Flash Eurozone PMI figures were broadly aligned. Although the region remains on a growth path, political turmoil in France is having a particularly negative impact on the country's manufacturing sector. Additionally, France and Germany have yet to see any immediate benefit from increased defence spending. On the employment front, growth, which was only advancing at a snail's pace, has now come to a halt as service sector hiring slows and manufacturing weakens further, particularly in Germany. Cost inflation in services has eased, which may encourage the ECB to trim rates further by year-end.

In the US, inflation remains above the Federal Reserve's 2% target. However, lower growth expectations in both services and manufacturing, combined with concerns over the broader impact of tariffs and the political environment, are resulting in increased inventories and a slowdown in future orders.

The reduced ability of businesses to pass on tariff costs may well encourage the Fed to lower interest rates again towards the end of the year. Growth remains robust but is slowing from the July peak. It is probably only a matter of time before President Trump again criticises the Fed for not cutting rates, blaming them for any perceived slowdown.

Turning to the portfolio, we sold most of our holding in Lloyds 7 7/8% Perpetual, reallocating into Sherwood Financing 9.625% 2029. With the proceeds from the redemption of REA 8 3/4% 2025 at 104, we invested in Stonegate 10.75% 2029, REA 9% Preferred, 888 Acquisitions 10 3/4% 2030, Aston Martin Capital 10.375% 2029, and opened a new holding in Foresight Environmental Infrastructure equity.

Looking ahead, we anticipate more volatility in UK markets as we approach the Budget at the end of November, which may in turn present new opportunities for the portfolio.

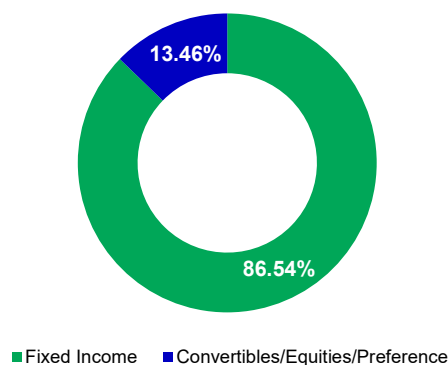
Sources: ¹ BNP Paribas Securities Services F.C.A., as at the last business day of the month indicated at the top of this report. ² BNP Paribas Securities Services F.C.A., total return performance net of fees and expense based on bid prices. These include historic returns and past performance is not a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

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁴	Commitment Leverage (%) ⁵
CQS New City High Yield Fund Limited	112	112

Portfolio Analysis^{1,6}

Breakdown by Asset Class



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

Name	(% of NAV)
SHAWBROOK GROUP 22-08/06/2171 FRN	4.73
TVL FINANCE 10.25% 23-28/04/2028	4.40
STONEGATE PUB 10.75% 24-31/07/2029	4.36
RL FINANCE NO6 23-25/11/2171 FRN	4.01
GALAXY BIDCO LTD 8.125% 24-19/12/2029	3.68
SHERWOOD FINAN 9.625% 24-15/12/2029	3.30
ASTON MARTIN 10.375% 24-31/03/2029	3.27
AGGREGATED MICRO 8% 16-17/10/2036	3.23
BELLIS ACQUISITI 8.125% 24-14/05/2030	3.20
BARCLAYS PLC 22-15/12/2170 FRN	3.05
Top 10 Holdings Represent	37.20

Asset Currency Split

Currency	(% of NAV)
GBP	69.13
USD	18.15
EUR	11.42
Other	1.31
Grand Total	100

Sources: 1 BNP Paribas Securities Services F.C.A., as at the last business day of the month indicated at the top of this report. 4 MCQS 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. 6 All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding. The Company 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.

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London

4th Floor, One Strand, London WC2N 5HR, United Kingdom
T: +44 (0) 20 7201 6900 | F: +44 (0) 20 7201 1200

New York

152 West 57th Street, 40th Floor, New York, NY 10019, US
T: +1 212 259 2900 | F: +1 212 259 2699

 CQSClientService@cqsm.com



www.cqs.com



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