

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: \$17.4bn¹
Fund: \$126m²

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 July 2019 of the CQS New City Global Equity Fund (share class F USD) was -0.12% bringing YTD performance (since inception 9 May 2019) to 3.98%.

Investment Commentary

Due to low liquidity and so-called elevated equity multiples, volatility increased significantly on earnings day for many companies. These particular developments were relevant to our long term view.

- Live Nation continues to execute on its business strategy. The company increased its guidance regarding revenue per fan, which is one of its key long-term growth drivers. For the first time, they also disclosed positive numbers regarding growth in ticket revenue for artists outside the top 100, +32%, progressively broadening the number of bankable artists. Finally, they announced an interesting acquisition in Latin America where live music enjoys strong growth, and where synergies with US based artists are important.
- Abbott published very solid numbers, driven by breakthrough products Libre and Mitraclip. Organic growth was up 7.5%, worthy of note for a company of this size. Interestingly, Management believes that Libre, the glucose monitoring product, could reach USD5bn in sales over a reasonable timeframe and that this kind of device could be used in other categories beyond diabetes. Competition has been growing in this particular market but we believe that Abbott benefits from several cost advantages.
- Rollins has published disappointing sales and profitability for the second quarter. The company blamed weather-related issues, which were broadly confirmed by peers. Management also flagged further investments in the workforce to guarantee satisfactory level of retention and employee satisfaction. It is also important to monitor a potential toughening of the competitive landscape in the US.
- Kone is reportedly considering the acquisition of ThyssenKrupp's elevator business. The market reacted positively to the news, anticipating a deal with strong synergies. In our view, the deal comes with significant execution risk related, notably, to the strong unionisation of the target's workforce. The risk of cultural shock and poor execution is high.
- From a top-down perspective, we believe that the concentration of profits in a limited number of companies will accelerate, not only among digital businesses, but also in sectors like healthcare. This leads us to be highly cautious regarding the quality of the businesses we invest in. Particular topics of attention are the transparency of the business practises (think about hospitals in the US), data and privacy issues (think about the Federal Trade Commission and Facebook) as well as monopolistic behaviours (think about Alphabet). These risks are typical of negative externalities, which are at the core of our ESG analysis: does the product create value for the client? What contribution does it make to society?

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD Unhedged	-0.12				3.98	103.983
MSCI World TR USD ³	0.50				3.65*	-
F EUR	-0.42				3.30	103.302
F EUR Unhedged	2.53				5.25	105.251
F GBP Unhedged	4.28				11.22	111.217
F GBP**	-1.64				-1.64	98.362
I USD	-0.16				3.87	103.868
I EUR	-0.45				3.22	103.220
I EUR Unhedged	2.50				5.17	105.165
I GBP	-0.26				3.48	103.476
I GBP Unhedged	4.25				11.11	111.108

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. *MSCI since CQS New City Global Equity Fund's inception 9 May 2019. **F GBP launched 17 July 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 \$17.4bn¹ 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

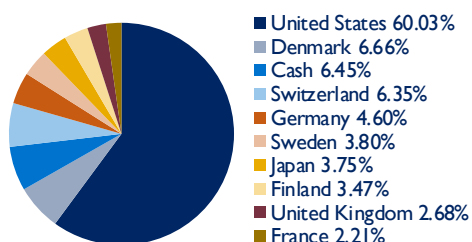
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover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

Risks Involved

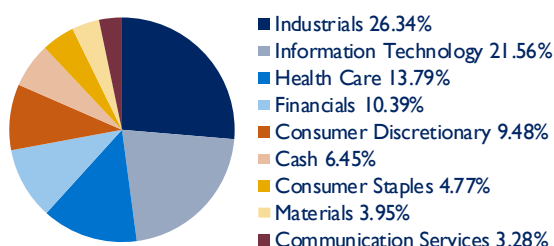
- Investments in global equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 5}

Region (% of NAV)



Industry (% of NAV)



Average market capitalisation

	(\$bn)
Portfolio	55

Ownership in portfolio's companies

	Average (%)	Minimum (%)	Maximum (%)
Portfolio	0.02	0.00	0.06

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

Name	Sector
Abbott Labs	Healthcare
CME Group Inc	Financials
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
F GBP:	IE00BJ320J44
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
F GBP:	CQGEFGH
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 August 2019. ²CQS and Bloomberg as at 31 July 2019. ³The MSCI World Index is a broad-based global equity index that represents large and mid-cap equity performance across 23 developed market countries. It covers approximately 85% of the free-float adjusted market capitalisation in each country and 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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