

# Investor Report

April 2025

## Salar Fund

### 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 Performance<sup>5</sup>

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 (%)<sup>5</sup>

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.

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	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 3M Libor
Min Investment	\$250,000
ISIN	IE00B2PLHH71
Bloomberg	SALFUNA ID

Fund Characteristics <sup>1</sup>	
No. of Positions <sup>2</sup>	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 <sup>3</sup>	159
Average ESG Rating <sup>4</sup>	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

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

## Fund Commentary<sup>6</sup>

### 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.

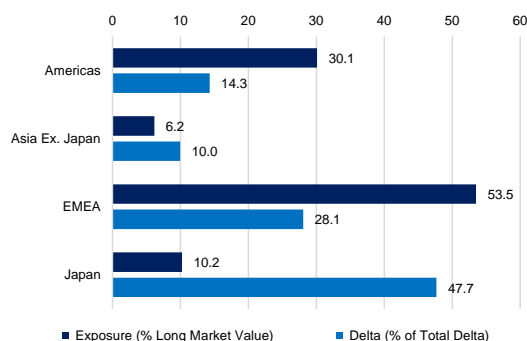
### Outlook

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.

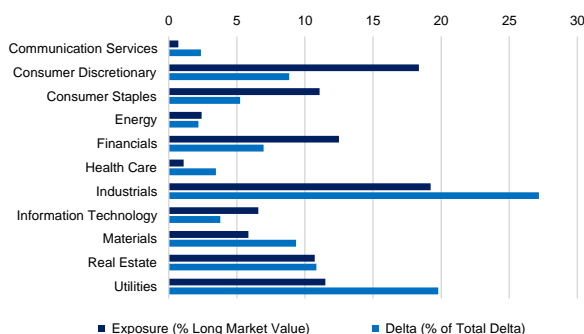
We believe that the Fund is well placed for relative wealth preservation in less favourable market conditions, while maintaining upside optionality should economies and markets develop more positively in the longer term.

## Portfolio Analysis

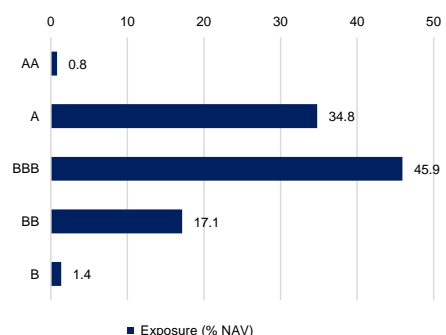
### Regional Exposure



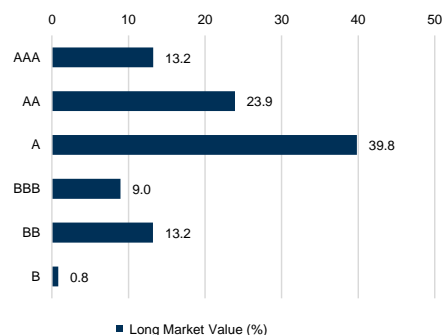
### Sector Exposure



### Credit Rating (Proxy)<sup>7</sup>



### ESG Rating Breakdown<sup>4,8</sup>



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.

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.

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.

<sup>1</sup> Excludes investments in Futures and Interest Rate Swaps.

<sup>2</sup> Excludes positions with zero market value.

<sup>3</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>4</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. 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.

<sup>5</sup> 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.

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

<sup>7</sup> 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.

<sup>8</sup> 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](http://www.cqs.com).

Manulife | CQS Investment Management is a trading name of CQS (UK) LLP which is authorised and regulated by the Financial Conduct Authority. This document has been issued by CQS (UK) LLP and/or CQS (US), LLC which is a registered investment adviser with the US Securities and Exchange Commission. The term "CQS" or "Manulife | CQS Investment Management" as used herein may include one or more of CQS (UK) LLP, CQS (US), LLC or any other affiliated entity. The information is intended solely for sophisticated investors who are (a) professional investors as defined in Article 4 of the European Directive 2011/61/EU or (b) accredited investors (within the meaning given to such term in Regulation D under the U.S. Securities Act of 1933, as amended) and qualified purchasers (within the meaning given to such term in Section 2(a)(51) of the U.S. Investment Company Act 1940, as amended). 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. Manulife | CQS Investment Management is a subsidiary of Manulife Investment Management (Europe) Limited. This document is a marketing communication 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 or interests in any fund or investment vehicle managed or advised by CQS (a "CQS Fund") or any other security, commodity, financial instrument, or derivative; 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 appropriateness of such Transaction in light of your circumstances. Any decision to enter into any Transaction should be based on the terms described in the relevant offering memorandum, prospectus or similar offering document, subscription document, key investor information document (where applicable), and constitutional documents and/or any other relevant document as appropriate (together, the "Offering Documents"). Any Transaction will be subject to the terms set out in the Offering Documents and all applicable laws and regulations. The Offering Documents supersede this document and any information contained herein. The Offering Documents for CQS UCITS range of funds is available here (<https://www.cqs.com/ucits-funds/global-convertibles>) in English (US persons will not be eligible to invest in CQS managed UCITS funds save to the extent set out in the relevant Offering Document). A copy of CQS' Complaints Policy, which sets out a summary of investors' rights, is available here (<https://www.cqs.com/site-services/regulatory-disclosures>) in English. CQS may terminate the arrangements for marketing or distribution of any CQS Fund at any time.

Nothing contained herein shall give rise to a partnership, joint venture or any fiduciary or equitable duties. The information contained herein is provided on a non-reliance basis, not warranted as to completeness or accuracy, and is subject to change without notice. Any information contained herein relating to any non-affiliated third party is the sole responsibility of such third party and has not been independently verified by CQS. The accuracy of data from third party vendors is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. 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 accept any liability whatsoever for any errors or omissions or any loss howsoever arising from the use of this document.

**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. Any investment in a CQS Fund or any of its affiliates involves a high degree of risk, including the risk of loss of the entire amount invested. The value of investments can go down as well as up. Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.**

Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Investments may lead to a financial loss if no guarantee on the capital is in place. An investment in any CQS Fund will involve a number of material risks which include, without limitation, risks associated with adverse market developments, currency and exchange rate risks, risk of counterparty or issuer default, and risk of illiquidity. Any assumptions, assessments, targets (including target returns and volatility targets), statements or other such views expressed herein (collectively "Statements") regarding future events and circumstances or that are forward looking in nature constitute CQS' subjective views or beliefs and involve inherent risk and uncertainties beyond CQS' control. Any indices included in this document are for illustrative purposes only and are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). Unless stated to the contrary CQS Funds are not managed to a specific index.

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. Unless otherwise stated to the contrary herein, CQS owns all intellectual property rights in this document.

CQS is a founder of the Standards Board for Alternative Investments ("SBAI") which was formed to act as custodian of the alternative investment managers' industry best practice standards (the "Standards"). By applying the Standards, managers commit to adopt the "comply or explain" approach described in the Standards. CQS is a signatory of the UN Principles for Responsible Investment and a supporter and participant of certain other responsible investment related industry associations.

PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMv11.

## Information required, to the extent applicable, for Distribution of Foreign Collective Investment Schemes to Qualified Investors in Switzerland:

The offer and the marketing of shares of the Fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act ("CISA") and its implementing ordinance, at the exclusion of qualified investors with an opting out pursuant to Art. 5(1) of the Swiss Federal Act on Financial Services FinSA") and without any portfolio management or advisory relationship with a financial intermediary pursuant to Article 10(3ter) CISA ("Excluded Qualified Investors"). Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA") and no representative or paying agent have been or will be appointed in Switzerland. This material and/or any other offering or marketing materials relating to the shares of the Fund may be made available in Switzerland solely to Qualified Investors, at the exclusion of Excluded Qualified Investors. The legal documents of the Fund may be obtained free of charge from Citco Fund Services (Ireland) Limited, Custom House Plaza, Block 6, International Financial Services Centre, Dublin 1, Ireland.

## In the European Union:

Manulife Investment Management (Ireland) Limited (the Management Company) is the Manager of the Fund and regulated by the Central Bank of Ireland as an Alternative Investment Fund Manager (AIFM) and as a Manager of Units in Collective Investment Structures (UCITS). This is a marketing communication, therefore any decision to invest in this fund should be based upon a review of the terms of the prospectus, including the relevant supplement, the relevant KIID/KID and the latest annual and semi-annual accounts which are available in English at [www.cqs.com](http://www.cqs.com). A Summary of Investor Rights is available in English under the UCITS Funds section of this website. For EU Investors: Please note, the fund may be withdrawn from marketing in your jurisdiction upon notice from the Management Company in accordance with applicable regulations.

## MSCI Disclaimer:

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. G1344115 / 04.25

## CQS (UK) LLP

4th Floor, One Strand,  
London WC2N 5HR,  
United Kingdom  
T: +44 (0) 20 7201 6900  
F: +44 (0) 20 7201 1200

## CQS (US), LLC

152 West 57th Street, 40th  
Floor, New York, NY 10019,  
USA  
T: +1 212 259 2900  
F: +1 212 259 2699

✉ [CQSClientServices@cqsm.com](mailto:CQSClientServices@cqsm.com)

🌐 [www.cqs.com](http://www.cqs.com)

🌐 Follow us

Signatory of:

