Manulife | CQS
Investment Management

Investor Report

September 30, 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	£391.8m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 47.53p Bid-Market Price: 50.50p
Dividend Yield (est.)	8.95%
Gearing	12.62%
Premium (Discount)	6.25%
Ordinary Shares in Issue	729,551,858
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 1.52 paid 28 August 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	-0.63	1.07	7.32	35.50	41.47	102.23
Share Price	0.00	0.45	6.95	35.97	41.23	99.09

Commentary[3]

The UK economy remained under pressure in September, with inflation having risen to 3.1% in August. Weakening economic growth and softer business confidence leave the Bank of England in a difficult position, balancing the need to keep inflation under control against placing further pressure on private sector businesses. Higher energy prices continue to weigh on growth and increase business costs, while households are also facing higher borrowing costs. Concerns around job security are at their highest level for three and a half years, while access to credit has become more difficult, leading to increasingly cautious consumer spending. The prospect of higher domestic energy costs in October adds further pressure to the outlook.

The first Budget under the new government will therefore be important in setting the direction for the UK economy. Attention will be focused on the balance between measures intended to support economic growth and the potential for further tax and spending changes. With a number of previously announced tax increases not taking effect until April next year, the full impact on households and businesses has yet to be felt.

Europe is also experiencing inflationary pressure linked to the conflict in the Middle East, although stronger economic growth provides some encouragement. Both manufacturing and services have strengthened, with momentum expected to continue into the fourth quarter. Germany has moved out of its recent manufacturing weakness, supported by defence spending and investment in AI, with the improvement also feeding through into services and providing a more broad-based growth backdrop. Against this environment, the likelihood of an interest rate increase from the ECB has risen, potentially as soon as October.

The United States economy continued to grow strongly, with output growth at its fastest pace in more than five years and strength evident across both manufacturing and services. However, supply chain bottlenecks and shortages of suitably qualified workers are becoming more apparent. While these developments present a potential source of future inflationary pressure, they may also encourage increased capacity and output over the medium term. Manufacturing sentiment remained stronger than in services, where businesses cited cost-of-living pressures, higher borrowing costs and political uncertainty. The outlook remains closely linked to developments in the Middle East and their broader implications for inflation and economic activity.

For the Company's portfolio, September was a busier month, with participation in three new issues: Rathbones 8.125% 2036, SoftBank Group 7.125% 2030 and the refinancing of PureGym through a new 8% 2032 bond. Additions were made to Arqiva 8.625% 2030, CPI Property 8.875% Perpetual, Deutsche Pfandbriefbank 8.474% Perpetual and Virgin Media 7.875% 2032. New holdings were also opened in Pachelbel Bidco 7.125% 2031, an Italian education business, and Rathbones equity, which was considered attractive following the bond issue.

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.

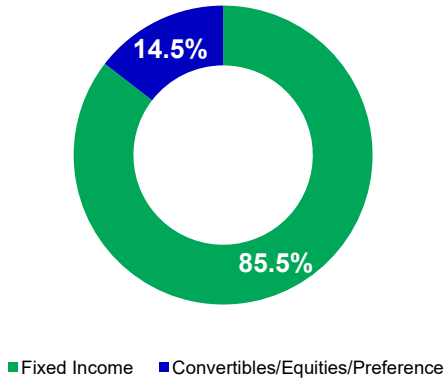
On 22 May 2026 the Board of CQS New City High Yield Fund Limited CQS announced the appointment of Darren Toner as Co-Portfolio Manager of the Company. Darren is a Senior Portfolio Manager at Manulife | CQS Investment Management, responsible for managing High Yield, Investment Grade and Financial strategies 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	4.23
STONEGATE PUB 10.75% 24-31/07/2029	4.09
TVL FINANCE 10.25% 23-28/04/2028 (Travelodge)	4.08
SHERWOOD FINAN 9.625% 24-15/12/2029 (Arrow)	3.50
RL FINANCE NO6 23-25/11/2171 FRN (Royal London)	3.49
CIDRON AIDA FINC 9.125% 25-27/10/2031 (Advanz Pharma)	3.38
BELLIS ACQUISITI 8.125% 24-14/05/2030 (Asda)	3.15
WHEEL BIDCO 9.875% 21-15/09/2029 (Pizza Express)	3.06
BARCLAYS PLC 22-15/12/2170 FRN	2.67
FRONTLINE PLC	2.61
Top 10 Holdings Represent	**34.27**

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

Asset Currency Split

Currency	(% of NAV)
GBP	73.82
USD	14.35
EUR	10.89
Other	0.95
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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