

CQS New City Global Equity

Key Fund Facts

Portfolio Manager
Raphael Pitoun

Legal Structure
UCITS

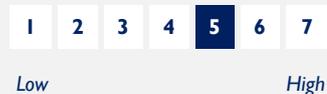
Domicile
Ireland

Reference Currency
USD

Share Classes
EUR, GBP, USD

AUM
Firm: \$15.0bn¹
Fund: \$129m²

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



Raphael Pitoun
Portfolio Manager

Performance Summary²

The performance during March 2020 of the CQS New City Global Equity Fund (share class F USD) was (8.3%) bringing year to date performance to (14.1%).

Investment Commentary

During these unprecedented times, the focus of our research and portfolio management effort has been on the following topics:

The impact of Covid-19 on revenues and margins: Most, if not all, companies will be impacted by falling demand. The question therefore becomes the speed and proportion of recovery. For example, the sales of a company like Stryker will be largely impacted by the postponement of orthopaedic procedure, however, there is a good likelihood of pent-up demand meaning sales could increase dramatically when they can recommence. Other companies such as Idexx may see their growth trajectory delayed without a catch-up, notably this is with respect to preventive care diagnostics. In other areas, such as travel or concerts, the recovery may be more gradual. We reduced our exposure to these themes in February, but also note that some companies, like Booking.com, are likely to emerge stronger from this crisis in competitive terms.

Supply chain considerations and margins: On top of logistical issues announced so far (Assa Abloy), we expect little supply chain disruption for our portfolio companies. On the positive side, the drop in energy prices must also be analysed as a reduced input cost. Finally, understanding any company's operating leverage is also paramount.

Balance sheet: The nature of events makes classic asset liability analysis (as well as debt ratings) irrelevant in assessing the solidity of a balance sheet. Some companies might be confronted with strongly reduced, or even zero, revenues for a certain number of months; this is a situation which might not have been considered 'possible' by many. Critically here, the starting point in terms of the balance sheet, the quality of the underlying business, the solidity of the value chain as well as the response of relevant monetary authorities are key elements in evaluating the situation. Three companies in our portfolio managed to comfortably issue debt this month, reflecting their high quality signature.

Valuation: The dislocation in capital markets has been particularly intense at some points during the month under review and it was helpful to draw on valuation analysis where different crisis exit scenarios are contemplated. For example, some companies' share prices were implying unrealistic long term assumptions at the trough of the equity market (Nike or Straumann for example).

Structural changes in behaviour and themes: We notice that, often, exogenous shocks tend to accelerate trends that were already underway. For example, we note the explosion in the usage of electronic payments in some countries such as Japan where the culture has been much more cash driven until recently. Overall, Hygiene might be an interesting theme to continue and explore (we are encouraged by the positioning of Rollins on that front).

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	6 Month Return (%)	YTD Return (%)	Since Inception Return (%)	NAV/Share
F USD Unhedged	(8.27)	(14.13)	(7.56)	(14.13)	(4.60)	95.395
MSCI World TR USD ³	(13.23)	(21.05)	(14.30)	(21.05)	(11.13)	-
F EUR	(8.62)	(14.70)	(8.81)	(14.70)	(6.91)	93.087
F EUR Unhedged	(8.31)	(12.71)	(8.68)	(12.71)	(3.07)	96.934
F GBP Unhedged	(5.30)	(8.39)	(8.44)	(8.39)	(0.06)	99.935
F GBP*	(8.98)	(14.96)	(8.91)	(14.96)	(11.40)	88.601
I USD	(8.29)	(14.16)	(7.68)	(14.16)	(4.91)	95.089
I EUR	(8.65)	(14.78)	(8.99)	(14.78)	(7.23)	92.766
I EUR Unhedged	(8.33)	(12.76)	(8.83)	(12.76)	(3.36)	96.641
I GBP	(9.01)	(15.05)	(9.10)	(15.05)	(7.08)	92.920
I GBP Unhedged	(5.33)	(8.48)	(8.63)	(8.48)	(0.45)	99.547

Signatory of:

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. *F GBP launched 17 July 2019.



About CQS

CQS is a multi-strategy asset manager founded by Sir Michael Hintze in 1999 and now has \$15.0bn¹ 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 \$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

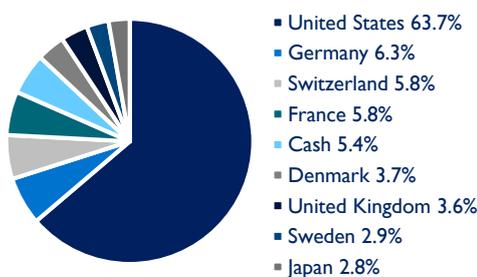
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover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

Risks Involved

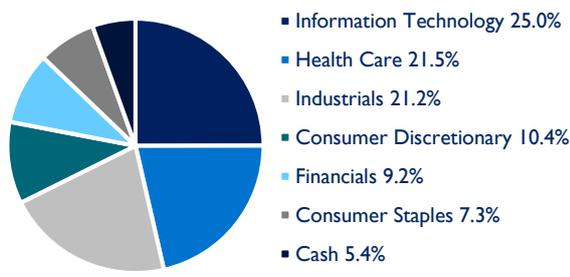
- Investments in global equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 5}

Region (% of NAV)



Industry (% of NAV)



Average market capitalisation

	(\$bn)
Portfolio	62

Ownership in portfolio's companies

	Average (%)	Minimum (%)	Maximum (%)
Portfolio	0.02	0.00	0.05

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

Name	Sector
Abbott Labs	Health Care
Ansys	Information Technology
Dassault Systemes SA	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.
- 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:

Important Note: Please note that, whilst we are sending you the March month end Investor Report as part of the regular reporting cycle for the Fund, investors will no doubt be aware of the extreme volatility in World markets since February month end. More than usual the contents of this Investor Report should be treated as subject to material and, potentially significant, change as markets continue to react to current World events.

Source: ¹CQS estimated as at 31 March 2020. ²CQS and Bloomberg as at 31 March 2020. ³The 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. 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.

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