

Investor Report

April 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	\$75.9m
NAV Per Share	213.29 (Class A1 USD)
Legal Structure	UCITS
Domicile	Ireland
SFDR	Article 8
Reference Currency	USD
Share Classes	USD, GBP, EUR, CHF

ISIN	Share Class
A1 USD	IE00B2PLHH71
C1 EUR D Inc	IE000DYO6J66
C1 GBP D Inc	IE000FJXWQ6
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 3M Libor
Min Investment	\$250,000
ISIN	IE00B2PLHH71
Bloomberg	SALFUNA ID

Fund Characteristics ¹	
No. of Positions ²	68
Current Yield	1.0%
Average Premium	58.3%
Average Delta	26.0%
Average Life (years)	1.47
Weighted Av. Rating	BBB+
Weighted Average Carbon Intensity ³	159
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			4	Higher Risk		

The Fund is categorised as 4 for the purposes of this table due to investments in convertible bonds and use of derivatives.

Investment Aim

Seeking wealth preservation and growth.

Absolute Return

Salar has an Absolute Return focus. Salar 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.

Performance

Salar has outperformed the Refinitiv Global Focus Hedged Convertible Bond Index over 3 years, 5 years and since inception, with significantly less volatility.**

Trailing Net Performance⁵

Past performance does not predict future returns.

	Refinitiv Global Focus Hedged Convertible Bond		
	Salar Fund ***	Index (USD) **	Outperformance
1 Year Return	7.36	12.55	-5.19
3 Year Return Annualised	6.09	4.53	1.55
5 Year Return Annualised	6.65	5.10	1.56
SI Return Annualised	4.97	4.60	0.37
Annualised Volatility (1 year)	2.49	5.56	3.07
Annualised Volatility (3 year)	4.64	9.51	4.87
Annualised Volatility (5 year)	4.77	9.47	4.70

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									2.83
2024	0.25	1.45	1.33	(0.40)	(0.23)	(0.29)	0.63	0.88	2.23	0.49	0.27	0.40	7.20
2023	2.83	(0.10)	0.66	0.21	(0.10)	1.55	0.82	(0.68)	(0.30)	(0.76)	1.88	1.11	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)

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 CQS' existing UCITS plc umbrella platform. ** 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. *** Source: CQS. Please note, the CQS Salar Strategy Index USD is a theoretical, non-investable share class. It is made up of a series of share classes in order to demonstrate the longest consistently available track record for the Strategy. 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 Salar 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. This document includes historic returns and past performance is not a reliable indicator of future results.

Fund Commentary⁶

Market overview

Equity markets were volatile in April, falling sharply especially in the first week on the unexpected scope and scale of the trade tariffs imposed by the US administration. Markets rallied sharply in the second half of the month as the US postponed the introduction of 'reciprocal' tariffs and effected a number of exemptions to tariffs already announced. Still, policy uncertainty remained elevated with some new tariffs still being announced and the US administration's open criticism of the US Federal Reserve Chair. A number of corporates, notably airlines initially, began to withdraw forward guidance given the current uncertainty and lack of visibility.

Despite the high volatility and early month weakness, many equity markets ended the month little changed with the MSCI World rising 0.7%. The Hang Seng index fell 4.3% while, after strong outperformance in Q1, the Euro Stoxx 50 fell 1.7%. The S&P fell 0.8% with the Russell 2000 down 2.4% reflecting weakness in smaller companies. Oil fell 18% on the month on economic uncertainty and increased production. Government bond yields were also volatile intra-month but ended slightly lower, with the 5 year UST and German Bund yields falling by ~22bps and ~35bps respectively. Credit widened slightly on the month, the iTraxx Crossover index by ~22bps to 350bps and the CDX IG index by ~4bps to 68bps. Convertible markets were resilient in the face of the equity market volatility and outperformed most competing asset classes. We continue to expect larger market swings and volatility as tariff policies, geopolitics and their effects roll through global economies and markets.

As we would expect and in line with primary markets across all asset classes, primary activity was subdued amid the tariff-induced market volatility. Overall new issue volumes totalled \$2.3bn globally.

Performance

Salar's European portfolio made gains on the month while the Japanese portfolio detracted. The US and Asia (ex-Japan) portfolios were little changed. The strongest sector by some distance was Utilities. Real Estate names also contributed positively. Most sectors were flat to negative with Consumer Discretionary names the largest detractors. On a single name basis, the Italian natural gas distribution company Italgas, the US utility company CenterPoint Energy and the Dutch mail-order pharmacy retailer Redcare Pharmacy led gains. The largest detractors were the Chinese e-commerce company JD.com, the Japanese financial services company SBI Holdings and the French multinational integrated energies and petroleum company TotalEnergies.

Positioning

Salar participated in the new European Redcare Pharmacy 1.75% 32 deal and the additional 'tap' issue of Vinci 0.7% 2030. The Fund exited Spotify 0% 2026 after good performance. The Fund sold some more Nippon Flour stock to hedge delta and lock in gains ahead of maturity as we exercised warrants into the underlying convertible bonds. The Fund remains defensively positioned according to its investment mandate.

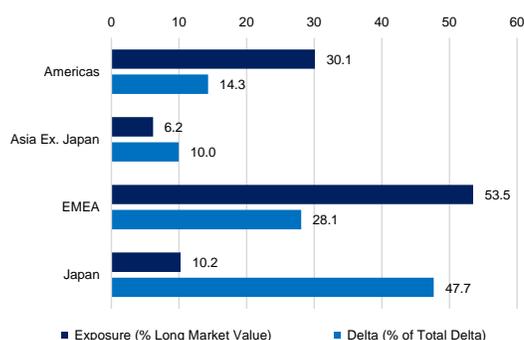
Outlook

The threat and reality of tariffs and the uncertainty generated by unpredictable policy continue to make for more than usually volatile and divergent markets across all asset classes. In this difficult investment environment, with equities volatile and credit spreads showing signs of widening, we continue to focus on convertibles which combine reasonable valuations, solid downside protection and idiosyncratic upside potential. We expect these to deliver superior overall return characteristics. We have a defensive portfolio underpinned by a strong high-quality bias.

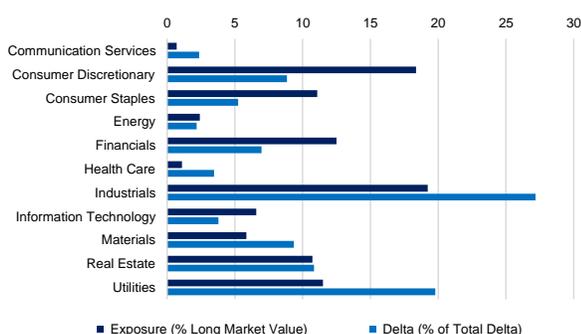
We believe that the Fund is well placed for relative wealth preservation in less favourable market conditions, while maintaining upside optionality should economies and markets develop more positively in the longer term.

Portfolio Analysis

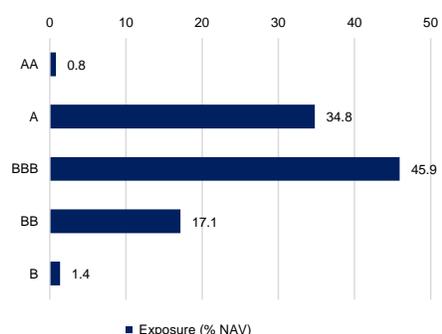
Regional Exposure



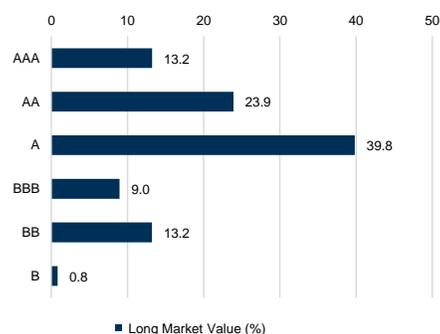
Sector Exposure



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 - April 2025

IMPORTANT INFORMATION:

Sources: CQS as at 30 April 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. 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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PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv11.

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In the European Union:

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