

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: \$19.7bn¹
Fund: \$36m²

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

Investment Commentary

January was driven by the start of the earnings season, political developments (particularly related to the US election) and fears around the coronavirus. On balance, the earnings season started positively with most companies taking stock of the stabilisation of the economy.

Rollins published solid results and announced a new acquisition at the end of the month. The company's business model seems to be on track again after a year marked by heavy investments. Mastercard and Visa continued to deliver good results and although Visa was hurt by higher marketing incentives, this is also a sign that contract renewals are going smoothly. Abbott had another great quarter, driven by innovation and a positive outlook for 2020. Automatic Data Processing ('ADP') was, overall, more disappointing. This was driven primarily by the international business which has always been a pain point for ADP.

On the US election side, it was noticeable that nervousness has started to build up regarding healthcare. The prospect of a good score for either B. Sanders or E. Warren in the first democratic primaries increases the risk premium for businesses particularly sensitive to further regulation. UnitedHealth was typically affected by this development. We note that the Trump administration could itself take the initiative and launch a new healthcare plan which could penalise some drug makers as well.

Regarding the coronavirus, some of the portfolio's holdings were affected by a potential slowdown in travel, duty free spending and the experience economy. The share prices of Estee Lauder, Booking Holdings and, more moderately, Live Nation were impacted due to these demand side concerns.

However, unless the virus develops into a pandemic, we do not see any long lasting impact coming from the virus for any of these businesses.

Performance Summary²

The performance during January 2020 of the CQS New City North American Equity Fund (share class F USD) was 1.16%.

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	6 Month Return (%)	Since Inception (%)	YTD Return (%)	NAV/Share
F USD	1.16			7.61	1.16	107.61
S&P 500 TR USD ³	(0.04)			5.29	(0.04)	
F GBP	1.47			5.01	1.47	105.01
F GBP Hedged	1.07			7.26	1.07	107.26
F EUR	2.27			7.93	2.27	107.93
F EUR Hedged	0.99			6.98	0.99	106.98
F CHF Hedged	0.98			6.89	0.98	106.89
I USD	1.12			7.50	1.12	107.50
I GBP	1.43			4.87	1.43	104.87
I GBP Hedged	1.03			7.14	1.03	107.14
I EUR	2.22			7.83	2.22	107.83
I EUR Hedged	0.95			6.89	0.95	106.89

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.

Signatory of:



About CQS

CQS is a multi-strategy asset manager founded by Sir Michael Hintze in 1999 and now has \$19.7bn¹ 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

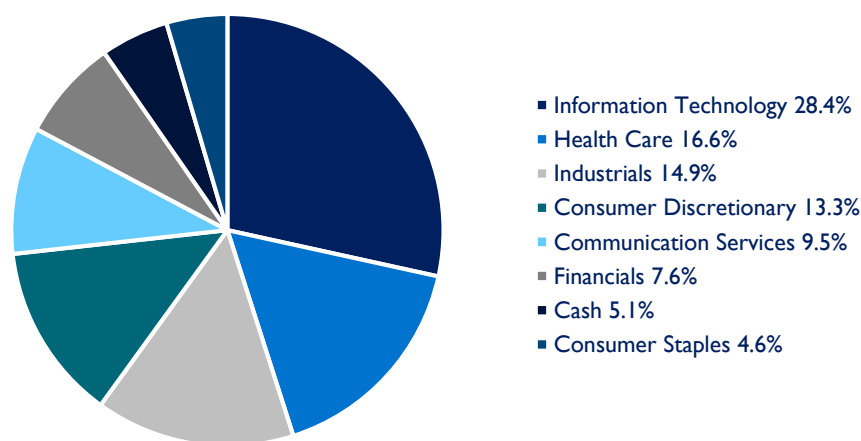
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover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

Risks Involved

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

PORTFOLIO ANALYSIS^{2, 5}

Industry (% of NAV)

**Average market capitalisation**

	(\$bn)
Portfolio	145

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
Graco	Industrials
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:	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 31 January 2020. ²CQS and Bloomberg as at 31 January 2020. 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.

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