

# 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: \$19.3bn<sup>1</sup>Fund: \$58m<sup>2</sup>

### Risk and Reward Profile



Low

High

### Registered

Ireland

### Fund Launch Date

4 November 2019

### Depository

State Street Custodial Services  
(Ireland) Limited

### Administrator

State Street Custodial Services  
(Ireland) Limited

### Auditor

Ernst &amp; 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](mailto:cqsclientservice@cqsm.com)



**Raphael Pitoun**  
Portfolio Manager

## Performance Summary<sup>2</sup>

The performance during September 2020 of the CQS New City North American Equity Fund (share class F USD) was (1.19%) bringing the year to date performance to 13.49%.

## Investment Commentary

The month under review was marked by some cracks in the FAANGs ecosystem with the Nasdaq down 5%. At the same time, fears about the virus spreading again in some European countries led some travel and 'reopening' stocks to suffer.

Closer to our portfolio, we would note the following developments:

- Nike has announced a solid start to its fiscal calendar year combining the benefits of a renewed interest for sporting goods and the acceleration of its online strategy. The company confirmed that their digital business will be significantly accretive to its current profitability.
- Abbott did not perform particularly well during the month even though the positioning of its new Binaxnow test for Covid might become central to some countries' health strategies. The United States and Canada announced some significant purchases which would absorb the current capacities. Abbott has a long experience of rapidly scaling new products so there could be potential upside to the revenue associated to this product.
- Debate over UnitedHealth has crystalized with the coming of the US election, particularly as the support for Obamacare at the Supreme Court level is less likely. We do not think in either scenario it would drastically change the regulatory environment. J. Biden has not endorsed the public option and D. Trump has no real plan to replace the ACA.
- Investors were slightly disappointed by Accenture's guidance for the company's fiscal year. The shift to the digital business continues and bookings remain strong so we used the share price weakness as an opportunity to reinforce our position.
- We also note that some companies have restarted or increased their shareholder remuneration such as Lowe's, which has resumed its buyback program.

In terms of ESG, we continued on our second campaign with companies regarding women's rights inside companies, particularly regarding pregnancy and fertility treatment. The answers at this stage show that most companies rely on local regulation with no specific policy while, some exhibit best practices on that matter.

## Performance Summary<sup>2</sup>

Share Class	1 Month Return (%)	3 Month Return (%)	YTD Return (%)	Since Inception Return (%)	NAV/Share
F USD	(1.19)	13.29	13.49	20.72	120.720
S&P 500 TR USD <sup>3</sup>	(4.00)	8.93	5.57	11.21	-
F GBP	2.09	8.71	16.36	20.42	120.420
F GBP Hedged	(1.28)	12.98	11.47	18.30	118.299
F EUR	0.37	8.56	8.60	14.61	114.612
F EUR Hedged	(1.27)	12.94	12.07	18.72	118.718
F CHF Hedged	(1.34)	12.82	11.70	18.24	118.238
I USD	(1.21)	13.19	13.16	20.31	120.305
I GBP	2.05	8.58	15.93	19.87	119.868
I GBP Hedged	(1.31)	12.87	11.12	17.84	117.840
I EUR	0.33	8.43	8.27	14.20	114.204
I EUR Hedged	(1.31)	12.81	11.73	18.31	118.307

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 \$19.3<sup>1</sup> 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 \$3bn<sup>2</sup>
- Selection of exceptional companies in terms of quality, growth and predictability
- Targeting 12-15% return p.a. over a full cycle<sup>4</sup>

## 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

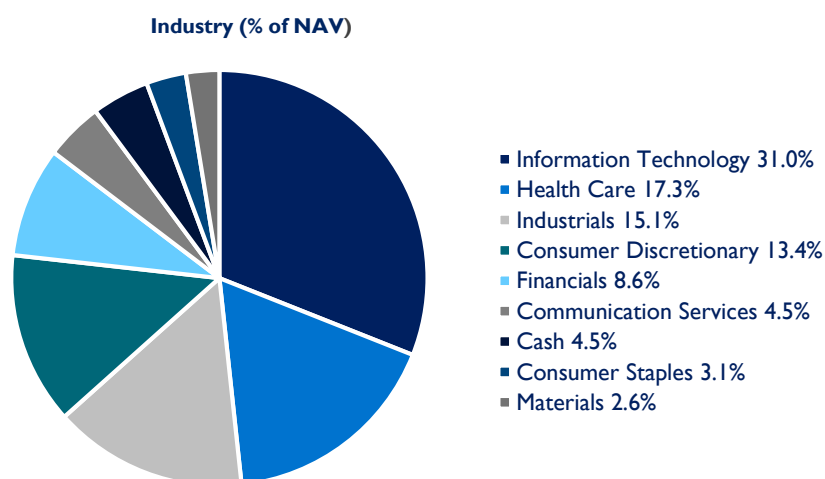
Long term strategy based on an in-depth analysis of each company

- *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<sup>2, 5</sup>



### Average market capitalisation

	(\$bn)
Portfolio	157.3

### Ownership in portfolio's companies

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

## TOP 5 HOLDINGS (Alphabetical Order)<sup>2,5</sup>

Name	Sector
Abbott Labs	Healthcare
Accenture	Information Technology
Adobe	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.

### 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: <sup>1</sup>CQS estimated as at 30 September 2020. <sup>2</sup>CQS and Bloomberg as at 30 September 2020. <sup>3</sup>The 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. <sup>4</sup>Target 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. <sup>5</sup>Actual 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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