

24 February 2025

CQS New City High Yield Fund Limited
("NCYF" or the "Company")

Monthly Factsheet as at 31 January 2025

The Company's Fact Sheet as at 31 January 2025 has been submitted and is available for inspection on the Company's website, <https://ncim.co.uk/cqs-new-city-high-yield-fund-ltd/>.

The investment manager updates on the wider macro-economic environment and on key changes to the portfolio positions as at 31 January 2025.

Ian 'Franco' Francis, Investment Manager at NCYF commented:

In the UK, the aftershocks of the autumn budget remain, decreasing confidence in the private sector. This has been led by concerns over higher staffing costs and increased business rates which has pushed up the rate of job cuts to the highest level since the Global Financial Crisis, outside of the Covid period. Inflation is pushing higher giving the Bank of England a dilemma; we believe they had to cut in early February to try and bump-start the economy as government policies are not currently providing the boost required. However, there will likely be increased inflation over the next few months as discussed in previous commentaries. One would hope that inflation falls again in the third quarter otherwise "stagflation" will likely be well and truly embedded. In our opinion, growth in output and economic efficiency will be needed over the medium-term. This will likely be difficult, but the private sector will attempt to rise to this challenge, with or without government support. "Stagflation" is a clear and present danger, which many market commentators think has already arrived.

Data from Europe during the month was a little more positive with the manufacturing decline slowing and the services sector proving static. As a result, the employment market was more stable, although marginally weaker. Yet again employment in the service sector increased and was almost enough to cancel out the declines in the manufacturing sector. The European Central Bank (ECB) cut rates again to help the weak state of the economy. A potential iceberg on the horizon is tariffs being levied on European goods and vehicles from President Trump who is weaponizing tariffs to support the US economy at the expense of trade partners and allies.

The dawn of a new Trump Presidency in the US produced some initial positive sentiment for markets, particularly in manufacturing and energy sectors. However, inflation remains a factor, with continued wage growth and staff shortages, along with supply chain price increases. Most of these increased costs are being passed on to end-users, which may well result in a more hawkish approach from the Federal Reserve. Much of this depends on the potential trade war between the US and the rest of the developed world which may lower the levels of global trade and risk a recessionary outcome.

For the Company, the second dividend of 1p/share was announced to be paid on 21 February 2025.

In the portfolio we continued to divest the holding in Diversified Energy equity and reinvest into Frontline PLC. We also added to Selecta Group 8% 2026, Cruise Yacht 11.875% 2028, Priority 1 Logistics 12.625% 2027 and opened a holding in the food group Boparan 9.375% 2029. We continue to see opportunities coming from existing markets and new issues and anticipate this to continue.

ENDS-

For Further Information

CQS New City High Yield Fund Limited

T: +44 (0) 20 7201 6900
E: contactncim@cqsm.com

Singer Capital Markets

T: +44 (0) 20 7496 3000

Cardew Group

Tania Wild
Henry Crane
Liam Kline

T: +44 (0) 20 7930 0777
M: +44 (0) 7425 536 903
M: +44 (0) 7918 207 157
M: +44 (0) 7827 130429
E: ncyf@cardewgroup.com
<https://www.cardewgroup.com/>

Company Secretary and Administrator

BNP Paribas S.A., Jersey Branch
Edward KAZIBWE

T: 01534 813 913

About CQS New City High Yield Fund Limited

CQS New City High Yield Fund Limited aims to provide investors with a high dividend yield and the potential for capital growth by investing in high-yielding, fixed interest securities. These include, but are not limited to, preference shares, loan stocks, corporate bonds (convertible and/or redeemable) and government stocks. The Company also

shares, real stocks, corporate bonds (convertible and/or redeemable) and government stocks. The Company also invests in equities and other income-yielding securities.

Since the Fund's launch in 2007, the Board has increased the level of dividends paid every year. As at 31 December 2024, the Fund's dividend yield is 8.79%. In addition to quarterly dividend payments, the Fund seeks to deliver investors access to a high-income asset class across a well-diversified portfolio with low duration to help mitigate interest rate risk.

Further information can be found on the Company's website at <https://ncim.co.uk/cqs-new-city-high-yield-fund-ltd/>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

DOCUARNRVAUUUAR