Investor Report

July 31, 2026

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

Key Facts[1]

Co-Portfolio Manager	Ian 'Franco' Francis
Co-Portfolio Manager	Darren Toner
Launch Date	October 2004
Total Gross Assets	£367.8m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 47.03p Bid-Market Price: 50.30p
Dividend Yield (est.)	8.91%
Gearing	9.06%
Premium (Discount)	6.95%
Ordinary Shares in Issue	697,201,858
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 paid 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 2025/26 Total 4.52p
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
Co-Portfolio Manager

Darren Toner
Co-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 Performance[2]

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
NAV	0.01	2.58	8.13	37.79	45.66	107.02
Share Price	0.06	3.04	8.21	43.43	41.69	100.90

Commentary[3]

The UK economy showed signs of improvement in July, with growth strengthening across both the manufacturing and services sectors. Manufacturing activity benefited from stronger export demand. However, some of this strength appears to reflect precautionary inventory building by both producers and customers in response to ongoing supply chain disruption linked to the Middle East conflict and, to a lesser extent, Ukraine. As a result, some of the recent momentum may prove temporary if underlying demand fails to keep pace. Services also enjoyed a stronger month, supported by increased hospitality activity during the FIFA World Cup and a rise in domestic tourism as many consumers opted for staycations rather than travelling abroad. Ongoing wildfires and unusually high temperatures across parts of Europe contributed to this shift in travel patterns. Inflationary pressures eased somewhat during the month, helped by lower oil prices and a reduction in immediate geopolitical tensions following renewed diplomatic efforts to address the conflict in the Middle East.

Attention is now turning to the policy direction of the new UK government. While broad priorities have been outlined, greater clarity on fiscal policy and its implications for economic growth is likely to emerge when the Chancellor delivers the Autumn Budget later in the year. Until then, markets are likely to remain focused on the balance between supporting growth and maintaining fiscal discipline.

In Europe, economic activity also improved after a relatively subdued second quarter. Germany recorded its first expansion in four months, while growth in France strengthened modestly and broader eurozone activity reached its strongest level since last November. Order books improved and hospitality-related sectors benefited from seasonal demand. However, economic momentum remains vulnerable to external shocks, particularly those affecting energy markets and global shipping routes. Encouragingly, inflation continued to moderate, easing pressure on the European Central Bank and reducing the likelihood of near-term policy tightening.

The United States also benefited from a temporary boost to activity during July, supported by both the FIFA World Cup and celebrations marking the country's 250th anniversary. Hospitality and tourism performed strongly, though conditions within manufacturing were more mixed. Earlier inventory building began to moderate, while supply chain delays and rising input costs resurfaced as headwinds. These pressures have the potential to constrain growth and weigh on demand if they persist. The outlook for inflation and economic activity remains closely linked to developments in the Middle East and the easing of disruption across global energy and shipping markets.

For the Company, a fourth interim dividend of 1.52p per share was announced during the month, with the shares going ex-dividend on July 30.

For the portfolio, the holding in Aston Martin 10.375% 2029 was sold following the announcement of a financing transaction involving HPS, which altered the asset backing supporting the existing senior debt. Proceeds were partially redeployed into Virgin Media 7.875% 2032, where current pricing offers the potential for both attractive income and capital appreciation.

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.

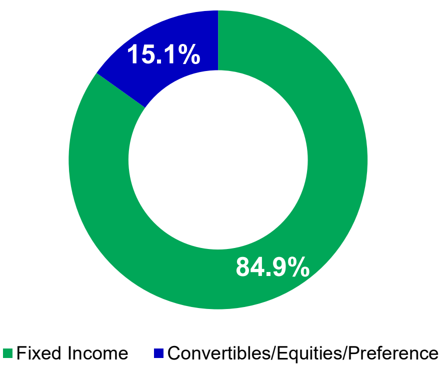
On 22 May 2026 the Board of CQS New City High Yield Fund Limited CQS announced the appointment of Darren Toner as Co-Portfolio Manager of the Company. Darren is a Senior Portfolio Manager at Manulife | CQS Investment Management, responsible for managing High Yield, Investment Grade and Financial strategies within CQS's Multi Asset Credit business. He has a deep understanding of NCHY's investment strategy and process, having worked closely with Ian "Franco" Francis for 15 years and has been closely involved in supporting Franco's management of the portfolio: identifying and assessing potential investments and in portfolio construction, particularly over the previous two-year period.

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%)[4]	Commitment Leverage (%)
CQS New City High Yield Fund Limited	113	113

Portfolio Analysis[1,5]

Breakdown by Asset Class



Top 10 Holdings (%)[1,5]

Name	(% of NAV)
SHAWBROOK GROUP 22-08/06/2171 FRN	4.41
TVL FINANCE 10.25% 23-28/04/2028 (Travelodge)	4.28
STONEGATE PUB 10.75% 24-31/07/2029	4.27
RL FINANCE NO6 23-25/11/2171 FRN (Royal London)	3.73
SHERWOOD FINAN 9.625% 24-15/12/2029 (Arrow)	3.67
CIDRON AIDA FINC 9.125% 25-27/10/2031 (Advanz Pharma)	3.44
BELLIS ACQUISITI 8.125% 24-14/05/2030 (Asda)	3.23
WHEEL BIDCO 9.875% 21-15/09/2029 (Pizza Express)	3.22
BARCLAYS PLC 22-15/12/2170 FRN	2.86
ASTON MARTIN 10.375% 24-31/03/2029	2.76
Top 10 Holdings Represent	**35.87**

Where the security is a finance and debt issuing entity, the underlying business is shown in brackets.

Asset Currency Split

Currency	(% of NAV)
GBP	75.51
USD	14.72
EUR	8.71
Other	1.05
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. **5** 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.

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