

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: \$19.3bn¹
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



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 February 2020 of the CQS New City North American Equity Fund (share class F USD) was (7.50%) bringing the year to date performance to (6.42%).

Investment Commentary

Regarding Coronavirus (Covid-19), we note that the correction is driven by a potentially systemic event, which differs from what would usually trigger this type of market move, such as an economic slowdown or major political event.

There exists a high level of uncertainty regarding the extent of the damage and the time to recover. Consequently, this has implications regarding the predictability of certain businesses which form part of our Top50.

For example, it is impossible to say today when travel flows can recover or for how long events such as concerts will be disrupted. We made moves to optimise the portfolio and partially sold stocks impacted by the Covid-19. Despite this, the level of turnover remains small.

Those companies which we sold remain in our Top50 and we may invest again as conditions change.

Top50 companies are primarily chosen for their successful track record, the quality of their balance sheet and good corporate governance. Most of them also have a high proportion of recurring revenues.

Beyond an analysis of the impact of Covid-19 (demand and supply chain notably), we focus our attention on the quality of the balance sheet. Our focus is on large cap, low leverage companies with no refinancing risk; we think that the current dislocation might create opportunities down the road.

Apart from the Covid-19 outbreak, ADP held their innovation day. The presentation was convincing and, we believe, could lead to increased market share, penetration rate and average spend per customer.

Performance Summary²

Share Class	1 Month Return (%)	YTD Return (%)	3 Month Return (%)	6 Month Return (%)	Since Inception (%)	NAV/ Share
F USD	(7.50)	(6.42)	(4.11)		(0.46)	99.541
S&P 500 TR USD ³	(8.23)	(8.27)	(5.50)		(3.37)	
F GBP	(4.70)	(3.29)	(3.29)		0.08	100.078
F GBP Hedged	(7.62)	(6.62)	(4.48)		(0.91)	99.094
F EUR	(6.94)	(4.83)	(4.20)		0.44	100.440
F EUR Hedged	(7.54)	(6.63)	(4.59)		(1.09)	98.909
F CHF Hedged	(7.58)	(6.67)	(4.69)		(1.21)	98.792
I USD	(7.52)	(6.48)	(4.20)		(0.58)	99.422
I GBP	(4.74)	(3.38)	(3.42)		(0.10)	99.905
I GBP Hedged	(7.65)	(6.70)	(4.60)		(1.06)	98.941
I EUR	(6.97)	(4.90)	(4.30)		0.31	100.312
I EUR Hedged	(7.57)	(6.70)	(4.68)		(1.21)	98.794

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 \$19.3bn¹ 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

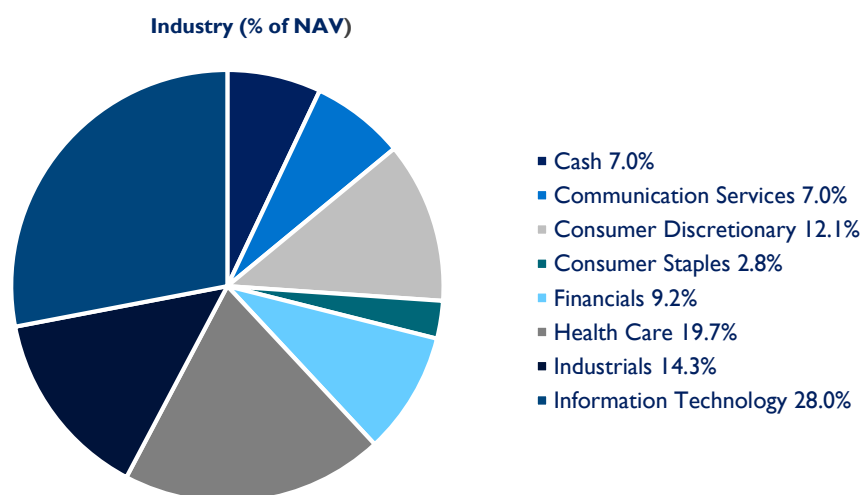
Long term strategy based on an in-depth analysis of each company

- *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	134

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
Cognizant Technology	Information Technology
Idexx Laboratories	Health Care
Nike	Consumer Discretionary

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*:	IE00BKRWWW78
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:Investor Update

As we continue to bolster our Risk Management team under the leadership of our Chief Operating Officer Paul Massey, we are pleased to update investors that we have made two senior appointments. We have hired Tanmoy Mukherjee as Head of Risk, North America, who will be based in our New York office, and internally promoted one of our experienced Senior Risk Managers, Dr John Allan, to the role of Head of Risk, based in London. John is an integral member of the Risk team having spent nine years at the Firm overseeing the risk management of a wide range of asset classes, and developing quantitative modelling and solutions.

Source: ¹CQS estimated as at 28 February 2020. ²CQS and Bloomberg as at 28 February 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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About CQS New City Equity

CQS New City Equity is the open-ended equities investment business of CQS. CQS is a multi-strategy asset manager founded in 1999. Our Firm’s deep experience allows us to offer solutions for investors across a range of return objectives and risk appetites. CQS is an active asset manager with expertise across corporate capital structures including corporate credit, structured credit, asset backed securities, convertibles, loans and equities. We are committed to delivering performance and high levels of service to our investors.

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.