Manulife | CQS
Investment Management

For the Quarter Ending 31 December 2025

CQS New City High Yield Fund Limited

Task Force for Climate-related Financial Disclosures

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Portfolio Overview

Portfolio Name: CQS New City High Yield Fund Limited

About This Report
This report is designed to help give you information about the collective climate impact and risks of the assets held by the Fund. The content is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and complies with the specific sustainability disclosure rules of the Financial Conduct Authority (FCA) in the UK.

The Fund/Portfolio

Investment Objective
The objective of the CQS New City High Yield Fund is to provide investors with a high gross dividend yield and the potential for capital growth by investing mainly in high yielding fixed interest securities.

Policy
The Fund invests predominantly in fixed income securities, including, but not limited to, preference shares, loan stocks, corporate bonds and government stocks. The Fund also invests in equities and other income yielding securities. The Fund uses gearing and has a current limit that gearing will not exceed 25% of Shareholders' funds at the time of borrowing.

Philosophy
The Fund invests across a well-diversified range of sectors as well as interest rate durations with a good proportion in floating rate notes. It maintains a non-sterling exposure of around 30%. Revenue and dividends are topics of crucial importance and the ability of any portfolio company to pay its coupon or expected dividend is one of the major indicators we follow.

Climate-related Financial Disclosure

Climate Risk Strategy
Climate change presents both risks and opportunities to the world and to our business which can be systemic and do not exist in isolation. Our assessments of risks and opportunities are part of our fundamental review within our investment analysis; we seek to assess how policy, regulation and, where applicable, physical environmental changes may impact the companies in which we invest. Please see our TCFD Entity-level report for more information.

Climate Risk Management
The firm's Responsible Investment framework is integrated within our wider Investment Risk Framework and enables the identification, assessment and management of climate and wider ESG risks. Metrics such as significant contributors to climate change and ESG laggards are discussed alongside more traditional risk measures to ensure that the portfolios are positioned in line with the funds objectives and risk appetite. Please see our TCFD Entity-level report for more information.

Climate Risk Governance
Governance and responsible investment policy sits with the Responsible Investment Governance Committee ("RIGC"). The RIGC governs the Responsible Investment, Engagement and Shareholder Rights and Stewardship Policies, oversees the Firm's responsible investment approach, processes, systems and reporting and monitors portfolios against their responsible investment commitments and targets. Members also regularly provide insight and reporting on responsible investment and stewardship matters across the Firm. Any key issues are escalated to the Management Committee and Board as necessary. This enables further oversight and escalation with clear accountability. Please see our TCFD Entity-level report for more information.

MCQS as at 31 December 2025.

Climate Metrics

Portfolio Name: CQS New City High Yield Fund Limited

Climate Metrics	Portfolio	Data Provider	Unit of Measurement	Coverage
Scope 1 and 2 GHG Emissions	26,051	MSCI	Metric Tons	110.79 %
Scope 3 GHG Emissions	177,676	MSCI	Metric Tons	110.79 %
Total Carbon Emissions	402,157	MSCI	Metric Tons	110.79 %
Total Carbon Footprint	845	MSCI	Metric Tons per $1M AUM Contribution	110.79 %
Weighted Average Carbon Intensity	836	MSCI	Metric Tons per $1M Sales	110.79 %

MCQS as at 31 December 2025.

Scenario Analysis

Portfolio Name: CQS New City High Yield Fund Limited

Scenario Analysis	Portfolio	Data Provider	Coverage
Orderly Transition	-2.74 %	MSCI	11.86 %
Disorderly Transition	-6.71 %	MSCI	11.86 %
Hot House World	-11.88 %	MSCI	11.86 %

Scenario Analysis

To understand how physical and transition risks could affect different sectors in the future, we use climate change analysis scenarios prepared by MSCI. This covers scenarios in three categories: 'orderly', 'disorderly', and 'hot house world'. Each outlines a different possible climate pathway and its likely outcome by 2100.

Summary on how climate change is likely to impact the portfolio

The calculated cVaR considers the cumulative impact of climate change - and the impact of the policy changes that may be implemented to mitigate it - for current fund positioning out to 2100. Portfolio repositioning and potential future diversification of the underlying businesses is not considered and hence it is possible that the number may overstate any realised impact

Significant Drivers of Impact for the Portfolio

The funds mandate specifically aims to give the investor exposure to certain sectors. These sectors are particularly exposed to a range of climate risks which have the potential to adversely impact the underlying positions in a range of temperature scenarios. While physical loss is a factor, policy changes that limit business activity and the cost of transition are the primary drivers of negative value impact.

Although evolving, coverage for the portfolio is a challenge when considering temperature rise scenarios. We have continued, and will continue, to work with third party providers to improve the situation. Current modelling uses the covered portion of the fund as a proxy for the whole fund.

MCQS as at 31 December 2025.

Scenario Analysis

Portfolio Name: CQS New City High Yield Fund Limited

Key Performance Indicators	Definition
Scope 1 Greenhouse Gas Emissions (Metric Tons)	Direct GHG emissions that occur from sources that are owned or controlled by the company.
Scope 2 Greenhouse Gas Emissions (Metric Tons)	GHG emissions from the generation of purchased electricity consumed by the company.
Scope 3 Greenhouse Gas Emissions (Metric Tons)	GHG emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company.
Total Greenhouse Gas Emissions (Metric Tons)	Total scope 1, 2, and 3.
Total Carbon Footprint (Metric Tons per $1M AUM Contribution)	Total carbon emissions for a portfolio normalized by the market value of the portfolio, express in tons CO2e/$M Sales.
Weighted Average Carbon Intensity (Metric Tons per $1M Sales)	Volume of carbon emissions per million dollars of sales (carbon efficiency of a portfolio), expressed in tons CO2e/$M sales.
Orderly transition	Scenarios assume climate policies are introduced earlier and gradually become stricter. In this scenario, worldwide GHG emissions will reach net zero by 2050, and there is a higher likelihood that global warming is likely to be less than 2°C higher than pre-industrial levels. There are two key transition objectives: to Significantly reduce the GHG emissions from the global energy sector (known as decarbonisation) by shifting from burning fossil fuels to using renewable energy, and to electrify energy usage in high carbon-emitting sectors.
Disorderly transition	Scenarios assume climate policies are delayed until after 2030. Because the shift from fossil fuels to renewables remains slow and climate policies are implemented later, with emissions continuing to rise in the meantime, the transition would need to happen from a higher emissions level over a shorter period of time to limit global warming below 2°C. A sharper transition would be less coordinated, more complex and more costly. Physical risks would also be higher than in an Orderly transition.
Hot house world	Scenarios assume that current policies stay the same. Paris Agreement commitments aren't met, and emissions and temperatures continue to rise. This causes severe physical risks, as well as social and economic disruptions. In these scenarios, the temperature will rise to over 3°C by 2100.

MCQS as at 31 December 2025.

Important information

Carbon Metrics are estimated using scope 1, 2 and 3 available disclosures or proxy estimates based on comparative data from MSCI. For proxy estimates, we apply a waterfall approach which requires a minimum of 10 issuers within the proxy estimate group. If there are not 10 issuers in the proxy estimate group, it changes to a broader category group to increase the number of comparable issuers and continues moving to a broader group until a minimum group size of 10 issuers are obtained or 'sector' level is reached. The order is sub-industry first, then industry, then industry group, then finally sector. Where MSCI data is stale or the proxy estimate is not an appropriate reflection of the issuer, we may implement a carbon emission override to report an issuer's most recent publicly available carbon data or use a more appropriate comparator (using MSCI data) as a proxy estimate. Please note that the WACI score does not include hedges for efficient portfolio management purposes.

Weighted Average Carbon Intensity uses Sales, rather than Revenue, in its calculation methodology in line with our data provider, MSCI.

Carbon Footprint and Absolute Carbon Emissions use EVIC (Enterprise Value Including Cash) in their calculation methodology. Prior to 29 December 2023, CQS used Market Cap in the calculation methodology of these metrics. We changed our methodology to align with industry standard as coverage of the metric had improved.

Reported Emissions Coverage is calculated as a percentage of Fund NAV, excluding ABS and Cash. We use a proxy estimate, sourced from MSCI, where emissions are not reported to increase our coverage to 100%, excluding ABS and Cash.

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