

20 February 2026

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

Monthly Factsheet as at 31 January 2026

The Company's Fact Sheet as at 31 January 2026 has been submitted and is available for inspection on the Company's website, <https://ncim.co.uk/cqs-new-city-high-yield-fund-ltd/>.

Ian 'Franco' Francis, Investment Manager at New City High Yield Fund, comments:

"Economic conditions in the UK were more positive than anticipated in January. Companies reported improving demand across both domestic and export markets, with financial services, technology, and manufacturing all seeing a recovery in new orders. Notably, export demand grew for the first time in four years. Labour market weakness persisted, with job losses continuing at a rapid pace. Higher employment costs-driven by increases in National Insurance contributions and the minimum wage-remain a key headwind, particularly for the hospitality sector. Inflation rose to 3.4% in December, up from 3.2% in November, reducing the likelihood of near term interest rate cuts from the Bank of England.

In Europe, the recovery remained subdued. Manufacturing returned to modest growth, led by Germany, while the broader eurozone followed with more moderate gains. France remained an outlier, experiencing renewed declines in business activity. Although new orders strengthened across the region, this did not translate into services-sector job creation, and Germany continued to shed jobs across both services and manufacturing. Other eurozone economies saw modest employment growth, but questions remain over the durability of this improvement given weak underlying economic momentum and ongoing cost efficiency measures, including increased adoption of automation and AI technologies.

The US economy continued to expand, with implied annualised GDP growth of 1.5% in both December and January. This marks a slowdown compared with most of 2025. Employment growth was broadly flat as businesses remained cautious amid softer demand and rising costs. Tariff related pressures contributed to higher input prices and increased uncertainty around the near term inflation outlook.

For the Company, the shares went ex dividend at 1p per share at the end of the month, with payment scheduled for the end of February.

Within the portfolio, we continued to add to Market Bidco Finco PLC 8¾% 2031 (Morrisons). A new position was initiated in Tereos Finance 8½% 2032. TWMA Group refinanced its 2027 bond with a new 12.25% 2029 issue. The holding in Doric Nimrod Air Three equity was repaid at 64.7p per share. New issuance activity has been strong, although only a limited number of opportunities fit the Company's investment parameters."

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For Further Information

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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 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 30 June 2025, the Company's dividend yield was 8.77%. 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/>

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