

**SALAR FUND PLC (liquidation basis)**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 31 MAY 2022**

**FINANCIAL STATEMENTS**

**31 May 2022**

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## **SALAR FUND PLC (liquidation basis)**

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### **FUND INFORMATION**

DIRECTORS	Elizabeth Beazley (Irish Resident)* Teddy Otto (Irish Resident) Chairperson* Nicholas Curtis (UK Resident)* (Deceased on 14 January 2022) Tom Seymour Mead (UK Resident)* (Resigned on 31 December 2021) All Directors are non-executive. *Independent Director
REGISTERED OFFICE	1 WML Windmill Lane Dublin 2 D02 F206 Ireland
INVESTMENT MANAGER AND DISTRIBUTOR	CQS (UK) LLP (appointed 6 April 2021) 4 <sup>th</sup> Floor One Strand London WC2N 5HR England  Ferox Capital LLP (resigned 6 April 2021) 16 Berkeley Street London W1J 8DZ England
ADMINISTRATOR	BNP Paribas Fund Administration Services (Ireland) Limited Termini 3 Arkle Road Sandyford Dublin 18 D18 T6T7 Ireland
DEPOSITARY	BNP Paribas Securities Services, Dublin Branch Termini 3 Arkle Road Sandyford Dublin 18 D18 T6T7 Ireland
LEGAL ADVISORS AS TO IRISH LAW	Pinsent Masons 1 WML Windmill Lane Dublin 2, D02 F206 Ireland

## **SALAR FUND PLC (liquidation basis)**

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### **FUND INFORMATION (Continued)**

LEGAL ADVISORS AS TO UK LAW	Dechert LLP 160 Queen Victoria Street London, EC4V 4QQ England
LEGAL ADVISORS AS TO US LAW	Dechert LLP One International Place 40 <sup>th</sup> Floor 100 Oliver Street Boston Massachusetts 02110-2605 U.S.A.
AUDITORS	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland
COMPANY SECRETARY	Pinsent Masons Corporate Services Ireland Limited 1 WML Windmill Lane Dublin 2, D02 F206 Ireland

**DIRECTORS' REPORT**

**For the financial period from 1 January 2021 to 31 May 2022**

The Directors present their report together with the audited financial statements for the financial period from 1 January 2021 to 31 May 2022.

**PRINCIPAL ACTIVITIES**

Salar Fund PLC (liquidation basis) (the "Fund") was incorporated in Ireland on 27 November 2007 as an investment company with variable capital with limited liability. The Fund is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (UCITS) Regulations, 2019 (as amended) (the "Central Bank Regulations"). The principal activities of the Fund are to carry on the business of an investment fund with the investment objective to generate capital growth, whilst seeking to preserve capital, through a variety of risk/reward strategies generally in the convertible bond markets.

**REVIEW OF THE DEVELOPMENT OF THE BUSINESS AND FUTURE DEVELOPMENTS**

On 1 April 2021, following an agreement between Ferox Capital LLP ("Ferox" or the "Previous Investment Manager" of the Fund) and CQS (UK) LLP ("CQS" or the "Current Investment Manager"), the Portfolio Management team and Investment Management Agreement for the Fund transferred from Ferox to CQS. Following approval at the Extraordinary General Meeting held on 31 August 2022, a merger between the Fund and the CQS Salar Fund, a sub-fund of CQS Funds (Ireland) plc (the "Receiving Fund") occurred on 9 September 2022. This was effected by a transfer of all assets and liabilities of the Fund to the Receiving Fund in exchange for the issue of new shares in the Receiving Fund to the Fund's Shareholders. The Receiving Fund has been created for the purpose of the merger and has an equivalent investment objective, policy and strategy and will provide the same or similar market exposures.

Following the completion of the merger, the Fund entered liquidation and will seek revocation from the Central Bank of Ireland.

See page 10 for the Investment Manager's report.

**RESULTS FOR THE FINANCIAL PERIOD AND STATE OF AFFAIRS AT 31 MAY 2022**

The Statement of Financial Position as at 31 May 2022 and the Statement of Comprehensive Income for the financial period from 1 January 2021 to 31 May 2022 are set out on pages 15 and 16 respectively.

**RISK MANAGEMENT OBJECTIVES, POLICIES**

The Fund's investment objective is to generate capital growth, whilst seeking to preserve capital, through a variety of risk/reward strategies generally in the convertible bond markets.

Investment in the Fund carries with it a degree of risk, including but not limited to, the risks referred to in Note 10 of these financial statements and the Fund's Prospectus.

**DIRECTORS' REPORT (Continued)**

**For the financial period from 1 January 2021 to 31 May 2022**

**OPERATIONAL RISK**

The Funds's operational risk is the risk that its and its service providers' practices, systems and controls are not adequate to prevent a loss being incurred either because of market conditions or operational difficulties. Such operational risks have been enhanced by the COVID-19 pandemic. The COVID-19 pandemic continues, however disruption to the Fund's investments and the day to operations of the Investment Manager and key service providers has been minimal during the current financial year. The Investment Manager will continue to monitor the performance of the funds in line with their investment objectives. The Fund, its Administrator, Depositary, Current and Previous Investment Manager have taken numerous steps to remain fully operational during this period of uncertainty including enactment of their business continuity plans.

**Russian Sanctions**

The Fund at the time of writing has no direct exposure to companies or transactions with exposure to companies within Russia, Belarus or Ukraine. Companies which appear on relevant sanction lists, such as the Office of Foreign Assets Control (OFAC), are restricted by CQS from the Salar Fund plc (the "Company") making an investment. Any holdings with indirect exposure to the affected regions are carefully monitored and being managed as determined appropriate by CQS.

**ACCOUNTING RECORDS**

The measures taken by the Directors to secure compliance with the Fund's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records of Salar Fund Plc (the "Company") are maintained by BNP Paribas Fund Administration Services (Ireland) Limited at Termini, 3 Arkle Road, Sandyford, Dublin 18, D18 T6T7, Ireland.

**INDEPENDENT AUDITORS**

The Independent Auditors, Ernst & Young, have expressed their willingness to remain in office in accordance with Sections 383 (2) of the Companies Act 2014.

**DIVIDENDS**

The results for the period are set out in the Statement of Comprehensive Income. During the period no dividends were approved or paid.

**DIRECTORS**

The Directors at the date of this report along with Directors who held office during the financial period are  
Teddy Otto\*

Elizabeth Beazley\*

Nicholas Curtis\* (deceased on 14 January 2022)

Tom Seymour Mead\* (resigned on 31 December 2021)

\*Independent Director

**DIRECTORS' REPORT (Continued)**

**For the financial period from 1 January 2021 to 31 May 2022**

**SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

Significant events during the financial period are disclosed in Note 16 of these financial statements.

**EVENTS SINCE FINANCIAL PERIOD END**

Events since financial period end to the date of this report are disclosed in Note 21 of these financial statements.

**DIRECTORS' INTERESTS**

The Directors held no interests in the Fund during the financial period or at 31 May 2022.

**COMPANY SECRETARY'S INTERESTS**

The Company Secretary held no interests in the Fund during the financial period or at 31 May 2022.

**TRANSACTIONS INVOLVING DIRECTORS**

Full details of transactions involving the Directors can be found in Note 14 of these financial statements.

**CORPORATE GOVERNANCE**

The Directors voluntarily adopted the Corporate Governance Code ("the IF Code") for Irish Domiciled Collective Investment Schemes as published by Irish Funds ("the IF") as the Company's corporate governance code. The Directors have fully adhered to and fulfilled the requirements under the code with the exception of having a representative of the Current Investment Manager on the Board of Directors. Due to COVID-19 restrictions, all meetings of the Board of Directors were held via video conference during the period.

**TRANSACTIONS INVOLVING CONNECTED PERSONS**

Chapter 10 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (the "Central Bank Regulations") headed 'Transactions involving Connected Persons' states in regulation 43 that a responsible person shall ensure that any transaction between a UCITS and the management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected persons") is conducted at arm's length and is in the best interests of the unitholders of the UCITS.

The Board of Directors of the Fund is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in regulation 43 of the Central Bank Regulations are applied to all transactions with connected persons; and the Board of Directors is satisfied that transactions with connected persons entered into during the financial period complied with the obligations set out in this paragraph.

**DIRECTORS' REPORT (Continued)**

**For the financial period from 1 January 2021 to 31 May 2022**

**TRANSACTIONS INVOLVING CONNECTED PERSONS (Continued)**

On 6 April 2021, CQS (UK) LLP (the "Current Investment Manager") replaced Ferox Capital (the "Previous Investment Manager") LLP in managing the Fund's investment activities. The Fund uses affiliates of the Current and Previous Investment Manager and the same investment advisor as other managed funds. During the financial period from 1 January 2021 to 31 May 2022 and year ended 31 December 2020, the Fund did not have any investment transactions with any of the connected party funds listed above in page 2 & 3.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Fund and of the performance of the Fund for that financial period. In preparing those financial statements, the Directors are required to:

- ensure that financial statements comply with the Memorandum and Articles of Association and International Financial Reporting Standards, as published by the International Accounting Standards Board;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis of accounting.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with the Companies Acts 2014. In this regard, the Directors appointed BNP Paribas Fund Administration Services (Ireland) Limited for maintaining proper books of accounts. Accordingly, the books of accounts are kept at Termini, 3 Arkle Road, Sandyford, Dublin 18, D18 T6T7, Ireland. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have entrusted the assets of the Fund to the Depositary for safekeeping and in this regard the Directors have appointed BNP Paribas Securities Services, Dublin Branch, as Depositary. The address at which this business is conducted is Termini, 3 Arkle Road, Sandyford, Dublin 18, D18 T6T7, Ireland.



**DIRECTORS' REPORT (Continued)**

**For the financial period from 1 January 2021 to 31 May 2022**

**DIRECTORS' COMPLIANCE STATEMENT**

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in section 225 of the Companies Act 2014. The directors confirm that:

- A compliance policy document has been drawn up that sets out policies, that in our opinion are appropriate to the company, respecting compliance by the company with its relevant obligations,
- Appropriate arrangements or structures are in place that are, in our opinion, designed to secure material compliance with the fund 's relevant obligations, and
- During the financial period, the arrangements or structures referred to above have been reviewed.

**STATEMENT OF RELEVANT AUDIT INFORMATION**

The Directors acknowledge that they are responsible for providing all relevant audit information to the Company's statutory auditors in connection with preparing their report in accordance with section 330 of the Companies Act 2014. The Directors confirm that:


- So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are not aware, and
- The Directors have taken all the steps that ought to have been taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

**AUDIT COMMITTEE STATEMENT**

The Directors have considered the requirements to establish an audit committee pursuant to section 167(2) of the Companies Act 2014. The Directors have decided not to establish an audit committee for the following reasons:

- The nature, scale and complexity of the Company's business range of services and activities undertaken in the course of that business,
- The resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf,
- The procedures in place for the review, approval and circulation of the audited financial accounts and statements which are appropriate for an investment company pursuant to the UCITS Regulations.

On behalf of the Directors on 28 September 2022.

Director:   
Elizabeth Beazley

Director:   
Teddy Otto

## **Annual Depositary Report to Shareholders**

We, BNP Paribas Securities Services, Dublin Branch, appointed Depositary to Salar Fund PLC (liquidation basis) ("the Fund") provide this report solely in favour of the shareholders of the Fund for the financial period from 1 January 2021 to 31 May 2022. This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ("the Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or to any other person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the shareholders of the Fund as follows:

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the UCITS Regulations; and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as amended ("the Central Bank UCITS Regulations");
- (ii) otherwise in accordance with the provisions of the constitutional documents, the Regulations and the Central Bank UCITS Regulations.

# Eamonn Tiernan

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**For and on behalf of**

BNP Paribas Securities Services, Dublin Branch  
Termini  
3 Arkle Road  
Sandyford  
Dublin 18  
D18 T6T7  
Ireland

Date: 28 September 2022

**INVESTMENT MANAGER'S REPORT**

**CQS Funds (Ireland) PLC – CQS Salar Fund**

**Investment Adviser's Report for the Period 1 January 2021 to 31 May 2022** ("the period under review").

Salar transitioned from Ferox to CQS during April 2021.

Salar Fund PLC returned (-2.53%) net to the A1 USD Share Class during the period under review.

All comments below refer to investments made during the period between 1 January 2021 to 31 May 2022.

The year 2021 was one of rebound and recovery. Early in 2021, markets were buoyed by successful Covid-19 vaccine rollouts across many regions and the lifting of restrictions put in place at the height of the pandemic. This was despite the emergence during the year of several new variants of the virus, including Delta and the rapidly spreading Omicron variant.

The powerful restart of economic activity resulted in severe inflation pressures and supply bottlenecks during 2021, and market participants showed increased sensitivity to inflation and interest rate news. Most central banks did not respond quickly to this pick-up in inflation, a clear departure from the usual pre-emptive tightening of the past. This was illustrated by US Federal Reserve Chair Jay Powell's dovish tone in his Jackson Hole speech in August.

Corporate earnings surged as the restart rolled on, driving outsized equity gains during the year. However, China was an outlier due to regulatory pressure on certain sectors and worries that property developer Evergrande's debt problems could spill over to the wider economy.

The beginning of 2022 was a weak and volatile period for markets with Russia's invasion of Ukraine in February causing a humanitarian and economic crisis that shook global financial markets. This, coupled with rising inflation, supply chain disruptions and tightening monetary policy, all provided a very challenging environment for risk assets. Localised lock-downs in China during the year in response to Covid-19 outbreaks further exacerbated supply chain bottlenecks and led to regional weakness.

Global issuance was strong during 2021 with \$147.8bn of new primary issuance but this slowed significantly in 2022, with issuance year-to-date at \$9.5bn. Looking at the the period under review as a whole, the majority of new issuance came from the US with \$91.0bn, followed by Asia and then Europe, which added \$42.3bn and \$24.1bn respectively.

During the period under review, EMEA led positive contributions, whereas Asia detracted the most, followed by the US. Energy, Consumer Staples, and Utility names provided notable contributions. Consumer Discretionary, Industrials and Materials were the largest detractors.

As investors have become accustomed to higher rates and uncertainty, caution has recently abated. Risks remain elevated both in geopolitical and monetary terms with the war in Ukraine ongoing and influencing the prices of energy and food while tapering by central banks continues. We anticipate some turbulence for both the economy and markets; however, with cash levels high there remains a degree of investor flexibility. As a result, uncertainty continues, it may be persistent and is likely to lead to disperse investment outcomes. Our investment response has been to position a balanced and diversified portfolio with a bias towards stronger credits, seeking to provide both upside potential as well as downside protection selected across regions, sectors and investment profiles.

The Company at the time of writing has no direct exposure to companies or transactions with exposure to companies within Russia, Belarus or Ukraine. Companies which appear on relevant sanction lists, such as the Office of Foreign Assets Control (OFAC), are restricted by CQS from the Salar Fund plc (the "Company") making an investment. Any holdings with indirect exposure to the affected regions are carefully monitored and being managed as determined appropriate by CQS.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**INVESTMENT MANAGER'S REPORT (Continued)**

**CQS Funds (Ireland) PLC – CQS Salar Fund (Continued)**

**Investment Adviser's Report for the Period 1 January 2021 to 31 May 2022** ("the period under review"). (Continued)

Following approval at the Extraordinary General Meeting held on 31 August 2022, a merger between the Fund and the CQS Salar Fund, a sub-fund of CQS Funds (Ireland) plc (the "Receiving Fund") occurred on 9 September 2022. Following the completion of the merger, the Fund entered liquidation and will seek revocation from the Central Bank of Ireland

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALAR FUND PLC (Liquidation basis)**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Salar Fund Plc (Liquidation basis) ('the Company') for the period from 1 January 2021 to 31 May 2022, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Asset Attributable to Holders of Redeemable Participating Shares, Statement of Cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 May 2022 and of its loss for the period from 1 January 2021 to 31 May 2022;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter – financial statements prepared on a basis other than a going concern**

We draw attention to note 1 to the financial statements which explains that the Directors intend to liquidate the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a non-going concern basis for the Company as described in note 2(a). Our opinion is not modified in respect of this matter.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALAR FUND PLC (Liquidation basis) (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial period ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALAR FUND PLC (Liquidation basis) (continued)**

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

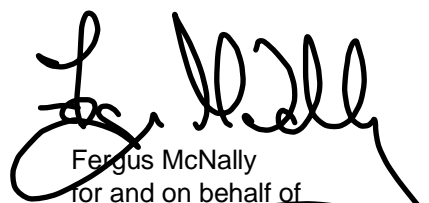
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Fergus McNally  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 29 September 2022

**SALAR FUND PLC (liquidation basis)****STATEMENT OF FINANCIAL POSITION  
As at 31 May 2022**

	Notes	31 May 2022 US\$	31 December 2020 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	3(ii)		
- transferable securities		154,443,297	329,828,193
- financial derivative instruments		4,888,372	18,643,156
Cash and cash equivalents	6	13,521,230	43,504,221
Due from brokers	7	10,294,765	20,491,286
Subscription proceeds due		270,324	205,942
Interest receivable		152,220	–
Other receivables and prepayments		61,637	23,995
<b>Total assets</b>		<b>183,631,845</b>	<b>412,696,793</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	3(ii)		
- financial derivative instruments		982,505	6,354,621
Due to brokers	7	6,468,418	8,166,912
Redemptions payable		204,324	25,501,209
Performance fee payable	5	12,447	4,242,100
Investment management fee payable	5	28,456	390,771
Accrued expenses and other payables		193,226	228,426
Administration fee payable	5	8,959	34,193
Depository fee payable	5	4,515	13,979
Audit fee payable	5	71,879	73,350
Interest payable		405,234	844,639
Dividends payable		85,620	45,595
Liquidation fee payable	5	17,160	–
Equalisation payable		–	1,597
Middle office fees payable	5	–	5,196
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>8,482,743</b>	<b>45,902,588</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>175,149,102</b>	<b>366,794,205</b>

Approved by the Directors on 28 September 2022.



Director: Elizabeth Beazley



Director: Teddy Otto

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF COMPREHENSIVE INCOME**

For the financial period from 1 January 2021 to 31 May 2022

		For the financial period from 1 January 2021 to 31 May 2022 US\$	For the financial year ended 31 December 2020 US\$
	Notes		
<b>Income</b>			
Interest income from financial instruments at fair value through profit or loss		2,391,070	6,725,388
Interest income from financial instruments at amortised cost		33,004	73,097
Dividend income		22,027	1,632
Other income		25,175	20,421
Net gain on transferable securities, financial derivative instruments and foreign exchange	3(i)	7,405,731	39,587,210
Net effect of share class hedging	10	(23,093,881)	3,234,205
<b>Total (loss)/income</b>		<b>(13,216,874)</b>	<b>49,641,953</b>
<b>Expenses</b>			
Investment management fee	5	3,870,558	5,066,033
Other operating expenses	5	1,039,125	1,987,479
Performance fees	5	362,465	4,235,042
Dividends on securities sold short		721,401	535,785
Administration fees	5	395,512	535,424
Liquidation fees	5	17,160	–
Transaction expenses		110,618	70,362
Middle office fees	5	13,968	78,599
Depository fee	5	139,218	209,598
<b>Total expenses</b>		<b>6,670,025</b>	<b>12,718,322</b>
<b>Finance costs</b>			
Interest expense		(5,074,872)	(6,885,815)
<b>Total finance costs</b>		<b>(5,074,872)</b>	<b>(6,885,815)</b>
<b>Profit before taxation</b>		<b>(24,961,771)</b>	<b>30,037,816</b>
<b>Taxation</b>			
Dividend withholding tax		(6)	(15,173)
<b>Net (loss)/income attributable to holders of redeemable participating shares</b>		<b>(24,961,777)</b>	<b>30,022,643</b>

There are no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income. All amounts in respect of the financial period from 1 January 2021 to 31 May 2022 are presented under the liquidation basis of accounting whereas all amounts in respect of the financial year ended 31 December 2020 arose solely from continuing operations and not directly comparable due to 2020 has 12 months and 2021 has 17 months.

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES**

**For the financial period from 1 January 2021 to 31 May 2022**

	<b>For the financial period from 1 January 2021 to 31 May 2022 US\$</b>	<b>For the financial year ended 31 December 2020 US\$</b>
Net assets at the beginning of the financial period/year	366,794,205	903,707,909
Net (loss)/income attributable to holders of redeemable participating shares	(24,961,777)	30,022,643
Issue of redeemable participating shares	137,146,316	129,691,779
Redemption of redeemable participating shares	(303,828,906)	(696,619,719)
Equalisation	<u>(736)</u>	<u>(8,407)</u>
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial period/year</b>	<b><u>175,149,102</u></b>	<b><u>366,794,205</u></b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**

For the financial period from 1 January 2021 to 31 May 2022

	For the financial period from 1 January 2021 to 31 May 2022 US\$	For the financial year ended 31 December 2020 US\$
<b>Cash flows from operating activities:</b>		
Net (loss)/income attributable to holders of redeemable participating shares	(24,961,777)	30,022,643
<b>Adjustments to reconcile net income attributable to holders of redeemable participating shares to net cash provided by operating activities:</b>		
Net inflow due to purchase and sale of investments	146,888,874	485,893,029
Net unrealised loss on financial assets and liabilities at fair value through profit or loss*	36,878,690	40,483,508
Net decrease/(increase) in due from/to brokers	8,498,027	(21,441,162)
Net (increase)/decrease in other receivables	(189,862)	723,613
Net (decrease)/increase in other payables	(5,050,753)	3,740,613
<b>Net cash provided by operating activities</b>	<u>162,063,199</u>	<u>539,422,244</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of redeemable participating shares	137,079,601	130,047,436
Payments on redemptions of redeemable participating shares	(329,125,791)	(684,622,115)
<b>Net cash used in financing activities</b>	<u>(192,046,190)</u>	<u>(554,574,679)</u>
Net decrease in cash and cash equivalents	(29,982,991)	(15,152,435)
Cash and cash equivalents at beginning of the financial period/year	<u>43,504,221</u>	<u>58,656,656</u>
<b>Cash and cash equivalents at end of the financial period/year</b>	<u>13,521,230</u>	<u>43,504,221</u>
<b>Supplementary cash flow information:</b>		
Interest received	2,271,854	7,611,428
Interest paid	(5,514,277)	(6,062,855)
Dividends received	21,983	(13,541)
Dividends paid	(681,376)	(542,244)
Taxation paid	—	(15,173)

\* Net unrealised loss on financial assets and liabilities at fair value through profit or loss is a non-cash movement.

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the financial period from 1 January 2021 to 31 May 2022**

**1. ORGANISATION**

Salar Fund plc (liquidation basis) (the “Fund”) is an investment fund with variable capital and limited liability incorporated in Ireland on 27 November 2007 and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) (“UCITS”) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) UCITS Regulations 2019 (the “Regulations”). The Fund commenced trading on 1 February 2008.

The Fund’s investment objective is to generate capital growth, whilst seeking to preserve capital, through a variety of risk/reward strategies generally in the convertible bond markets.

On 6 April 2021, CQS (UK) LLP (the “Current Investment Manager”) replaced Ferox Capital LLP (the “Previous Investment Manager”) in managing the Fund’s investment activities with the administration of the Fund delegated to BNP Paribas Fund Administration Services (Ireland) Limited (the “Administrator”).

Shares are issued and can be redeemed as GBP, Euro and USD shares. The Fund has four main classes of shares, Class A Shares, Class C Shares, Class E Shares and Class I Shares, which are available for investment.

The Central Bank of Ireland approved the extension of the year end from 31 December 2021 to 31 May 2022.

The Financial Statement is prepared on the non-going concern basis.

Following approval at the Extraordinary General Meeting held on 31 August 2022, a merger between the Fund and the CQS Salar Fund, a sub-fund of CQS Funds (Ireland) plc (the “Receiving Fund”) occurred on 9 September 2022. This was effected by a transfer of all assets and liabilities of the Fund to the Receiving Fund in exchange for the issue of new shares in the Receiving Fund to the Fund’s Shareholders. The Receiving Fund has been created for the purpose of the merger and has an equivalent investment objective, policy and strategy and will provide the same or similar market exposures.

Following the completion of the merger, the Fund entered liquidation and will seek revocation from the Central Bank of Ireland.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

*Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU and Irish statute comprising the Companies Act, 2014 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2019 (as amended) (the “UCITS Regulations”).

The financial statements for the financial period from 1 January 2021 to 31 May 2022 have been prepared on a liquidation basis of accounting. Assets are stated at net realisable value and all liabilities are stated at expected settlement amount, which approximated the fair value of assets and liabilities. All liquidation costs have been accrued for as of 31 May 2022 and any additional unforeseen cost will be paid by the Receiving Fund.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

*Statement of compliance (Continued)*

The format and certain wordings of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Fund's business as an investment fund.

The financial statements for the year ended 31 December 2020 have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss.

The financial statements are for an 17 month period as the entity is in wind down. The comparative period is for a 12 month period so is not entirely comparable with the current period.

The financial statements are presented in US dollars (US\$) and all values are rounded to the nearest US\$1 except where otherwise indicated.

*Relevant industry standards and amendments to existing standards effective 1 January 2021*

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR.

The amendment to the definition of materiality is not expected to have a impact on the preparation of these financial statements.

There are no standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

*New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2021 and not early adopted*

**Classification of Liabilities as Current or Non-current - Amendments to IAS 1**

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

In particular, the amendments which will become effective 1 January 2023 clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

This amendment is not expected to have a material impact to the Fund as it is in liquidation.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

*New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2021 and not early adopted (Continued)*

**Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.

In particular, the amendments which will become effective 1 January 2023 clarify:

- the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.
- how entities use measurement techniques and inputs to develop accounting estimates.

This amendment is not expected to have a material impact to the Fund as it is in liquidation.

**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

In particular, the amendments which will become effective 1 January 2023 clarify:

- that replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- that adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure.

This amendment is not expected to have a material impact to the Fund as it is in liquidation.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have an impact on the Company.

**(b) Financial instruments**

**(i) Classification and measurement**

The Fund has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment:

- All financial assets previously held at fair value continue to be measured at fair value through profit or loss ("FVPL").
- Debt instruments and equity instruments are acquired for the purpose of generating short-term profit. Therefore, they are required to be measured at FVPL.
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost under IFRS 9.

**(ii) Recognition**

All purchases and sales of financial instruments are recognised on the trade date, which is the date that the Fund commits to purchase or sell an asset and require delivery of assets within the period generally established by regulation or convention in the market place.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) *Financial instruments (Continued)*

(iii) *Derecognition*

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

The Fund derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

Realised gains and losses on disposals of financial instruments are calculated using the first-in first-out ("FIFO") method.

(iv) *Initial measurement*

Financial instruments categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income. Financial assets and liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(v) *Subsequent measurement*

After initial measurement, the Fund measures financial instruments which are classified at FVPL with changes in fair value recognised in the Statement of Comprehensive Income within net gain/(loss) on securities, derivative instruments and foreign exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the Statement of Financial Position date without any deduction for estimated future selling costs.

- Investments in debt securities are valued at their last traded price.
- Investments in listed option contracts are valued based at the prices reported by the relevant exchange.
- Warrants are valued at the quoted price.
- Forward currency contracts are valued at the close-of-business rates as reported by the pricing vendors utilised by the Administrator to the Fund.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by the Investment Manager, acting as the Competent Person appointed by the Directors and approved for such purposes by BNP Paribas Securities Services, Dublin Branch (the "Depositary"), using valuation techniques, including use of recent arm's length market transactions, referencing to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Fund records its derivative activities on a fair value basis. Fair values are determined by using quoted market prices, models and broker quotations.

Where the Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for offsetting risk positions and applies the last price to the net open position as appropriate.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*(b) Financial instruments (Continued)*

*(v) Subsequent measurement (Continued)*

The Fund's investments must be capable of being valued frequently on a mark-to-market basis including the use, where appropriate, of matrix pricing according to the minimum frequency rules under the UCITS Regulations.

*(c) Impairment of financial assets*

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. A financial asset or liability not classified at FVTPL is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably. Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the ICAV would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrower. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised, if an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

*(d) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. At financial period end, no financial assets or financial liabilities were reported net in the Statement of Financial Position. Refer to note 4 for more information regarding offsetting.

*(e) Foreign currency translation*

*Functional and presentation currency*

Items included in the Fund's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). This is US Dollar (US\$), which is the currency that best reflects the nature of the Fund's global operations.

*Foreign currency transactions*

Monetary assets and liabilities denominated in currencies other than US\$ are translated into US\$ at the closing rates of exchange at each financial period end. Transactions during the financial period, including purchases and sales of securities and income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency translation gains and losses are included in the Statement of Comprehensive Income within net gain on transferable securities, derivative instruments and foreign exchange.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*(f) Use of estimates*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Key accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Company's business that typically require such estimates are the determination of the fair value of financial assets and liabilities.

*(g) Dividend income*

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

*(h) Interest income and expense*

Interest income is recognised from financial instruments at fair value through profit or loss and is recognised for all financial instruments held at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income over the relevant year.

*(i) Redeemable participating shares*

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities.

The redeemable participating shares can be redeemed on any dealing day for cash equal to a proportionate share of the Fund's net asset value ("NAV"). The Fund's NAV per share is calculated daily by dividing the net assets attributable to holders of redeemable participating shares with the total number of outstanding redeemable shares.

The founder shares are non-redeemable, have no entitlements to dividend and are the most subordinate class in issue. Founder shares are classified as equity in accordance with IAS 32. The founder shares do not form part of the net asset value of the Fund and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Fund's business as an investment fund.

*(j) Expenses*

All expenses, including management fees and performance fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

*(k) Net gain/(loss) on securities, derivative instruments and foreign exchange*

Net gain/(loss) on securities, derivative instruments and foreign exchange includes all realised and unrealised fair value changes and foreign exchange differences.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) *Transaction costs*

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability and expensed immediately. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on purchases or sales of financial assets or financial liabilities are included in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Separately identifiable costs are disclosed in Note 12.

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) *Net gain or loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange*

	Period from 1 January 2021 to 31 May 2022 US\$	Year ended 31 December 2020 US\$
For the financial period/year ended		
Net realised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	22,077,558	82,619,925
Movement in unrealised loss on financial assets and liabilities at fair value through profit or loss and foreign exchange	(14,671,827)	(43,032,715)
	<u>7,405,731</u>	<u>39,587,210</u>

(ii) *Fair value of financial instruments*

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

**Level 1** - Quoted prices that are available in active markets for identical investments as of the reporting date.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) including inputs sourced from the multiple broker quotes. Investments which are included in this category include corporate bonds, convertible bonds, bond options, contracts for difference, credit default swaps, interest rate swaps, forward currency contracts, certain warrants certain and mutual funds.

**Level 3** - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgement or estimation. Investments that are included in this category include convertible bonds and bond options for which only one broker quotation is available, or when observable prices are not available for these securities, the Investment Manager uses one or more valuation techniques for which sufficient and reliable data is available.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(ii) *Fair value of financial instruments (Continued)*

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassification impacting Level 3 investments will be reported as transfers in/out of the Level 3 category as of the beginning of the financial period in which reclassifications occur.

The following tables summarise the valuation of the Fund's financial assets and liabilities by the above fair value hierarchy levels as of 31 May 2022 and 31 December 2020.

**As at 31 May 2022**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
- Common stock equity	3,794,984	—	—	3,794,984
- Debt instruments	—	144,586,576	—*	144,586,576
- Mutual Fund	—	6,061,737	—	6,061,737
- Financial derivative instruments			—	
Bond options	—	2,897,392	—	2,897,392
Forward currency contracts		1,062,849	—	1,062,849
Interest rate swaps	—	418,632	—	418,632
Total return swap	—	11,387	—	11,387
Warrants	—	498,112	—	498,112
<b>Financial assets at fair value through profit or loss</b>	<u>3,794,984</u>	<u>155,536,685</u>	<u>—</u>	<u>159,331,669</u>
<b>Financial liabilities</b>				
- Financial derivative instruments				
Forward currency contracts	—	(550,742)	—	(550,742)
Futures contract	(18,005)	—	—	(18,005)
Interest rate swaps	—	(336,137)	—	(336,137)
Total return swap	—	(77,621)	—	(77,621)
<b>Financial liabilities at fair value through profit or loss</b>	<u>(18,005)</u>	<u>(964,500)</u>	<u>—</u>	<u>(982,505)</u>

\*Includes all which had a value of nil market value at the reporting date

Arcandor AG KARGR 8 7/8 07/11/13  
Japan Airlines CORP JALSTM 0 03/25/11  
China Milk Products GRP CMILK 0 01/05/12  
Shree Asht Cine Vision SACV 2 7/8 12/22/12  
Sunedison INC SUNE 2 3/4 01/01/21  
Ya HSIN Industrial Co Yahsin 0 01/05/09  
Berlian Laju Tanker TBK PT

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(ii) *Fair value of financial instruments (Continued)*

**As at 31 December 2020**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Financial assets</b>				
- Debt instruments	—	320,205,032	—*	320,205,032
- Mutual Fund	—	9,623,161	—*	9,623,161
- Financial derivative instruments				
Bond options	—	12,132,187	—	12,132,187
Contracts for difference	—	808,553	—	808,553
Forward currency contracts	—	3,746,598	—	3,746,598
Interest rate swaps	—	6,984	—	6,984
Warrants	—	1,935,387	—	1,935,387
Bond futures	—	13,447	—	13,447
<b>Financial assets at fair value through profit or loss</b>	<b>—</b>	<b>348,471,349</b>	<b>—</b>	<b>348,471,349</b>
<b>Financial liabilities</b>				
- Financial derivative instruments				
Bond options	—	(530)	—	(530)
Contracts for difference	—	(475,978)	—	(475,978)
Forward currency contracts	—	(348,379)	—	(348,379)
Interest rate swaps	—	(5,506,492)	—	(5,506,492)
Bond futures	—	(23,242)	—	(23,242)
<b>Financial liabilities at fair value through profit or loss</b>	<b>—</b>	<b>(6,354,621)</b>	<b>—</b>	<b>(6,354,621)</b>

\*Includes all which had a value of nil market value at the reporting date

Arcandor AG KARGR 8 7/8 07/11/13

Japan Airlines CORP JALSTM 0 03/25/11

China Milk Products GRP CMILK 0 01/05/12

Shree Asht Cine Vision SACV 2 7/8 12/22/12

Ya HSIN Industrial Co Yahsin 0 01/05/09

Kpnqwest NV Kpnqwe 10 03/15/12

Berlian Laju Tanker TBK PT

There were no transfers between levels during the financial period/year (31 December 2020: Nil).

For all other assets and liabilities not carried at fair value, these are short-term financial assets and liabilities whose carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(ii) *Fair value of financial instruments (Continued)*

Certain financial instruments may be recorded using valuation techniques with unobservable market data or are priced to incorporate low levels of market activity. These include convertible bonds with a fair value of US\$Nil (31 December 2020: US\$Nil) and an equity instrument with a fair value of US\$Nil (31 December 2020: US\$Nil).

The Directors have reviewed the reasonableness of Level 3 valuations and are satisfied that they represent the fair value of the instruments held by the Fund at 31 May 2022 and 31 December 2020. Furthermore, given the nature of inputs used on determining fair value, sensitivity analysis would not be relevant. There were no significant movements between Level 1 and Level 2 during the financial period/year.

*The changes in investments measured at fair value for which Level 3 inputs have been used to determine fair value are as follows:*

	<b>US\$</b>
Balance at 1 January 2021	—
Purchases	859,009
Sales	(65,332)
Gains/(Losses):	
Realised	(793,677)
Transfer from Level 1 to Level 3	—
Change in unrealised	—
Balance at 31 May 2022	—
	<b>US\$</b>
Balance at 1 January 2020	—
Purchases	2,953
Sales	—
Losses:	—
Realised	—
Transfer from Level 1 to Level 3	—
Change in unrealised	(2,953)
Balance at 31 December 2020	—

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(iii) *Derivative contracts*

Typically, derivative contracts serve as components of the Fund's investment strategy and are utilised primarily to structure and hedge investments to enhance performance and reduce risk to the Fund (the Fund does not designate any derivatives as hedges for hedge accounting purposes as described under IFRS 9). The derivative contracts that the Fund holds or issues are bond options, contracts for difference ("CFDs"), forward currency contracts, interest rate swaps warrants and bond futures.

*Contracts for difference*

CFDs represent OTC agreements that obligate two parties to exchange cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise deemed notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore amounts required for the future satisfaction of the CFD may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instruments of the CFD are valued at the CFD's settlement date and is included in the Statement of Comprehensive Income. As at 31 May 2022, the notional amounts for contracts for difference is €Nil (31 December 2020: €54,005,585).

*Forward currency contracts*

Forward currency contracts are OTC agreements entered into by the Fund which represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/financial period-end date and is included in the Statement of Comprehensive Income. As at 31 May 2022, the notional amounts for forward currency contracts is €31,236,762 (31 December 2020: €31,015,103).

*Futures contract*

A futures contract obligates one party to sell and the other party to purchase a specific instrument for an agreed price on an agreed future date. Initial margin deposits made with respect to futures contracts are recognised as assets due from the Fund's broker (the Fund's agent in acquiring the futures position). Subsequent changes in the daily valuation of open contracts are recognised as unrealised gains or losses in the Statement of Comprehensive Income. Variation margin payments are made or received on traded futures as appreciation or depreciation occurs. Futures contracts are valued using quoted daily settlement prices established by the exchange on which they trade. Realised gains or losses are recorded when a contract is closed and are included in the Statement of Comprehensive Income. As at 31 May 2022, the notional amounts for futures contracts is €1,264,650 (31 December 2020: €24,535,086).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(iii) *Derivative contracts (Continued)*

*Bond options*

Bond options represent OTC contracts with major multinational counterparties which allow the Fund to invest solely in the optionality component of a predetermined specific notional amount of a convertible bond. Bond options are valued in accordance with the accounting policy stated in Note 2 and the resulting movement in the unrealised gain or loss is recorded in the Statement of Comprehensive Income. As at 31 May 2022, the notional amounts for bond options is €2,897,392 (31 December 2020: €12,131,658).

*Interest rate swaps*

Interest rate swaps represent OTC agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise determined notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The realised gain or loss depends upon the prices at which the underlying financial instruments of the swap are valued at the swap's settlement date and is included in the Statement of Comprehensive Income. Interest rate swaps are fair valued with the resulting movement recorded in the Statement of Comprehensive Income. As at 31 May 2022, the notional amounts for interest rate swaps is €115,327,495 (31 December 2020: €344,251,596).

*Total return swaps*

Total return swaps are typically used to obtain exposure to a security or market without owning such security or investing directly in such market or to exchange the risk/return of one market (e.g., fixed-income) with another market (e.g., equity or commodity prices). There is an exchange of cash flows whereby one party commits to make payments based on the total return (distributions plus capital gains/losses) of an underlying instrument in exchange for fixed or floating rate interest payments. If the total return of the instrument or index underlying the transaction exceeds or falls short of the offsetting fixed or floating interest rate obligation, the Fund receives payment from or makes a payment to the counterparty. As at 31 May 2022, the notional amounts for total return swaps is €3,919,947 (31 December 2020: €nil).

*Warrants*

A warrant is a derivative security that gives the holder the right to purchase securities (usually equity) from the issuer at a specific price within a certain time frame. Warrants which are traded on an active market are valued at the quoted price.

The Fund may purchase warrants to speculate on the price movements of the financial instrument underlying the warrant, or for use as an economic hedge against certain equity positions held in the Fund's portfolio holdings. The Fund purchases warrants through listed markets. Warrants purchased by the Fund provide the Fund with the opportunity to purchase the underlying asset at an agreed-upon value either on (European style) or at any time before (American style) the expiration of the warrant.

The prices paid with regard to purchasing warrants are marked to market in accordance with Note 2 and the resulting gains or losses are recorded in the Statement of Comprehensive Income within net gain on transferable securities, derivative instruments and foreign exchange. As at 31 May 2022, the notional amounts for warrants is €161,568 (31 December 2020: €1,935,387).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**4. OFFSETTING FINANCIAL ASSETS AND LIABILITIES**

The Fund may be eligible to present net on the Statement of Financial Position, certain financial assets and financial liabilities according to criteria described in Note 2. At 31 May 2022 and 31 December 2020 no financial assets and financial liabilities met the eligibility criteria and none were presented net on the Statement of Financial Position.

The following tables provide information on the potential financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement at 31 May 2022 and at 31 December 2020. The cash balances held with the counterparties and amounts due from/(to) counterparties are disclosed in Note 6.

The gross amounts of recognised financial assets and financial liabilities disclosed in the above tables have been measured in the Statement of Financial Position at fair value. Refer to Note 10 for further details of risk management of financial assets and financial liabilities.

31 May 2022		Amounts offset in the statement of financial position US\$	Net amount presented on the statement of financial position US\$	Gross amounts not offset in the statement of financial position		
	Gross amounts of recognised assets US\$			Financial instruments US\$	Cash Collateral US\$	Net amount US\$
Financial assets						
BNP Paribas	175,784,813	–	175,784,813	(5,492,331)	–	170,292,482
Daiwa	962,610	–	962,610	(425,266)	–	537,344
JP Morgan	592,038	–	592,038	(504,399)	–	87,639
Mizuho	984,445	–	984,445	(984,445)	–	-
Nomura	3,644,325	–	3,644,325	(1)	–	3,644,324
Scotiabank	1,179,433	–	1,179,433	-	–	1,179,433
Total financial assets at fair value through profit or loss	183,147,664	–	183,147,664	(7,406,442)	–	175,741,222

31 May 2022		Amounts offset in the statement of financial position US\$	Net amount presented on the statement of financial position US\$	Gross amounts not offset in the statement of financial position		
	Gross amounts of recognised liabilities US\$			Financial instruments US\$	Cash Collateral US\$	Net amount US\$
Financial liabilities						
BNP Paribas	(5,492,331)	—	(5,492,331)	5,492,331	—	—
Daiwa	(425,266)	—	(425,266)	425,266	—	—
JP Morgan	(504,399)	—	(504,399)	504,399	—	—
Mizuho	(1,028,926)	—	(1,028,926)	984,445	—	(44,481)
Nomura	(1)	—	(1)	1	—	—
Total financial liabilities at fair value through profit or loss	(7,450,923)	—	(7,450,923)	7,406,442	—	(44,481)



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**4. OFFSETTING FINANCIAL ASSETS AND LIABILITIES (Continued)**

31 December 2020		Amounts offset in the statement of financial position US\$	Net amount presented on the statement of financial position US\$	Gross amounts not offset in the statement of financial position		
	Gross amounts of recognised assets US\$			Financial instruments US\$	Cash Collateral US\$	Net amount US\$
Financial assets						
BNP Paribas	394,363,562	—	394,363,562	(8,855,982)	—	385,507,580
Credit Suisse	807,092	—	807,092	—	—	807,092
Daiwa	571,656	—	571,656	(571,656)	—	—
JP Morgan	1,746,071	—	1,746,071	(1,175,944)	—	570,127
Mizuho	4,479,398	—	4,479,398	(3,332,994)	—	1,146,404
Nomura	8,834,903	—	8,834,903	(485,294)	—	8,349,609
Scotiabank	1,664,174	—	1,664,174	(6,255)	—	1,657,919
Total financial assets at fair value through profit or loss	412,466,856	—	412,466,856	(14,428,125)	—	398,038,731

31 December 2020		Amounts offset in the statement of financial position US\$	Net amount presented on the statement of financial position US\$	Gross amounts not offset in the statement of financial position		
	Gross amounts of recognised liabilities US\$			Financial instruments US\$	Cash Collateral US\$	Net amount US\$
Financial liabilities						
BNP Paribas	(8,855,982)	—	(8,855,982)	8,855,982	—	—
Daiwa	(665,064)	—	(665,064)	571,656	—	(93,408)
JP Morgan	(1,175,944)	—	(1,175,944)	1,175,944	—	—
Mizuho	(3,332,994)	—	(3,332,994)	3,332,994	—	—
Nomura	(485,294)	—	(485,294)	485,294	—	—
Scotiabank	(6,255)	—	(6,255)	6,255	—	—
Total financial liabilities at fair value through profit or loss	(14,521,533)	—	(14,521,533)	14,428,125	—	(93,408)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**5. FEES AND EXPENSES**

*Investment Management Fee*

An updated prospectus was issued on 6 April 2021 for the change in Investment Manager from Ferox Capital LLP (the "Previous Investment Manager") to CQS (UK) LLP (the "Current Investment Manager"). There were no changes to the fee rates, as 6 April 2021. Under the Investment Management Agreement, the Fund pays to the Investment Manager a maximum fee at an annual rate equal to the percentage of the average daily net asset value ("NAV") of the relevant Class of the Fund.

Pursuant to the investment management agreement, the Investment Manager is entitled to receive from the Fund an investment management fee equal to 1/12 of 1 per cent per month of the net asset value ("NAV") of the Class A1, Class C1 and Class E1 Shares, an investment management fee equal to 1/12 of 1.5 per cent per month of the NAV of the Class A2, Class C2 and Class E2 Shares, an investment management fee equal to 1/12 of 2.0 per cent per month of Class E3 Shares, an investment management fee equal to 1/12 of 0.75 per cent per month of the NAV of Class I Shares, an investment management fee equal to 1/12 of 0.95 per cent per month of the Net Asset Value of the Class S1 Shares, 1/12 of 0.75 per cent per month of the Net Asset Value of the Class S2 Shares and 0.60 per cent per month of the Net Asset Value of the Class S3 Shares (before deduction of that month's investment management fee and before deduction of any accrued performance fees) as at the last valuation point in each month accrued daily and payable monthly in arrears.

Total investment management fee accrued at the reporting date and amounts charged during the financial period are disclosed in the statement of financial position and the statement of comprehensive income respectively.

*Performance Fee*

The Previous and Current Investment Manager is also entitled to receive an annual performance fee in respect of each Class in the Fund, except for management share classes. The performance fee is calculated in respect of each calendar year by reference to the NAV per share of the class concerned as at the last valuation point prior to the commencement of that calendar year and the NAV per share of that class as at the last valuation point in that calendar year (a "Calculation Period"). The first Calculation Period shall be from close of the relevant initial offer period to the last valuation point in the relevant year and the initial offer price of the relevant Class shall be the starting NAV per share for the calculation of the Hurdle and the High Water Mark.

The Previous and Current Investment Manager will be entitled to a performance fee in respect of each Class A, C and E equal to 10 per cent of the increase in the adjusted GAV of the relevant Class at the end of the Calculation Period above the High Water Mark and the relevant Hurdle during the Calculation Period. The Current Investment Manager had no impact on performance fees.

The Performance Fee shall accrue at each Valuation Point and, accordingly, the NAV will be adjusted to reflect such fee. The Performance Fee will be calculated by the Administrator and verified by the Fund and the Depositary.

Notwithstanding the foregoing, any accrued Performance Fee referable to Shares redeemed prior to the end of the Calculation Period shall crystallise and become payable to the Investment Manager following such redemption.

This crystallising Performance Fee is calculated as a pro-rated proportion of the uncrystallised Performance Fee which forms part of the Redemption Price per Share at which the relevant Shareholder redeemed.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

5. FEES AND EXPENSES (Continued)

*Performance Fee (Continued)*

The Performance Fee is only payable on an increase in the Adjusted GAV per Share above the High Water Mark plus the Hurdle.

The Performance Fee (save any Performance Fee paid upon a redemption) shall be paid after the end of the Calculation Period in arrears. The Depositary shall verify the calculation of the Performance Fee prior to payment at the end of each Calculation Period.

Investors should note that where a Performance Fee is payable, it will be based on net realised and unrealised gains and losses at the end of each Calculation Period; as a result, a Performance Fee may be paid on unrealised gains that are never subsequently realised.

The performance fee in respect of each Class I Share in any Calculation Period is equal to 15 per cent of the increase in the adjusted gross asset value of the relevant class at the end of the Calculation Period above the sum of the high water mark and the relevant hurdle during the Calculation Period. The performance fee shall accrue at each valuation point and, accordingly, the NAV will be adjusted to reflect such fee. No performance fee will accrue or be paid until the NAV exceeds the high water mark. The performance fee shall be paid after the end of the Calculation Period in arrears.

The high water mark of the Class I Shares is the greater of (i) the initial offer price per share of the relevant share class; or (ii) the all-time highest NAV per share of the relevant class calculated on the last valuation point of a prior Calculation Period.

The hurdle of the Class I Shares is 5 per cent per annum. The hurdle will be added to the high water mark, and, in any Calculation Period, the adjusted gross asset value must exceed the hurdle plus high water mark before a performance fee can be paid. For periods of less than 1 year, the hurdle shall be pro-rated over the relevant period by multiplying by the number of actual days invested and dividing by 365. This adjustment to the hurdle shall apply both to new subscription amounts and to redemption amounts.

**Hurdle**

For each Calculation Period, the Hurdle in respect of:

i. Class A \$ Shares, Class C \$ Shares, Class D \$ Shares and Class E \$ Shares shall be the percentage rate achieved by compounding on a rolling daily basis to the end of the Calculation Period 100 per cent plus the US Dollar 90 Day LIBOR percentage interest rate Bloomberg ticker (US0003). As Libor ceased on 31 December 2021 the new hurdle reference point is US0003M Index.

ii. Class A GBP Shares, Class C GBP Shares and the Class E GBP Shares shall be the percentage rate achieved by compounding on a rolling daily basis to the end of the Calculation Period 100 per cent plus the GBP 90 Day LIBOR percentage interest rate Bloomberg ticker (BP0003). As Libor ceased on 31 December 2021 the new hurdle reference point is BP0003M Index; and

iii. Class A Euro Shares, Class C Euro Shares, and the Class E Euro Shares shall be the percentage rate achieved by compounding on a rolling daily basis to the end of the Calculation Period 100 per cent plus the Euro 90 Day LIBOR percentage interest rate Bloomberg ticker (EE0003). As Libor ceased on 31 December 2021 the new hurdle reference point is EUR003M Index.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

5. FEES AND EXPENSES (Continued)

*Performance Fee (Continued)*

**Hurdle (Continued)**

The Hurdle shall be calculated on the first Business Day of each calendar quarter in the Calculation Period, or in the case of the first Calculation Period, on the first Business Day after the relevant initial offer period;

In respect of a Share issued otherwise than on the first Dealing Day in a Calculation Period, the Hurdle will be prorated by reference to the number of days from the date of issue of that Share to the end of the Calculation Period.

With respect to each calendar quarter, the relevant LIBOR interest rate will be determined by the Administrator on the first Business Day in each calendar quarter (the "LIBOR Determination Date") in accordance with the provisions contained in the prospectus. As LIBOR ceased on 31 December 2021 the new hurdle reference points are US0003M Index, BP0003M Index and EUR003M Index.

**Equalisation of Performance Fees – Class A Shares, Class C Shares, Class D Shares and Class I Shares**

The Subscription Price at which Shares will be issued on any Dealing Day (other than the first Dealing Day in any Calculation Period) will be the NAV per Share of such Class before accrual for the Performance Fee (if any). The difference between the Subscription Price of a Share and the NAV per Share of that Class after accrual for the Performance Fee per Share is referred to as an "Equalisation Credit". An adjustment will then be made at the end of each Calculation Period to compensate for the difference between the amount of Performance Fee accrued in respect of that Class Share at the time of subscription and the Performance Fee payable in respect of that Class Share at the end of the Calculation Period.

As on 6 April 2021 the Directors have resolved that Salar Fund Plc (liquidation basis) will no longer operate income equalisation for the class of Shares that have UK reporting fund status, currently this is related to the E Share Class.

**Adjustments – Class A Shares, Class C Shares, Class D Shares and Class I Shares**

At the end of each Calculation Period, the Performance Fee per Share will be calculated in respect of all Shares subscribed for on each Dealing Day during that Calculation Period, as described above.

If the Performance Fee per Share calculated (at the end of the Calculation Period) in respect of any such Share subscribed for on a Dealing Day is less than the Performance Fee per Share accrued in respect of that Share on that Dealing Day, the difference per Share multiplied by the number of Shares of that Class subscribed for by the holder of that Share on that Dealing Day will be applied to subscribe for additional Shares of the relevant Class to be issued to that Shareholder.

If the Performance Fee per Share calculated (at the end of the Calculation Period) in respect of any such Shares of that Class subscribed for on a Dealing Day is greater than the Performance Fee per Share accrued in respect of that Share on that Dealing Day, such number of such Shares of that Class held by the holder of that Share as have an aggregate Net Asset Value equal to the difference per Share multiplied by the number of Shares of that Class subscribed for by the holder of that Share will be redeemed by the Fund at par value (the aggregate par value being retained by the Fund) and an amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee (a "Performance Fee Redemption").

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

5. FEES AND EXPENSES (Continued)

*Performance Fee (Continued)*

**Adjustments – Class A Shares, Class C Shares, Class D Shares and Class I Shares (Continued)**

**Performance Fee Methodology – Class E Shares**

The Performance Fee calculation in respect of each Calculation Period will be equal to the aggregate of the Performance Fees determined in respect of each separate subscription of Shares, accrued daily. Since Performance Fees are aggregated and applied to the Share Class as a whole, the actual Performance Fee incurred for each separate subscription is determined by the change in NAV per Share of the Share Class. There may be occasions where an investor effectively pays for which it has gained no benefit or where some investors are subsidising other investors. If the Investment Management Agreement is terminated other than at the end of a Calculation Period, the Performance Fee will be calculated as if such Calculation Period ended on the date of such termination. The Calculation Period for Shares that are redeemed shall terminate on the effective date of redemption. In the event of a partial redemption, Shares shall be redeemed on a first in, first out basis, for the purposes of calculating the Performance Fee. Investors should note that any depreciation in the NAV per Share of the Class E Shares over a Calculation Period will not cause a reduction in, or otherwise affect, the calculation of the Performance Fee in respect of the relevant Class in any subsequent Calculation Period.

Total performance fee accrued at the reporting date and amounts charged during the financial period are disclosed in the statement of financial position and the statement of comprehensive income respectively.

*Administration fees*

Prior to 6 April 2021:

The administration fee rate charged will not exceed 0.10 per cent per annum of the NAV of the Fund from 1 March 2019 for two years. Subsequent to the 1 March 2021, the administration fee charged will not exceed 0.11 per cent per annum of the NAV of the Fund. Up to the 31 March 2021, the administrator was also eligible to receive a middle office fee of 0.015 per cent per annum of the NAV of the Fund subject to a minimum annual fee of US\$80,000 (plus VAT, if any thereon). Effective 31 March 2021 the administrator ceased providing middle office services to the Fund with the Investment Manager taking the function in-house.

With effect from 6 April 2021:

The Fund shall pay the Administrators as listed below:

<b>Total Net Assets per Fund</b>	<b>Annual basis points fee</b>
Up to US\$ 500 Million	6 basis points
From US\$500 Million to US\$2 Billion	5 basis points
Above US\$2 Billion	4 basis points
Subject to minimum fees per sub-fund	US\$90,000 per annum

Total administration fee accrued at the reporting date and amounts charged during the financial period are disclosed in the statement of financial position and the statement of comprehensive income respectively.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**5. FEES AND EXPENSES (Continued)**

*Liquidation fees*

Liquidation fees accrued at the reporting date and amounts charged during the financial period amounting to US\$17,160 (31 December 2020: Nil) are disclosed in the Statement of Financial Position and in the Statement of Comprehensive Income respectively.

*Depositary fee*

Prior to 6 April 2021:

The Depositary is entitled to receive out of the net assets of the Fund an annual fee, accrued at each valuation point and payable monthly in arrears, which shall not exceed 0.04 per cent per annum of the NAV of the Fund subject to a minimum annual fee of US\$30,000 (plus VAT, if any) thereon.

From 6 April 2021:

The Depositary is entitled to receive out of the assets of the Fund a fee of 0.015 per cent with minimum annual fee of US\$25,000.

Total depositary fee accrued at the reporting date and amounts charged during the financial period are disclosed in the statement of financial position and the statement of comprehensive income respectively.

*Directors' Fees*

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund. Nicholas Curtis was terminated as Director due to his death on 14 January 2022 and Tom Seymore Mead resigned on 31 December 2021.

The total Directors' expenses for the financial period/year were US\$1,853 (31 December 2020: US\$810) and the total Directors' fees for the financial period/year were US\$100,159 (31 December 2020: US\$56,666) of which US\$78,778 (31 December 2020: US\$Nil) was payable at financial period/year end. The Fund also paid US\$10,853 (31 December 2020: US\$58,809) to Carne Global Financial Services Limited ("Carne"), an independent governance firm; in respect of director support services for, Elizabeth Beazley and Teddy Otto. These costs are for services provided directly to the Directors which are payable by the Fund and do not constitute 'other services' as defined by the Central Bank.

Nicholas Curtis received a director's fee of €18,500 (31 December 2020: €20,000). Tom Seymour Mead received a director's fee of €12,750 (31 December 2020: €Nil).

*Auditor's fees and services*

The following table presents a summary of accountant fees and services inclusive of VAT for the seventeen months ended (31 December 2020: twelve months) 31 May 2022.

	<b>Period from 1 January 2021 to 31 May 2022 US\$</b>	<b>Year ended 31 December 2020 US\$</b>
Auditor's fees regarding annual report	40,236	73,350
Other assurance services	37,747	-
Fees for tax compliance services	4,351	9,760

The auditor have not provided any other service to the Fund.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

5. FEES AND EXPENSES (Continued)

	Period from 1 January 2021 to 31 May 2022 US\$	Year ended 2020 US\$
<b>Other operating expenses</b>		
Audit fee expense	77,983	93,412
Bank charges expense	37,068	63,592
Corporate services fee expense	28,861	13,338
Directors fee expense	284,330	126,759
Directors insurance expense	57,990	30,723
Distribution fees expense	–	976
FATCA compliance fee expense	4,892	2,750
Financial statement fees expense	14,023	10,000
Legal fee expense	74,740	53,108
Misc expense	5,244	2,652
Professional fees expense	341,665	1,501,867
Other expense	–	26,129
Reclaim tax receipt	–	5,242
Registration fee expense	10,622	7,209
Regulatory fee expense	26,203	13,312
Tax reporting expense	74,431	36,410
Vat expense	1,073	–
	<u>1,039,125</u>	<u>1,987,479</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents the cash balances held with BNP Paribas U.S.A - New York and the Umbrella Cash Account held with BNP Paribas Securities Services, Dublin Branch. The fund operates under a Fund Asset Model whereby a collection account is held in the name of the Fund to collect subscription monies and pay redemption monies. The monies held in the collection accounts are considered an asset of the Fund and are disclosed in the statement of financial position within cash and cash equivalents. Investor monies held in collection accounts at 31 May 2022 is US\$(47,318) (31 December 2020: US\$(17,040)).

7. DUE FROM AND TO BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the reporting date, respectively.

The majority of the amounts due from and due to brokers are held with the Depositary. There is a right of offset based on the master netting agreement in place between long and short positions subject to meeting eligibility criteria however none met this and the financial statements have been presented on a gross basis at 31 May 2022 and 31 December 2020. The Depositary and broker credit ratings are disclosed in Note 10.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

7. DUE FROM AND TO BROKERS (Continued)

Margin accounts with brokers represent cash deposits with counterparties as collateral against open bond options, warrants and forward currency contracts. The Fund also transferred cash as collateral and margin for transactions involving borrowed securities.

	31 May 2022 US\$	31 December 2020 US\$
<b>Due from brokers</b>		
Cash balance with broker	6,021,634	17,095,331
Receivable for investments sold	<u>4,273,131</u>	<u>3,395,955</u>
<b>Total</b>	<u>10,294,765</u>	<u>20,491,286</u>
	31 May 2022 US\$	31 December 2020 US\$
<b>Due to brokers</b>		
Cash overdraft with broker	379,620	485,052
Collateral	1,937,132	7,681,860
Payable for investments purchased	<u>4,151,666</u>	<u>—</u>
<b>Total</b>	<u>6,468,418</u>	<u>8,166,912</u>

8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES

The authorised share capital of the Fund is 500 billion shares of no par value and €300,002 divided into 300,002 redeemable non-participating shares of €1.00 each. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Fund.

Voting Shares have the right to vote at general meetings of the Fund. The holders of Shares which are designated as Non-Voting Shares shall be entitled to receive notice to attend and speak at all general meetings of the Fund but not to vote on any resolution proposed thereat. Management Shares rank pari passu with the Class A Shares, Class C Shares, Class E Shares, Class I Shares and Class S Shares in all respects save that no investment management fees or performance fees will be payable by the Fund to the Investment Manager in respect of the assets attributable to the Management Shares. More details of the fees relating to each class of shares can be found in Note 5.

The Directors have the power to allot shares in the capital of the Fund on such terms and in such manner as they may think fit. Of the 300,002 non-participating shares, two are currently in issue which were taken by the subscribers to the Fund and are held by the Investment Manager and nominees of the Investment Manager.

The net assets attributable to holders of redeemable participating shares are at all times equal to the net asset value of the Fund. The participating shares which comprise the equity capital of the Fund are in substance a liability of the Fund to shareholders under IAS 32 - Financial Instruments Presentation, as they can be redeemed at the option of the shareholders.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (Continued)

*Capital management*

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is subject to externally imposed minimum regulatory capital requirements which is €300,000.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus.
- To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivative and other capital markets and by using various investment strategies and hedging techniques.
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Fund cost-efficient.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (Continued)

The movement in the number of participating shares for the financial period ended 31 May 2022 were as follows:

31 May 2022	Opening	Subscriptions*	Redemptions*	Closing
Class A1 US\$ Shares (Accumulation)	55,907.59	1,549.51	(1,967.54)	55,489.56
US\$ Management Shares (Accumulation)	7,698.06	–	–	7,698.06
Class C1 US\$ Shares (Distribution - income)	541.83	–	–	541.83
Class C1 US\$ Shares (Distribution - non-income)	93.52	–	–	93.52
Class E1 US\$ Shares (Accumulation)	59,077.24	28,994.34	(13,938.92)	74,132.66
Class E2 US\$ Shares (Accumulation)	13,054.55	2,786.78	(7,003.33)	8,838.00
Class E3 US\$ Shares (Accumulation)	7,573.66	1,449.28	(4,873.68)	4,149.26
Euro Management Shares (Accumulation)	14,947.80	–	(64.74)	14,883.06
Class A1 Euro Shares (Accumulation)	14,451.58	152.15	(611.23)	13,992.50
Class C1 Euro Shares (Distribution - income)	4,758.14	504.85	–	5,262.99
Class E1 Euro Shares (Accumulation)	802,861.09	617,482.25	(804,494.84)	615,848.50
Class E1 Euro Shares (Distribution - income)	18,080.00	220.00	(7,840.00)	10,460.00
Class E2 Euro Shares (Accumulation)	122,124.94	26,769.74	(52,381.27)	96,513.41
Class E3 Euro Shares (Accumulation)	58,432.01	13,439.86	(35,102.26)	36,769.61
Class I Euro Shares (Accumulation)	57,450.57	70.75	(57,521.38)	(0.06)
Class A1 Sterling Shares (Accumulation)	6,090.83	–	(2,454.77)	3,636.06
Sterling Management Shares (Accumulation)	18,054.03	2,077.86	–	20,131.89
Class C1 Sterling Shares (Distribution - income)	19,061.65	1,969.52	(10,038.12)	10,993.05
Class C1 Sterling Shares (Distribution - non-income)	4,983.44	–	(3,145.63)	1,837.81
Class C2 Sterling Shares (Distribution - income)	1,685.74	–	(1,617.47)	68.27
Class C2 Sterling Shares (Distribution - non-income)	67.15	–	(1.20)	65.95
Class E1 Sterling Shares (Accumulation)	61,165.56	3,098.53	(61,289.86)	2,974.23
Class E1 Sterling Shares (Distribution - income)	90,222.50	15,251.70	(31,161.96)	74,312.24
Class E3 Sterling Shares (Accumulation)	1,457.96	2,397.28	(1,507.33)	2,347.91
Class E2 Sterling Shares (Accumulation)	626.86	86.97	(126.86)	586.97
Class I Sterling Shares (Accumulation)	575,774.43	655.23	(576,429.66)	–

\* Included within shares issued and shares redeemed are switches in and switches out between share classes.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (Continued)

The movement in the number of participating shares for the financial year ended 31 December 2020 were as follows:

31 December 2020	Opening	Subscriptions*	Redemptions*	Closing
Class A1 US\$ Shares (Accumulation)	548,098.85	862.00	(493,053.26)	55,907.59
US\$ Management Shares (Accumulation)	6,698.02	1,000.04	–	7,698.06
Class C1 US\$ Shares (Distribution - income)	1,014.24	–	(472.41)	541.83
Class C1 US\$ Shares (Distribution - non-income)	2,289.02	–	(2,195.50)	93.52
Class E1 US\$ Shares (Accumulation)	40,442.45	44,300.00	(25,665.21)	59,077.24
Class E1 US\$ Shares (Distribution - income)	500.00	–	(500.00)	–
Class E2 US\$ Shares (Accumulation)	14,671.58	1,638.58	(3,255.61)	13,054.55
Class E3 US\$ Shares (Accumulation)	9,683.59	3,814.58	(5,924.51)	7,573.66
Class I US\$ Shares (Accumulation)	33,431.99	18.78	(33,450.77)	–
Euro Management Shares (Accumulation)	12,000.00	2,947.80	–	14,947.80
Class A1 Euro Shares (Accumulation)	33,990.83	11,049.28	(30,588.53)	14,451.58
Class C1 Euro Shares (Distribution - income)	4,758.14	–	–	4,758.14
Class E1 Euro Shares (Accumulation)	1,391,914.70	617,210.04	(1,206,263.65)	802,861.09
Class E1 Euro Shares (Distribution - income)	37,100.00	500.00	(19,520.00)	18,080.00
Class E2 Euro Shares (Accumulation)	497,925.81	25,827.61	(401,628.48)	122,124.94
Class E3 Euro Shares (Accumulation)	120,891.80	17,185.38	(79,645.17)	58,432.01
Class I Euro Shares (Accumulation)	126,683.65	219.85	(69,452.93)	57,450.57
Class A1 Sterling Shares (Accumulation)	8,757.39	125.66	(2,792.22)	6,090.83
Sterling Management Shares (Accumulation)	15,075.24	3,253.79	(275.00)	18,054.03
Class C1 Sterling Shares (Distribution - income)	57,104.72	5.86	(38,048.93)	19,061.65
Class C1 Sterling Shares (Distribution - non-income)	6,299.16	–	(1,315.72)	4,983.44
Class C2 Sterling Shares (Distribution - income)	1,902.49	–	(216.75)	1,685.74
Class C2 Sterling Shares (Distribution - non-income)	154.65	–	(87.50)	67.15
Class E1 Sterling Shares (Accumulation)	22,665.20	49,421.38	(10,921.02)	61,165.56
Class E1 Sterling Shares (Distribution - income)	218,926.95	16,516.62	(145,221.07)	90,222.50
Class E3 Sterling Shares (Accumulation)	2,183.46	2,104.50	(2,830.00)	1,457.96
Class E2 Sterling Shares (Accumulation)	500.00	196.51	(69.65)	626.86
Class I Sterling Shares (Accumulation)	2,658,210.19	4,044.29	(2,086,480.05)	575,774.43

\* Included within shares issued and shares redeemed are switches in and switches out between share classes.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**9. CONTINGENCIES**

Since the financial year ended 31 December 2014, it became apparent that US Internal Revenue Code (IRC) Section 305(c) applies to certain US convertible bonds held by the fund. Under Section 305(c), a change in a conversion rate occurring on an ex-dividend creates a taxable deemed distribution which is subject to withholding rates. There were uncertainties surrounding the computation and application of these rules. In April 2016, proposed regulations were issued to clarify the amount and timing of these deemed distributions and provide guidance on withholding agents' obligations. However, these proposed regulations are forward looking and will be relied upon for deemed distributions occurring on or after 1 January 2018. As such, it is undetermined if the Internal Revenue Service will enforce collection of Section 305(c) withholding tax on deemed distributions prior to this date.

**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

*Principles of risk management*

The principal risks and uncertainties faced by the Fund are outlined in the prospectus. These risks include market risk (comprised of market price risk, currency risk and interest rate risk), credit risk and liquidity risk as per IFRS 7 – Financial Instruments: Disclosures ("IFRS 7").

The management of the financial instruments is fundamental to the management of the Fund's business. The Investment Manager is responsible, subject to the overall supervision and control of the Board of Directors (the "Board"), for managing the assets and investments of the sub-fund of the Fund in accordance with the investment objectives and guidelines approved by the Board and policies set forth in the Prospectus and the UCITS Regulations.

The Board has delegated the day to day risk management and reporting to the Investment Manager under the investment management agreement. The Investment Manager is responsible for ensuring that the appropriate risk management processes are in place and that it is functioning adequately, with the investment management function responsible for:

- trading securities, pre and post trade compliance and monitoring risk on a day to day basis;
- monitoring levels of global exposure, position risk, leverage, counter-party risk, other risk parameters of relevance;
- overseeing the risk management process of the Investment Manager;
- setting policy on instrument types, exposure limits and trading strategies (in conjunction with the Board);
- post trade checking for breaches of investment limits whether due to market movement or otherwise; and

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Principles of risk management (Continued)*

- liaising with the Administrator in the setting of policies relating to financial derivative instruments pricing and dealing with any pricing issues that have been escalated in accordance with agreed escalation procedures or require a decision.

*Market risk*

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, price risk and interest rates. The Fund is exposed to market risk primarily through its financial assets and liabilities.

The Investment Manager has specific processes that are in place to control market risk. Market risk is assessed by the Investment Manager in the context of the total portfolio being managed, including all derivatives. Also the Investment Manager places restrictions on gearing of the portfolio (i.e. where the level of market exposure exceeds the market value of the Fund). The Investment Manager monitors derivative use to ensure derivatives are not used to circumvent gearing/borrowing restrictions imposed by law or mandate. Specifically, in the case of use of derivative positions to achieve exposure, the Fund holds sufficient cash or appropriate equivalent assets to meet potential obligations arising from the net derivative position. In the case of derivative positions to remove or reduce exposure, the Fund holds assets, which are considered a reasonable hedge.

The Fund trades in financial instruments to take advantage of market movements. The Fund's equity securities and trading financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instrument.

*Global Exposure*

UCITS funds are required to monitor exposures on a daily basis by utilising either the commitment approach or the value at risk ("VaR") approach when financial derivative instruments ("FDI") are held. The Investment Manager utilises the commitment approach in monitoring the exposure of the Fund as the market risk can be adequately monitored through this method. Derivatives will primarily be used to gain exposure to certain asset classes in which it is not permitted to directly invest and/or for purposes of efficient portfolio management.

The Fund held derivative positions during the financial period/year ended 31 May 2022 and 31 December 2020. The Fund has primarily held transferable securities, CFDs, interest rate swaps, options, bond options, forward currency contracts, futures contract, warrants, cash and cash equivalents. Convertible bonds are transferable securities with derivative elements. This portfolio is monitored regularly by the Investment Manager under the commitment approach.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Global Exposure (Continued)*

The Fund to date has held CFD's, interest rate swaps, options, bond options, futures contract, equity index options, equity options, equity LEAP options, forward currency contracts, futures contracts and warrants. Exposures to these positions are monitored on a daily basis pursuant to the commitment approach.

Breaches of the exposure limits, if any, are identified using the commitment approach, addressed by the Investment Manager and reported to the Board. Please see the credit risk section for a review of the risk and related measurements related to FDI counterparties as of 31 May 2022 and 31 December 2020.

FDI positions are subject to risks that have the potential to influence the value of the Fund. The portfolio risk is detailed in the price risk and currency risk sections which provide analyses of the potential impact to the values due to these risks. Further, an analysis of the time available to liquidate the positions held by the Fund can be found in the liquidity risk section.

*Equity price risk*

Equity price risk is the risk of unfavourable changes in the fair values of equities or other instruments with sensitivity to equity prices (e.g. convertible bonds) as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities and from equity-linked derivatives. Exposure to these instruments is disclosed within the sector and geographical portfolio exposure on page 53. Sensitivity exposure is disclosed below. The Fund manages this risk by investing in a well diversified portfolio. The Fund is also exposed to other price risk relating to changes in market sentiment, supply and demand and other market forces.

Management's best estimate of the effect on the profit for a financial period due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis presented and the difference could be material.

The Fund's primary strategy involves the holding of long positions in convertible bonds which exposes it to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed through a process of ongoing identification, measurement and monitoring, and subject to risk limit and other controls.

The sensitivity analysis presented shows the effect of a 5% increase or decrease in equity prices on the net assets of the Fund. Most of the equity sensitivity is due to the optionality embedded within the convertible bonds and bond options held by the Fund. The Fund has minimal direct equity exposure. The analysis below factors in the instrument deltas in order to measure the sensitivity of the instrument values relative to changes in the underlying equity prices.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Equity price risk (Continued)*

Factoring in the instrument deltas in order to measure the sensitivity of the instrument values relative to changes in the underlying market prices, a 5% increase in financial assets at fair value through profit or loss would cause net assets attributable to holders of redeemable shares to increase by US\$3,110,829 (31 December 2020: US\$6,821,649). Similarly, a 5% decrease would cause net assets attributable to holders of redeemable shares to decrease by (US\$2,604,180) (31 December 2020: (US\$5,654,821)).

*Currency risk*

Currency risk, as defined by IFRS 7, arises due to financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. Relevant risk variables are generally movements in the exchange rates of non-functional currencies in which the Fund holds financial instruments.

The generation of trading profits and losses resulting from investment activity in currencies other than the functional currency creates an exposure to the non-functional currency denominated foreign exchange rate movements. This currency risk is managed using foreign exchange trades in accordance with Fund guidelines and restrictions. Daily monitoring is undertaken by the Investment Manager to ensure instruments used and exposures created are consistent with the investment strategy and objectives of the Fund.

Each Hedged Currency share class is protected against movements in the share-class currency versus the base currency throughout the period. The returns accruing to investors in each of the currency classes reflect the profits made overall throughout the period in each share class. However, because of an appreciation in the base currency against the various share-class currencies over the whole period, when reflected in the base currency (ignoring inflows and outflows) the statement of comprehensive income shows a net gain (31 December 2020: gain) attributable to holders of redeemable participating shares. This is not reflective of the returns experienced by any investor in any hedged currency class. The (loss)/gain of US\$23,093,881 (31 December 2020: US\$3,234,205) is equivalent to the effect of protecting the hedged currency classes against the appreciation in the base currency.

The Fund's total net exposure, including foreign currency hedging within the portfolio, to fluctuations in foreign currency exchange rates at the reporting date was as follows:

The table below calculates the effect of a reasonably possible movement of the exchange rate against the US\$ at 31 May 2022 and 31 December 2020 on the net assets attributable to holders of redeemable participating shares, with all other variables held constant.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Currency risk (Continued)*

	Net fair value 31 May 2022 US\$	Net fair value 31 December 2020 US\$	Change in Exchange rate %	Effect on profit for the financial period/year US\$	
				31 May 2022 +/-	31 December 2020 +/-
<b>Currency</b>					
Australian Dollar	1,117,625	990,781	5%	55,881	49,539
British Pound	79,841,758	40,699,915	5%	3,992,088	2,034,996
Danish Krone	4,940,444	(2,182)	5%	247,022	(109)
Euro	20,420,753	182,486,461	5%	1,021,038	9,124,323
Hong Kong Dollar	4,956,700	15,935,837	5%	247,835	796,792
Japanese Yen	591,573	22,278,028	5%	29,579	1,113,901
Swiss Franc	24,535	14,604,617	5%	1,227	730,231
Singapore Dollar	(192,194)	8,967,497	5%	(9,610)	448,375
Swedish Krona	(2)	(22)	5%	—	(1)
Taiwan Dollar	5,384,797	(252,259)	5%	269,240	(12,613)
<b>Sub-total</b>	<u>117,085,989</u>	<u>285,708,673</u>			
US Dollar	<u>58,063,113</u>	<u>81,085,532</u>			
<b>Total</b>	<u>175,149,102</u>	<u>366,794,205</u>			

For share class hedging purposes, the Fund holds offsetting additional British Pound and Euro exposure. It is anticipated that the sensitivity shown would be largely offset by movements in the corresponding share capital liabilities of the Fund.

The Investment Manager generally seeks to hedge foreign currency exposure of the Fund to currencies other than the base currency through the use of spot and forward foreign exchange contracts or other methods if reducing exposure to currency fluctuations.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of interest rate risk arises on interest-bearing financial instruments recognised in the Statement of Financial Position.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Interest rate risk (Continued)*

Cash flow interest rate risk arises on the cash balances held with brokers. An increase in 50 basis points (31 December 2020: 25 basis points) in interest rates as at the reporting date would have increased the net assets attributable to holders of redeemable participating shares by US\$452,790 (31 December 2020: US\$48,025). A decrease of 50 basis points (31 December 2020: 25 basis points) would have decreased the net assets attributable to holders of redeemable participating shares by (US\$326,702) (31 December 2020: (US\$48,025)).

The following table details the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

31 May 2022	Less than 1 month US\$	1-3 months US\$	3 months to 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>							
Financial assets at fair value through profit or loss	11,632,142	3,908,931	23,391,758	106,082,069	3,879,848	10,436,921	159,331,669
Cash and cash equivalents	13,521,230	—	—	—	—	—	13,521,230
Due from brokers	10,294,765	—	—	—	—	—	10,294,765
Subscription proceeds due	—	—	—	—	—	270,324	270,324
Interest receivable	—	—	—	—	—	152,220	152,220
Other receivables and prepayments	—	—	—	—	—	61,637	61,637
<b>Total assets</b>	<b>35,448,137</b>	<b>3,908,931</b>	<b>23,391,758</b>	<b>106,082,069</b>	<b>3,879,848</b>	<b>10,921,102</b>	<b>183,631,845</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Interest rate risk (Continued)*

The following table details the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

31 May 2022	Less than 1 month US\$	1-3 months US\$	3 months to 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss	40,154	6,189	504,399	—	—	431,763	982,505
Due to brokers	6,468,418	—	—	—	—	—	6,468,418
Redemptions payable	—	—	—	—	—	204,324	204,324
Performance fee payable	—	—	—	—	—	12,447	12,447
Investment management fee payable	—	—	—	—	—	28,456	28,456
Accrued expenses and other payables	—	—	—	—	—	193,226	193,226
Administration fee payable	—	—	—	—	—	8,959	8,959
Depositary fee payable	—	—	—	—	—	4,515	4,515
Audit fee payable	—	—	—	—	—	71,879	71,879
Interest payable	—	—	—	—	—	405,234	405,234
Dividends payable	—	—	—	—	—	85,620	85,620
Liquidation fee payable	—	—	—	—	—	17,160	17,160
Net assets attributable to holders of redeemable participating shares	—	—	—	—	—	175,149,102	175,149,102
<b>Total liabilities</b>	<b>6,508,572</b>	<b>6,189</b>	<b>504,399</b>	<b>—</b>	<b>—</b>	<b>176,612,685</b>	<b>183,631,845</b>
<b>Total interest sensitivity gap</b>	<b>28,939,565</b>	<b>3,902,742</b>	<b>22,887,359</b>	<b>106,082,069</b>	<b>3,879,848</b>	<b>(165,691,583)</b>	

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Interest rate risk (Continued)*

31 December 2020	Less than 1 month US\$	1-3 months US\$	3 months to 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>							
Financial assets at fair value through profit or loss	3,764,599	21,935,858	50,524,791	197,064,321	65,558,619	9,623,161	348,471,349
Cash and cash equivalents	43,504,221	–	–	–	–	–	43,504,221
Due from brokers	20,491,286	–	–	–	–	–	20,491,286
Other receivables and prepayments	–	–	–	–	–	229,937	229,937
<b>Total assets</b>	<b>67,760,106</b>	<b>21,935,858</b>	<b>50,524,791</b>	<b>197,064,321</b>	<b>65,558,619</b>	<b>9,853,098</b>	<b>412,696,793</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss	126,276	79,789	177,581	5,067,054	903,921	–	6,354,621
Due to brokers	8,166,912	–	–	–	–	–	8,166,912
Interest payable	–	–	–	–	–	844,639	844,639
Accrued expenses and other payables	–	–	–	–	–	30,536,416	30,536,416
Net assets attributable to holders of redeemable participating shares	–	–	–	–	–	366,794,205	366,794,205
<b>Total liabilities</b>	<b>8,293,188</b>	<b>79,789</b>	<b>177,581</b>	<b>5,067,054</b>	<b>903,921</b>	<b>398,175,260</b>	<b>412,696,793</b>
<b>Total interest sensitivity gap</b>	<b>59,466,918</b>	<b>21,856,069</b>	<b>50,347,210</b>	<b>191,997,267</b>	<b>64,654,698</b>	<b>(388,322,162)</b>	

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund. It is the Fund's policy to enter into financial instruments with a range of reputable counterparties. The Investment Manager only permits trading with approved brokers. New brokers are added, subject to a formal review process that includes a review of the broker's creditworthiness, financial strength, ability to enter into legally enforceable arrangements and standing in the financial community. Therefore, the Fund seeks to avoid counterparty credit losses on its financial instruments. The Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as of 31 May 2022 and 31 December 2020 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the Statement of Financial Position.

With respect to financial derivative instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Fund's overall exposure to credit risk on financial derivative instruments subject to a master netting arrangement is eliminated only to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised. This exposure can change substantially within a short period since it is affected by each transaction subject to the arrangement.

The maximum exposure to credit risk is as follows:

**31 May 2022**

Counterparty	S&P Credit rating	Cash and cash equivalents US\$	Financial assets held for trading US\$	Financial liabilities held for trading US\$	Broker Balance US\$	Total US\$
Daiwa	BBB+	—	962,610	—	(425,266)	537,344
JPMorgan	A+	—	591,926	(504,399)	112	87,639
Mizuho International	A	—	984,445	—	(1,028,926)	(44,481)
Nomura	BBB+	—	670,615	—	2,973,709	3,644,324
Scotiabank	A+	—	—	—	1,179,433	1,179,433
		—	3,209,596	(504,399)	2,699,062	5,404,259
<b>Depository</b>						
BNP Paribas*		13,521,230	156,122,073	(478,106)	1,127,285	170,292,482
<b>Total</b>		<u>13,521,230</u>	<u>159,331,669</u>	<u>(982,505)</u>	<u>3,826,347</u>	<u>175,696,741</u>

Transactions are only concluded with counterparties which have an investment grade as rated by a well known rating agency.

Cash and cash equivalents are held with the BNP Depository. In the event of insolvency or bankruptcy of the BNP Depository, the Fund will be treated as a general creditor in relation to the cash held with it.

\*The S&P long term credit rating of BNP Paribas Securities Services, the ultimate parent of the Depository. The Depository is not rated.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Credit risk (Continued)*

**31 December 2020**

	<b>S&amp;P Credit rating</b>	<b>Cash and cash equivalents US\$</b>	<b>Financial assets held for trading US\$</b>	<b>Financial liabilities held for trading US\$</b>	<b>Broker Balance US\$</b>	<b>Total US\$</b>
<b>Counterparty</b>						
Credit Suisse	BBB+	–	807,092	–	–	807,092
Daiwa	BBB+	–	571,656	–	(665,064)	(93,408)
JPMorgan	A-	–	1,168,587	(252,259)	(346,201)	570,127
Mizuho International	A-	–	4,479,398	(289)	(3,332,705)	1,146,404
Nomura	BBB+	–	5,105,455	(241)	3,244,395	8,349,609
Scotiabank	A-	–	181,759	(6,254)	1,482,414	1,657,919
		–	12,313,947	(259,043)	382,839	12,437,743
<b>Depository</b>						
BNP Paribas*	A+	43,504,221	336,157,402	(6,095,578)	11,941,535	385,507,580
<b>Total</b>		<u>43,504,221</u>	<u>348,471,349</u>	<u>(6,354,621)</u>	<u>12,324,374</u>	<u>397,945,323</u>

Transactions are only concluded with counterparties which have an investment grade as rated by a well known rating agency.

Cash and cash equivalents are held with the BNP Depository. In the event of insolvency or bankruptcy of the BNP Depository, the Fund will be treated as a general creditor in relation to the cash held with it.

\*The S&P long term credit rating of BNP Paribas Securities Services, the ultimate parent of the Depository. The Depository is not rated.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Credit risk (Continued)*

**Portfolio % by rating agency category:**

**31 May 2022**

<b>S&amp;P Credit rating</b>	<b>Total</b>	<b>% of total</b>
A	7,158,888	4.64%
A+	—	—
A-	1,351,261	0.87%
Ap	—	—
BBB	1,939,989	1.26%
BBB+	—	—
BBB+p	4,795,272	3.10%
Not rated	<u>139,197,887</u>	<u>90.13%</u>
<b>Total</b>	<u>154,443,297</u>	<u>100.00%</u>

**31 December 2020**

<b>S&amp;P Credit rating</b>	<b>Total</b>	<b>% of total</b>
A	18,183,094	5.50%
A+	6,140,580	1.86%
A-	26,436,854	8.02%
Ap	11,000,850	3.34%
BBB	4,949,272	1.50%
BBB+	20,567,980	6.24%
BBB+p	—	—
Not rated	<u>242,549,563</u>	<u>73.54%</u>
<b>Total</b>	<u>329,828,193</u>	<u>100.00%</u>

*Significant concentrations of credit risk*

Concentrations of credit risk exist when changes in economic, industry or geographic factors affect counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with a range of counterparties, thereby mitigating any significant concentration of credit risk. Countries relate to country of incorporation and do not necessarily reflect country of economic risk.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Significant concentrations of credit risk (Continued)*

The sector and country distributions are as follows:

<b>Sector exposure</b>	<b>Market Value 31 May 2022 US\$</b>	<b>Country</b>	<b>Market Value 31 May 2022 US\$</b>
Communication Services	16,430,128	Australia	1,102,715
Consumer Discretionary	17,622,584	Belgium	6,148,017
Consumer Staples	1,726,854	British Virgin Islands	7,221,429
Consumer, Cyclical	3,206,996	Canada	951,654
Consumer, Non-cyclical	4,809,560	Cayman Islands	8,783,294
Energy	17,930,825	Denmark	1,335,363
Financial	53,152,120	European Union	6,848,084
Health Care	5,411,657	France	11,029,609
Industrial	12,832,041	Germany	14,052,459
Information Technology	15,213,225	Hong Kong	994,595
Materials	1,772,925	Italy	1,802,322
Others	594,602	Japan	20,754,516
Real Estate	7,622,665	Jersey	1,674,114
Transportation	22,982	Luxembourg	4,406,347
		Malaysia	4,631,234
		Netherlands	6,735,262
		Singapore	4,151,270
		South Korea	5,840,607
		Spain	3,620,150
		Switzerland	5,343,980
		Taiwan	1,921,466
		United Arab Emirates	5,063,364
		United Kingdom	5,441,780
		United States	26,088,293
		Vietnam	2,407,240
<b>Total</b>	<b>158,349,164</b>	<b>Total</b>	<b>158,349,164</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Significant concentrations of credit risk (Continued)*

<b>Sector exposure</b>	<b>Market Value 31 December 2020 US\$</b>	<b>Country</b>	<b>Market Value 31 December 2020 US\$</b>
Consumer Discretionary	36,143,277	Australia	976,216
Consumer Staples	20,085,510	Belgium	3,702,891
Energy	18,026,364	British Virgin Islands	7,412,759
Financial	85,196,129	Cayman Islands	217,812
Health Care	19,066,512	China	10,676,561
Industrial	67,740,352	European Union	(17,368)
Information Technology	23,555,623	France	51,732,301
Materials	11,449,465	Germany	35,539,448
Others	(2,111,083)	Hong Kong	18,080,822
Real Estate	21,550,685	Ireland	9,623,161
Telecommunication Services	28,072,884	Israel	5,319,738
Telecommunications	629,885	Italy	14,965,901
Utilities	12,711,125	Japan	28,263,499
		Malaysia	4,585,418
		New Zealand	1,298,268
		Singapore	11,447,509
		South Africa	9,130,530
		South Korea	1,139,310
		Spain	7,082,676
		Sweden	5,879,298
		Switzerland	24,759,929
		Taiwan	1,667,050
		United Kingdom	28,900,296
		United States	57,677,661
		Vietnam	2,055,042
<b>Total</b>	<b>342,116,728</b>	<b>Total</b>	<b>342,116,728</b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Liquidity risk*

The Fund's financial instruments include investments in derivative contracts traded over-the-counter, which are not traded in an organised public market and which may be illiquid. As a result, the Fund may not be able to promptly liquidate some of these investments at an amount close to its fair value in order to meet its liquidity requirements or to respond to specific events such as a deterioration in the credit worthiness of any particular issuer. However the majority of the positions held in the portfolio are securities that are considered to be readily realisable within the Fund's liquidity terms.

*Maturity profile of assets and liabilities at financial year end*

The tables below summarise the maturity profile of the Fund's assets and liabilities and gross-settled derivatives based on contractual undiscounted cash flows. The below table summarises the Fund's liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The analysis does not reflect the liquidity of the secondary market.

The Investment Manager is constantly monitoring the liquidity of the Fund's portfolio.

**As at 31 May 2022**

	<b>Within 1 month US\$</b>	<b>1 to 3 months US\$</b>	<b>3 months to 1 year US\$</b>	<b>Greater than 1 year US\$</b>	<b>No stated maturity US\$</b>	<b>Total US\$</b>
<b>Assets</b>						
Financial assets at fair value through profit or loss	11,632,142	3,929,086	23,391,758	110,521,962	9,856,721	159,331,669
Cash and cash equivalents	13,521,230	—	—	—	—	13,521,230
Due from brokers	10,294,765	—	—	—	—	10,294,765
Subscription proceeds due	270,324	—	—	—	—	270,324
Interest receivable	152,220	—	—	—	—	152,220
Other receivables and prepayments	61,637	—	—	—	—	61,637
<b>Total assets</b>	<b>35,932,318</b>	<b>3,929,086</b>	<b>23,391,758</b>	<b>110,521,962</b>	<b>9,856,721</b>	<b>183,631,845</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Liquidity risk (Continued)*

*Maturity profile of assets and liabilities at financial period end (Continued)*

<b>As at 31 May 2022</b>	<b>Within 1 month US\$</b>	<b>1 to 3 months US\$</b>	<b>3 months to 1 year US\$</b>	<b>Greater than 1 year US\$</b>	<b>No stated maturity US\$</b>	<b>Total US\$</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	58,159	137,660	521,512	187,553	77,621	982,505
Due to brokers	6,468,418	—	—	—	—	6,468,418
Redemptions payable	204,324	—	—	—	—	204,324
Performance fee payable	12,447	—	—	—	—	12,447
Investment management fee payable	28,456	—	—	—	—	28,456
Accrued expenses and other payables	193,226	—	—	—	—	193,226
Administration fee payable	8,959	—	—	—	—	8,959
Depositary fee payable	4,515	—	—	—	—	4,515
Audit fee payable	71,879	—	—	—	—	71,879
Interest payable	405,234	—	—	—	—	405,234
Dividends payable	85,620	—	—	—	—	85,620
Liquidation fee payable	17,160	—	—	—	—	17,160
Redeemable shares(*)	175,149,102	—	—	—	—	175,149,102
<b>Total liabilities</b>	<b>182,707,499</b>	<b>137,660</b>	<b>521,512</b>	<b>187,553</b>	<b>77,621</b>	<b>183,631,845</b>

\* Subject to daily liquidity but countered to a degree by limitations in the prospectus, Directors may defer redemptions at a particular dealing day to the next dealing day where the requested redemptions exceed 10 per cent of the Fund's NAV.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

*Liquidity risk (Continued)*

*Maturity profile of assets and liabilities at financial period end (Continued)*

The below table summarises the Fund's liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

<b>As at 31 December 2020</b>	<b>Within 1 month US\$</b>	<b>1 to 3 months US\$</b>	<b>3 months to 1 year US\$</b>	<b>Greater than 1 year US\$</b>	<b>No stated maturity US\$</b>	<b>Total US\$</b>
<b>Assets</b>						
Financial assets at fair value through profit or loss	3,764,599	21,935,858	50,524,791	262,622,940	9,623,161	348,471,349
Cash and cash equivalents	43,504,221	–	–	–	–	43,504,221
Due from brokers	20,491,286	–	–	–	–	20,491,286
Other receivables	–	229,937	–	–	–	229,937
<b>Total assets</b>	<b>67,760,106</b>	<b>22,165,795</b>	<b>50,524,791</b>	<b>262,622,940</b>	<b>9,623,161</b>	<b>412,696,793</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	126,276	79,789	177,581	5,067,054	903,921	6,354,621
Due to brokers	8,166,912	–	–	–	–	8,166,912
Interest payable	844,639	–	–	–	–	844,639
Other payables	–	–	–	–	30,536,416	30,536,416
Redeemable shares(*)	366,794,205	–	–	–	–	366,794,205
<b>Total liabilities</b>	<b>375,932,032</b>	<b>79,789</b>	<b>177,581</b>	<b>5,067,054</b>	<b>31,440,337</b>	<b>412,696,793</b>

\* Subject to daily liquidity but countered to a degree by limitations in the prospectus, Directors may defer redemptions at a particular dealing day to the next dealing day where the requested redemptions exceed 10 per cent of the Fund's NAV.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**11. EXCHANGE RATES**

The following exchange rates have been used to translate assets and liabilities into the functional currency of the Fund, US\$:

	<b>31 May 2022</b>	<b>31 December 2020</b>
<b>Currency</b>	<b>Rate</b>	<b>Rate</b>
Australian Dollar	1.391	1.300
Danish Krone	6.933	6.087
Euro	0.932	0.818
Hong Kong Dollar	7.847	7.754
Japanese Yen	128.551	103.295
Pound Sterling	0.792	0.733
Swiss Franc	0.958	0.885
Singapore Dollar	1.369	1.321
South African Rand	15.588	14.672
Swedish Krona	9.769	8.218
Taiwan Dollar	28.999	28.094

**12. TRANSACTION COSTS**

In order to achieve its investment objective, a Fund will incur transaction costs in relation to trading activity on its portfolio. Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the financial period ended 31 May 2022 and 31 December 2020. These include brokerage commissions and broker fees on exchange traded future contracts.

	<b>31 May 2022</b>	<b>31 December 2020</b>
	<b>US\$</b>	<b>US\$</b>
Transaction costs	110,618	70,362

Not all transaction costs are separately identifiable. For fixed income investments and forward currency contracts, transaction costs will be included in the purchase and sales price of the investment, and not separately disclosed as transaction costs by way of this note.

**13. SOFT COMMISSION ARRANGEMENTS**

There were no soft commission arrangements in place during the financial period (31 December 2020: Nil). There are three commission sharing agreements in place. This equated to 31 May 2022: US\$Nil (31 December 2020: US\$Nil) of the Fund's commissions paid.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**14. RELATED PARTIES**

In accordance with IAS 24-Related Party Disclosures, the related parties of the Fund and the required disclosure relating to material transactions with parties are outlined below.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund regards the Previous and Current Investment Manager, the Directors and Ferox Investments ICAV as related parties. The Fund has an investment in Ferox Investments ICAV, a fund managed by the same Previous and Current Investment Manager as the Fund. The investment in Ferox Investments ICAV does not earn any management or performance fees and so does not contribute to the management or performance fee earned on Ferox Investments ICAV. The Fund holds 49,313 shares (31 December 2020: 57,546) Chinook Global Convertible Bond Fund Class M EUR Shares valued at US\$6,061,737 (31 December 2020: US\$9,623,161). As at 31 May 2022, the Fund holds 19.07% (31 December 2020: 17.42%) of net assets value of Chinook Global Convertible Bond Fund.

Nicholas Curtis held no Shares on 31 May 2022 (31 December 2020: 3,194.48 Shares).

Elizabeth Beazley and Teddy Otto are employees of Carne Global Financial Services Limited. Nicholas Curtis was terminated as Director of Ferox Capital Management Limited due to his death on 14 January 2022. Tom Seymour Mead resigned as Director of Ferox Capital Management Limited on 31 December 2021.

Details of fees with related parties are set out in Note 5.

On 6 April 2021, CQS (UK) LLP (the "Investment Manager") replaced Ferox Capital LLP in managing the Fund's investment activities. The Fund uses affiliates of the Investment Manager and the same investment advisors as the Ferox Investments. During the financial period/year ended 31 May 2022 and 31 December 2020, the Fund did not have any investment transactions with any of the connected person funds listed above.

**15. DISTRIBUTIONS TO SHAREHOLDERS**

Shares are available either as income Class distribution Shares ("Qualifying Shares"), non-income Class distribution Shares or accumulation Shares. Qualifying Shares are paid dividends in the manner set out below and Accumulation Shares and non-income Class distribution Shares will not pay dividends. The Directors can declare dividends in respect of the Qualifying Shares in respect of some or all of the net income arising from the assets attributable to such Shares. Dividends can be distributed on a bi-annual basis, or at such other times determined by the Directors, in accordance with the provisions of the Prospectus and Articles. Distributions to shareholders are recorded in the Statement of Comprehensive Income. During the period no dividends were approved or paid. (31 December 2020: Nil).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

16. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Effective 6 April 2021, CQS (UK) LLP replaced Ferox Capital LLP as the Promoter, Investment Manager and Distributor of the Fund.

It was proposed that the Fund merge with CQS Salar Fund, a sub-fund of CQS Funds (Ireland) plc (the "Receiving Fund").

Nicholas Curtis was terminated as Director due to his death on 14 January 2022 and Tom Seymore Mead resigned on 31 December 2021.

There were no other significant events during the financial period that require amendments to or disclosure in the financial statements.

17. NET ASSET VALUE HISTORY

	<b>Period from 1 January 2021 to 31 May 2022</b>	<b>Year ended 31 December 2020</b>	<b>Year ended 31 December 2019</b>
<b>Class A1 US\$ Shares (Accumulation)</b>			
Net asset value (\$)	9,785,584	10,114,633	90,362,317
Net asset value per share (\$)	176.35	180.92	164.86
<b>US\$ Management Shares (Accumulation)</b>			
Net asset value (\$)	1,087,120	1,098,590	854,801
Net asset value per share (\$)	141.22	142.71	127.62
<b>Class C1 US\$ Shares (Distribution - income)</b>			
Net asset value (\$)	78,717	80,754	137,753
Net asset value per share (\$)	145.28	149.04	135.82
<b>Class C1 US\$ Shares (Distribution - non-income)</b>			
Net asset value (\$)	15,164	15,557	347,100
Net asset value per share (\$)	162.15	166.35	151.64
<b>Class E1 US\$ Shares (Accumulation)</b>			
Net asset value (\$)	11,695,168	9,563,570	5,975,381
Net asset value per share (\$)	157.76	161.88	147.75
<b>Class E1 US\$ Shares (Distribution - income)</b>			
Net asset value (\$)	—	—	56,084
Net asset value per share (\$)	—	—	112.17
<b>Class E2 US\$ Shares (Accumulation)</b>			
Net asset value (\$)	1,321,811	2,016,639	2,075,261
Net asset value per share (\$)	149.56	154.48	141.45

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

17. NET ASSET VALUE HISTORY (Continued)

	Period from 1 January 2021 to 31 May 2022	Year ended 31 December 2020	Year ended 31 December 2019
<b>Class E3 US\$ Shares (Accumulation)</b>			
Net asset value (\$)	587,221	1,114,373	1,312,638
Net asset value per share (\$)	141.52	147.14	135.55
<b>Class I US\$ Shares (Accumulation)</b>			
Net asset value (\$)	–	–	3,795,066
Net asset value per share (\$)	–	–	113.52
<b>Euro Management Shares (Accumulation) <sup>1</sup></b>			
Net asset value (€)	1,652,764	1,700,163	1,236,480
Net asset value per share (€)	111.05	113.74	103.04
<b>Class A1 Euro Shares (Accumulation) <sup>1</sup></b>			
Net asset value (€)	2,277,419	2,445,858	5,311,067
Net asset value per share (€)	162.76	169.24	156.25
<b>Class C1 Euro Shares (Distribution - income) <sup>1</sup></b>			
Net asset value (€)	692,399	650,896	600,940
Net asset value per share (€)	131.56	136.80	126.30
<b>Class E1 Euro Shares (Accumulation) <sup>1</sup></b>			
Net asset value (€)	96,499,581	130,873,905	210,018,613
Net asset value per share (€)	156.69	163.01	150.88
<b>Class E1 Euro Shares (Distribution – income) <sup>1</sup></b>			
Net asset value (€)	1,139,722	2,048,585	3,880,851
Net asset value per share (€)	108.96	113.31	104.61
<b>Class E2 Euro Shares (Accumulation) <sup>1</sup></b>			
Net asset value (€)	14,224,144	18,843,872	71,298,328
Net asset value per share (€)	147.38	154.30	143.19

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

17. NET ASSET VALUE HISTORY (Continued)

	Period from 1 January 2021 to 31 May 2022	Year ended 31 December 2020	Year ended 31 December 2019
<b>Class E3 Euro Shares (Accumulation) <sup>1</sup></b>			
Net asset value (€)	4,671,579	7,824,184	15,085,522
Net asset value per share (€)	127.05	133.90	124.79
<b>Class I Euro Shares (Accumulation) <sup>1</sup></b>			
Net asset value (€)	–	6,512,051	13,190,302
Net asset value per share (€)	–	113.35	104.12
<b>Class A1 Sterling Shares (Accumulation) <sup>1</sup></b>			
Net asset value (£)	638,938	1,100,570	1,453,000
Net asset value per share (£)	175.74	180.69	165.92
<b>Sterling Management Shares (Accumulation) <sup>1</sup></b>			
Net asset value (£)	3,741,512	3,398,491	2,557,514
Net asset value per share (£)	185.85	188.24	169.65
<b>Class C1 Sterling Shares (Distribution - income) <sup>1</sup></b>			
Net asset value (£)	1,682,596	2,999,999	8,252,488
Net asset value per share (£)	153.06	157.38	144.51
<b>Class C1 Sterling Shares (Distribution - non-income) <sup>1</sup></b>			
Net asset value (£)	293,829	819,198	950,808
Net asset value per share (£)	159.88	164.38	150.94
<b>Class C2 Sterling Shares (Distribution - income) <sup>1</sup></b>			
Net asset value (£)	10,156	259,580	270,232
Net asset value per share (£)	148.76	153.99	142.04

<sup>1</sup> Hedged share class



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

17. NET ASSET VALUE HISTORY (Continued)

	Period from 1 January 2021 to 31 May 2022	Year ended 31 December 2020	Year ended 31 December 2019
<b>Class C2 Sterling Shares (Distribution - non-income) <sup>1</sup></b>			
Net asset value (£)	9,954	10,490	22,286
Net asset value per share (£)	150.94	156.22	144.11
<b>Class E1 Sterling Shares (Accumulation) <sup>1</sup></b>			
Net asset value (£)	451,488	9,549,287	3,270,824
Net asset value per share (£)	151.80	156.12	144.31
<b>Class E3 Sterling Shares (Accumulation) <sup>1</sup></b>			
Net asset value (£)	320,184	207,321	288,384
Net asset value per share (£)	136.37	142.20	132.08
<b>Class E1 Sterling Shares (Distribution income) <sup>1</sup></b>			
Net asset value (£)	9,070,526	11,324,063	25,243,688
Net asset value per share (£)	122.06	125.51	115.31
<b>Class I Sterling Shares (Accumulation) <sup>1</sup></b>			
Net asset value (£)	—	68,325,712	288,468,970
Net asset value per share (£)	—	118.67	108.52
<b>Class E2 Sterling Shares (Accumulation) <sup>1</sup></b>			
Net asset value (£)	63,481	70,186	51,670
Net asset value per share (£)	108.15	111.96	103.34

<sup>1</sup> Hedged share class

18. CHANGES TO THE PROSPECTUS

Updated prospectus issued on 6 April 2021 due to the change in Investment Manager from Ferox Capital LLP to CQS (UK) LLP.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial period from 1 January 2021 to 31 May 2022**

**19. TAXATION**

Uncertainties exist with respect to the interpretation of complex tax regulations on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no provisions or contingent liability has been recognised for the period/year ended 31 May 2022 and 31 December 2020.

The Fund is an Investment Undertaking as defined in Section 739B (1) of the Taxes Consolidation Act 1997, and therefore will not be subject to Irish tax on its income or gains other than gains arising on chargeable events. A chargeable event can include dividend payments to shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of shares every 8 years beginning from the date of acquisition of those shares; certain exemptions can apply. To the extent that shareholders have appropriate tax declarations in place with the Fund there may be no requirement to deduct tax.

**20. EFFICIENT PORTFOLIO MANAGEMENT**

The Fund may, for the purposes of efficient portfolio management, enter into derivative contracts. Derivative contracts open at 31 May 2022 were bond options, equity index options, contracts for difference, forward currency contracts, interest rate swaps, warrants, bond futures and commodity futures and are disclosed in the schedule of investments and Note 3. Forward currency contracts were held for the purposes of hedging currency fluctuations between the currency of denomination of the non-base share classes and the base currency. The Fund did not engage in stock lending or transactions using repos during the financial period.

**21. SUBSEQUENT EVENTS**

Pursuant to the Extraordinary General Meeting held on 31 August 2022, the merger between the Fund and the Receiving Fund was approved and became effective on 9 September 2022.

Following the completion of the merger, the Fund entered liquidation and will seek revocation from the Central Bank of Ireland.

There were no other subsequent events after the financial period end.

**22. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Director on 28 September 2022.

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS**  
**31 May 2022**

Investments are disclosed by their country of incorporation which may not necessarily be their country of risk.

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS</b>			
<b>EQUITIES</b>			
<b>INDONESIA</b>			
BERLIAN LAJU TANKER*	19,178,743	–	0.00%
<b>TOTAL INDONESIA (31 December 2020: 0.00%)</b>		–	0.00%
<b>JAPAN</b>			
DAINIPPON SCREEN MFG CO LTD	41,099	3,794,984	2.17%
<b>TOTAL JAPAN (31 December 2020: 0.00%)</b>		3,794,984	2.17%
<b>TOTAL EQUITIES (31 December 2020: 0.00%)</b>		3,794,984	2.17%
<b>MUTUAL FUNDS</b>			
<b>IRELAND</b>			
CHINOOK GLOBAL CONVERTIBLE BOND FUND	49,313	6,061,737	3.46%
<b>TOTAL IRELAND (31 December 2020: 2.62%)</b>		6,061,737	3.46%
<b>TOTAL MUTUAL FUNDS (31 December 2020: 2.62%)</b>		6,061,737	3.46%
<b>CONVERTIBLE BONDS</b>			
<b>AUSTRALIA</b>			
SEVEN GROUP HOLDINGS LTD SVWAW 2.20% 05/03/2025	1,600,000	1,129,992	0.65%
<b>TOTAL AUSTRALIA (31 December 2020: 0.28%)</b>		1,129,992	0.65%
<b>BRITISH VIRGIN ISLANDS</b>			
EVE BATTERY INVESTMENT L EVEENE 0.75% 22/11/2026	1,100,000	848,331	0.48%
<b>TOTAL BRITISH VIRGIN ISLANDS (31 December 2020: 0.29%)</b>		848,331	0.48%
<b>CANADA</b>			
SHOPIFY INC SHOPCN 0.875% 01/11/2025	1,100,000	951,654	0.54%
<b>TOTAL CANADA (31 December 2020: 0.00%)</b>		951,654	0.54%

# SALAR FUND PLC (liquidation basis)

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 31 May 2022

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>			
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>CAYMAN ISLANDS</b>			
CATHAY PACIFIC FIN III CATHAY 2.75% 05/02/2026	10,000,000	1,344,463	0.77%
KINGSOFT CORP LTD KINSF 0.625% 29/04/2025	5,000,000	680,349	0.39%
SEA LTD SEALTD 0.25% 15/09/2026	1,350,000	1,012,959	0.58%
<b>TOTAL CAYMAN ISLANDS (31 December 2020: 0.00%)</b>		<b>3,037,771</b>	<b>1.74%</b>
<b>FRANCE</b>			
TOTALENERGIES SE TTEFP 0.50% 02/12/2022	4,000,000	4,300,480	2.46%
<b>TOTAL FRANCE (31 December 2020: 4.56%)</b>		<b>4,300,480</b>	<b>2.46%</b>
<b>GERMANY</b>			
ARCANDOR AG 8.875% 11/07/2013**	5,000,000	—	0.00%
DELIVERY HERO AG 0.875% 15/07/2025	500,000	400,143	0.23%
DEUTSCHE LUFTHANSA AG 2% 17/11/2025	2,100,000	2,314,413	1.32%
DEUTSCHE POST AG DPWGR 0.05% 30/06/2025	1,100,000	1,215,688	0.69%
TAG IMMOBILIEN AG TEGGR 0.625% 27/08/2026	1,100,000	1,017,183	0.58%
ZALANDO SE ZALGR 0.05% 06/08/2025	1,200,000	1,145,160	0.65%
<b>TOTAL GERMANY (31 December 2020: 6.34%)</b>		<b>6,092,587</b>	<b>3.47%</b>
<b>HONG KONG (31 December 2020: 0.46%)</b>			
<b>INDIA</b>			
SHREE ASHT CINE VISION SACV 2.875% 22/12/2012***	220,000	—	0.00%
<b>TOTAL INDIA (31 December 2020: 0.00%)</b>		<b>—</b>	<b>0.00%</b>
<b>ITALY (31 December 2020: 1.11%)</b>			
<b>JERSEY</b>			
DERWENT LONDON CAPITAL 3 DLNLN 1.50% 12/06/2025	1,400,000	1,674,114	0.96%
<b>TOTAL JERSEY (31 December 2020: 0.00%)</b>		<b>1,674,114</b>	<b>0.96%</b>
<b>LUXEMBOURG</b>			
LAGFIN SCA LAGFNC 2% 02/07/2025	1,100,000	1,344,187	0.77%
<b>TOTAL LUXEMBOURG (31 December 2020: 0.00%)</b>		<b>1,344,187</b>	<b>0.77%</b>
<b>SOUTH KOREA</b>			
LG DISPLAY CO LTD LGPHIL 1.5% 22/08/2024	2,800,000	2,884,840	1.65%
<b>TOTAL SOUTH KOREA (31 December 2020: 0.00%)</b>		<b>2,884,840</b>	<b>1.65%</b>

# SALAR FUND PLC (liquidation basis)

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 31 May 2022

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>			
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>SINGAPORE (31 December 2020: 2.26%)</b>			
<b>SOUTH AFRICA (31 December 2020: 2.49%)</b>			
<b>SPAIN (31 December 2020: 1.93%)</b>			
<b>SWITZERLAND</b>			
SWISS PRIME SITE AG 0.25% 16/06/2023	3,320,000	3,499,094	2.00%
SWISS PRIME SITE AG 0.325% 16/01/2025	1,900,000	2,040,716	1.17%
<b>TOTAL SWITZERLAND (31 December 2020: 2.32%)</b>		<u>5,539,810</u>	<u>3.17%</u>
<b>UNITED ARAB EMIRATES</b>			
ABU DHABI NATIONAL OIL ADN OUH 0.70% 04/06/2024	5,400,000	5,063,364	2.89%
<b>TOTAL UNITED ARAB EMIRATES (31 December 2020: 0.00%)</b>		<u>5,063,364</u>	<u>2.89%</u>
<b>UNITED KINGDOM</b>			
BP CAPITAL MARKETS PLC BPLN 1.00% 28/04/2023	1,000,000	1,351,261	0.77%
OCADO GROUP PLC OCDOLN 0.875% 09/12/2025	1,100,000	1,151,692	0.66%
<b>TOTAL UNITED KINGDOM (31 December 2020: 5.56%)</b>		<u>2,502,953</u>	<u>1.43%</u>
<b>UNITED STATES</b>			
BLOCK INC SQ 0.5% 15/05/2023	550,000	715,000	0.41%
BLOCK INC SQ 0.125% 01/03/2025	550,000	592,972	0.34%
COINBASE GLOBAL INC COIN 0.5% 01/06/2026	2,200,000	1,542,970	0.88%
FIVE9 INC FIVN 0.5% 01/06/2025	550,000	553,993	0.32%
LIBERTY BROADBAND CORP LBRDA 1.25% 30/09/2050	1,400,000	1,331,372	0.76%
LUCID GROUP INC LCID 1.25% 15/12/2026	1,350,000	913,618	0.52%
SPLUNK INC SPLK 0.5% 15/09/2023	1,400,000	1,412,124	0.81%
SUNEDISON INC SUNE 2.75% 01/01/2021****	1,800,000	—	0.00%
TWITTER INC TWTR 0.25% 15/06/2024	1,050,000	1,053,150	0.60%
WAYFAIR INC W 1.125% 01/11/24	550,000	488,125	0.28%
<b>TOTAL UNITED STATES (31 December 2020: 9.63%)</b>		<u>8,603,324</u>	<u>4.92%</u>
<b>VIETNAM</b>			
VINGROUP JSC VICVN 3% 20/04/2026	1,200,000	1,065,672	0.61%
VINPEARL JSC VINPRL 3.25% 21/09/2026	1,600,000	1,341,568	0.77%
<b>TOTAL VIETNAM (31 December 2020: 0.56%)</b>		<u>2,407,240</u>	<u>1.38%</u>
<b>TOTAL CONVERTIBLE BONDS (31 December 2020: 37.79%)</b>		<u>46,380,647</u>	<u>26.51%</u>

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>			
<b>ZERO COUPON CONVERTIBLE BONDS</b>			
<b>BELGIUM</b>			
SAGERPAR GBLBBB 0% 01/04/2026	4,200,000	4,425,179	2.53%
UMICORE SA 0% 23/06/2025	1,600,000	1,722,838	0.98%
<b>TOTAL BELGIUM (31 December 2020: 1.01%)</b>		<b>6,148,017</b>	<b>3.51%</b>
<b>BRITISH VIRGIN ISLANDS</b>			
ANLLIAN CAPITAL LTD ANTSP 0% 05/02/2025	1,600,000	1,865,428	1.07%
BEST PATH GLOBAL CGSHCO 0% 01/06/2022	13,000,000	1,649,262	0.94%
ADM AG HOLDING LTD ADM 0% 26/08/2023	2,800,000	2,858,408	1.63%
<b>TOTAL BRITISH VIRGIN ISLANDS</b> <b>(31 December 2020: 1.74%)</b>		<b>6,373,098</b>	<b>3.64%</b>
<b>CAYMAN ISLANDS</b>			
HANSON PHARMACEUTICAL HSPGCL 0% 22/01/2026	1,500,000	1,357,830	0.78%
MEITUAN MEITUA 0% 27/04/2027	4,000,000	3,400,080	1.94%
PINDUODUO INC PDD 0% 01/12/2025	550,000	489,500	0.28%
<b>TOTAL CAYMAN ISLANDS (31 December 2020: 0.00%)</b>		<b>5,247,410</b>	<b>3.00%</b>
<b>CHINA</b>			
CHINA MILK PRODUCTS GRP 0% 05/01/2012*****	3,000,000	—	0.00%
<b>TOTAL CHINA (31 December 2020: 2.91%)</b>		<b>—</b>	<b>0.00%</b>
<b>DENMARK</b>			
GN STORE NORD GNDC 0% 21/05/2024	1,300,000	1,335,363	0.76%
<b>TOTAL DENMARK (31 December 2020: 0.00%)</b>		<b>1,335,363</b>	<b>0.76%</b>

# SALAR FUND PLC (liquidation basis)

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 31 May 2022

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>			
<b>ZERO COUPON CONVERTIBLE BONDS (Continued)</b>			
<b>FRANCE</b>			
ATOS SE ATOFP 0% 06/11/2024	600,000	595,066	0.34%
BNP PARIBAS BNP 0% 13/05/2025	1,200,000	1,480,540	0.85%
KERING KERFP 0% 30/09/2022	2,200,000	2,360,214	1.35%
SAFRAN SA 0% 01/04/2028	630,000	1,085,910	0.62%
SELENA SARL ARMISG 0% 25/06/2025	1,100,000	1,207,400	0.69%
<b>TOTAL FRANCE (31 December 2020: 9.54%)</b>		<b>6,729,130</b>	<b>3.85%</b>
<b>GERMANY</b>			
DELIVERY HERO AG DEHEHO 0% 23/01/2024	500,000	469,498	0.27%
HELLOFRESH SE HFGGR 0 3/4 05/13/25	500,000	542,937	0.31%
RAG-STIFTUNG 0% 16/03/2023	5,400,000	5,793,715	3.31%
RAG-STIFTUNG RAGSTF 0% 02/10/2024	1,100,000	1,153,722	0.66%
<b>TOTAL GERMANY (31 December 2020: 3.35%)</b>		<b>7,959,872</b>	<b>4.55%</b>
<b>HONG KONG</b>			
XIAOMI BEST TIME INTL XIAOMI 0% 17/12/2027	1,200,000	991,392	0.57%
<b>TOTAL HONG KONG (31 December 2020: 4.58%)</b>		<b>991,392</b>	<b>0.57%</b>
<b>ISRAEL (31 December 2020: 1.45%)</b>			
<b>ITALY</b>			
DIASORIN SPA DIAIM 0% 05/05/2028	1,900,000	1,802,322	1.03%
<b>TOTAL ITALY (31 December 2020: 2.97%)</b>		<b>1,802,322</b>	<b>1.03%</b>
<b>JAPAN</b>			
ANA HOLDINGS INC ANAIR 0% 10/12/2031	250,000,000	1,989,557	1.14%
CYBERAGENT INC CYBAG 0% 17/02/2023	120,000,000	972,303	0.56%
DAINIPPON SCREEN MFG CO DAINIS 0% 10/06/2022	580,000,000	4,510,780	2.58%
JAPAN AIRLINES CORP 0% 25/03/2011*****	370,000,000	–	0.00%
KURAYA SANSEIDO 0% 07/10/2022	110,000,000	856,058	0.49%
SUZUKI MOTOR CORPORATION 0% 31/03/2023	730,000,000	5,958,117	3.40%
<b>TOTAL JAPAN (31 December 2020: 4.07%)</b>		<b>14,286,815</b>	<b>8.17%</b>

# SALAR FUND PLC (liquidation basis)

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 31 May 2022

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>			
<b>ZERO COUPON CONVERTIBLE BONDS (Continued)</b>			
<b>LUXEMBOURG</b>			
OLIVER CAPITAL SARL GBLBBB 0% 29/12/2023	1,600,000	1,831,017	1.05%
CITIGROUP GLOB MKT FND L C 0% 25/07/2024	9,000,000	1,231,143	0.70%
<b>TOTAL LUXEMBOURG (31 December 2020: 0.00%)</b>		<b>3,062,160</b>	<b>1.75%</b>
<b>MALAYSIA</b>			
CERAH CAPITAL LTD KNBZMK 0% 08/08/2024	4,600,000	4,631,234	2.64%
<b>TOTAL MALAYSIA (31 December 2020: 1.25%)</b>		<b>4,631,234</b>	<b>2.64%</b>
<b>NETHERLANDS</b>			
AMERICA MOVIL BV AMXLMM 0% 02/03/2024	4,000,000	4,795,272	2.74%
MONDELEZ INTL HLDINGS NE MDLZ 0% 20/09/2024	1,800,000	1,939,989	1.11%
<b>TOTAL NETHERLANDS (31 December 2020: 0.00%)</b>		<b>6,735,261</b>	<b>3.85%</b>
<b>NEW ZEALAND (31 December 2020: 0.35%)</b>			
<b>SINGAPORE</b>			
SGX TREASURY I PTE LTD SGXSP 0% 01/03/2024	3,900,000	4,162,920	2.38%
<b>TOTAL SINGAPORE (31 December 2020: 0.90%)</b>		<b>4,162,920</b>	<b>2.38%</b>
<b>SOUTH KOREA</b>			
KAKAO CORP DAUM 0% 04/28/2023	2,900,000	2,955,767	1.69%
<b>TOTAL SOUTH KOREA (31 December 2020: 0.31%)</b>		<b>2,955,767</b>	<b>1.69%</b>
<b>SPAIN</b>			
CRITERIA CAIXA SA CAIXAB 0% 22/06/2025	3,500,000	3,620,150	2.07%
<b>TOTAL SPAIN (31 December 2020: 0.00%)</b>		<b>3,620,150</b>	<b>2.07%</b>
<b>SWEDEN (31 December 2020: 1.60%)</b>			
<b>SWITZERLAND (31 December 2020: 4.55%)</b>			
<b>TAIWAN</b>			
GLOBALWAFERS CO LTD GLOWAF 0% 01/06/2026	1,200,000	1,096,908	0.63%
UNITED MICROELECTRONICS UNIMIC 0% 07/07/2026	1,100,000	1,016,752	0.58%
YA HSIN INDUSTRIAL CO 0% 05/01/2009*****	4,125,000	—	0.00%
<b>TOTAL TAIWAN (31 December 2020: 0.23%)</b>		<b>2,113,660</b>	<b>1.21%</b>



# SALAR FUND PLC (liquidation basis)

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 31 May 2022

	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>			
<b>ZERO COUPON CONVERTIBLE BONDS (Continued)</b>			
<b>UNITED KINGDOM</b>			
BARCLAYS BANK PLC BACR 0% 24/01/2025	1,500,000	1,698,774	0.97%
BARCLAYS BANK PLC BACR 0% 18/02/2025	750,000	802,500	0.46%
<b>TOTAL UNITED KINGDOM (31 December 2020: 1.55%)</b>		<b>2,501,274</b>	<b>1.43%</b>
<b>UNITED STATES</b>			
JP MORGAN CHASE BANK 0% 18/02/2024	3,900,000	4,338,752	2.48%
JP MORGAN CHASE BANK 0% 10/06/2024	2,200,000	2,448,210	1.40%
JPMORGAN CHASE FINANCIAL 0% 14/01/2025	1,500,000	1,749,531	1.00%
AFFIRM HOLDINGS INC AFRM 0% 15/11/2026	650,000	411,938	0.24%
AIRBNB INC ABNB 0% 15/03/2026	1,800,000	1,599,750	0.91%
FORD MOTOR COMPANY F 0% 15/03/2026	1,600,000	1,670,048	0.95%
JP MORGAN CHASE BANK 0% 07/08/2022	3,900,000	3,908,931	2.23%
SOFI TECHNOLOGIES INC SOFI 0% 15/10/2026	550,000	385,110	0.22%
SPOTIFY USA INC SPOT 0% 15/03/2026	550,000	448,745	0.26%
TWITTER INC TWTR 0% 15/03/2026	650,000	589,069	0.34%
<b>TOTAL UNITED STATES (31 December 2020: 7.15%)</b>		<b>17,550,084</b>	<b>10.03%</b>
<b>TOTAL ZERO COUPON CONVERTIBLE BONDS (31 December 2020: 49.51%)</b>		<b>98,205,929</b>	<b>56.13%</b>

	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>BOND OPTIONS</b>					
<b>JAPAN</b>					
Aica Kogyo C 0% 20/04/2027	Daiwa	60.00	100,000,000	40,854	0.02%
Aica Kogyo C 0% 20/04/2027	Daiwa	70.00	200,000,000	88,982	0.05%
ANA 0% 2022	Mizuho	20.00	1,000,000,000	-	0.00%
ANA 0% 2022	Nomura	35.00	920,000,000	-	0.00%
ANA 0% 2022	Nomura	40.00	200,000,000	-	0.00%
ANA 0% 2022	Nomura	50.00	610,000,000	-	0.00%
ANA 0% 2022	Mizuho	35.00	170,000,000	-	0.00%
ANA 0% 2024	Nomura	60.00	650,000,000	-	0.00%
ANA 0% 2024	Mizuho	40.00	850,000,000	-	0.00%
ANA 0% 2024	Mizuho	43.00	300,000,000	-	0.00%
ANA 0% 2024	Mizuho	50.00	100,000,000	-	0.00%
BUNKA SHUTTER 0% 2023	Nomura	55.00	150,000,000	59,298	0.03%

**SALAR FUND PLC (liquidation basis)**
**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>					
<b>BOND OPTIONS (Continued)</b>					
<b>JAPAN (Continued)</b>					
COSMO ENERGY 0% 2022	Mizuho	110.00	500,000,000	268,283	0.16%
Cyberagent I 0% 17/02/2023	Daiwa	90.00	200,000,000	73,921	0.04%
DMG MORI CO 0% 16/07/2024	Mizuho	55.00	200,000,000	71,705	0.04%
EDION 0% 2025	Mizuho	80.00	200,000,000	221,523	0.13%
GMO PAYMENT 0% 22/06/2026	Mizuho	80.00	270,000,000	114,609	0.07%
HIS 0% 2024	Mizuho	50.00	600,000,000	-	0.00%
HOSIDEN 0% 2024	Nomura	70.00	200,000,000	3,220	0.00%
KANSAI 0% 2022	Credit Suisse	50.00	330,000,000	-	0.00%
KOEI TECMO H 0% 20/12/2024	Daiwa	24.00	300,000,000	242,548	0.14%
MARUWA 0% 2025	Mizuho	90.00	350,000,000	20,151	0.01%
MARUWA UNYU 0% 17/12/2025	Mizuho	90.00	150,000,000	8,636	0.00%
MEDIPAL HOLD 0% 07/10/2022	Mizuho	45.00	260,000,000	1,802	0.00%
MENICON CO L 0% 29/01/2025	Daiwa	50.00	200,000,000	85,012	0.05%
MENICON CO L 0% 29/01/2025	Nomura	45.00	200,000,000	82,980	0.05%
MENICON CO L 0% 29/01/2025	Mizuho	50.00	200,000,000	85,012	0.05%
MITSUBISHI CHEMICAL 0% 2024	JP Morgan	50.00	300,000,000	27,961	0.02%
MITSUBISHI CHEMICAL 0% 2024	Mizuho	43.00	100,000,000	8,337	0.00%
MITSUBISHI CHEMICAL 0% 2024	Mizuho	45.00	160,000,000	13,789	0.01%
NAGOYA RAILR 0% 09/12/2022	Mizuho	45.00	400,000,000	76,919	0.04%
NAGOYA RAILROAD 0% 2024 (TO PUT 2022)	Nomura	35.00	160,000,000	30,118	0.02%
NAGOYA RAILROAD 0% 2024 ASCOT (TO PUT 2022)	Nomura	40.00	140,000,000	26,638	0.02%
NICHICON 0% 2024	Nomura	50.00	100,000,000	54,059	0.03%
NICHICON 0% 2024	Nomura	48.00	300,000,000	161,003	0.09%
NICHICON COR 0% 24/12/2024	Nomura	51.00	200,000,000	108,509	0.06%
NIPPON FLOUR 0% 2025	Nomura	45.00	200,000,000	32,224	0.02%

**SALAR FUND PLC (liquidation basis)**
**APPENDIX 1  
SCHEDULE OF INVESTMENTS (Continued)  
31 May 2022**

	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>					
<b>BOND OPTIONS (Continued)</b>					
<b>JAPAN (Continued)</b>					
NIPPON STEEL 0% 04/10/2024	Daiwa	40.00	300,000,000	199,030	0.11%
NIPPON STEEL 0% 05/10/2026	Daiwa	45.00	250,000,000	212,000	0.12%
NIPRO CORP 0% 25/09/2026	Nomura	50.00	250,000,000	58,282	0.03%
OSAKA SODA (DAISO) 0% 2022	Mizuho	50.00	250,000,000	-	0.00%
OSAKA SODA (DAISO) 0% 2022	Nomura	60.00	500,000,000	-	0.00%
PARK24 0% 2025	Nomura	40.00	500,000,000	7,026	0.00%
SANEI ARCHITECTURE 0% 2022	Nomura	110.00	1,550,000,000	-	0.00%
SANEI ARCHITECTURE 0% 2022	Nomura	120.00	300,000,000	-	0.00%
SBI 0% 2023	Mizuho	70.00	400,000,000	70,698	0.04%
SEINO HOLDIN 0% 31/03/2026	Mizuho	45.00	150,000,000	13,789	0.01%
SEINO HOLDIN 0% 31/03/2026	Mizuho	45.00	100,000,000	9,193	0.01%
SENKO 0% 2025	Daiwa	50.00	200,000,000	20,262	0.01%
SHIZUOKA BANK L-50 FLOAT 2023	JP Morgan	50.00	10,000,000	100,250	0.06%
TAKASHIMAYA 0% 2028 ASCOT (TO PUT)	Nomura	50.00	300,000,000	47,259	0.03%
TOHO HOLDINGS 0% 2023	Nomura	45.00	800,000,000	-	0.00%
TOHO HOLDINGS 0% 2023	Nomura	50.00	200,000,000	-	0.00%
ZENRIN 0% 2023	Nomura	90.00	750,000,000	-	0.00%
<b>TOTAL JAPAN (31 December 2020: 3.01%)</b>				<b>2,745,882</b>	<b>1.57%</b>
<b>TAIWAN</b>					
ZHEN DING TEWCHNOLOGY 0% 2025	JP Morgan	0.00	3,000,000	151,510	0.09%
<b>TOTAL TAIWAN (31 December 2020: 0.30%)</b>				<b>151,510</b>	<b>0.09%</b>
<b>TOTAL BOND OPTIONS (31 December 2020: 3.31%)</b>				<b>2,897,392</b>	<b>1.66%</b>
<b>CONTRACTS FOR DIFFERENCE (31 December 2020: 0.22%)</b>					

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

	Counterparty	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS (Continued)</b>				
<b>INTEREST RATE SWAPS</b>				
<b>EUROPEAN UNION</b>				
EUR INTEREST RATE SWAP 0.0160% 25/08/2023	BNP Paribas	10,000,000	60,087	0.03%
EUR INTEREST RATE SWAP 0.068% 22/09/2023	BNP Paribas	10,000,000	64,151	0.04%
EUR INTEREST RATE SWAP 0.4340% 08/01/2026	BNP Paribas	7,500,000	274,239	0.16%
<b>TOTAL EUROPEAN UNION (31 December 2020: 0.00%)</b>			<u>398,477</u>	<u>0.23%</u>
<b>JAPAN (31 December 2020: 0.00%)</b>				
<b>UNITED STATES</b>				
USD INTEREST RATE SWAP 1.298% 22/09/2022	BNP Paribas	20,000,000	20,155	0.01%
<b>TOTAL UNITED STATES (31 December 2020: 0.00%)</b>			<u>20,155</u>	<u>0.01%</u>
<b>TOTAL INTEREST RATE SWAPS (31 December 2020: 0.00%)</b>			<u>418,632</u>	<u>0.24%</u>
<b>TOTAL RETURN SWAPS</b>				
<b>JAPAN</b>				
OSAKA SODA (DAISO) NOM SWAP 31/12/2049	BNP Paribas	(200)	224	0.00%
YAKO CO LTD 20/06/2024	BNP Paribas	(3,500)	11,163	0.01%
<b>TOTAL JAPAN (31 December 2020: 0.00%)</b>			<u>11,387</u>	<u>0.01%</u>
<b>TOTAL TOTAL RETURN SWAPS (31 December 2020: 0.00%)</b>			<u>11,387</u>	<u>0.01%</u>

**SALAR FUND PLC (liquidation basis)**

**APPENDIX 1  
SCHEDULE OF INVESTMENTS (Continued)  
31 May 2022**

	<b>Counterparty</b>	<b>Quantity</b>	<b>Fair Value US\$</b>	<b>Net Assets %</b>
<b>ASSETS (Continued)</b>				
<b>WARRANTS</b>				
<b>CAYMAN ISLANDS</b>				
ANA 0% 17/08/2022	BNP Paribas	200,000,000	-	0.00%
ARATA CORP 0% 24/07/2023	BNP Paribas	400,000,000	32,672	0.02%
ARLO XIV LTD 0% 24/09/2024	BNP Paribas	1,000,000,000	-	0.00%
ARLO XIV LTD ARLO 0% 22/08/2022*****	BNP Paribas	1,000,000,000	-	0.00%
J LINK LTD JLINKL 0% 20/11/2023	BNP Paribas	500,000,000	78,765	0.04%
NIPPON FLOUR 0% 20/06/2025	BNP Paribas	800,000,000	128,896	0.07%
WESSEX LTD WSXLTD 0% 14/02/2023	BNP Paribas	1,000,000,000	101,128	0.06%
WESSEX LTD WSXLTD 0% 21/05/2024	BNP Paribas	150,000,000	156,651	0.09%
WESSEX LTD WSXLTD 0% 17/10/2024*****	BNP Paribas	700,000,000	-	0.00%
<b>TOTAL CAYMAN ISLANDS (31 December 2020: 0.06%)</b>			498,112	0.28%
<b>JAPAN (31 December 2020: 0.47%)</b>				
<b>TOTAL WARRANTS (31 December 2020: 0.53%)</b>			498,112	0.28%

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

**FORWARD CURRENCY CONTRACTS**

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Contract Date	Unrealised Gain US\$	Net Assets %
<b>(Counterparty: BNP Paribas)</b>						
EUR	30,877,626	USD	33,000,000	27/06/2022	178,212	0.10%
EUR	11,251,947	JPY	1,510,000,000	23/06/2022	332,449	0.19%
EUR	2,017,739	JPY	278,000,000	06/06/2022	2,957	0.00%
EUR	935,060	USD	1,000,000	27/06/2022	4,728	0.00%
EUR	389,883	CHF	400,000	30/06/2022	1,022	0.00%
EUR	322,743	HKD	2,660,000	23/06/2022	7,534	0.00%
EUR	110,454	JPY	15,000,000	02/06/2022	1,854	0.00%
EUR	97,329	CHF	100,000	16/06/2022	106	0.00%
GBP	3,503,121	HKD	33,500,000	16/06/2022	150,493	0.09%
GBP	3,000,000	JPY	479,673,000	06/06/2022	54,133	0.03%
GBP	831,969	JPY	134,200,000	21/06/2022	5,380	0.00%
GBP	469,554	SGD	800,000	17/06/2022	8,454	0.00%
GBP	229,812	HKD	2,250,000	21/06/2022	3,163	0.00%
GBP	100,000	USD	126,040	06/06/2022	159	0.00%

**(Counterparty: JP Morgan Chase Bank)**

USD	5,000,000	TWD	137,200,000	26/09/2022	216,781	0.12%
USD	1,831,502	TWD	50,000,000	10/08/2022	95,424	0.05%

**TOTAL FORWARD CURRENCY CONTRACTS**  
**(31 December 2020: 1.02%)**

1,062,849 0.58%

**TOTAL ASSETS (31 December 2020: 95.00%)**

159,331,669 91.04%

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>LIABILITIES</b>					
<b>CONTRACTS FOR DIFFERENCE</b>					
<b>(31 December 2020: (0.13)%)</b>					
<b>INTEREST RATE SWAPS</b>					
<b>EUROPE</b>					
<b>EUR INTEREST RATE</b>					
0.2970% 09/03/2023	BNP Paribas		10,000,000	(17,112)	(0.01)%
<b>TOTAL EUROPE</b>				(17,112)	(0.01)%
<b>(31 December 2020: (0.38)%)</b>					
<b>UNITED KINGDOM</b>					
<b>(31 December 2020: (0.07)%)</b>					
<b>UNITED STATES</b>					
<b>USD INTEREST RATE 2.484%</b>					
08/01/2023	BNP Paribas		35,000,000	(131,471)	(0.08)%
<b>USD INTEREST RATE 3.143%</b>					
15/11/2023	BNP Paribas		20,000,000	(187,554)	(0.11)%
<b>TOTAL UNITED STATES</b>				(319,025)	(0.19)%
<b>(31 December 2020: (1.05)%)</b>					
<b>TOTAL INTEREST RATE SWAPS</b>				(336,137)	(0.20)%
<b>(31 December 2020: (1.50)%)</b>					
<b>TOTAL RETURN SWAPS</b>					
<b>JAPAN</b>					
<b>Screen Holdings Co Ltd CFD</b>					
BNP	BNP Paribas		(40,500)	(77,621)	(0.04)%
<b>TOTAL JAPAN</b>				(77,621)	(0.04)%
<b>(31 December 2020: 0.00%)</b>					
<b>TOTAL TOTAL RETURN SWAPS</b>				(77,621)	(0.04)%
<b>(31 December 2020: (0.00)%)</b>					

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

	Quantity	Fair Value US\$	Net Assets %
<b>LIABILITIES (Continued)</b>			
<b>FUTURES CONTRACT</b>			
<b>BOND FUTURES</b>			
<b>UNITED STATES</b>			
NASDAQ 100 E-MINI JUN22 BNP Paribas	5	(18,005)	(0.01)%
<b>TOTAL UNITED STATES (31 December 2020: (0.01)%)</b>		<u>(18,005)</u>	<u>(0.01)%</u>
<b>TOTAL BOND FUTURES (31 December 2020: (0.01)%)</b>		<u>(18,005)</u>	<u>(0.01)%</u>
<b>TOTAL FUTURES CONTRACT (31 December 2020: (0.01)%)</b>		<u>(18,005)</u>	<u>(0.01)%</u>



**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

**LIABILITIES (Continued)**

**FORWARD CURRENCY CONTRACTS**

<b>Currency Bought</b>	<b>Amount Bought</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Contract Date</b>	<b>Unrealised Loss US\$</b>	<b>Net Assets %</b>
<b>(Counterparty: BNP Paribas)</b>						
GBP	4,036,952	CHF	4,900,000	16/06/2022	(21,280)	(0.01)%
GBP	619,329	AUD	1,100,000	21/06/2022	(9,133)	(0.01)%
USD	1,394,084	JPY	180,000,000	03/06/2022	(6,189)	0.00%
USD	385,822	AUD	550,000	14/06/2022	(9,510)	(0.01)%
USD	77,595	JPY	10,000,000	17/06/2022	(231)	0.00%
<b>(Counterparty: JP Morgan Chase Bank)</b>						
TWD	85,100,000	USD	3,287,618	26/09/2022	(320,767)	(0.18)%
TWD	52,100,000	USD	2,000,000	26/09/2022	(183,632)	(0.10)%
<b>TOTAL FORWARD CURRENCY CONTRACTS</b>						
<b>(31 December 2020: (0.10)%)</b>					<b>(550,742)</b>	<b>(0.31)%</b>
<b>TOTAL LIABILITIES (31 December 2020: (1.74)%)</b>					<b>(982,505)</b>	<b>(0.56)%</b>
<b>NET FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (31 December 2020: 93.26%)</b>					<b>158,349,164</b>	<b>90.48%</b>

**APPENDIX 1**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 May 2022**

	<b>% of total gross assets</b>
<b>ANALYSIS OF TOTAL GROSS ASSETS</b>	
Transferable securities and money market instruments admitted to an official stock exchange listed or traded in a regulated market	84.11%
Exchange traded financial derivatives	2.08%
Over-the-counter financial derivatives	0.58%
Other current assets	13.23%
<b>TOTAL (31 December 2020: 100.00%)</b>	<u>100.00%</u>

\*Cost of Position: \$ Nil

\*\*Cost of Position \$1,094

\*\*\*Cost of Position: \$127,666

\*\*\*\*Cost of Position: \$ Nil

\*\*\*\*\*Cost of Position: \$ 936

\*\*\*\*\*Cost of Position: \$ 517,008

\*\*\*\*\*Cost of Position: \$ Nil

\*\*\*\*\*Cost of Position: \$ Nil

\*\*\*\*\*Cost of Position:\$ 825

**APPENDIX 2 (UNAUDITED)**  
**STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS**  
**31 May 2022**

The Central Bank UCITS Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the annual report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial period or aggregate disposals greater than 1 per cent of the total value of sales for the financial period. At a minimum, the largest 20 purchases and sales must be given, or all purchases and sales if less than 20. A full listing of the portfolio changes for the financial period is available, upon request, at no extra cost from the Administrator.

<b>Purchases</b>	<b>Ccy</b>	<b>Cost US\$</b>
DAINIPPON SCREEN MFG CO DAINIS 0% 10/06/2022	JPY	14,266,089
SAGERPAR GBLBBB 0% 01/04/2026	EUR	13,282,395
AMERICA MOVIL BV AMXLMM 0% 02/03/2024	EUR	12,952,404
STAR MICRONICS CO LTD STARMC 0% 16/06/2021	JPY	10,734,826
KEIHAN HOLDINGS CO LTD KEIHAN 0% 30/03/2021	JPY	10,413,353
SAINSBURY (J) PLC	GBP	9,888,160
SODICK CO LTD SODICK 0% 16/04/2021	JPY	9,216,540
AIRBUS GROUP SE AIRFP 0% 14/06/2021	EUR	8,279,680
CRITERIA CAIXA SA CAIXAB 0% 22/06/2025	EUR	7,800,160
SPOTIFY USA INC SPOT 0% 15/03/2026	USD	7,687,071
NAGOYA RAILROAD NAGOYA 0% 11/12/2024	JPY	7,477,184
STAR MICRONICS CO LTD	JPY	6,972,786
TORAY INDUSTRIES INC TORAY 0% 31/08/21	JPY	6,807,313
SGX TREASURY I PTE LTD SGXSP 0% 01/03/2024	EUR	6,741,379
RAG-STIFTUNG RAGSTF 0% 16/03/2023	EUR	6,240,191
JP MORGAN CHASE BANK NA JPM 0% 18/02/2024	EUR	5,996,996
MEITUAN MEITUA 0% 27/04/2027	USD	5,952,550
ORANGE SA ORAFP 0.375% 27/06/2021	GBP	5,649,953
JP MORGAN CHASE BANK NA JPM 0% 10/06/2024	EUR	5,532,065
ABU DHABI NATIONAL OIL ADNOLH 0.7% 04/06/2024	USD	5,423,300
SENKO CO LTD SENKO 0% 28/03/2022	JPY	5,276,694

Financial derivative instruments are excluded from the above due to no cost being attributed to purchases and sales of such instruments.

## APPENDIX 2 (UNAUDITED)

## STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)

31 May 2022

Sales	Ccy	Proceeds US\$
J SAINSBURY PLC SBRYLN 2.875% 29/12/2049	GBP	11,305,756
JP MORGAN CHASE BANK NA JPM 0% 28/12/2023	USD	10,848,975
SAINSBURY (J) PLC	GBP	10,826,058
STAR MICRONICS CO LTD STARMC 0% 16/06/2021	JPY	10,621,185
ELIOTT CAPITAL SARL ELICAP 0% 30/12/22	EUR	10,138,127
SCHNEIDER ELECTRIC SE SUFP 0% 06/15/26	EUR	9,629,778
BASF SE BASGR 0.925% 09/03/2023	USD	9,281,000
MORGAN STANLEY FIN LLC MS 0% 17/12/2021	EUR	9,195,893
DAINIPPON SCREEN MFG CO DAINIS 0% 10/06/2022	JPY	8,951,518
SNAM SPA SRGIM 0% 20/03/2022	EUR	8,760,592
SAGERPAR GBLBBB 0% 01/04/2026	EUR	8,532,865
SODICK CO LTD SODICK 0% 16/04/2021	JPY	8,306,166
BEST PATH GLOBAL CGSHCO 0% 18/05/2021	HKD	7,997,073
NAGOYA RAILROAD NAGOYA 0% 11/12/2024	JPY	7,809,026
AMERICA MOVIL BV AMXLMM 0% 02/03/2024	EUR	7,621,996
STAR MICRONICS CO LTD	JPY	7,268,058
ORANGE SA ORAFP 0.375% 27/06/2021	GBP	7,028,303
CELLNEX TELECOM SA CLNXSM 0.75% 20/11/2031	EUR	6,910,381
SPOTIFY USA INC SPOT 0% 15/03/2026	USD	6,687,537
GEELY SWEDEN FINANCE AB GEELZ 0% 19/06/2024	EUR	6,437,502

Financial derivative instruments are excluded from the above due to no cost being attributed to purchases and sales of such instruments

**APPENDIX 3 (UNAUDITED)**  
**UCITS V REMUNERATION DISCLOSURE**  
**31 May 2022**

The below disclosures are made in respect of the remuneration policies Salar Fund Plc. (the “Company”). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (“UCITS”), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the council of 23 July 2014, (the “Directive”), and the “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD” issued by European Securities and Markets Authority.

The Company has adopted a remuneration policy which meets the requirements of the Directive and has been in place for the current financial year of the Company. The variable remuneration period of the Investment Manager ended on 31 December 2021 and therefore does not coincide with the financial year of the Company.

The remuneration process is overseen by the remuneration committee (comprised predominately of independent non-executive parties). An internal working group encompassing senior management is responsible for gathering relevant information (both quantitative and qualitative) to evaluate the performance (both short and long term) of individuals, teams and the Investment Manager as a whole, against external market benchmarks and to utilise this to develop proposals for fixed and variable remuneration for all staff. The remuneration committee receives these proposals and the supporting information and is responsible for independently reviewing and scrutinising the proposals and evidence provided in line with the Investment Manager’s stated objectives and developing its final recommendations for delivery to the governing body of the Investment Manager and other entities associated with the Investment Manager.

The variable remuneration of all staff, which includes those individuals categorised as remuneration code staff (“code staff”), is subject to the following:

- deferred payment of up to 50% of the variable remuneration for a period of 3 years,
- deferred remuneration is linked to funds managed by the Investment Manager,
- the breaching of certain covenants may lead to forfeiture of deferred remuneration, and
- a claw-back provision of deferred remuneration in certain circumstances including future performance issues by the individuals.

The below information provides the total remuneration paid by the Investment Manager (and any delegates) for the year ending 31 December 2021. This has been presented in line with the information available to the Company. There is no allocation made by the Investment Manager to each sub-fund of the Company and as such the disclosure reflects the remuneration paid to individuals who are partly or fully involved in each sub-fund, as well as staff of any delegate to which the firm has delegated portfolio management and/or risk management responsibilities in relation to each sub-fund.

Of the total Investment Manager remuneration paid of \$92.1m for the year ending 31 December 2021 to 220 individuals (full time equivalent), \$31.4m has been paid as fixed remuneration determined based upon the FCA guidance with the remainder being paid as variable remuneration.

The Investment Manager has assessed the members of staff whom it determines to be code staff in line with FCA guidance as reflected in SYSC 19E UCITS Remuneration code. Senior management and staff engaged in the control functions are identified based upon their roles and responsibilities within the Investment Manager and the delegates. With respect to investment professionals, in determining whether such staff are code staff, due consideration is taken of the allocated capital and trading limits that apply to the funds managed and whether the individuals report into and seek consent for investment decisions from others who are themselves code staff.

<b>Sub Fund</b>	<b>Number of code staff*</b>	<b>Compensation US\$ million</b>
Salar Fund	9	45.5

Not all individuals are directly remunerated by the Investment Manager due to the structure of the Investment Manager entity, however in the interests of meeting the underlying requirement of this disclosure all staff involved have been assessed as if directly remunerated by the Investment Manager.

**APPENDIX 4 (UNAUDITED)****ALTERNATIVE INVESTMENT FUND MANAGER'S REPORT RELATING TO MATTERS UNDER THE TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS****31 May 2022**

The Fund is subject to the Regulation (EU) 2015/2365 on Transparency of Securities Financing Transactions and of Reuse and Amending Regulation (EU) No 648/2012 of the European Parliament ("SFTR"). The regulation was issued on 25 November 2015 effective for all alternative investment funds from 12 January 2016. The disclosure requirements accompanying this regulation are effective for annual reports published after 13 January 2017.

A Securities Financing Transaction ("SFT") is defined per Article 3(11) of the SFTR as:

- a repurchase transaction or a reverse repurchase transaction;
- a securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction;
- a margin lending transaction.

As at 31 May 2022, the Fund held none of the above SFT's.

The regulation also covers transactions that are commonly referred to as total return swaps ("Swaps"). The Fund held total return swaps as at 31 May 2022.

**Global data**

The following table reflects the amount of assets engaged in each type of SFT or Swap expressed as an absolute amount in US\$ and as a percentage of the Fund's net assets as at 31 May 2022:

	<b>Absolute amount US\$*</b>	<b>% of Net assets</b>
Total return swaps	3,919,947	0.02%
<b>Total</b>	<u>3,919,947</u>	

\*This reflects the absolute value of the assets received or on loan at 31 May 2022.

**Concentration data**

The following table reflects the top (up to) 10 counterparties of each type of SFT and Swap separately as at 31 May 2022, by name of counterparty and gross volume of outstanding transactions:

<b>Counterparty</b>	<b>Total return swaps US\$*</b>
BNP Paribas	3,915,074

\*This reflects the absolute value of outstanding transactions, received and on loan, as at 31 May 2022.

## APPENDIX 4 (UNAUDITED)

## ALTERNATIVE INVESTMENT FUND MANAGER'S REPORT RELATING TO MATTERS UNDER THE TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS (Continued)

31 May 2022

*Aggregate transaction data for each type of SFT and Swap*

The following table reflects the absolute market value of all collateral received and on loan for each type of SFT and Swap by type and quality of collateral as at 31 May 2022:

	Equity		
	Investment Grade*	High Yield	Not Rated
Total return swaps	–	–	3,919,947
<b>Total</b>	–	–	<b>3,919,947</b>

\*Investment Grade includes securities rated BBB and above using S&P Global Ratings.

The following table reflects the maturity tenor of all collateral received and on loan for each type of SFT and Swap as at 31 May 2022:

	Open maturity US\$	1 to 90 days US\$	Greater than 90 days, but less than one year* US\$	Greater than one year US\$
Total return swaps	3,915,074	–	–	–
<b>Total</b>	<b>3,915,074</b>	<b>–</b>	<b>–</b>	<b>–</b>

The following table reflects the absolute market value by currency of all collateral received and on loan for each type of SFT and Swap as at 31 May 2022 reflected in US\$:

Currency	Total return swaps US\$ '000
JPY	3,920
<b>Total</b>	<b>3,920</b>

The following table reflects absolute market value of all collateral received and on loan by maturity tenor of the SFTs and Swaps at 31 May 2022:

	On demand US\$	1 to 7 days US\$	8 to 30 days US\$	31 to 90 days US\$	Greater than 90 days, but less than one year US\$	Greater than one year US\$	Open transactions US\$
Total return swaps	–	–	–	–	–	–	3,915,074
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,915,074</b>

## APPENDIX 4 (UNAUDITED)

## ALTERNATIVE INVESTMENT FUND MANAGER'S REPORT RELATING TO MATTERS UNDER THE TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS (Continued)

31 May 2022

**Aggregate transaction data for each type of SFT and Swap (Continued)**

The following table reflects absolute market value of all collateral received and on loan by country in which the counterparty is established at 31 May 2022:

	France US\$
Total return swaps	3,919,947
<b>Total</b>	<b>3,919,947</b>

All trades open at the end of the period have been transacted through bilateral settlement.

**Data on collateral reuse**

The Fund does not hold any cash collateral for the year to 31 May 2022.

**Safekeeping of collateral received and granted by the Fund as part of SFT and Swap trading**

The Fund has no custody accounts in existence specifically for the safekeeping of collateral received. The Fund has not elected to segregate collateral, 100% of collateral granted is held in pooled accounts.

**Data on return and cost for each type of SFT and Swap**

The following table reflects the return and cost for each type of SFT and Swap broken down between the Fund, the Investment Manager and third parties for the period ended 31 May 2022. The returns presented are isolated to the financing transactions themselves and therefore do not include investment returns on the underlying collateral positions:

	Fund	Investment Manager	Third parties
Total return swaps	(92,370)	–	–
<b>Total</b>	<b>(92,370)</b>	<b>–</b>	<b>–</b>

These disclosures have been prepared by the Investment Manager and reflect the Investment Managers data as at 31 May 2022. There are the following considerations to note regarding this disclosure and in view of the data presented within the primary financial statements and respective notes:

- The investments in equities sold short in the financial statements are reported on a trade date basis. The disclosures within the tables above, report reused collateral through securities or commodities borrowing on a settlement date basis as the date on which the short position is covered. Therefore, there may be differences in the underlying calculation inputs to those used in the notes to the primary financial statements. It should be noted that prior to entering a short equity position a securities borrow locate is required but there is no obligation to utilise; and
- The investments in bond securities sold short in the Financial Statements may not necessarily be equivalent to the collateral reused through reverse repurchase positions reported in the tables above. The trading of a short bond position and the reverse repurchase transaction required to settle the short may not occur on the same date. The reverse repurchase transaction may occur any time until settlement date. Unlike short equity positions there is no requirement to locate securities borrow prior to entering a short position.