

CQS New City Global Equity

Key Fund Facts

Portfolio Manager
Raphael Pitoun

Legal Structure
UCITS

Domicile
Ireland

Reference Currency
USD

Share Classes
EUR, GBP, USD, CHF

AUM
Firm: \$17.7bn¹
Fund: \$111m²

Risk and Reward Profile



Registered
Ireland

Fund Launch Date
9 May 2019

Depository
State Street Custodial Services
(Ireland) Limited

Administrator
State Street Custodial Services
(Ireland) Limited

Auditor
Ernst & Young

Dealing Frequency Subscriptions
Daily by 1pm Dublin time



Raphael Pitoun
Portfolio Manager

Performance Summary²

The performance during June 2019 of the CQS New City Global Equity Fund (share class F USD) was 5.78% bringing YTD performance (since inception 9 May 2019) to 4.11%.

Investment Commentary

While investors continue to focus on global trade relationships and geopolitical tensions, the transformation taking place in the corporate world continues to accelerate. Beyond any other macro consideration, we believe that the shift to digital has the potential to considerably resize and redistribute the profit pool in most industries.

In this month's comments we discuss one of our investments, Nike, which is a well-known example of how digital is disrupting a traditional industry.

Last month, Nike announced spectacular development in digital which, we believe, will increase its effectiveness as a distribution channel. Digital as a source of revenue grew 35% year on year and in our view the company has started to create a formidable ecosystem with 170 million people now part of Nike Plus. Interestingly, the Nike App is still not present in China and many other EMEA markets and therefore has the potential to bring in hundreds of millions more customers. The Nike SNEAKRS App now represents 20% of the company's digital footwear business. As one of the last barriers to be lifted before becoming a pure digital company, Nike is now ready to roll out Nike Fit, another mobile app which will scan the customer's foot and determine the right shoe size, hence limiting post purchase returns.

On the production side, digital enables Nike to roll out their products from design to market much faster (with the company pledging to halve the amount of time taken to get products to market). This is alongside the generalised implementation of radio frequency identification systems to help the company control its inventory. Innovations such as these improve how the company is run, both through a better understanding of demand and through piloting supply more effectively.

At no point in recent years has Nike been so distant from traditional retailers, which were once the cornerstone of their development; retailers were barely mentioned during the one-hour earnings conference call.

Over the last few months, we have also looked at the importance of e-commerce platforms for luxury goods. The strategic equation is much more complex for them when compared to Nike. In our view, only companies with a long-term priority to preserve the brand will be in a position to succeed. As you might know, we are highly conscious of the difficulties inherent in finding sustainable consumer brands in the long run, and we intend to limit our exposure to a few exceptional companies only.

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD Unhedged	5.78				4.11	104.111
MSCI World TR US ³	6.59				3.14*	-
F EUR	5.55				3.74	103.735
F EUR Unhedged	3.91				2.67	102.666
F GBP Unhedged	5.26				6.68	106.677
I USD	5.74				4.04	104.037
I EUR	5.53				3.69	103.690
I EUR Unhedged	3.88				2.61	102.612
I GBP	5.57				3.75	103.750
I GBP Unhedged	5.22				6.61	106.608

Source: CQS. Please refer to the important information section for sources relating to relevant footnotes. The Fund may have since exited some/all of the positions detailed in the above commentary. All market data sourced from Bloomberg. ³MSCI since CQS New City Global Equity Fund's inception 9 May 2019.

All investors should ensure that they have received and read the latest Offering Documentation and Pre-Investment Disclosure document which is available from CQS at clientservice@cqsm.com

About CQS

CQS is a multi-strategy asset manager founded by Sir Michael Hintze in 1999 and now has \$17.7bn¹ in funds under management. CQS is headquartered in London and has a presence in key global markets.

Fund Description

- Long-only global equities fund with a disciplined, specialist and repeatable process
- Investing in a concentrated portfolio of 20-25 companies listed in the OECD and with a market cap above \$3bn²
- Selection of exceptional companies in terms of quality, growth and predictability
- Targeting 12-15% return p.a. over a full cycle⁴

Investment Philosophy

- Strategy based on the core belief that a small group of performers create the majority of economic value
- Selection of distinctive business models based on customer focus, product and delivery as opposed to brands
- These companies usually combine a high level of innovation and excellent business organisation
- Inclusion of ESG criteria provides an analysis framework to identify sustainable, long term growth

Investment Process

Long term strategy based on an in-depth analysis of each company

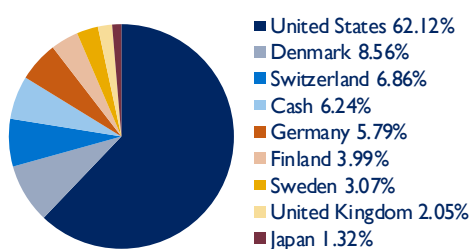
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover approach

Risks Involved

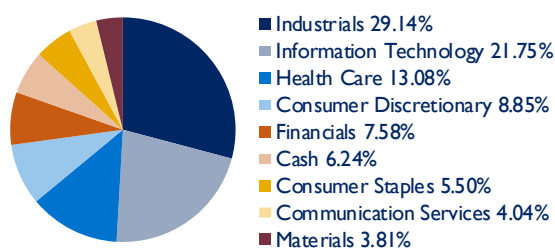
- Investments in global equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 5}

Region (% of NAV)



Industry (% of NAV)



TOP 5 HOLDINGS (Alphabetical Order)^{2,5}

Name	Sector
Abbott Labs	Healthcare
Coloplast-b	Healthcare
Mastercard Inc	Financials
Rollins Inc	Industrials
Xylem Inc	Industrials

Source: CQS. Please refer to the important information section for sources relating to relevant footnotes.

Key Fund Facts

(continued)

Management Fee

- F: 0.35% p.a.
- I: 0.75% p.a.
- A: 1.50% p.a.
- S: 0.50% p.a.

Minimum Investment Size

- F: €1m or currency equivalent
- I: €1m or currency equivalent
- A: €35,000 or currency equivalent
- S: €30m or currency equivalent

Ongoing Charges/Expenses

- 0.25% (all share classes)

SECURITY NUMBERS

ISIN

F USD*	IE00BJ320L65
F EUR:	IE00BJ320G13
F EUR*:	IE00BJ320F06
F GBP*:	IE00BJ320H20
I USD:	IE00BJ320Q11
I EUR:	IE00BGVIK036
I EUR*:	IE00BJ320M72
I GBP:	IE00BJ320P04
I GBP*:	IE00BJ320N89

*Unhedged share classes

Bloomberg

F USD*:	CQGEFUH
F EUR:	CQGEFEH
F EUR*:	CQGEFEU
F GBP*:	CQGEFGU
I USD:	CQGEIUU
I EUR:	CQGEIEH
I EUR*:	CQGEIEU
I GBP:	CQGEIGH
I GBP*:	CQGEIGU

*Unhedged share classes

REPORTING

Investor Report
Monthly Factsheet

Fiscal Year-End

30 June

PORTFOLIO CHARACTERISTICS

Expected Number of Positions
20 - 25

Maximum Single Issuer Concentration

10% (UCITS 5/10/40 limit)

IMPORTANT INFORMATION:

Source: ¹CQS estimated as at 1 July 2019. ²CQS and Bloomberg as at 28 June 2019. ³The MSCI world index Indices are total return The MSCI world index, which is part of The Modern Index Strategy, is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI world index does not offer exposure to emerging markets. ⁴Target returns are estimated and gross of anticipated fees, expenses and income reinvested. A client's return will be reduced by these fees and other expenses incurred by the management of the fund. They are based on long-term performance projections of the investment strategy and market conditions at the time of modelling and are therefore subject to change. There is no guarantee that any target return can be achieved. Investors should not place any reliance on such target return in deciding whether to invest in the Fund. Target returns are for illustrative purposes only. ⁵Actual allocations at month-end. There is no guarantee that the Fund will invest in this way at all or do so in the same manner as set forth in this factsheet. Figures may not sum to 100 due to rounding. Past performance may not be a reliable guide to future performance. The value of investments can go down as well as up. Please read the important legal notice at the end of this document.

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CQS has offices in London, New York, Hong Kong and Sydney. Our investors include pension funds, insurance companies, sovereign wealth funds, funds of funds, endowments and foundations, and private banks.

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