Marketing Communication
Not for use by Retail Investors

# Investor Report

Manulife | CQS Investment Management

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<br>C1 EUR D Inc IE000DYO6J66<br>C1 GBP D Inc IE000FJXQWQ6<br>E1 CHF IE0001K7QFH1<br>E1 EUR IE00B520F527<br>E1 EUR D Inc IE00BBR6N535<br>E1 GBP D Inc IE00BBR6N758<br>E1 USD IE00B50W0L11<br>E2 EUR IE00B520G822<br>E2 USD IE00B51ZK080<br>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[3] | 147 |
| Average ESG Rating[4] | A |

| Third Parties | |
|---|---|
| Administrator | BNP Paribas Fund Administration (Ireland) Limited |
| Depositary | 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 Desciption

- 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 Performance[5]

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 Commentary[6]

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.

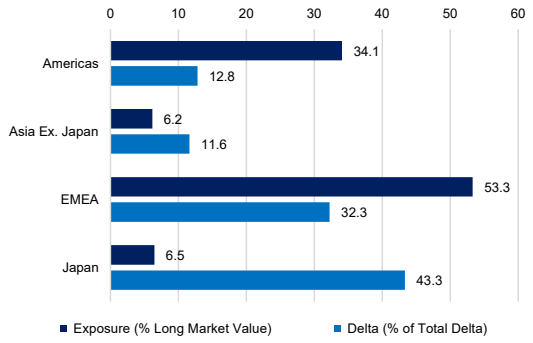
Global convertible issuance was very strong in June at $26.1bn of new paper. This was the largest issuance month since March 2021. The US led issuance, with $17.4bn of paper and $6.3bn and $2.4bn from Asia and Europe respectively. Issuance is being supported by higher rates and by a wave of refinancing 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.

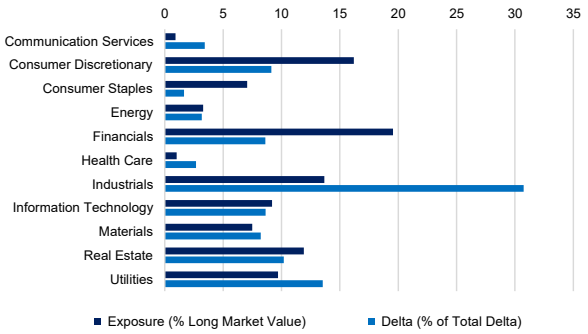
Markets year-to-date have shown resilience in the face of significant uncertainty, in particular on trade and broader international policy. Concern on the sustainability of fiscal deficits is increasing. We continue to expect larger market swings and volatility, in particular in the summer months when 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

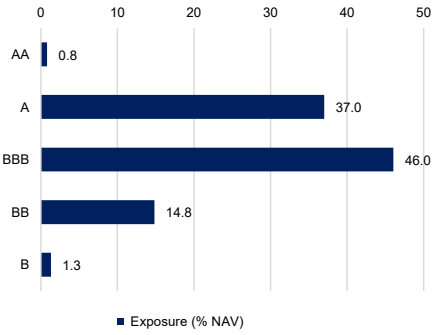
### Regional Exposure



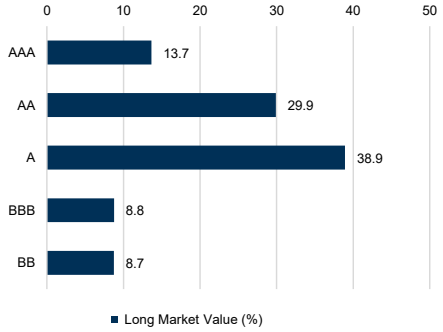

### Sector Exposure




### 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 us 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.

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.

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.

[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.

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 enterinto any other transaction whatsoever (each a "Transaction"). Any decision toenter 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 offeringmemorandum, 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. L13759509 / 06.25

This is a marketing communication and intended solely for professional investors as defined in the European Directive 2014/66/EU . 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. Please refer to the Prospectus, Supplement and KIID/KID, particularly to the sub-fund's investment objective and characteristics including those related to ESG (if applicable), before making any final investment decisions. Copies of the Prospectus, the Supplement, the latest audited annual report and accounts may be obtained in English, free of charge, from the administrator, BNP Paribas Fund Administration Services (Ireland) Limited (the Administrator), the investment manager, CQS (UK) LLP and are available for download here: (https://www.cqs.com/ucits-funds#global-convertibles).

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.

This document is 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 Manulife | CQS 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 latest Prospectus, KIID/KID, accompanied by the most recent audited annual report and semi-annual report and all applicable laws and regulations. A copy of Manulife | CQS' Complaints Policy , which sets out a summary of investors' rights, is available here (https://www.cqs.com/site-services/regulatory-disclosures) in English. 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.. 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. Manulife | CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither Manulife | 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.

Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of Manulife | CQS, or any of its affiliates. Unless otherwise stated to the contrary herein, Manulife | CQS owns all intellectual property rights in this document.

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

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"). The representative in Switzerland is Acolin Fund Services AG (the "Representative"), Maintower, Thurgauerstrasse 36/38, CH-8050 Zurich, Switzerland. The Paying Agent is Banque Cantonale de Geneve, 17, Quai de L'Ile, 1204 Geneva, Switzerland. The Prospectus, Supplement, Articles and all other documents sudes for marketing purposes, including the annual and semi-annual report, if any, can be obtained free of charge from the Representative.

MSCI Disclaimer: This report contains certain information (the "Information") sourced from MSCI ESG Research LLC. or its affiliates information providers (the "ESG Parties"). The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. Although they obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein and expressly disclaim all express or implied warranties including those of merchantability and fitness for a particular purpose. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data 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.

**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
www.cqs.com
Follow us

*Signatory of:*

PRI Principles for Responsible Investment

UK STEWARDSHIP CODE

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SBai Standards Board for Alternative Investments SIGNATORY Jan '24

CDP DISCLOSURE INSIGHT ACTION

A proud participant of Climate Action 100+ Global Investors Driving Business Transition

IIGCC The Institutional Investors Group on Climate Change

RACE TO ZERO PARTNER