RNS Number : 4335W
CQS New City High Yield Fund Ltd
28 September 2026

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CQS New City High Yield Fund Limited

(the "Company" or "Fund")

Monthly Factsheet as at 31 August 2026

The Company's Fact Sheet as at 31 August 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 and Darren Toner, Investment Managers at New City High Yield Fund, comment:

"The UK economy remained relatively fragile in August, with inflation rising to 2.9%, driven in part by higher household energy costs and ongoing pressures within energy markets. Unemployment also moved higher, rising to 5.3% in the three months to June from 4.9% in the previous quarter. Economic activity was supported primarily by the services sector, where the S&P Flash UK Services PMI Business Activity Index reached a six-month high of 52.9, benefiting from favourable weather conditions and continued investment in the technology sector. In contrast, manufacturing growth moderated, with the PMI falling to a five-month low of 51.9 as earlier precautionary inventory building began to slow. The Bank of England is therefore likely to remain cautious as it assesses the outlook for inflation and economic growth.

In Europe, economic conditions were somewhat more encouraging, with modest growth led by the manufacturing sector. Inventory building remained a feature across the region, while increased defence spending and demand for AI-related hardware provided additional support, particularly in Germany. Tourism also contributed positively to growth, although extreme weather conditions may have affected activity in some regions. Inflation remained relatively contained, while stronger employment data pointed to improving growth prospects during the third quarter. As a result, the European Central Bank is likely to maintain a cautious policy stance while monitoring inflation developments closely.

The United States continued to experience robust economic growth, with business activity reaching its strongest levels in four years. Employment conditions improved as concerns surrounding the impact of tariffs eased, while growth was led by the services sector, supported by financial services activity and resilient consumer spending. However, the outlook remains closely linked to developments in the Middle East and the potential impact of supply chain disruption and energy prices on inflation and economic activity.

For the Company, the fourth interim dividend was paid at the end of the month.

For the portfolio, capital was redeployed following the issuance of shares at a premium to net asset value. Participation was taken in the new Vida Group 11.5% AT1 Perpetual issue, while additions were made to Deutsche Pfandbriefbank 8.474% Perpetual, Ion Platform Finance 7.87% 2029, Burford Capital 9.25% 2031, Arqiva Broadcast 8.625% 2030, Market Bidco 8.75% 2031 and Virgin Media 7.875% 2032. On the sell side, positions in Shamaran Petroleum 12% 2029 and Pinnacle Bidco 10% 2028 were reduced. Looking ahead, market attention is likely to focus on the new UK government's policy agenda and a typically more active primary market following the summer holiday period."

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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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