

Investor Report

31 October 2025

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

Key Facts¹

Portfolio Manager	Ian 'Franco' Francis
Launch Date	October 2004
Total Gross Assets	£350.7m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 47.97p Bid-Market Price: 50.80p
Dividend Yield (est.)	8.82%
Gearing	11.34%
Premium (Discount)	5.90%
Ordinary Shares in Issue	640,001,858
Ongoing Charge Ratio	1.17%
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 2025/26	1.00 payable 28 November 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	0.65	2.49	8.94	32.37	65.59	105.28
Share Price	0.40	1.98	8.35	29.58	68.39	103.85

Commentary³

The UK economy presented conflicting signals in October with the S&P Global Flash UK PMI Composite Output Index climbing to a two-month high, suggesting modest growth. Manufacturing exports continued to decline due to subdued global demand and US tariffs. Inflation held steady at 3.8%, supported by a strong Sterling, though future currency fluctuations could alter this trend. Job losses in manufacturing and services slowed to their lowest rate since May, but persistent salary pressures have led many firms to avoid replacing voluntary leavers and retirees. The hospitality sector, meanwhile, faced sales growth below inflation and significant job losses, reflecting ongoing cost pressures and uncertainty ahead of the upcoming budget.

Across Europe, France's economic and political instability remains a drag on the Eurozone, offsetting recent improvement in the German economy. The Eurozone's manufacturing sector showed slight progress, with the HCOB Flash Manufacturing PMI rising to 50.0, but external demand continued to weaken. Inflation in the region was comparatively benign at 2.2%, and businesses felt confident enough to pass on increased costs to consumers. France's instability, however, poses a significant risk to the broader Eurozone recovery.

In the United States, the economy began the fourth quarter on a strong note, with both services and manufacturing gaining momentum despite concerns over a government shutdown. The S&P Global US Flash Composite PMI Output Index reached 54.8, and economic growth for October was estimated at 2.5%. Looking ahead, sentiment is more cautious, with ongoing worries about tariffs, weak export sales, and rising inventories, all compounded by persistent inflation.

The Company's shares went ex-dividend on 23 October, with a first interim payment of 1 penny per share to be paid on 28 November. Within the portfolio, Azerion Group NV FRN was redeemed at 102.03, while Weltec Int 8.25% 2026 was called at 100. We also decreased our exposure to Tullow Oil 10.25% on the back of expected weakness in the oil price going forward. We opened a holding in Cidron Aida Finco 9.125% 2031 in the pharmaceutical sector and added to Bellis Acquisitions (Asda) 8.125% 2030; Evoke 10 ¾% 2030; Stonegate 10.75% 2031; Sherwood Financing 9.625% 2029; and Travelodge 10.25% 2028. As the UK Budget approaches, we remain vigilant and ready to respond to any potential negatives or possible opportunities that arise.

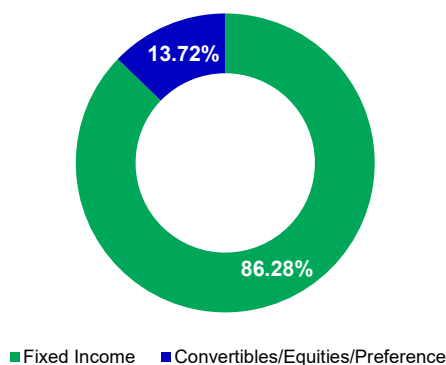
Sources: ¹ BNP Paribas Securities Services F.C.A., as at the last business day of the month indicated at the top of this report. ² BNP Paribas Securities Services F.C.A., total return performance net of fees and expense based on bid prices. These include historic returns and past performance is not a 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	115	115

Portfolio Analysis^{1,6}

Breakdown by Asset Class



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

Name	(% of NAV)
SHAWBROOK GROUP 22-08/06/2171 FRN	4.81
STONEGATE PUB 10.75% 24-31/07/2029	4.52
TVL FINANCE 10.25% 23-28/04/2028	4.38
RL FINANCE NO6 23-25/11/2171 FRN	4.05
SHERWOOD FINAN 9.625% 24-15/12/2029	3.87
GALAXY BIDCO LTD 8.125% 24-19/12/2029	3.72
BELLIS ACQUISITI 8.125% 24-14/05/2030	3.44
AGGREGATED MICRO 8% 16-17/10/2036	3.34
BARCLAYS PLC 22-15/12/2170 FRN	3.08
CIDRON AIDA FINC 9.125% 25-27/10/2031	3.07
Top 10 Holdings Represent	38.30

Asset Currency Split

Currency	(% of NAV)
GBP	73.54
USD	17.37
EUR	7.86
Other	1.23
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:

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