

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: \$20.9bn¹Fund: \$65.2m²

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 & 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 December 2020 of the CQS New City North American Equity Fund (share class F USD) was 4.02% bringing the year to date performance to 25.99%.

Investment Commentary

The rally continued unabated driving the prices of most asset classes, including highly speculative ones, to new highs. In parallel, some market indicators started to flash orange, for example the IPO market, participation of retail investors and investor sentiment. Our two take aways of 2020 are the following. The violence of the policy response and its success to mitigate the economic and social impact of Covid-19 creates a precedent for future crisis. There seems to be tacit acceptance of the increase in inequalities when combined with the protection of the weakest. Second, despite the large drop in GDP, the resilience of most of the corporate world has been spectacular both in terms of revenues and profitability. If the Lehman crisis led to a reengineering of supply chains and a review of the financing of the companies, the Covid-19 crisis has accelerated the trends towards dematerialisation as well as automation. We think that corporate resilience, drastic management actions to preserve profitability, as well as expansionist policies may leave its mark on the valuation of the stock market.

In the short term, the roll out of the vaccine, high spending power and pent up demand in certain industries led to a change in leadership in the stock market, which we have reflected in the portfolio construction. The debate between value and growth remains active. Less expensive and indebted companies perform well and risk of defaults decrease when economic prospects improve, this has historically been a relatively short term phenomenon. Investors tend to forget that the multi-year rally in banks and energy stocks in the years leading to the 2008 crisis was driven by 'real economy' expectations, for example, respectively, the securitization of loans which drove increasing returns on equity for banks and the appetite of China for commodities. On the portfolio side, we remain particularly concentrated on the ability of the holding companies to adapt their business models and create long term economic value for their clients and shareholders.

In December, we were particularly focused on Nike, which published stellar results capitalising on the growth in digital. The company added more than 70 million members to its apps last year and continues to innovate helping both brand recognition and pricing power. Finally, UnitedHealth provided its outlook for 2021. Despite the company's size, the business continues to grow strongly and is at the forefront of the changes in the health system in the United States.

Performance Summary²

Share Class	1 Month Return (%)	3 Month Return (%)	12 Month Return (%)	YTD Return (%)	Since Inception Return (%)	NAV/Share
F USD	4.02	11.01	25.99	25.99	34.02	134.016
S&P 500 TR USD ³	3.84	12.15	18.40	18.40	24.72	-
F GBP	1.32	4.89	22.06	22.06	26.31	126.312
F GBP Hedged	3.90	10.81	23.53	23.53	31.09	131.090
F EUR	1.54	6.51	15.67	15.67	22.07	122.075
F EUR Hedged	3.87	10.66	24.02	24.02	31.37	131.374
F CHF Hedged	3.83	10.60	23.55	23.55	30.78	130.776
I USD	3.97	10.89	25.48	25.48	33.40	133.403
I GBP	1.30	4.83	21.52	21.52	25.65	125.653
I GBP Hedged	3.86	10.71	23.02	23.02	30.46	130.459
I EUR	1.50	6.40	15.19	15.19	21.51	121.511
I EUR Hedged	3.84	10.55	23.52	23.52	30.79	130.790

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 \$20.9bn¹ 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

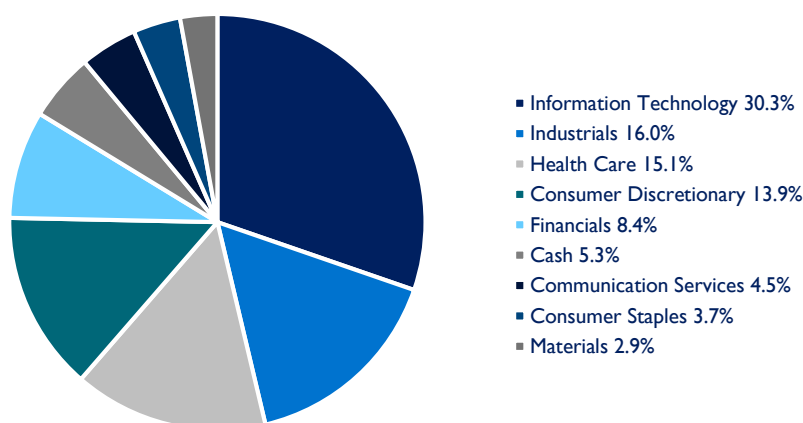
- *Step 1:* Quantitative screening based on multiple criteria including track record and growth
- *Step 2:* Deep dive into the company's products and services, business model, competitive advantages and sustainability
- *Step 3:* Portfolio construction largely based on valuation aspects with a low turnover 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	177.5

Ownership in portfolio's companies

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

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

Name	Sector
Accenture	Information Technology
Adobe	Information Technology
Ansys	Information Technology
Nike	Consumer Discretionary
Stryker	Health Care

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:

Source: ¹CQS estimated as at 31 December 2020. ²CQS and Bloomberg as at 31 December 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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