

Investor Report

June 2025

Salar Fund

Key Fund Information		
Investment Manager	CQS (UK) LLP	
Portfolio Manager	James Peattie and team	
Fund Launch Date *	11 February 2008	
Fund Size	\$78.4m	
NAV Per Share	216.42 (Class A1 USD)	
Legal Structure	UCITS	
Domicile	Ireland	
SFDR	Article 8	
Reference Currency	USD	
Share Classes	USD, GBP, EUR, CHF	
ISIN	A1 USD	IE00B2PLHH71
	C1 EUR D Inc	IE000DY06J66
	C1 GBP D Inc	IE000FJXQWQ6
	E1 CHF	IE0001K7QFH1
	E1 EUR	IE00B520F527
	E1 EUR D Inc	IE00BBR6N535
	E1 GBP D Inc	IE00BBR6N758
	E1 USD	IE00B50W0L11
	E2 EUR	IE00B520G822
	E2 USD	IE00B51ZK080
E3 EUR	IE00B50VYD81	
UK Reporting Status	Available for selected share classes	
Income Available	Available for selected share classes	
Dealing	2 days	
Subscriptions	T-2	
Redemptions	T-2	
Entry/Exit Charge	None	
Redemption Fee	None	
Reference Share Class Details		
Share Class	A1 USD (Acc)	
Management Fee	1.00% p.a	
Performance Fee	10% over SOFR	
Min Investment	\$250,000	
ISIN	IE00B2PLHH71	
Bloomberg	SALFUNA ID	
Fund Characteristics ¹		
No. of Positions ²	79	
Current Yield	1.1%	
Average Premium	42.6%	
Average Delta	30.2%	
Average Life (years)	1.83	
Weighted Av. Rating	BBB+	
Weighted Average Carbon Intensity	147	
Average ESG Rating ⁴	A	
Third Parties		
Administrator	BNP Paribas Fund Administration (Ireland) Limited	
Depository	BNP Paribas Securities Services, Dublin Branch	
Auditor	Ernst & Young	
Risk and Reward Profile		

1	2	3	4	5	6	7
Lower Risk						Higher Risk

Fund Description

- Salar has an Absolute Return focus that seeks wealth preservation and growth. The Fund aims to preserve and grow investor capital through a carefully selected portfolio of Global Convertible Bonds valued near to their bond floor with upside optionality
- The Fund is suitable for investors seeking capital growth over the medium to long term. The Fund may use financial derivative instruments for currency hedging purposes

Performance

Salar has outperformed the Refinitiv Global Focus Hedged Convertible Bond Index over 5 years and since inception, with significantly less volatility.**

Trailing Net Performance⁵

Past performance does not predict future returns.

	Salar Fund **	Global Focus Hedged Convertible Bond Reference Index (USD) ***	Outperformance
1 Year Return	9.52	15.91	-6.93
3 Year Return Annualised	8.09	9.39	-1.30
5 Year Return Annualised	6.10	4.44	1.66
SI Return Annualised	4.55	4.20	0.35
Annualised Volatility (1 year)	2.10	5.85	3.75
Annualised Volatility (3 year)	4.06	8.73	4.67
Annualised Volatility (5 year)	4.67	9.23	4.56

Monthly Net Performance (%)⁵

Past performance does not predict future returns. Returns are Class A1 USD.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2025	1.18	1.33	0.26	0.04	1.00	0.46							4.33
2024	0.25	1.45	1.34	(0.40)	(0.25)	(0.28)	0.63	0.89	2.22	0.50	0.27	0.39	7.19
2023	2.83	(0.10)	0.66	0.21	(0.10)	1.55	0.82	(0.68)	(0.31)	(0.76)	1.88	1.09	7.28
2022	(1.40)	(0.52)	1.03	(1.42)	(1.27)	(2.81)	2.28	1.65	(3.14)	1.28	3.38	(0.18)	(1.34)
2021	0.76	1.28	0.03	(0.04)	(0.47)	0.13	(0.79)	0.45	(0.16)	0.43	(1.45)	0.92	1.06
2020	(0.96)	(2.59)	(6.97)	4.45	2.23	1.87	1.45	3.06	0.27	0.24	4.57	2.29	9.74
2019	2.61	1.40	0.13	1.22	(1.84)	1.20	0.58	(1.10)	1.02	1.25	1.06	1.17	8.97
2018	0.97	(0.57)	(0.36)	0.97	(0.62)	(0.31)	0.41	0.40	0.58	(2.02)	0.42	(2.27)	(2.44)
2017	0.27	1.00	(0.23)	0.83	0.50	(0.16)	0.46	(0.30)	0.51	1.12	(0.03)	(0.53)	3.46
2016	(3.03)	(0.80)	2.19	0.87	0.67	(1.44)	2.36	0.69	0.12	0.67	0.01	1.41	3.65
2015	0.90	2.14	0.76	2.42	0.31	(1.53)	(0.10)	(1.98)	(1.70)	2.66	0.32	(0.82)	3.28
2014	0.00	1.37	(0.08)	(0.04)	0.81	0.36	0.04	0.37	(1.39)	(0.08)	1.42	(0.02)	2.76

Please contact CQS for full performance since inception

The value of securities may go down as well as up, depending on the performance of companies and general market conditions.

* Fund launched as an Irish PLC in 2008 and, following a corporate action in September 2022 converted onto MCQS' existing UCITS plc umbrella platform.

** Source: CQS. Returns are represented by the CQS Salar Fund (UCITS) A1 USD share class from inception on 11 February 2008. Returns are net of fees, expenses and transaction costs. Investors should refer to each specific share class for the actual historical performance of the relevant class.

*** Source: Bloomberg. The Refinitiv Global Focused Hedged Convertible Bond Index (USD) is used as a broad asset class reference, as the Fund is actively managed, and not managed with reference to a benchmark. For illustrative purposes only. This document includes historic returns and past performance is not a reliable indicator of future results.

Fund Commentary⁶

Equity markets remained firm in June. The MSCI World gained 4.2%, helped by strength in technology shares with the Nasdaq up 6.6%. The S&P rose 5.0%, the Nikkei was up 6.6% while the Hang Seng and the Euro Stoxx indices lagged up 3.4% and down 1.2% respectively. Credit spreads continued to tighten, the iTraxx European Crossover index by ~18bps. US Treasury yields fell slightly in contrast with German bonds where yields marginally increased.

All of the Fund's regional portfolios were profitable on the month, led by European positions. On a sector basis, Information Technology and Financials names led gains. Consumer Staples and Discretionary holdings modestly detracted. On a single name basis, Italian gas utility Italgas led returns, followed by Japanese financial group SBI Holdings and media company Cyberagent. Japanese car park group Park 24 and food company Nippon Flour Mills detracted, as did US ecommerce business Etsy.

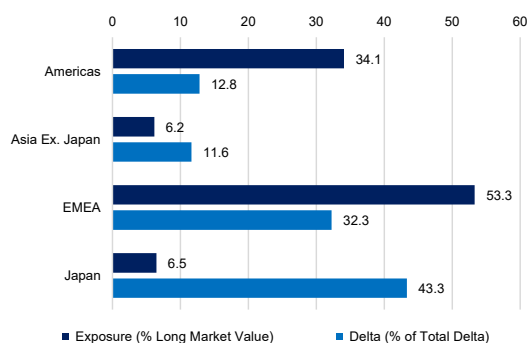
Global convertible issuance was very strong in June at \$26.1bn of new paper. This was the largest issuance month since March 2021. The US led issuance, with \$17.4bn of paper and \$6.3bn and \$2.4bn from Asia and Europe respectively. Issuance is being supported by higher rates and by a wave of refinancing of pandemic-era corporate debt coming due. We expect healthy new issue levels to continue, strongly supporting the convertible investment opportunity set.

The Fund participated selectively in the primary market in June, in new issues Kering (Artemis) 1.5% 2030 and Legrand 1.5% 2033. The Fund also made selective purchases on the secondary market to deploy capital in Evonik (RAG) 0% 2026, Federal Realty 3.25% 2029 and STM 0% 2027. The Fund received cash at maturity from holdings in DHL ex-Deutsche Post 0.05% 2025, Umicore 0% 2025 and Puma (Artemis) 0% 2025 and took profits after strength in Italgas (SNAM) 3.25% 2028. The Fund entered a new ASCOT position in June, in Japanese infrastructure construction business Infroneer.

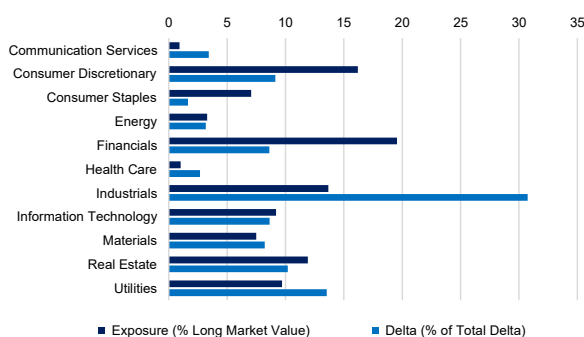
Markets year-to-date have shown resilience in the face of significant uncertainty, in particular on trade and broader international policy. Concern on the sustainability of fiscal deficits is increasing. We continue to expect larger market swings and volatility, in particular in the summer months when liquidity may be constrained. In this environment, we believe that high quality convertibles with attractive upside and protected downside constitute a compelling investment proposition. The convertible opportunity is robust, with a very active issuance calendar importantly including a historically high level of Investment Grade paper. The Fund is positioned in defensive securities with strong credit profiles to help provide downside protection while maintaining sound upside optionality.

Portfolio Analysis

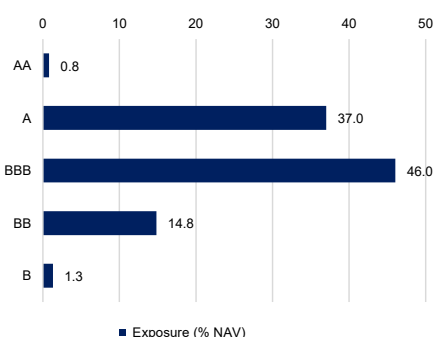
Regional Exposure



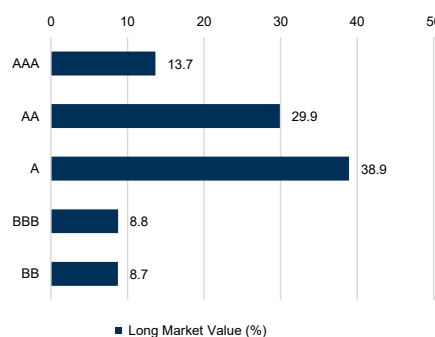
Sector Exposure



Credit Rating (Proxy)⁷



ESG Rating Breakdown^{4,8}



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. The value of securities may go down as well as up, depending on the performance of companies and general market conditions. The value at which securities in certain companies can be liquidated may differ, sometimes significantly, from the interim valuations. Investment in securities of certain companies may be less liquid, more volatile and subject to greater risks than securities of other companies. Investment in emerging markets may increase the volatility of the Fund's Net Asset Value, and accordingly, an investment in the Fund's Shares may be worth more or less on redemption than their original purchase value. As the Fund may invest in derivatives, such as swaps, it may lose more than the amount invested in such derivatives. Investors in shares denominated in a currency other than the base currency of the Fund may be affected by changes in currency movements. For full details of the relevant risks reference should be made to the risk factors sections of the Prospectus and Supplement.

Salar Fund - Monthly Factsheet - June 2025

IMPORTANT INFORMATION:

Sources: CQS as at 30 June 2025.

The CQS Salar Fund is an Article 8 Fund under the EU Sustainable Finance Disclosures Regulation ('SFDR'). This page does not represent the formal limits and/or restrictions set out in the Fund's investment policy.

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The Fund was incorporated in Ireland on 27 November 2007 as an investment company with variable capital with limited liability under registration number 449784. The Fund is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

Overall Fund data source: CQS and BNP Paribas Fund Administration Services (Ireland) Limited as at the last business day of the month indicated at the top of page 1.

¹ Excludes investments in Futures and Interest Rate Swaps.

² Excludes positions with zero market value.

³ 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.

⁴ 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 95% 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. ESG Rating Analysis: MSCI ESG Research LLC. Please see MSCI Disclaimer at the end of this report.

⁵ Returns are represented by the Salar Strategy Index USD: since inception 30 November 2005 to 10 February 2008, returns are the Salar Fund A USD share class; 11 February 2008 to the present date, returns are the CQS Fund (UCITS) A1 USD share class. Since 11 February 2008, the Strategy has followed the Undertakings for Collective Investment in Transferable Securities Directive (UCITS). The investment process and team have remained substantially the same for the life of the Strategy. Returns are net of fees, expenses and transaction costs. Investors should refer to each specific share class for the actual historical performance of the relevant class. The value of investments can go down as well as up.

⁶ The Fund may have since exited some or all of the positions detailed in this commentary. Includes data sourced from Bloomberg.

⁷ Credit Rating: Positions, including Cash, are weighted according to market value and internal credit ratings are used where externally sourced credit ratings are not available. Cash is rated according to the rating of the custodian bank.

⁸ ESG ratings may not sum to 100% due to rounding.

Investors should take into account all characteristics and objectives of the fund as set out in full in the fund's supplement and/or prospectus. Further information on the investment manager's ESG processes and commitments, including its Responsible Investment Policy, can be found on www.cqs.com.

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