

NEW CITY INVESTMENT MANAGERS



CITY NATURAL RESOURCES HIGH YIELD TRUST

FACT SHEET JULY 2010
(as at 30th June 2010)

2009 Winner of
Investment Week's Investment Trust of the Year
– Best Specialist Trust

2009 Winner of
Investment Trusts Magazine
– Best Specialist Trust

INVESTMENT OBJECTIVES

The investment objective of the Company is to provide shareholders with capital growth and income from a portfolio of mining and resource equities, resources and industrial fixed interest securities.

STATISTICS

Total Gross Assets:	£152m
Ordinary Share	
Net Asset Value (bid price):	227p
Mid-Market Price:	188.5p
Yield (estimated):	1.7%
Gearing:	5.9%
Annual Management Fee:	1.2%
	on net assets
Discount:	17.1%

PRICING

	Ordinary
Bloomberg:	CYN.LN
Reuters:	CYNL.L
Sedol:	0035392

Financial Times (Investment Companies)

GEARING DETAILS

Net Assets:	£152,029,725
Net Debt:	£8,432,050

Potential gearing is: 13.5%
Borrowings are short-term debt

FINANCIAL CALENDAR

Year End

30 June

Results Announced

Finals: September
Interims: February

Annual Report & Accounts Published

October

Ordinary Share Dividends

2004/05 Total	2.00p
2005/06 Total	2.15p
2006/07 Total	2.35p
2007/08 Total	2.65p
2008/09 Total	3.07p

2009/10

1 st Interim	0.62p	Nov 09
2 nd Interim	0.62p	Feb 10
3 rd Interim	0.62p	May 10

All figures are as at 30th June 2010
Source: F&C Asset Management Plc /DataStream

MANAGER COMMENT

Given the general conditions recorded by financial markets during the month, the performance of the Trust, where the asset value and share price were largely unchanged, could be considered as satisfactory. There was a further corporate development within the Extract/Kalahari camps. Itochu has agreed to take out the 10.3% Polo Resources stake in Extract at a premium to the market. The Trust now has the situation of Rio holding 15% of each company, Itochu with 15% of Kalahari and 10% of Extract and Apac Resources of Hong Kong holding 10% of Kalahari. If there are any other groups in China or Russia that might want to get involved, they will have to act fairly quickly. In the meantime the Trust remains a firm holder. A report emanated from China stating that a new policy was to be imposed whereby exports of rare earths were to be cut back by 40%. This has huge implications for consumers and we would expect any non-Chinese projects to be fast forwarded. Lynas Corp, which is fully funded, looks to be the pick of the bunch and, in spite of their recent appreciation, still appears an outstanding investment. The turmoil in currency markets has had the effect of pushing the US dollar higher and the gold price lower. We think the latter is a temporary phenomenon and remain bullish of the gold sector. So far this, in financial terms, has been a summer of discontent and we are not anticipating too much of a recovery in the short term.

Source: World Nuclear Association/All market data is sourced from Bloomberg.

TOP 20 HOLDINGS

	Gross Assets (%)	
1. Extract Resources	4.5	
2. Kalahari Minerals	4.5	
3. REA Ordinary and 9.5% Pref	3.1	
4. New Britain Palm Oil	2.6	
5. Goldcorp	2.6	
6. Perseus Mining	2.4	
7. Polar Star Mining	2.4	
8. Great Panther Silver	1.6	
9. First Quantum	1.5	
10. Eldorado Gold Corp	1.5	
Top 10 holdings represent		26.7%
11. Iamgold Corp	1.5	
12. Focus Minerals	1.4	
13. Kingrose Mining	1.4	
14. Detour Gold	1.4	
15. Silver Lake Resources	1.4	
16. Neo Material Technologies	1.4	
17. Ferrous Resources	1.4	
18. Lynas Corp Ltd	1.3	
19. Nido Petroleum	1.3	
20. Advance 9.5 0115 Cv	1.2	
Top 20 holdings represent		40.4%

The Trust has 177 holdings

ORDINARY SHARE & NAV PERFORMANCE

The Trust's investment benchmark is 2/3 HSBC Global Mining Index (sterling adjusted) and 1/3 Credit Suisse High Yield Index (sterling adjusted).

Performance data is calculated from 1 August 2003 (total return basis)

	1 month	3 months	6 months	12 months	3 years	5 Years	From 01/08/03
	%	%	%	%	%	%	%
Fund NAV	-2.68	-4.50	+2.47	+39.55	+23.18	+204.96	+400.86
Share Price	0.0	-3.03	+0.40	+35.72	+13.52	+166.86	+312.35
Benchmark	-6.10	-11.32	-1.57	+39.96	+27.66	+145.60	+239.18

Source: F&C Asset Management Plc/DataStream

ISSUED SHARE CAPITAL

Ordinary Shares of 25p 66,857,143

Capital History

4 November 1994 20,000,000 Ordinary shares of 25p each placed in Aberdeen Latin American Trust at 100p with 4,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p for 100p. Following the June 2003 EGM, when the Company's name changed to City Natural Resources High Yield Trust, on 31st October 2003, 42,857,143 new shares were admitted to the London Stock Exchange by means of a placing at 70p each, with the subscription price for warrants being changed to 85p. 18,500 Warrants were exercised in 2006, 10,000 Warrants were exercised in 2007 and a further 38,586 Warrants were exercised in 2008.

The final exercise date for the Warrants was 31st October 2009. On 11th November 2009 3,932,914 Ordinary shares of 25p each were admitted to the Official List following the exercise of 3,932,914 warrants. Trading on these additional shares commenced on 13th November 2009.

MANAGER INFORMATION

Richard Lockwood and Will Smith have day to day responsibility for managing the Company's portfolio and are supported by the New City team. Richard Lockwood is a director of Kalahari Minerals plc.

NCIM PORTFOLIO MANAGERS

Richard Lockwood

Neil Gregson

Merfyn Roberts

Will Smith

John Wong

Ian Francis

CONTACT

Adam Cooke
020 7201 5368

Nigel Carter
020 7201 5417

Address

New City Investment Managers
5th Floor
33 Chester Street
London SW1X 7LB

Tel: 020 7201 6900

Website: www.ncim.co.uk

MARKET MAKERS

Arbuthnot 0207 012 2009	CanaccordGenuity 0207 050 6544	Cazenove 0207 558 8149	Cenkos 0207 397 8900	Dexion 0207 832 0999	Fairfax 0207 460 4363	Winterfloods 0203 100 0258
----------------------------	-----------------------------------	---------------------------	-------------------------	-------------------------	--------------------------	-------------------------------

IMPORTANT INFORMATION

Past performance is not necessarily a guide to future performance. The value of investments and income from them may go down as well as up and are not guaranteed. Changes in rates of exchange may cause the value of investment to fluctuate. Net Asset Value (NAV) performance is not linked to share price performance, and shareholders may realise returns that are lower or higher in performance.

New City Investment Managers is a trading name for CQS Asset Management Limited who are authorised and regulated by the Financial Services Authority. Company registered office: New City Investment Managers, 5th Floor, 33 Chester Street, London SW1X 7BL.

FUND SPECIFIC WARNING

In some less developed stockmarkets there are risks from political, economic and regulatory instability. These risks include the possibility of various forms of punitive government intervention together with reduced levels of regulation, higher brokerage commissions, less reliable settlement and custody practices, higher market volatility (causing a substantial increase in price and less reliable financial reporting). There is a lower level of correlation between mining to equity generally and risks in gold, base metals and mining shares in general tend to be country specific in nature.