

24 April 2026

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

### **Monthly Factsheet as at 31 March 2026**

The Company's Fact Sheet as at 31 March 2026 has been issued 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:**

"Market conditions in March were dominated by a sharp escalation in geopolitical risk following the outbreak of hostilities involving Iran, which led to a pronounced increase in volatility across global asset classes. The impact was most immediately felt in energy markets, though the effects subsequently broadened to rates, credit, equities and currencies.

Oil prices rose sharply over the month, with Brent crude increasing from 72.29 per barrel to 103.95 per barrel. Price action was highly volatile, reflecting concerns around potential supply disruptions, particularly following the closure of the Strait of Hormuz, through which a significant proportion of global oil supply is transported. Market sentiment was further unsettled by mixed and frequently shifting policy signals from the United States, heightening uncertainty.

Bond and equity markets weakened globally. In the UK, government gilt prices declined, as witnessed by the UK 10 year benchmark gilt, falling by 4% over the month, with losses briefly exceeding 5% around mid March. Credit markets also repriced meaningfully, with the iTraxx Europe Crossover Index widening from 259.23 basis points to 353.15 basis points, equivalent to an increase in yields of close to 1%.

Equity markets were similarly affected. The FTSE All Share Index fell by 7.2%, declining from 5,851.48 to 5,430.69, while the FTSE 100 Index decreased by 6.84% over the same period. Sterling weakened against the US dollar, falling 1.3% from 1.3482 to 1.3227. Gold prices also declined, dropping 11.57% from 5,278.95 to 4,668.06 per troy ounce, highlighting the absence of traditional safe haven behaviour during the month.

It is important to note that there was no safe haven asset class in conventional markets in March, which can be explained by the disruption to global trade, the production of oil, and the knock-on effect of longer-term disruption to supply and inflation increasing globally. As the United States is energy self-sufficient, although they will suffer a price shock, they are unlikely to see any supply shortage which in theory means that their economy will not be as badly impacted as those in Europe or Asia. 10-year treasuries fell from 101.16 to 98.14 at the end of March, a drop of just under 3%, which indicates increased fears of persistent inflation for the US economy.

For the Company, the net asset value declined from 48.77p per share to 47.45p per share over the month, representing a 2.7% fall.

Within the portfolio, we added to our equity position in Ithaca Energy and initiated a new holding in Legal & General equity. We reduced the holding in Galaxy Bidco to 8.125%, reallocated proceeds to Virgin Media 7.875% 2032, and opened a new position in Deutsche Pfandbriefbank 8.474% perpetual.

Given the ongoing conflict and heightened market volatility, our focus remains on assessing the medium to long-term implications of a potential extended disruption to energy infrastructure in the Middle East and its impact on global growth and inflation. As developments continue to evolve rapidly, we expect volatility to remain elevated and are positioned accordingly."

**– ENDS –**

#### **For Further Information**

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#### **About the Company**

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 25 February 2026, the Company's dividend yield was 8.84%. 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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