RNS Number : 4077O
CQS New City High Yield Fund Ltd
29 July 2026

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# CQS New City High Yield Fund Limited

**(the "Company" or "Fund")**

**Monthly Factsheet as at 30 June 2026**

The Company's Fact Sheet as at 30 June 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:**

"The UK private sector continued to struggle in June, with the services sector experiencing a particularly challenging month. The S&P Flash UK Services Business Activity Index fell to 48.7 from an already weak 49.3 in May, with businesses citing rising input costs and subdued customer confidence as key factors. These pressures have been influenced by the ongoing conflict in the Middle East, alongside heightened political uncertainty in the UK.

While inflationary pressures remain closely linked to developments in energy and commodity markets, business and consumer confidence have also been affected by uncertainty surrounding the future fiscal direction of the economy. This environment presents a continuing challenge for the Bank of England. Policymakers must balance persistent inflationary pressures against signs of weakening economic activity and softer confidence levels. Market participants remain focused on the outlook for fiscal policy and its implications for bond, equity and currency markets, with uncertainty continuing to weigh on investment sentiment and growth prospects in the near to medium term.

In Europe, there were some more encouraging developments as inflation continued to moderate, helped by lower energy prices which eased both input and output cost pressures. The manufacturing sector continued to benefit from inventory building as customers sought to bring forward purchases ahead of potential future price increases, although this support is likely to fade as the Middle East conflict moves closer to resolution.

Within the services sector, tourism and leisure businesses showed signs of recovery following the disruption caused by weaker demand during the conflict. Overall, these factors helped the Eurozone economy remain resilient, although GDP growth during the second quarter is expected to have been broadly flat.

The United States saw a notable weakening in employment conditions during June, representing the sharpest decline since the pandemic. This contrasted with a strong S&P Flash US Manufacturing PMI reading of 55.7, indicating robust growth and the strongest inflow of new orders in over four years. Much of this activity appears to have been driven by businesses bringing forward orders in anticipation of future inflationary pressures and potential supply chain disruption. While supportive in the short term, it may also point to a more cautious outlook for demand later in the year. The services sector remained in expansionary territory, although growth was relatively modest, with businesses continuing to cite inflation, higher interest rates and subdued consumer and business confidence as constraints on activity.

For the Company, the third interim dividend of 1p per share was paid at the end of the month. The portfolio was active during the month. Additions were made to Pizza Express 9.875% 2029, Deutsche Pfandbriefbank 5.75% Perpetual, Burford Capital 9.25% 2031, Arqiva Broadcast 8.625% 2030, CPI Property 8.875% Perpetual and EnQuest 9.875% 2031. The portfolio also participated in a new AT1 issue from Hampshire Trust Bank with a 10% coupon.

On the sell side, Marex Group 13.25% Perpetual was repurchased by the issuer, Beelux FRN 2028 was called and REA 7.5% 2026 was redeemed at par. The position in Tufton Oceanic Equity was sold following strong performance over the previous six months, while the holding in Shamaran 12% 2029 was reduced. Looking ahead, July is likely to be an important month for UK markets as investors assess the composition of the new government, the appointment of a Chancellor, and the implications of future fiscal policy for taxpayers and financial markets."

**- ENDS -**


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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 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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