

## KEY INVESTOR INFORMATION

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and help you compare it with other products.



## CQS New City High Yield Fund Limited

- CQS New City High Yield Fund Limited (the “Company”)
- CQS (UK) LLP (the “PRIIP Manufacturer”)
- ISIN JE00B1LZS514
- Call +44 20 7201 6900 for more information
- CQS (UK) LLP is authorised and regulated by the Financial Conduct Authority
- Produced on 31 December 2018

### WHAT IS THIS PRODUCT?

#### Type

The Company is a Jersey domiciled closed-ended investment company whose shares are traded on the London Stock Exchange.

#### Objectives

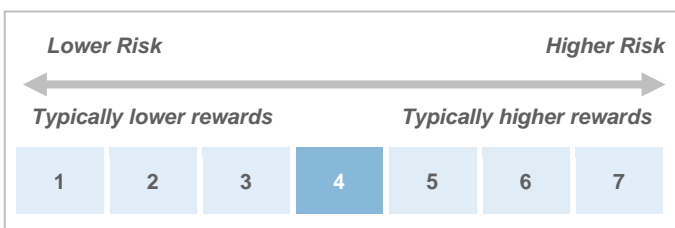
To provide investors with a high dividend yield and the potential for capital growth by investing mainly in quoted high yielding fixed interest securities.

The Company has borrowed to purchase assets for the Company. This will magnify any gains or losses made by the Company.

The Ordinary Shares of the Company are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

The Shares of the Company are intended for investors who are able to make an informed investment decision based on this document and the most recent Annual and Half yearly Financial Reports. Investors should understand that there is no capital guarantee or protection (100 per cent of capital is at risk).

### WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets. The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

We have classified this product as 4 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions could impact the products performance. This product does not include any protection from future market performance so you could lose some or all of your investment.

This table below shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Performance Scenarios		Investment £10,000		
Scenarios		1 year	3 years	5 years
Stress scenario	What might you get back after costs	4,436	5,360	4,372
	Average return each year	(56%)	(19%)	(15%)
Unfavourable scenario	What might you get back after costs	8,707	8,245	8,125
	Average return each year	(13%)	(6%)	(4%)
Moderate scenario	What might you get back after costs	10,377	11,172	12,028
	Average return each year	4%	4%	4%
Favourable scenario	What might you get back after costs	12,364	15,133	17,801
	Average return each year	24%	15%	12%

## WHAT HAPPENS IF CQS (UK) LLP IS UNABLE TO PAY OUT?

The assets of the Company are entrusted to HSBC Bank PLC. If CQS (UK) LLP encounters financial difficulties these assets will not be affected. If the assets are lost and this is the fault of HSBC Bank PLC (or its delegates), equivalent assets/value will be returned to the Company. If HSBC Bank PLC (or its delegates) encounters financial difficulties, the Company could suffer a loss in some circumstances.

## WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for the three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time			
	Investment £10,000		
	1 year	3 years	5 years
Total Costs	£151	£453	£754
Impact on return (RIY)	1.51%	1.51%	1.51%

## Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- The meaning of the different cost categories

Impact on return per year			
One-Off costs	Entry costs	None	The impact of the costs you pay when entering your investment.
	Exit Costs	None	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio Transaction costs	(0.01%)	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.51%	The impact of the costs that we take each year for managing your investment.
Incidental costs	Performance fees	None	The impact of the performance fee.
	Carried interests	None	The impact of the carried interests.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

The shares are considered to be a medium to long-term investment and therefore the recommended holding period should be at least five years. The company is expected to continue indefinitely and does not offer shareholders the option to withdraw their money early.

## HOW CAN I COMPLAIN?

As a shareholder of the Company you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. Complaints about the company or the key information document should be sent to:

CQS New City High Yield Fund Limited, (for the attention of Martin Cassels)  
Maitland Administration Services (Scotland) Limited, 20 Forth Street, Edinburgh, EH1 3LH  
Email: [martin.cassels@maitlandgroup.com](mailto:martin.cassels@maitlandgroup.com)  
Web: [www.maitlandgroup.com](http://www.maitlandgroup.com)

## OTHER RELEVANT INFORMATION

The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. The investor information document required under AIFMD provides you with key information about the product which you are advised to read so you can make an informed decision about whether to invest. This document together with the Annual and Half-Yearly Financial Reports, Company Announcements and other information is available on [www.ncim.co.uk](http://www.ncim.co.uk).

## Legal Notice

All Investors should ensure that they have received and read the Prior-Investment Disclosure which is available from CQS at [clientservice@cqsm.com](mailto:clientservice@cqsm.com). In common with most investment companies, the Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of a Company's assets will result in a magnified movement, in the same direction, of that NAV. The value of shares and the income from them can go down as well as up and you may get back less than the amount invested. Past performance is not a guide to the future. Exposure to a single country market increases potential volatility. There is no guarantee that the market price of shares in the Company will fully reflect their underlying Net Asset Value. As with all stock exchange investments, the value of investment company shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. The NAV stated is calculated based on the bid prices of the portfolio holdings by the Administrator. An investment company should be considered only as part of a balanced portfolio. Under no circumstances should this information be considered as an offer or solicitation to deal in investments. New City Investment Managers is a trading name for CQS (UK) LLP who are authorised and regulated by the Financial Conduct Authority and its registered office is: 4th Floor, One Strand, London WC2N 5HR. Not for distribution to retail investors as defined in Article 4 of the European Directive 2011/61/EU and the UK FCA COBS 3.4. CQS is a founder of the Standards Board for Alternative Investments ("SBAI") (formerly, the Hedge Fund Standards Board) which was formed to act as custodian of the alternative investment managers' industry best practice standards (the "Standards") published by the Hedge Fund Working Group ("HFWG") in 2008 and to promote conformity to the Standards. SBAI is also responsible for ensuring that they are updated and refined as appropriate. The Standards were drawn up by HFWG which comprised the leading hedge funds (based mainly in London) in 2007 in response to concerns about the industry, including financial stability and systematic risk. The HFWG completed its work in January 2008 and published its report outlining the Standards. By applying, managers commit to adopt the "comply or explain" approach described in the Standards. The term "CQS" may include one or more of any CQS branded entity including CQS Cayman Limited Partnership which is registered with the Cayman Islands Monetary Authority, CQS (UK) LLP and CQS Investment Management Limited which are both authorised and regulated by the UK Financial Conduct Authority, CQS (Hong Kong) Limited which is regulated by the Hong Kong Securities and Futures Commission, CQS (US), LLC which is registered with the US Securities and Exchange Commission, and CQS Investment Management (Australia) Pty Limited which is registered with the Australian Securities & Investments Commission, Australian Financial Services Licence No. 386047. This document has been prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares in any fund or any security, commodity, financial instrument or derivative linked to, or otherwise included in, a portfolio managed or advised by CQS; or (iv) an offer to enter into any other transaction whatsoever (each a "Transaction"). Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and suitability of such Transaction in light of your individual circumstances. Where applicable, any decision to enter into any Transaction should be based on the terms described in the relevant prospectus, supplement, offering memorandum, private placement memorandum, trading strategy, constitutional document and/or any other relevant document as appropriate (each an "Offering Document"). Any Transaction will be subject to the terms set out in its Offering Document and all applicable laws and regulations. The Offering Document supersedes this document and any information contained herein. Nothing contained herein shall constitute or give rise to the relationship of partnership nor shall it constitute a joint venture or give rise to any fiduciary or equitable duties. Any information contained herein relating to any third party not affiliated with CQS is the sole responsibility of such third party and has not been independently verified by CQS or any other independent third party. The information contained herein is not warranted as to completeness or accuracy and no representations are made in such respect, nor should it be deemed exhaustive information or advice on the subjects covered; as such, the information contained herein is not intended to be used or relied upon by any counterparty, investor or any other party. The information contained herein, as well as the views expressed herein by CQS professionals made as of the date of this presentation, is subject to change at any time without notice. CQS uses information sourced from third-party vendors, such as statistical and other data, that are believed to be reliable. However, the accuracy of this data, which may also be used to calculate results or otherwise compile data that finds its way over time into CQS research data stored on its systems, is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. CQS bears no responsibility for your investment research and/or investment decisions and you should consult your own lawyer, accountant, tax adviser or other professional adviser before entering into any Transaction. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives (including affiliates) accept any liability whatsoever for any errors and/or omissions or for any direct, indirect, special, incidental or consequential loss, damages or expenses of any kind howsoever arising from the use of, or reliance on, any information contained herein. Information contained in this document should not be viewed as indicative of future results as past performance of any Transaction is not indicative of future results. The value of investments can go down as well as up. Certain assumptions and forward looking statements may have been made either for modelling purposes, to simplify the presentation and/or the calculation of any projections or estimates contained herein and CQS does not represent that any such assumptions or statements will reflect actual future events or that all assumptions have been considered or stated. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. Some of the information contained in this document may be aggregated data of transactions executed by CQS that has been compiled so as not to identify the underlying transactions of any particular customer. Any indices included in this document are included to simply show the general market trends relative to the types of investments CQS tends to select for certain funds managed or advised by CQS ("CQS Funds") for the periods indicated within this document. The indices are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). CQS Funds are not managed to a specific index. This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation. In accepting receipt of this information, you represent and warrant that you have not been solicited, directly or indirectly, by CQS and are receiving this information at your own request. It is your responsibility to inform yourself of and to observe all applicable laws and regulations of any relevant jurisdiction. The information contained herein is confidential and may be legally privileged and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates.

**AIFMD and Distribution in the European Economic Area:** The Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) ('AIFMD') is a regulatory regime which came into full effect on 22nd July 2014. CQS (UK) LLP is an Alternative Investment Fund Manager (an 'AIFM') to certain CQS Funds (each an 'AIF'). The AIFM is required to make available to investors certain prescribed information prior to investing in an AIF. The majority of the prescribed information is contained in the latest Offering Document of the AIF. The remainder of the prescribed information is contained in the relevant AIF's pre-investment disclosure document, the monthly investor report, and the fund limits document. All of this information is made available in accordance with the AIFMD.

In relation to each member state of the EEA (each a "Member State") which has implemented the AIFMD (and for which transitional arrangements are not/no longer available), this document may only be distributed and shares in a CQS Fund ("Shares") may only be offered or placed in a Member State to the extent that: (1) the CQS Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD (as implemented into the local law/regulation of the relevant Member State); or (2) this document may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor).

In relation to each Member State of the EEA which, at the date of this document, has not implemented the AIFMD, this document may only be distributed and Shares may only be offered or placed to the extent that this document may be lawfully distributed and the Shares may lawfully be offered or placed in that Member State (including at the initiative of the investor).

**Information Required, to the extent applicable, for Distribution of Foreign Collective Investment Schemes to Qualified Investors in Switzerland:** The distribution of shares of the relevant CQS Fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended ("CISA") and its implementing ordinance (the "Swiss Distribution Rules"). Accordingly, the relevant CQS Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA"). The representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. The relevant Offering Document and all other documents used for marketing purposes, including the annual and semi-annual report, if any, can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland. CQS (UK) LLP (as the distributor in Switzerland) and its agents do not (i) pay any retrocessions to third parties in relation to the distribution of the Shares of the CQS Fund in or from Switzerland; or (ii) pay any rebates aiming at reducing fees and expenses paid by the CQS Fund and incurred by the investors.

## Contact Information

New City Investment Managers:

4th Floor, One Strand, London WC2N 5HR United Kingdom | Tel: +44 (0) 20 7201 6900 | [www.ncim.co.uk](http://www.ncim.co.uk)