

## 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: \$21.1bn<sup>1</sup>Fund: \$63.2m<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 January 2021 of the CQS New City North American Equity Fund (share class F USD) was (4.48%).

## Investment Commentary

There have been different signs of divorce between fundamentals and valuation in January. First, the emergence of retail investors as a visible market moving force for certain companies will need to be monitored, but it also created a discrepancy between price and value, which should be corrected at some stage. The second sign is the marked difference in sector performances as some of the most cyclical sectors, such as autos, oil & gas, and banks performed best, while the companies exposed to the end of the pandemic, such as travel stocks, were significantly hit. It looks like investors tend to believe that there may be a significant recovery even if social distancing remains necessary.

In our portfolio companies such as Abbott or Lowe's performed well but overall this environment was not favourable as the performance of some of the holdings such as Estée Lauder, Mastercard or Booking.com were unhelpful. No negative idiosyncratic event took place and the earnings season was positive, on balance, for our portfolio companies. Abbott published solid results and investors start to integrate the fact that the Covid-19 testing business may be a recurring source of revenue. Graco also provided a solid outlook combining a strong stream of innovation with the start of a recovery in industrial production.

We took the opportunity to optimise the portfolio. For example, we increased our weighting in Otis which has underperformed because of fears around input costs that we believe were unfair in our view. We also added a new holding in the portfolio, called Kinaxis, a Canadian software company with a niche positioning in logistics management and an impressive track record with large multinationals.

## Research Budget and Estimated Research Charge

In accordance with MIFID II and the relevant FCA Rules on research and inducements, CQS has established a research payment account (a "Research Payment Account") which is used to pay for research by third party research providers in relation to the Fund. The Research Payment Account is funded by a research charge based on a research budget for the Fund (the "Research Budget"). Pursuant to the FCA Conduct of Business Sourcebook 18 Annex 1 Rule 4.11(1), information on the allocated Research Budget and estimated research charge for the Fund is provided below: CQS has allocated the following Research Budget to the Fund for the calendar year ending 31 December 2021, and it is therefore estimated that the Fund will incur this amount: USD11,334.

For further information on these changes, please refer to the Fund's Offering Memorandum.

Performance Summary<sup>2</sup>

Share Class	1 Month Return (%)	3 Month Return (%)	12 Month Return (%)	YTD Return (%)	Since Inception Return (%)	NAV/Share
F USD	(4.48)	9.05	18.96	(4.48)	28.01	128.011
S&P 500 TR USD <sup>3</sup>	(1.01)	14.05	17.25	(1.01)	23.46	-
F GBP	(4.74)	2.97	14.58	(4.74)	20.32	120.323
F GBP Hedged	(4.53)	8.84	16.67	(4.53)	25.15	125.146
F EUR	(3.86)	4.69	8.74	(3.86)	17.36	117.359
F EUR Hedged	(4.55)	8.74	17.22	(4.55)	25.40	125.399
F CHF Hedged	(4.57)	8.67	16.76	(4.57)	24.80	124.800
I USD	(4.52)	8.92	18.48	(4.52)	27.37	127.371
I GBP	(4.77)	2.91	14.10	(4.77)	19.66	119.663
I GBP Hedged	(4.58)	8.73	16.20	(4.58)	24.49	124.490
I EUR	(3.90)	4.58	8.30	(3.90)	16.77	116.775
I EUR Hedged	(4.58)	8.63	16.76	(4.58)	24.80	124.800

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 \$21.0bn<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

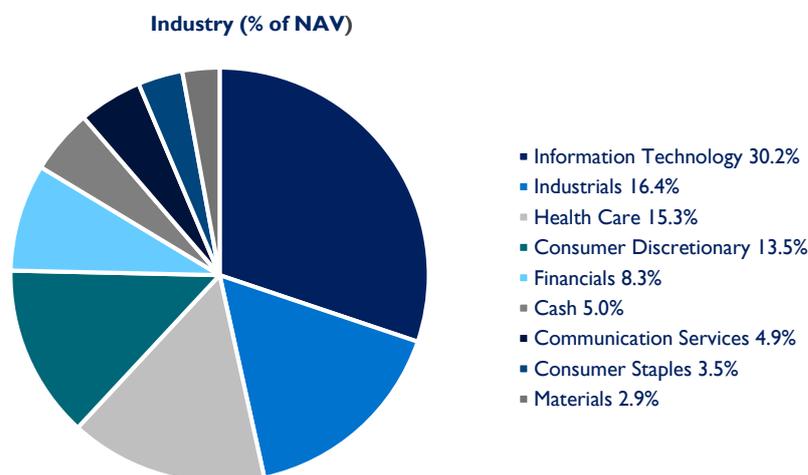
Long term strategy based on an in-depth analysis of each company

- *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	167.6

### Ownership in portfolio's companies

	Average (%)	Minimum (%)	Maximum (%)
Portfolio	0.01	0.00	0.06

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

Name	Sector
Abbott Labs	Health Care
Accenture	Information Technology
Ansys	Information Technology
Nike	Consumer Discretionary
Otis	Industrial Goods & Services

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: <sup>1</sup>CQS estimated as at 29 January 2021. <sup>2</sup>CQS and Bloomberg as at 29 January 2021. <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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**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.

#### 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 and Hong Kong. Our investors include pension funds, insurance companies, sovereign wealth funds, funds of funds, endowments and foundations, and private banks.

#### CQS (UK) LLP

4th Floor, One Strand  
London WC2N 5HR  
United Kingdom  
Tel: +44 (0) 20 7201 6900  
Fax: +44 (0) 20 7201 1200

#### CQS (US), LLC

152 West 57th Street  
40th Floor  
New York  
NY 10019  
United States  
Tel: +1 212 259 2900  
Fax: +1 212 259 2699

#### CQS (Hong Kong) Limited

1308 One Exchange Square  
8 Connaught Place  
Central, Hong Kong  
China  
Tel: +852 3920 8600  
Fax: +852 2521 3189

[cqsclientservice@cqsm.com](mailto:cqsclientservice@cqsm.com)  
[www.cqs.com](http://www.cqs.com)