

CQS New City North American Equity

Key Fund Facts

Portfolio Manager
Raphael Pitoun

Legal Structure
UCITS

Domicile
Ireland

Reference Currency
USD

Share Classes
EUR, GBP, USD, CHF

AUM
Firm: \$18.7bn¹
Fund: \$33m²

Risk and Reward Profile



Registered
Ireland

Fund Launch Date
4 November 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 November 2019 of the CQS New City North American Equity Fund (share class F USD) was 3.81%, bringing YTD performance (since inception 4 November 2019) to 3.81%.

Investment Commentary

The software sector was strong last month with Ansys among the best performers. 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. 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.

Alongside other healthcare stocks, UnitedHealth 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. Also the polls have recently become less favourable to Warren which has supported the positive share price trend. 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.

Performance Summary²

Share Class	1 Month Return* (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD	3.81				3.81	103.809
S&P 500 TR USD ³	2.25				2.25**	
F GBP	3.49				3.49	103.487
F GBP Hedged	3.74				3.74	103.743
F EUR	4.85				4.85	104.846
F EUR Hedged	3.67				3.67	103.666
F CHF Hedged	3.65				3.65	103.650
I USD	3.78				3.78	103.780
I GBP	3.45				3.45	103.446
I GBP Hedged	3.71				3.71	103.709
I EUR	4.82				4.82	104.824
I EUR Hedged	3.64				3.64	103.644

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. *since inception, 4 November 2019. **S&P 500 TR since CQS New City North American Equity Fund's inception 4 November 2019.

Signatory of:



About CQS

CQS is a multi-strategy asset manager founded by Sir Michael Hintze in 1999 and now has \$18.7bn¹ in funds under management. CQS is headquartered in London and has a presence in key global markets.

Fund Description

- Long-only equities fund with a disciplined, specialist and repeatable process
- Investing in a concentrated portfolio of 20-25 companies listed in North America 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

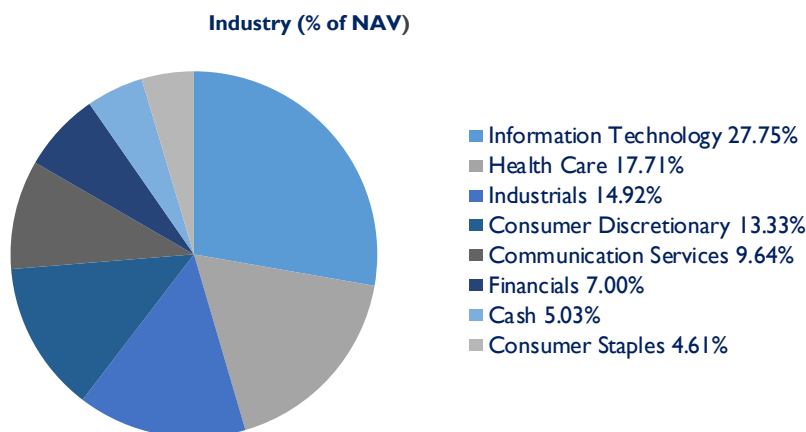
Long term strategy based on an in-depth analysis of each company

- *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 North American equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 5}



Average market capitalisation

	(\$bn)
Portfolio	137

Ownership in portfolio's companies

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

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

Name	Sector
Abbott Labs	Healthcare
Ansys	Information Technology
Live Nation	Communication Services
Nike	Consumer Discretionary
Xylem	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.

Minimum Investment Size

- F: €1m or currency equivalent
- I: €1m or currency equivalent

Ongoing Charges/Expenses

- 0.25% (all share classes)

SECURITY NUMBERS

ISIN

F USD:	IE00BK6SBM68
F GBP:	IE00BK6SBP99
F GBP*:	IE00BK6SBQ07
F EUR:	IE00BK6SBN75
F EUR*:	IE00BKTN2581
F CHF*:	IE00BKRVVWF78
I USD:	IE00BK6SBR14
I GBP:	IE00BK6SBV59
I GBP*:	IE00BK6SBV66
I EUR:	IE00BK6BS21
I EUR*:	IE00BK6SBT38

*Hedged share classes

Bloomberg

F USD:	CQNAFUU
F GBP:	CQNAFGU
F GBP*:	CQNAFGH
F EUR:	CQNAFEU
F EUR*:	CQNAFEH
F CHF*:	CQNAFCH
I USD:	CQNAIUU
I GBP:	CQNAIGU
I GBP*:	CQNAIGH
I EUR:	CQNAIEU
I EUR*:	CQNAIEH

*Hedged 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 2 December 2019. ²CQS and Bloomberg as at 29 November 2019. ³The S&P 500, or just the S&P, is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States. It is one of the most commonly followed equity indices, and many consider it to be one of the best representations of the U.S. stock market. 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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PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact.

About CQS New City Equity

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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.

CQS (UK) LLP

4th Floor, One Strand
London WC2N 5HR
United Kingdom
Tel: +44 (0) 20 7201 6900
Fax: +44 (0) 20 7201 1200

CQS (US), LLC

152 West 57th Street
40th Floor
New York
NY 10019
United States
Tel: +1 212 259 2900
Fax: +1 212 259 2699

CQS (Hong Kong) Limited

16th Floor, 8 Queens Road
Central
Hong Kong
China
Tel: +852 3920 8600
Fax: +852 2521 3189

CQS Investment Management (Australia) Pty Limited

Level 13
1 Margaret Street
Sydney
NSW 2000
Australia
Tel: +61 2 8294 4180

clientservice@cqsm.com
www.cqs.com