

## 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: \$18.7bn<sup>1</sup>  
Fund: \$136m<sup>2</sup>

## 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



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](mailto:clientservice@cqsm.com)



**Raphael Pitoun**  
Portfolio Manager

Performance Summary<sup>2</sup>

The performance during November 2019 of the CQS New City Global Equity Fund (share class F USD) was 1.80%, bringing YTD performance (since inception 9 May 2019) to 8.18%.

## Investment Commentary

The software sector was strong in November, with Ansys, Dassault Systemes and Nemetschek amongst the best performers. The industry might benefit from better protection of IP rights in China; the country is a very small percentage of worldwide revenues for many software makers given the prevalence of piracy. We attended the Dassault investor day in New York, in our view, the strategic rationale behind the recent acquisition of Medidata looks convincing. Ansys' Q3 results beat expectations and the company continues to effectively deploy its strategy of expanding its addressable market and increasing the size of its contracts.

In healthcare, Straumann was a good performer, continuing the rally which started with the publication of Q3 earnings. Many healthcare stocks performed well towards the end of the month as Democrat candidate Elizabeth Warren unveiled her healthcare plan. The objective remains 'Medicare-For-All', but the change would be progressively implemented. In addition, the polls have recently become less favourable to Warren which has also supported the shares of UnitedHealth. Idexx lost some ground despite the absence of negative news. The share price might not be helped by recent market sentiment which favours more leveraged and economically sensitive business models.

Live Nation recovered most of its post-result losses as the company reassured on its outlook with advanced bookings up comfortably versus the same period last year. We also view the acquisition of Stubhub by Viagogo as a positive which contributes to crystallise value for TicketMaster at solid valuation multiples. The new entity should not be a serious threat to Live Nation's ticketing business, as the latter benefits from its integration with the group's concert promotion, sponsorship and advertising businesses.

Booking Holdings was penalised by some scepticism regarding the online-travel-agent market as competition from Google continues to increase. Many of the company's peers suffered from higher client acquisition costs and therefore the multi-year strategy of Booking to get direct access to clients becomes an important differentiating factor.

We attended the investor day of SGS in China and Taiwan. It was the first investor day with the new CFO Dominik de Daniel, who delivered a credible presentation on moving to a more performance-driven, EVA-based management system. His ambition is to turn around 150 value-destroying businesses representing 8% of group revenues. In our view, some uncertainty remains on the ease of execution of the plan.

Performance Summary<sup>2</sup>

Share Class	1 Month Return (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD Unhedged	1.80	4.47	9.91		8.18	108.183
MSCI World TR USD <sup>3</sup>	2.79	7.64	12.95		9.30*	-
F EUR	1.63	3.78	8.40		6.54	106.539
F EUR Unhedged	3.04	4.21	11.42		10.08	110.084
F GBP Unhedged	1.93	(1.69)	7.42		8.87	108.866
F GBP**	1.71	3.98			1.68	101.678
I USD	1.78	4.36	9.67		7.91	107.905
I EUR	1.60	3.68	8.20		6.31	106.313
I EUR Unhedged	3.01	4.13	11.23		9.87	109.866
I GBP	1.68	3.85	8.65		6.78	106.776
I GBP Unhedged	1.91	(1.80)	7.18		8.59	108.588

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. <sup>3</sup>MSCI since CQS New City Global Equity Fund's inception 9 May 2019. <sup>\*\*</sup>F GBP launched 17 July 2019.

Signatory of:



### About CQS

CQS is a multi-strategy asset manager founded by Sir Michael Hintze in 1999 and now has \$18.7bn<sup>1</sup> 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 \$3bn<sup>2</sup>
- Selection of exceptional companies in terms of quality, growth and predictability
- Targeting 12-15% return p.a. over a full cycle<sup>4</sup>

### 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

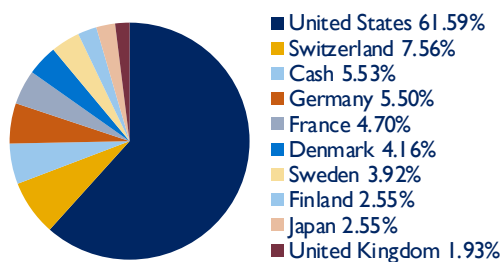
- Step 1: Quantitative screening based on multiple criteria including track record and growth
- Step 2: Deep dive into the company's products and services, business model, competitive advantages and sustainability
- Step 3: Portfolio construction largely based on valuation aspects with a low turnover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

### Risks Involved

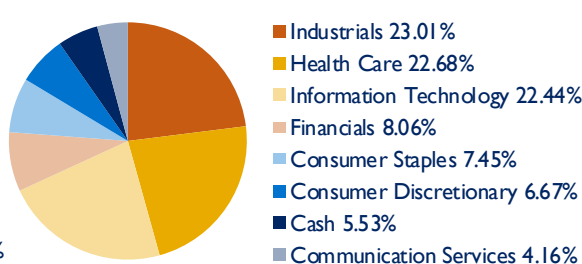
- Investments in global equities are primarily subject to equity and foreign exchange risk

### PORTFOLIO ANALYSIS<sup>2, 5</sup>

#### Region (% of NAV)



#### Industry (% of NAV)



#### Average market capitalisation

	(\$bn)
Portfolio	67

#### Ownership in portfolio's companies

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

### TOP 5 HOLDINGS (Alphabetical Order)<sup>2,5</sup>

Name	Sector
Abbott Labs	Healthcare
Dassault Systemes SA	Technology
Mastercard Inc	Financials
Straumann	Healthcare
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: <sup>1</sup>CQS estimated as at 2 December 2019. <sup>2</sup>CQS and Bloomberg as at 29 November 2019. <sup>3</sup>The 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. <sup>4</sup>Target 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. <sup>5</sup>Actual 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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