

Investor Report

30 April 2026

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

Key Facts¹

Portfolio Manager	Ian 'Franco' Francis
Launch Date	October 2004
Total Gross Assets	£360.0m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 47.33p Bid-Market Price: 50.30p
Dividend Yield (est.)	8.91%
Gearing	12.65%
Premium (Discount)	6.28%
Ordinary Shares in Issue	676,151,858
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 paid 28 November 2025 1.00 paid 27 February 2026 1.00 payable 29 May 2026
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

The Company is a Jersey closed-ended investment company limited by shares. The Company is regulated by the Jersey Financial Services Commission.



Ian Francis
Portfolio Manager

Description

CQS New City High Yield Fund Limited is a Jersey domiciled closed-ended investment company whose objective 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	1.85	0.35	11.13	36.55	45.58	106.74
Share Price	5.12	0.98	10.30	34.84	44.28	100.81

Commentary³

Although the UK economy showed renewed momentum following the initial negative impact of the Iran war, much of this growth may reflect short term demand as households and businesses bring forward spending ahead of further inflationary pressures.

The annualised March monthly inflation rate rose to 3.3%, from 3.0% in February, as higher National Insurance contributions and business rates fed through. Additional pressure is expected as higher fertiliser costs raise agricultural input prices and elevated fuel prices continue to weigh on household spending over the coming months.

The major problem facing the Bank of England's Monetary Policy Committee ("MPC") is whether the weak economy can withstand a rate hike to dampen inflation. Business confidence was weaker, and employment data showed a decline in active participants. In the gilt market, the 10-year yield is trading close to 5%, and the 30-year is around 5.6%, both near the highest levels in 30 years. This is compounded by a stronger Sterling, which makes exports less competitive and imports more expensive, alongside increased borrowing costs for companies trading at varying margins over gilts depending on their credit quality. This is likely to constrain UK economic growth prospects.

As this commentary was written ahead of the local and mayoral elections, a lot could happen in both the gilt and currency markets over the short term. This will be covered in next month's commentary.

In Europe, overall output fell for the first time in 16 months, with the service sector at a 62-month low. In contrast, the manufacturing sector showed relative resilience, reaching an eight-month high. However, supply chain disruptions linked to the conflict, alongside rising input and output prices, raise questions as to whether this level of strength can be sustained in the coming months.

The outlook among most businesses was gloomy, with sentiment at late-2022 levels, and inflation rising to 3% in April, up from 2.6% in March. With this backdrop, it's likely that the ECB will keep rates unchanged for now, awaiting clarity on the outcome of the conflict and its effect on the European economy.

The recovery in the U.S. economy in April was muted but welcomed, as the conflict was the primary driver, following a stagnant March, with the subsequent recovery consistent with economic growth of just over 1%. There is still hesitance to spend on travel, tourism and financial products among both business customers and consumers. The strength in manufacturing came from front-loading orders to build stocks and beat price rises, which will inevitably be on the way. The U.S. Federal Reserve Bank is in a similar position to the Bank of England and the ECB, with the dilemma of dealing with the inflationary spike and the underlying weakness of economic growth. It will certainly be difficult to cut rates as President Trump has demanded.

For the Company, its shares went ex-dividend 1 penny per share at the end of the month to pay at the end of May.

For the portfolio, we added to the Legal and General equity, and the EnQuest 11.625% 2027 was called; we partially replaced it with the new EnQuest 9.875% 2031, proof that certain sectors have benefited from the Iran war and the oil price movement. We sold our holding in Ithaca Energy 8.125% 2029, which is likely to be called later this year at levels below our exit price.

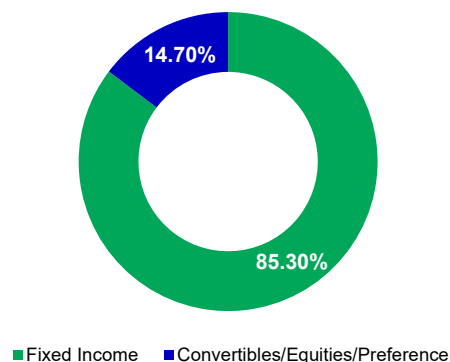
Sources: 1 BNP Paribas S.A., Jersey Branch., as at the last business day of the month indicated at the top of this report. 2 BNP Paribas S.A., Jersey Branch., total return performance net of fees and expense based on bid prices. These include historic returns and past performance is not a reliable indicator 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	4.69
STONEGATE PUB 10.75% 24-31/07/2029	4.46
TVL FINANCE 10.25% 23-28/04/2028	4.05
RL FINANCE NO6 23-25/11/2171 FRN	3.87
SHERWOOD FINAN 9.625% 24-15/12/2029	3.76
BELLIS ACQUISITI 8.125% 24-14/05/2030	3.20
CIDRON AIDA FINC 9.125% 25-27/10/2031	3.15
BARCLAYS PLC 22-15/12/2170 FRN	2.93
WHEEL BIDCO 9.875% 21-15/09/2029	2.87
888 ACQUISITIONS 10.75% 24-15/05/2030	2.73
Top 10 Holdings Represent	35.73

Asset Currency Split

Currency	(% of NAV)
GBP	73.90
USD	16.07
EUR	8.93
Other	1.11
Grand Total	100

Sources: 1 BNP Paribas S.A., Jersey Branch., 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.

Important Information

CQS New City High Yield Fund Limited is a Jersey-domiciled closed-ended investment company, limited by shares, whose objective is to provide investors with a high dividend yield and the potential for capital growth by investing mainly in high-yielding fixed interest securities.

Manulife | CQS Investment Management is a trading name of CQS (UK) LLP which is authorised and regulated by the Financial Conduct Authority. This document has been issued by CQS (UK) LLP and/or CQS (US), LLC which is a registered investment adviser with the US Securities and Exchange Commission. The term "CQS" or "Manulife | CQS Investment Management" as used herein may include one or more of CQS (UK) LLP, CQS (US), LLC or any other affiliated entity. The information is intended solely for sophisticated investors who are (a) professional investors as defined in Article 4 of the European Directive 2011/61/EU or (b) accredited investors (within the meaning given to such term in Regulation D under the U.S. Securities Act of 1933, as amended) and qualified purchasers (within the meaning given to such term in Section 2(a)(51) of the U.S. Investment Company Act 1940, as amended). This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation.

Manulife | CQS Investment Management is a wholly owned subsidiary of Manulife Investment Management (Europe) Limited.

This document is a marketing communication prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares or interests in any fund or investment vehicle managed or advised by CQS (a "CQS Fund") or any other security, commodity, financial instrument, or derivative; or (iv) an offer to enter into any other transaction whatsoever (each a "Transaction"). Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and appropriateness of such Transaction in light of your circumstances. Any decision to enter into any Transaction should be based on the terms described in the relevant offering memorandum, prospectus or similar offering document, subscription document, key investor information document (where applicable), and constitutional documents and/or any other relevant document as appropriate (together, the "Offering Documents"). Any Transaction will be subject to the terms set out in the Offering Documents and all applicable laws and regulations. The Offering Documents supersede this document and any information contained herein. The Offering Document for CQS New City High Yield Fund Limited can be found [here](https://ncim.co.uk/cqs-new-city-high-yield-fund-ltd/) (https://ncim.co.uk/cqs-new-city-high-yield-fund-ltd/)

A copy of CQS' Complaints Policy, which sets out a summary of investors' rights, is available [here](http://www.cqs.com/site-services/regulatory-disclosures) (www.cqs.com/site-services/regulatory-disclosures) in English. CQS may terminate the arrangements for marketing or distribution of any CQS Fund at any time.

Nothing contained herein shall give rise to a partnership, joint venture or any fiduciary or equitable duties. The information contained herein is provided on a non-reliance basis, not warranted as to completeness or accuracy, and is subject to change without notice. Any information contained herein relating to any non-affiliated third party is the sole responsibility of such third party and has not been independently verified by CQS. The accuracy of data from third party vendors is not guaranteed. If such information is not

accurate, some of the conclusions reached or statements made may be adversely affected. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives accept any liability whatsoever for any errors or omissions or any loss howsoever arising from the use of this document.

Information contained in this document should not be viewed as indicative of future results as past performance of any Transaction is not indicative of future results. Any investment in a CQS Fund or any of its affiliates involves a high degree of risk, including the risk of loss of the entire amount invested. The value of investments can go down as well as up. Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Investments may lead to a financial loss if no guarantee on the capital is in place. An investment in any CQS Fund will involve a number of material risks which include, without limitation, risks associated with adverse market developments, currency and exchange rate risks, risk of counterparty or issuer default, and risk of illiquidity. Any assumptions, assessments, targets (including target returns and volatility targets), statements or other such views expressed herein (collectively "Statements") regarding future events and circumstances or that are forward looking in nature constitute CQS' subjective views or beliefs and involve inherent risk and uncertainties beyond CQS' control. Any indices included in this document are for illustrative purposes only and are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). Unless stated to the contrary CQS Funds are not managed to a specific index.

The information contained herein is confidential and may be legally privileged and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates. Unless otherwise stated to the contrary herein, CQS owns all intellectual property rights in this document.

PRI Note:

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

GMv12.

5520201 / 05.26

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



Follow us

Signatory of:

