

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: \$19.5bn¹
Fund: \$192m²

Risk and Reward Profile



Registered
Ireland

Fund Launch Date
9 May 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 cqsclientservice@cqsm.com



Raphael Pitoun
Portfolio Manager

Performance Summary²

The performance during August 2020 of the CQS New City Global Equity Fund (share class F USD) was 8.27% bringing year to date performance to 14.71%.

Investment Commentary

The month under review was marked by a rotation to more cyclically sensitive companies and businesses dependent on the reopening of the economy. On the contrary, more defensive stocks, such as healthcare companies lagged. Companies like Mastercard, Xylem and Intertek were among the best performers as declining number of cases in the US and progress on the medical and testing sides continued. On the other hand, Coloplast, Straumann and Idexx underperformed.

Among the interesting news on stocks, we would note the following:

- Zalando, the best performer in the portfolio during August, benefited from a reassessment of the company's growth prospects after the publication of their quarterly results. The number of new clients active on the platform leaped during the lockdown and the quality of these new clients in terms of spending habit is comparable with the previous cohorts. In addition, the company manages to on-board a record number of brands in its Partner Program
- Abbott was the only healthcare company to deliver a good performance as the company announced the FDA approval of a new Covid-19 test called Binaxnow which provides results in 15 minutes for USD5 per dose with a high level of accuracy. This is the sixth test launched by Abbott for this disease: three molecular, one antigen — which pairs with an optional mobile app — and two serology tests, all of which received emergency use authorization (EUA) from the U.S. Food and Drug Administration. Covid testing can develop into a sizable revenue opportunity for Abbott, and is a testament to the company's innovation capabilities
- Nike continued to streamline its distribution network to focus on more qualitative channels and announced the end of its partnership with certain retailers in the US. Also, during August, certain other retailers such as Foot Locker and Hibbett, announced spectacular like for like sales which helped the share price of Nike
- Estee Lauder announced disappointing results for Q2 but investors quickly ignored them to focus on the most recent improving business trends. The strategic announcement of further investments in direct to consumer and digital was also helpful
- Idexx had its investor day and provided a comprehensive view of the company's growth potential in terms of geographies and product launches. The outlook remains solid, supported by a strong V-shaped recovery in veterinary visits over the past months. But we are increasingly mindful of the high valuation of certain stocks, particularly those whose performances mainly depend on falling cost of capital

In terms of ESG, we have launched our second campaign with our Top50 companies. The objective is to understand and raise awareness of the companies' policy around pregnancy, fertility treatments and how they are covered.

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	12 Month Return (%)	YTD Return (%)	Since Inception Return (%)	NAV/Share
F USD Unhedged	8.27	13.94	23.07	14.71	27.44	127.439
MSCI World TR USD ³	6.73	14.79	16.84	5.39	18.63	-
F EUR	8.18	13.45	20.16	13.04	23.35	123.349
F EUR Unhedged	7.13	6.29	13.61	8.08	20.02	120.017
F GBP Unhedged	6.12	5.39	12.12	13.81	24.16	124.155
F GBP	8.20	13.48	20.11	12.72	17.45	117.449
I USD	8.24	13.83	22.67	14.50	26.84	126.835
I EUR	8.14	13.34	19.68	12.74	22.72	122.721
I EUR Unhedged	7.09	6.19	13.26	7.87	19.50	119.500
I GBP	8.17	13.39	19.66	12.49	23.04	123.036
I GBP Unhedged	6.10	5.30	11.71	13.56	23.52	123.524

Note: Share class launch dates vary.

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 \$19.5bn¹ 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

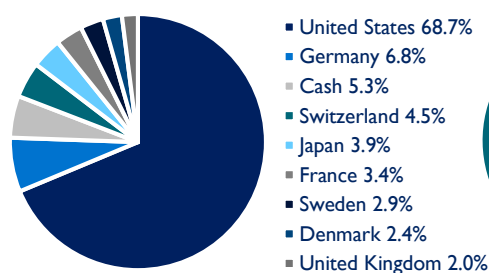
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover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

Risks Involved

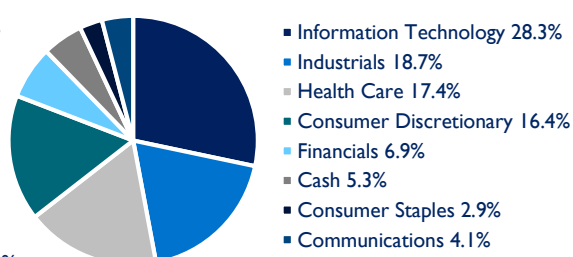
- Investments in global equities are primarily subject to equity and foreign exchange risk

PORTFOLIO ANALYSIS^{2, 5}

Region (% of NAV)



Industry (% of NAV)



Average market capitalisation

	(\$bn)
Portfolio	123.5

Ownership in portfolio's companies

	Average (%)	Minimum (%)	Maximum (%)
Portfolio	0.02	0.00	0.04

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

Name	Sector
Abbott Labs	Health Care
Accenture	Information Technology
Adobe Inc	Information Technology
Ansys	Information Technology
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:

Source: ¹CQS estimated as at 28 August 2020. ²CQS and Bloomberg as at 28 August 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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IN LIGHT OF THE ONGOING ECONOMIC AND FINANCIAL MARKET UNCERTAINTY RELATING TO THE COVID-19 PANDEMIC, THE CONTENTS OF THIS DOCUMENT SHOULD BE TREATED AS SUBJECT TO CHANGE AS MARKETS CONTINUE TO REACT TO CURRENT WORLD EVENTS.

PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact.

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