

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: \$17.3bn¹
Fund: \$92m²

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 May 2019 (since inception on 9th May 2019) of the CQS New City Global Equity fund (share class F USD) was (1.57%) vs the MSCI World TR benchmark which was (3.23%).

Investment Commentary

The trade dispute between China and the USA has now moved to the centre of market discussion and debate, with optimists and alarmists disputing the potential consequences of recent tariffs in equal measure. The situation is very dynamic but regardless, there are a number of preliminary conclusions that can be drawn from an investment perspective:

- Firstly, in our view large companies should be favoured by investors in the current environment, as scale enables businesses to adapt their sourcing and to access both raw and specific materials from different geographic areas.
- However, whilst size is important, the key differentiator when assessing which businesses are likely to prevail in the current environment is pricing power. There are a number of industries, characterised by a high level of concentration and, critically, product differentiation where companies have sufficient freedom to share the burden of tariffs with clients. For many companies in the portfolio the cost is, nevertheless, marginal. For those businesses with the right product and manufacturing set, it will amount to only a few million dollars, substantially less than 'price-taking' businesses or those with poor volume elasticity (such as washing machine producers or commodities companies).
- In addition, the implementation of internal policies, such as Chinese cuts in income tax levels and monetary policy measures, are starting to go some way to offset the impact of tariffs and (at least in the case of China) to compensate for the slowdown in external trade. It is hard to imagine that a company such as Estee Lauder, with first quarter revenue growth of +30%, is too unhappy with the current status quo. Going further, many of the companies we consider for investment may actually find themselves in something of a sweet spot only mildly suffering from tariffs while benefiting from internal economic measures.

Performance Summary²

Share Class	1 Month Return* (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD Unhedged	(1.57)					98.426
MSCI World TR US	(3.23)					-
F EUR	(1.72)					98.283
F EUR Unhedged	(1.20)					98.801
F GBP Unhedged	1.35					101.348
I USD	(1.61)					98.387
I EUR	(1.75)					98.254
I EUR Unhedged	(1.22)					98.778
I GBP	(1.73)					98.274
I GBP Unhedged	1.32					101.316

Source: CQS. *1 month return figures refer to performance since 9 May 2019 (Fund launch date). 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.

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 \$17.3bn¹ 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 cycle³

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

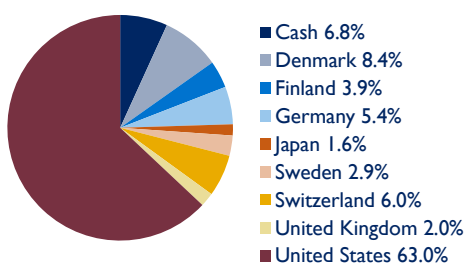
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover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

Risks Involved

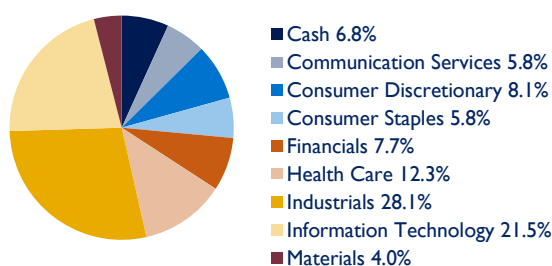
- Investments in global equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 4}

Region (% of NAV)



Industry (% of NAV)



TOP 5 HOLDINGS (Alphabetical Order)^{2, 4}

Name	Sector
Abbott Labs	Healthcare
CME Group Inc.	Financials
Live Nation Entertainment Inc.	Communication Services
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 June 2019. ²CQS and Bloomberg as at 31 May 2019. ³Target 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. ⁴Actual 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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