

# Investor Report

May 2025

## CQS Dynamic Credit Multi Asset Fund

### Key Facts

<b>Portfolio Manager</b>	Craig Scordellis and Darren Toner
<b>Inception Date</b>	08 February 2021
<b>Legal Structure</b>	UCITS
<b>Base Currency</b>	GBP
<b>Currency Share Classes</b>	EUR, GBP, USD
<b>SFDR</b>	Article 8
<b>Dealing Frequency</b>	Daily by 1pm Dublin time
<b>Subscriptions and Redemptions</b>	
<b>Management Fee (by Class)</b>	D 0.35% / 0.45% p.a. <sup>2</sup> F 0.30% p.a. C 0.65% p.a. I 0.80% p.a. A 1.50% p.a.
<b>Capped Expenses</b>	0.25% p.a.
<b>Minimum Investment (or currency equivalent, by Class)</b>	D GBP 10m F GBP 10m C GBP 10m I GBP 1m A GBP 35,000
<b>Domicile</b>	Ireland
<b>ISIN</b>	GBP IE00BN15XV68 EUR IE00BN15XT47 USD IE00BN15XW75
<b>Bloomberg</b>	GBP CQTRCIG EUR CQTRCIE USD CQTRCIU
<b>SEDOL</b>	GBP BN15XV6 EUR BN15XT4 USD BN15XW7

Key Metrics	Value
Total Fund AUM	\$1086.5m
Total Strategy AUM <sup>3</sup>	\$9.8bn
Yield to Expected Maturity (%; GBP)	6.08
Weighted Average Credit Spread (bps)	289
Interest Rate Duration (yrs)	2.04
Number of Securities	748
Average Credit Rating <sup>4,5</sup>	BBB-
Weighted Average Carbon Intensity (t/\$m Sales): Fund <sup>6</sup>	145
Weighted Average Carbon Intensity (t/\$m Sales): Reference Index <sup>6,7</sup>	213
Average ESG Rating <sup>8</sup>	A

### Risk and Reward Profile

1	2	3	4	5	6	7
Lower Risk						Higher Risk

### Description

- A flexible multi-asset credit approach seeking high income across developed markets to achieve attractive risk-adjusted returns
- Actively managed portfolio, focused on delivering daily liquidity and putting investors' capital in the right asset class, geography and sector at the right time
- Seeking high yield returns, with prudent risk management
- The Fund is suitable for investors seeking to maximise their total return through a portfolio of assets which generate both income and capital growth over the long term

### Performance<sup>1</sup>

Past performance does not predict future returns. Share class launch dates vary. Please see the annual performance on page 2 of this report

	1 Month (%)	3 Month (%)	Year-to-Date (%)	1 Year (%)	Since Inception Annualised (%)	NAV/ Share
<b>F EUR</b>	1.29	0.49	1.74	5.24	0.95	104.171
<b>F GBP</b>	1.46	0.98	2.53	6.99	2.27	110.233
<b>F USD</b>	1.46	1.00	2.52	7.05	2.43	110.293
<b>FD GBP</b>	1.46	0.98	2.53	6.99	5.48	105.159
<b>I EUR</b>	1.24	0.36	1.53	4.72	0.67	102.914
<b>I GBP</b>	1.42	0.87	2.35	6.52	1.86	108.305
<b>I USD</b>	1.43	0.88	2.32	6.56	2.17	109.741

### Commentary

#### Performance

May was a strong month for financial markets as the U.S. and China sought to de-escalate their tariff dispute. The 10-year Treasury yield rose as Moody's downgraded the U.S.' credit rating from, although it ended the month 20 basis points (bps) lower than its intramonth high of 4.61%. In Europe, inflation data came in slightly below expectations.

The Fund delivered a positive return, with all asset class strategies contributing positively. The Fund's U.S. High Yield, European High Yield and Financials strategies each outperformed their respective market indices. Convertibles, which have a lower portfolio weighting, also outperformed strongly. The Fund's overall return was slightly behind the Global High Yield bond index due to its underweight exposure to U.S. High Yield corporates, which outperformed during the month. Meanwhile, floating rate positions in Collateralised Loan Obligations and Loan Total Return Swaps lagged the broader credit market recovery.

#### Fund Positioning

There were no active changes to the Fund's duration positioning or asset allocation during the month. Given the heightened uncertainty in markets, we are holding a higher cash balance than normal and continue to position the portfolio with a shorter duration, higher-quality tilt while maintaining our focus on income generation.

## Portfolio Analysis

Asset Allocation Breakdown	% Long Exposure
Asset Backed Securities	18.3
Cash*	13.0
Convertibles	4.1
Corporate Hybrid	1.2
EU High Yield Bonds	11.5
Financials	11.7
Loan Index	4.6
US High Yield Bonds	31.1
US Investment Grade	4.5

Credit Rating Breakdown <sup>3</sup>	% Long Exposure
AAA	0.0
AA	6.8
A	13.8
BBB	17.1
BB and below	62.3

\*Cash includes short-dated government bonds.

Top 10 Country Exposures	% Long Exposure
United States	46.7
PanEuropean	15.7
United Kingdom	12.5
Germany	3.9
France	2.8
Netherlands	1.9
Spain	1.4
Italy	1.4
Austria	1.1
Luxembourg	0.8

Top 10 Industry Exposures	% Long Exposure
CLO	15.5
Banks	7.5
Sovereign	5.4
Broad Market Indices	4.6
Hotels, Restaurants & Leisure	4.6
Oil, Gas & Consumable Fuels	3.9
Diversified Telecommunication Services	3.1
Financial Services	3.0
Specialty Retail	2.6
Insurance	2.6

ESG Rating Breakdown <sup>7</sup>	% Rated
AAA	7.3
AA	24.5
A	24.0
BBB	24.6
BB	14.6
B	4.3
CCC	0.8

## Performance by Year<sup>1</sup>

Share Class	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
F EUR							4.11	-11.29	5.94	4.66
F GBP							4.97	-10.22	7.48	6.14
F USD							3.53	-9.52	8.06	6.29
FD GBP									2.70	6.14
I EUR							3.65	-10.93	5.44	4.13
I GBP							4.62	-10.51	6.99	5.65
I USD							4.56	-9.90	7.58	5.81

## Risks Involved

- Equity and market risk: Security values may fluctuate with company performance and market conditions
- Credit risk: Risk of a borrower failing to meet their obligations in accordance with agreed terms
- Liquidity and volatility risk: Certain securities may be less liquid, more volatile, and riskier
- Interest rate risk: The potential variability in valuations due to changes in interest rates
- For full details of the relevant risks, reference should be made to the risk factors section of the Prospectus and Supplement

Actual allocations at month end. There is no guarantee that the Fund will invest in this way at all or do so in the same manner as set forth in this factsheet. Figures may not sum to 100 due to rounding and the use of efficient portfolio management techniques. Past performance may not be a reliable guide to future performance. The value of investments can go down as well as up. Past performance may not be a reliable guide to future performance. The value of investments can go down as well as up.

## Important Information

Source: CQS as at 31 May 2025.

<sup>1</sup>Class returns are calculated net of fees and expenses and with all dividends and income reinvested on the basis of a holding since inception of such class or, if such class has become dormant at any point following inception, since the first new investment into such class. The Fund launched on 8 February 2021. Investors should note that the base currency of the Fund is UK Sterling. Individuals may have different returns depending upon the date of their investment. Investors should refer to each specific share class for the actual historical performance of the relevant class; please request full history of data from CQS. Class F GBP, I GBP, F EUR, I EUR and I USD launched on 8 February 2021. Class FD GBP launched on 2 May 2023. Class F USD launched 25 May 2021. Please be advised that the F share class is closed to investors.

<sup>2</sup>In respect of each class of Class D Shares, the Fund will pay the Investment Manager a monthly Investment Management Fee equal to: (a) 1/12th of 0.45 per cent. of that portion of the Net Asset Value of such Class which is equal to or less than GBP 300,000,000; and (b) 1/12th of 0.35 per cent. of that portion of the Net Asset Value of such Class in excess of GBP 300,000,000.

<sup>3</sup>Strategy Assets are estimated and represent assets held across CQS-managed funds (including bespoke mandates) where similar multi-asset credit investment strategies are employed. The provision of an overall Strategy Asset AUM is for illustrative purposes only and is intended to show solely the size of the asset classes managed by CQS where the investment strategy is the similar.

<sup>4</sup>Internal credit ratings and subsequently spread ratings are used where externally sourced credit ratings are not available. Cash allocation is rated according to the issuer rating of the custodian bank.

<sup>5</sup>Weighted Average Rating: positions are weighted according to BEE (Bond Equivalent Exposure (BEE): for equity and debt instruments, the market value of the position, and for derivatives, the notional adjusted by the market value of the position).

<sup>6</sup>Weighted Average Carbon Intensity ("WACI") is estimated using scope 1 & 2 available disclosures or proxy estimates based on comparative data from MSCI. For proxy estimates, we apply a waterfall approach which requires a minimum of 10 issuers within the proxy estimate group. If there are not 10 issuers in the proxy estimate group, it changes to a broader category group to increase the number of comparable issuers and continues moving to a broader group until a minimum group size of 10 issuers are obtained or 'sector' level is reached. The order is sub-industry first, then industry, then industry group, then finally sector. Where MSCI data is stale or the proxy estimate is not an appropriate reflection of the issuer, we may implement a carbon emission override to report an issuer's most recent publicly available carbon data or use a more appropriate comparator (using MSCI data) as a proxy estimate. Please note that the WACI score does not include hedges for efficient portfolio management purposes.

<sup>7</sup>The Reference Index is the ICE BoA Developed Markets High Yield Index (HYDM).

<sup>8</sup>ESG ratings are attributed to issuers using either third party or internal ESG ratings assessed by CQS. The ratings range from AAA-CCC and are based on factors such as climate change, toxic emissions and waste, labour management, health and safety, privacy and data security, corporate governance and behaviour, and remuneration. A waterfall approach is used when assessing the ESG rating portfolio distribution and average rating of the portfolio, whereby (i) if a third party ESG rating is available that rating is used, failing which (ii) CQS' rating will be used. ESG ratings may reflect the subjective opinions of CQS or the relevant third party and may be based on qualitative as well as quantitative data. External ratings typically represent over 55% of ESG ratings. ESG ratings may be based on unverified third party sources or unaudited financial and non-financial data. ESG ratings are not an opinion of the creditworthiness of any issuer.

All market data sourced from Bloomberg. Past performance may not be a reliable guide to future performance. The value of investments can go down as well as up.

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The Fund is a sub-fund of CQS Funds (Ireland) p.l.c. (the "Company"), an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank as a UCITS pursuant to the Regulations. The UCITS Management Company is Manulife Investment Management (Ireland) Limited, with registered office at 2/F, 5 Earlsfort Terrace, Dublin 2 D02 CK83.

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