RNS Number : 6859S
CQS New City High Yield Fund Ltd
28 August 2026

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CQS New City High Yield Fund Limited

(the "Company" or "Fund")

Monthly Factsheet as at 31 July 2026

The Company's Fact Sheet as at 31 July 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 economy showed signs of improvement in July, with growth strengthening across both the manufacturing and services sectors. Manufacturing activity benefited from stronger export demand. However, some of this strength appears to reflect precautionary inventory building by both producers and customers in response to ongoing supply chain disruption linked to the Middle East conflict and, to a lesser extent, Ukraine. As a result, some of the recent momentum may prove temporary if underlying demand fails to keep pace. Services also enjoyed a stronger month, supported by increased hospitality activity during the FIFA World Cup and a rise in domestic tourism as many consumers opted for staycations rather than travelling abroad. Ongoing wildfires and unusually high temperatures across parts of Europe contributed to this shift in travel patterns. Inflationary pressures eased somewhat during the month, helped by lower oil prices and a reduction in immediate geopolitical tensions following renewed diplomatic efforts to address the conflict in the Middle East.

Attention is now turning to the policy direction of the new UK government. While broad priorities have been outlined, greater clarity on fiscal policy and its implications for economic growth is likely to emerge when the Chancellor delivers the Autumn Budget later in the year. Until then, markets are likely to remain focused on the balance between supporting growth and maintaining fiscal discipline.

In Europe, economic activity also improved after a relatively subdued second quarter. Germany recorded its first expansion in four months, while growth in France strengthened modestly and broader eurozone activity reached its strongest level since last November. Order books improved and hospitality-related sectors benefited from seasonal demand. However, economic momentum remains vulnerable to external shocks, particularly those affecting energy markets and global shipping routes. Encouragingly, inflation continued to moderate, easing pressure on the European Central Bank and reducing the likelihood of near-term policy tightening.

The United States also benefited from a temporary boost to activity during July, supported by both the FIFA World Cup and celebrations marking the country's 250th anniversary. Hospitality and tourism performed strongly, though conditions within manufacturing were more mixed. Earlier inventory building began to moderate, while supply chain delays and rising input costs resurfaced as headwinds. These pressures have the potential to constrain growth and weigh on demand if they persist. The outlook for inflation and economic activity remains closely linked to developments in the Middle East and the normalisation of global energy and shipping markets.

For the Company, a fourth interim dividend of 1.52p per share was announced during the month, with the shares going ex-dividend on July 30.

For the portfolio, the holding in Aston Martin 10.375% 2029 was sold following the announcement of a financing transaction involving HPS, which altered the asset backing supporting the existing senior debt. Proceeds were partially redeployed into Virgin Media 7.875% 2032, where current pricing offers the potential for both attractive income and capital appreciation."

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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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