

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: \$18.0bn¹
Fund: \$131m²

Risk and Reward Profile



Registered
Ireland

Fund Launch Date
9 May 2019

Depositary
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 September 2019 of the CQS New City Global Equity Fund (share class F USD) was -0.35% bringing YTD performance (since inception 9 May 2019) to 3.19%.

Investment Commentary

At the start of September, the relative performance of the Fund was tainted by a shift towards indebted and highly cyclical stocks. The following Company developments are worth mentioning:

Nike delivered another impressive quarter and continues to execute on its business strategy. The sell-out of new products remains strong and, in our view, the direct-to-consumer strategy supports gross margin. We note that growth in China accelerated versus the previous quarter, and the company is optimistic regarding the potential impact of tariffs.

We attended the investor day of Kone in China, where we expect the company to continue to outgrow the market by converting more and more clients to its digital maintenance offering. This should also contribute to more recurring revenues in the mix of sales.

The CEO of Live Nation spoke at a bank conference. He underlined the progress made by the company regarding the risk of ticketing regulation. We believe the company will be part of the solution, and not the problem, of the controversies surrounding ticketing practices and pricing.

Ansys also held its investor day in Pittsburgh. The Company rides on the back of various secular trends that should boost revenues in the coming years – these include electrification, 5G and autonomous vehicles. This was also illustrated by the decision of some German car manufacturers to increase investments in EV. In our view, simulation software companies such as Ansys or Dassault Systèmes will benefit from this trend.

Accenture published its quarterly results, which continue to show resilience. We were particularly attentive to the comments regarding the Utilities sector and its increasing investment in the digitalisation of the value chain. We think it bodes well for Xylem.

In the Online Travel Agency sector, the bankruptcy of Thomas Cook might be a positive as consumers increasingly lose confidence in tour operators. In parallel, it was interesting to see Expedia and Marriott sign an important agreement whereby Expedia will manage the wholesale rates of Marriott. Historically, the relationships between OTA and large hotel chains have been conflictual.

Finally, the Democrat candidate Elizabeth Warren sent a letter to the SEC in order to alert the regulator of potential conflicts of interest between issuers and rating agencies.

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD Unhedged	-0.35	-0.88			3.19	103.192
MSCI World TR USD ³	2.13	0.53			3.69*	-
F EUR	-0.56	-1.60			2.08	102.077
F EUR Unhedged	0.49	3.40			6.15	106.152
F GBP Unhedged	-1.43	2.34			9.15	109.147
F GBP**	-0.53	N/A**			-2.74	97.263
I USD	-0.38	-1.00			3.00	102.996
I EUR	-0.60	-1.70			1.93	101.927
I EUR Unhedged	0.46	3.31			6.00	105.998
I GBP	-0.58	-1.47			2.22	102.219
I GBP Unhedged	-1.47	2.22			8.95	108.946

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. ^{**}F GBP launched 17 July 2019.

About CQS

CQS is a multi-strategy asset manager founded by Sir Michael Hintze in 1999 and now has \$18.0bn¹ 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

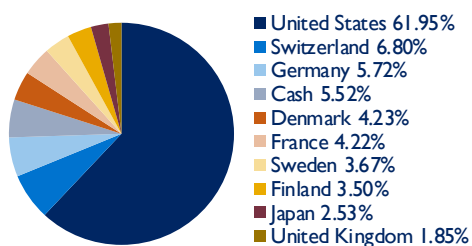
- Step 1: Quantitative screening based on multiple criteria including track record and growth
- Step 2: Deep dive into the company's products and services, business model, competitive advantages and sustainability
- Step 3: Portfolio construction largely based on valuation aspects with a low turnover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

Risks Involved

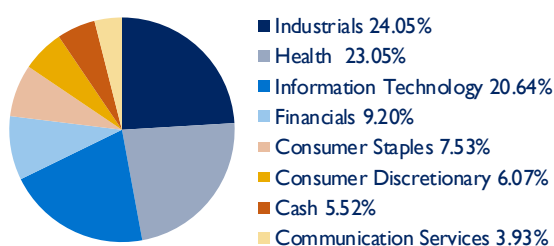
- Investments in global equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 5}

Region (% of NAV)



Industry (% of NAV)



Average market capitalisation

	(\$bn)
Portfolio	63

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 October 2019. ²CQS and Bloomberg as at 30 September 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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