

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: \$19.4bn¹
Fund: \$35m²

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



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



Raphael Pitoun
Portfolio Manager

Performance Summary²

The performance during December 2019 of the CQS New City North American Equity Fund (share class F USD) was 2.47%, bringing YTD performance (since inception 4 November 2019) to 6.37%.

Investment Commentary

Nike took advantage of the announcement of a trade agreement between the US and China as well as the publication of sound results. The company continues to deliver on its online strategy. The successful relaunch of the Jordan brand also contributed to the good quarter.

Live Nation's stock was volatile during the month with a showdown on an old matter: the 10-year consent decree of the merger of Live Nation with Ticketmaster that was about to expire. News flourished that Live Nation were violating the agreement, something we perceive as a major risk for the company. Just on time before Christmas, a new deal was reached with the U.S. Department of Justice, which extended the merger agreement by five years. The deal included no fine, a requirement for a dedicated compliance function at Live Nation and presumably some clarification on what it means to 'bundle' ticketing and concert promotion without 'threatening' the venue. This agreement bolsters our confidence in Live Nation's growth trajectory in the US and abroad.

United Health organised its annual investor day. The company focused on its growth prospects in Medicare Advantage as well as in RX scripts. Later on in December the company announced the acquisition of a small competitor in the pharmacy benefit manager business. This adds scale to the business and might be quickly accretive.

Booking Holdings was helped by the strength of the euro and market appetite for US stocks exposed internationally. Investors also seem to better understand the unique positioning of Booking vis a vis Google.

In the industrial sector, the rotation towards more economically sensitive stocks continued with Graco and Rollins respectively outperforming and underperforming the portfolio.

Performance Summary²

Share Class	1 Month Return* (%)	3 Month Return (%)	6 Month Return (%)	12 Month Return (%)	YTD Return (%)	NAV/Share
F USD	2.47				6.37	106.373
S&P 500 TR USD ³	3.02				5.34**	
F GBP	0.00				3.49	103.486
F GBP Hedged	2.30				6.12	106.124
F EUR	0.66				5.53	105.534
F EUR Hedged	2.18				5.93	105.931
F CHF Hedged	2.12				5.85	105.849
I USD	2.44				6.31	106.315
I GBP	-0.05				3.40	103.397
I GBP Hedged	2.25				6.05	106.046
I EUR	0.63				5.49	105.485
I EUR Hedged	2.16				5.88	105.883

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 \$19.4bn¹ 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

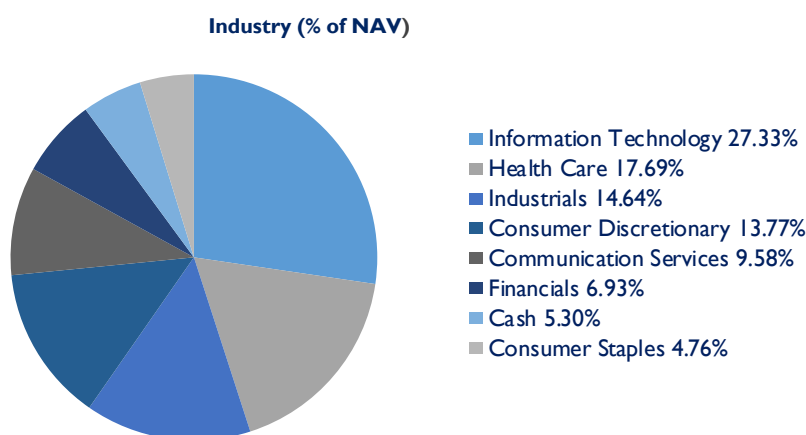
Long term strategy based on an in-depth analysis of each company

- *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	142

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 Inc	Information Technology
Live Nation Entertainment Inc	Communication Services
Nike Inc	Consumer Discretionary
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.

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*:	IE00BKRWWVF78
I USD:	IE00BK6SBR14
I GBP:	IE00BK6SBV59
I GBP*:	IE00BK6SBV66
I EUR:	IE00BK6SBS21
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 January 2020. ²CQS and Bloomberg as at 31 December 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