

**SALAR FUND PLC**  
**UNAUDITED CONDENSED**  
**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD FROM**  
**1 JANUARY 2020**  
**TO**  
**30 JUNE 2020**

**UNAUDITED FINANCIAL STATEMENTS**

**30 June 2020**

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## SALAR FUND PLC

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### FUND INFORMATION

DIRECTORS	Elizabeth Beazley (Irish Resident) * Teddy Otto (Irish Resident) Chairperson* Nicholas Curtis (UK Resident) Tom Seymour Mead (UK Resident) All Directors are non-executive. *Independent Director
REGISTERED OFFICE	1 WML, Windmill Lane, Dublin 2, D02 F206, Ireland.
INVESTMENT MANAGER AND DISTRIBUTOR	Ferox Capital LLP, 66 St. James's Street, London, SW1A 1NE, England.
ADMINISTRATOR	BNP Paribas Fund Administration Services (Ireland) Limited, Trinity Point, 10-11 Leinster Street South, Dublin D02 EF85, Ireland.
DEPOSITARY	BNP Paribas Securities Services, Dublin Branch, Trinity Point, 10-11 Leinster Street South, Dublin D02 EF85, Ireland.
LEGAL ADVISORS AS TO IRISH LAW	Pinsent Masons, 1 WML, Windmill Lane, Dublin 2, D02 F206, Ireland.
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.

## **SALAR FUND PLC**

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

#### **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.

## INVESTMENT MANAGER'S REPORT

### For the period 31<sup>st</sup> December 2019 to 30<sup>th</sup> June 2020

#### **Overview:**

Amid the chaos in equity and credit markets caused by the Covid crisis, Salar Fund dropped a modest - 2.4%\* in H1 2020.

The conditions for running a conservative convertible fund focused on capital preservation and credit quality have not been ideal to say the least.

As the year started, we initially saw a sharp bifurcation of equity market returns in January. There were large falls and some large gains. Asia and Japan declined sharply as fears of Covid burgeoned and Europe fell on the poor outcome of Brexit negotiations. However, in the US, NASDAQ rose sharply which meant that the S&P 500 was almost flat.

The large falls became universal in February and March, as the Covid crisis expanded into a full-blown pandemic and Western economies shut down. All major equity indices declined into Bear Market territory (more than a 20% decline) and credit spreads, whether IG or crossover, expanded dramatically – almost tripling in many cases.

These falls however, set up the conditions for highly attractive returns in the second quarter and beyond. Convertibles had five key tailwinds that made them one of the most attractive asset classes at the market lows. These were:

- **Rebased Asymmetry**  
Many of the underlying stocks which were at highs pre-crisis are yet to recover. These offered great risk/return.
- **Yield**  
We were – and still are – seeing investment grade bonds trade wider than their equivalent straight bonds or CDSs. If this weren't attractive enough, they have equity options attached which one is effectively being paid to own.
- **Cheap valuations**  
Implied volatilities (the expectation of future volatility) fell below historic volatilities and credit spreads remain wide. This is not replicated in the equity option market where implied volatilities are higher for equivalent maturities. If volatilities remain where they are, then convertibles will have proven to be an attractive way to buy that equity optionality. If volatilities fall, then the credit spreads should, theoretically, drop – again favouring the convertible.
- **New Issuance**  
With conventional financing markets closed or challenging, convertibles came to the fore. So far this year, we have seen twice the amount of new issuance compared to this time last year (\$31.7bn) with pricing significantly more attractive than the last six month's rolling trend. The new issue market has created \$10bn of positive P&L for convertible investors since the end of March.
- **Bifurcation of Equity Market Performance**  
Convertibles offer an interesting slant on the momentum versus growth conundrum for investors, providing low-risk ways to gain exposure to the various possible outcomes.

The second quarter saw a remarkable rebound in equities in which convertibles and Salar managed to participate strongly. Salar gained +8.77% over the three months. We took the opportunity to rotate the portfolio actively, increasing US exposure. We have long found that the US convertible market has increasingly mutated into expensive bonds from more speculative issuers. At the lows, we saw much better-quality US bonds at more attractive valuations.

**INVESTMENT MANAGER'S REPORT**

**For the period 31<sup>st</sup> December 2019 to 30<sup>th</sup> June 2020 (continued)**

However, we did not chase into the unproven credits in the Tech space, as they offer little capital protection. It was however, exactly this type of highly speculative Tech stock which outperformed everything else, with NASDAQ rising +30.6% in Q2 versus just +14.6% for the MSCI World Ex US.

Today, convertibles still offer investors the opportunity to acquire three important exposures at more attractive valuations than they could be found in February:

- **Equity**  
Many stocks in our universe are still 30%-50% below their highs. There is clear upside potential.
- **Credit**  
On average, most bonds are trading at double the credit spread of February. There is clear downside protection.
- **Optionality**  
The valuation of the options embedded in our bonds has barely moved from February levels, whilst equity volatility has exploded (MSCI 90 vol has risen almost 550% from the February low). Given the ability of markets to surprise or shock in the current environment, the asymmetry of convertibles should be highly valuable.

However, they also offer a dilemma. On the one hand, the convertible market (as defined by the TR Global Focus Index) has become dominated by the US and Tech (we estimate that 65% of the equity exposure comes from each of these areas). Valuations in these equities are unprecedented but the momentum remains undimmed. On the other hand, one can look for a more balanced and prudent exposure. This is what Salar has always sought and continues to do so. We have sufficient US and Tech that we can participate to a certain extent, but we have a fraction of the risk. We would also be well positioned for a rotation from growth to value, as one often sees in extended growth markets.

**Ferox Capital LLP**  
**July 2020**

\*Salar performance is Class A1 USD net of fees. The Fund is actively managed and not managed with reference to a benchmark.

# SALAR FUND PLC

## UNAUDITED STATEMENT OF FINANCIAL POSITION As at 30 June 2020

	Notes	Unaudited 30 June 2020 US\$	Audited 31 December 2019 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	3(ii)		
- transferable securities		404,818,391	808,278,605
- financial derivative instruments		12,992,997	69,169,308
Cash and cash equivalents	5	74,840,238	58,656,656
Due from brokers	6	42,687,353	21,994,335
Subscription proceeds due		1,366,198	569,254
Interest receivable		649	812,943
Other receivables and prepayments		25,538	25,451
<b>Total assets</b>		<b>536,731,364</b>	<b>959,506,552</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	3(ii)		
- financial derivative instruments		13,486,592	8,954,648
Due to broker	6	5,294,680	31,111,123
Redemptions payable		20,123,293	13,503,605
Performance fee payable	4	349,728	1,114,866
Investment management fee payable	4	441,031	758,688
Accrued expenses and other payables		291,952	95,204
Administration fee payable	4	46,060	74,969
Depositary fee payable	4	18,829	31,670
Audit fee payable		25,870	67,462
Interest payable		45,107	21,679
Dividends payable		-	52,054
Equalisation payable		-	845
Middle office fees payable		7,012	11,830
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>40,130,154</b>	<b>55,798,643</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>496,601,210</b>	<b>903,707,909</b>

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

## SALAR FUND PLC

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME For the financial period ended 30 June 2020

	Notes	30 June 2020 US\$	30 June 2019 US\$
<b>Income</b>			
Interest income		4,523,926	9,190,485
Dividend income		-	8,031
Other income		12,245	72,616
Net (loss)/gain on transferable securities, financial derivative instruments and foreign exchange	3(i)	(17,468,288)	55,136,715
Net effect of share class hedging		(26,411,141)	(16,104,789)
<b>Total (loss)/income</b>		<b>(39,343,258)</b>	<b>48,303,058</b>
<b>Expenses</b>			
Investment management fee	4	2,993,293	4,925,684
Other operating expenses		983,491	914,407
Performance fees	4	350,382	141,401
Dividends on securities sold short		277,205	920,173
Administration fees	4	316,516	502,426
Transaction expenses	10	47,694	52,329
Depositary fee	4	125,654	201,504
Middle Office fees		47,120	-
<b>Total expenses</b>		<b>5,141,355</b>	<b>7,657,924</b>
<b>Finance costs</b>			
Interest expense		3,824,037	6,218,521
<b>Total finance costs</b>		<b>3,824,037</b>	<b>6,218,521</b>
<b>(Loss)/profit before taxation</b>		<b>(48,308,650)</b>	<b>34,426,613</b>
<b>Taxation</b>			
Withholding tax on dividends		(12,968)	(67,768)
<b>Net (loss)/income attributable to holders of redeemable participating shares</b>		<b>(48,321,618)</b>	<b>34,358,845</b>

There are no recognised gains or losses other than those dealt with in the Unaudited Statement of Comprehensive Income. All amounts in respect of the financial period ended 30 June 2020 arose solely from continuing operations.

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



**SALAR FUND PLC****UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES****For the financial period ended 30 June 2020**

	<b>30 June 2020 US\$</b>	<b>30 June 2019 US\$</b>
Net assets at the beginning of the financial period	903,707,909	1,095,583,852
Net (loss)/income attributable to holders of redeemable participating shares	(48,321,618)	34,358,845
Issue of redeemable participating shares	77,953,057	55,699,787
Redemption of redeemable participating shares	(436,738,138)	(234,683,898)
Equalisation	-	(31)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial period</b>	<b><u>496,601,210</u></b>	<b><u>950,958,555</u></b>

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

# SALAR FUND PLC

## UNAUDITED STATEMENT OF CASH FLOWS For the financial period ended 30 June 2020

	30 June 2020 US\$	30 June 2019 US\$
<b>Cash flows from operating activities:</b>		
Net (loss)/income attributable to holders of redeemable participating shares	(48,321,618)	34,358,845
<b>Adjustments to reconcile net income attributable to holders of redeemable participating shares to net cash provided by operating activities:</b>		
Net decrease in financial assets at fair value through profit or loss	459,636,524	168,060,197
Net increase in financial liabilities at fair value through profit or loss	4,531,944	3,372,100
Net decrease in due from/to brokers	(46,509,461)	(15,105,784)
Net decrease in other receivables	812,207	269,738
Net (decrease)/increase in other payables	(1,002,833)	602,588
<b>Net cash provided by operating activities</b>	<u>369,146,763</u>	<u>191,557,684</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of redeemable participating shares	77,155,269	54,989,958
Payments on redemptions of redeemable participating shares	(430,118,450)	(322,446,513)
<b>Net cash used in financing activities</b>	<u>(352,963,181)</u>	<u>(267,456,555)</u>
Net increase/(decrease) in cash and cash equivalents	16,183,582	(75,898,871)
Cash and cash equivalents at beginning of the financial period	<u>58,656,656</u>	<u>158,604,195</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>74,840,238</u></u>	<u><u>82,705,324</u></u>
<b>Supplementary cash flow information:</b>		
Interest received	5,336,220	9,545,501
Interest paid	(3,800,609)	(5,686,794)
Dividends received	(12,968)	8,031
Dividends paid	(329,259)	(1,344,023)

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

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**For the financial period ended 30 June 2020**

**1. ORGANISATION**

Salár Fund plc (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.

The Fund’s investment activities are managed by Ferox Capital LLP (the “Investment Manager”) 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.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

***Statement of compliance***

The interim report and condensed unaudited financial statements of the Fund for the financial period ended 30 June 2020 have been prepared in accordance with IAS 34 - Interim financial reporting and Irish statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank Regulations. The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified at fair value through profit or loss that have been measured at fair value.

The interim report and condensed unaudited financial statements do not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and Irish statute comprising the Companies Act 2014, the UCITS Regulations and the Central Bank Regulations.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) *Basis of preparation (Continued)*

*Statement of compliance (Continued)*

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial period. Actual results could differ from those estimates and these differences could be material.

Management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the unaudited condensed interim financial statements continue to be prepared on a going concern basis.

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

*New and amended standards and interpretations*

*Standards and amendments that are effective for the period beginning 1 January 2020 or later*

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.

*Standards and amendments that are issued but not effective for the period beginning 1 January 2020 and not early adopted*

IFRS 17 "Insurance Contracts" was issued in May 2017 and will become effective for accounting periods beginning on or after 1 January 2021. It applies to: insurance contracts, including reinsurance contracts, issued by an entity; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as 'a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'. The new standard is not expected to have a significant impact on the Fund's financial position, performance or disclosures in its financial statements.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

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*

For the financial period ended	30 June 2020 US\$	30 June 2019 US\$
Net realised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	33,126,139	1,072,644
Movement in unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	(50,594,427)	54,064,071
	<u>(17,468,288)</u>	<u>55,136,715</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** - Pricing inputs (the underlying information used to calculate the price) 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, warrants 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.

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 year in which reclassifications occur.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

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

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

The following tables summarise the valuation of the Fund's financial assets and liabilities by the above fair value hierarchy levels as of 30 June 2020 and 31 December 2019.

**As at 30 June 2020**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
- Debt instruments	11,244,271	386,314,699	854*	397,559,824
- Equity instruments	—	—	—*	—
- Mutual Fund	—	7,258,567	—	7,258,567
- Financial derivative instruments				
Bond options	—	7,265,604	—	7,265,604
Contracts for difference	—	146,532	—	146,532
Interest rate swaps	—	21,870	—	21,870
Warrants	—	5,558,991	—	5,558,991
<b>Financial assets at fair value through profit or loss</b>	<b>12,568,879</b>	<b>405,242,509</b>	<b>—</b>	<b>417,811,388</b>
<b>Financial liabilities</b>				
- Financial derivative instruments				
Contracts for difference	—	(1,943,767)	—	(1,943,767)
Forward currency contracts	—	(3,504,617)	—	(3,504,617)
Interest rate swaps	—	(7,873,638)	—	(7,873,638)
Bond futures	—	(164,570)	—	(164,570)
<b>Financial liabilities at fair value through profit or loss</b>	<b>(164,570)</b>	<b>(13,322,022)</b>	<b>—</b>	<b>(13,486,592)</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

BERLIAN LAJU TANKER TBK PT

YA HSIN INDUSTRIAL CO YAHSIN 0 01/05/09

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

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 2019**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
- Debt instruments	—	794,418,470	—*	794,418,470
- Equity instruments	4,164,671	—	—*	4,164,671
- Mutual Fund	—	9,695,464	—	9,695,464
- Financial derivative instruments				
Bond options	—	32,274,919	—	32,274,919
Equity index options	—	2,825,304	—	2,825,304
Contracts for difference	—	1,512,921	—	1,512,921
Forward currency contracts	—	25,064,792	—	25,064,792
Interest rate swaps	—	273,048	—	273,048
Warrants	—	6,697,172	—	6,697,172
Bond futures	—	357,639	—	357,639
Index futures	—	163,513	—	163,513
<b>Financial assets at fair value through profit or loss</b>	<u>4,164,671</u>	<u>873,283,242</u>	<u>—</u>	<u>877,447,913</u>
<b>Financial liabilities</b>				
- Financial derivative instruments				
Contracts for difference	—	(301,158)	—	(301,158)
Forward currency contracts	—	(3,973,846)	—	(3,973,846)
Interest rate swaps	—	(4,662,713)	—	(4,662,713)
Bond option	—	(3,789)	—	(3,789)
Index futures	—	(13,142)	—	(13,142)
<b>Financial liabilities at fair value through profit or loss</b>	<u>—</u>	<u>(8,954,648)</u>	<u>—</u>	<u>(8,954,648)</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

BERLIAN LAJU TANKER TBK PT

There were no transfers between levels during the financial period (31 December 2019: Nil).

All other assets and liabilities held by the Fund at the reporting dates 30 June 2020 and 31 December 2019 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at level 1, due to the liquid nature of the asset. All other assets and liabilities held, outside of those discussed above, have been classified at level 2.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

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\$854 (31 December 2019: US\$Nil) and an equity instrument with a fair value of US\$Nil (31 December 2019: US\$Nil).

An equity instrument with a fair value of US\$Nil (31 December 2019: US\$Nil) has been valued using last available quoted price as it is in default and illiquid.

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 30 June 2020 and 31 December 2019. 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.

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

	US\$
Balance at 1 January 2020	–
Purchases	2,953
Sales	–
Losses:	
Realised	–
Transfer from Level 1 to Level 3	–
Change in unrealised	(2,099)
Balance at 30 June 2020	854
	US\$
Balance at 31 December 2018	248,177
Purchases	–
Sales	(328,250)
Losses:	
Realised	(267,650)
Transfer from Level 1 to Level 3	–
Change in unrealised	347,723
Balance at 31 December 2019	–



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

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, index options, equity options, equity leap options, contracts for difference ("CFDs"), forward currency contracts, interest rate swaps and warrants.

*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 Unaudited Statement of Comprehensive Income.

*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 Unaudited Statement of Comprehensive Income.

*Futures contracts*

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 Unaudited 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 Unaudited Statement of Comprehensive Income.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**

**For the financial period ended 30 June 2020**

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

(iii) *Derivative contracts (Continued)*

*Options*

The Fund purchases put and call options through listed exchanges and OTC markets. Options purchased by the Fund provide the Fund with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration date of the option. 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 Unaudited Statement of Comprehensive Income.

*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 Unaudited Statement of Comprehensive Income.

*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 Unaudited Statement of Comprehensive Income. Interest rate swaps are fair valued with the resulting movement recorded in the Statement of Comprehensive Income.

*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 Unaudited Statement of Comprehensive Income within net gain/(loss) on securities, derivative instruments and foreign exchange.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

4. FEES AND EXPENSES

*Investment Management Fee*

Pursuant to the investment management agreement, the Investment Manager receives 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 and an investment management fee equal to 1/12 of 0.75 per cent per month of the NAV of Class I 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 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 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 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 UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

4. 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);

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); and

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

4. FEES AND EXPENSES (continued)

*Performance Fee (continued)*

**Hurdle (continued)**

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).

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.

**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.

The Directors have resolved that Salar Fund Plc 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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

4. FEES AND EXPENSES (continued)

*Performance Fee (continued)*

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

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”).

**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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

4. FEES AND EXPENSES (continued)

*Administration Fee*

The administration fee rate charged will not exceed 0.10 per cent per annum of the NAV of the Fund. Prior to this date, the administration fee charged did not exceed 0.11 per cent per annum of the NAV of the Fund, in addition to this administrator also eligible for 0.015 per cent per annum of the NAV of the Fund as middle office fees and was subject to a minimum annual fee of US\$80,000 (plus VAT, if any thereon).

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.

*Depositary Fee*

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.

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. The total Directors' expenses for the financial period were US\$810 (30 June 2019: US\$1,126), the total Directors' fees for the financial period were US\$27,190 (30 June 2019: US\$18,645) and US\$Nil (31 December 2019: US\$Nil) was prepaid at financial period end. The Fund also paid US\$32,696 (30 June 2019: US\$33,237) to Carne Global Financial Services Limited ("Carne"), an independent governance firm; in respect of director support serves 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 €10,000 (30 June 2019: €10,000). Tom Seymour Mead did not receive a director's fee.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents the cash balances held with BNP Paribas Luxembourg 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 Unaudited Statement of Financial Position within cash and cash equivalents. Investor monies held in the collection accounts at the reporting date is US\$2,086 (31 December 2019: US\$51,455).

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

**6. 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 unaudited financial statements have been presented on a gross basis at 30 June 2020 and 31 December 2019.

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 for transactions involving borrowed securities.

	<b>30 June 2020 US\$</b>	<b>31 December 2019 US\$</b>
<b>Due from brokers</b>		
Cash balance with broker	5,565,610	700,996
Collateral	20,911,980	20,270,591
Receivable for investments sold	16,209,763	1,022,748
<b>Total</b>	<b>42,687,353</b>	<b>21,994,335</b>
	<b>30 June 2020 US\$</b>	<b>31 December 2019 US\$</b>
<b>Due to brokers</b>		
Cash overdraft with broker	191,589	330,899
Collateral	3,468,669	29,893,228
Payable for investments purchased	1,634,422	886,996
<b>Total</b>	<b>5,294,680</b>	<b>31,111,123</b>



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

**7. 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 and Class I 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 4.

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 NAV 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.

*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.

## SALAR FUND PLC

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued) For the financial period ended 30 June 2020

#### 7. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (Continued)

Salar Fund Plc	30 June 2020	30 June 2019
<b>Number of units in issue</b>		
Class A1 US\$ Shares (Accumulation)	548,098.85	622,833.45
US\$ Management Shares (Accumulation)	6,880.50	9,358.09
Class C1 US\$ Shares (Distribution - income)	541.83	5,188.59
Class C1 US\$ Shares (Distribution - non-income)	93.52	8,528.64
Class E1 US\$ Shares (Accumulation)	46,267.67	39,478.52
Class E1 US\$ Shares (Distribution - income)	-	500.00
Class E2 US\$ Shares (Accumulation)	15,481.27	15,206.54
Class E3 US\$ Shares (Accumulation)	9,117.38	8,181.97
Class I US\$ Shares (Accumulation)	-	33,379.15
Euro Management Shares (Accumulation) <sup>1</sup>	12,000.00	12,000.00
Class A1 Euro Shares (Accumulation) <sup>1</sup>	33,100.41	36,258.27
Class C1 Euro Shares (Distribution - income) <sup>1</sup>	4,758.14	7,585.74
Class E1 Euro Shares (Accumulation) <sup>1</sup>	928,442.53	1,742,305.59
Class E1 Euro Shares (Distribution - income) <sup>1</sup>	19,900.00	38,300.00
Class E2 Euro Shares (Accumulation) <sup>1</sup>	140,992.09	568,354.95
Class E3 Euro Shares (Accumulation) <sup>1</sup>	75,456.25	161,452.63
Class I Euro Shares (Accumulation) <sup>1</sup>	66,528.25	126,489.00
Class A1 Sterling Shares (Accumulation) <sup>1</sup>	8,722.57	32,342.00
Sterling Management Shares (Accumulation) <sup>1</sup>	18,017.09	17,711.15
Class C1 Sterling Shares (Distribution - income) <sup>1</sup>	34,297.98	92,166.11
Class C1 Sterling Shares (Distribution - non-income) <sup>1</sup>	5,288.03	8,392.78
Class C2 Sterling Shares (Distribution - income) <sup>1</sup>	1,875.05	3,290.63
Class C2 Sterling Shares (Distribution - non-income) <sup>1</sup>	154.65	388.87
Class E1 Sterling Shares (Accumulation) <sup>1</sup>	54,267.80	26,540.42
Class E3 Sterling Shares (Accumulation) <sup>1</sup>	2,548.91	1,947.31
Class E1 Sterling Shares (Distribution income) <sup>1</sup>	101,258.64	134,888.83
<sup>1</sup> Hedged share class		

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

**8. 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. Further, the regulations are still only proposed as they were not finalized in 2016. A contingent 305(c) liability has been calculated for the financial period ended 30 June 2020 however, given that the outflow of economic resources required to settle any Section 305(c) obligation cannot be estimated with reasonable certainty, no liability has been recognized nor disclosed in the financial statements.

**9. EXCHANGE RATES**

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

	<b>30 June 2020 Rate</b>	<b>31 December 2019 Rate</b>
<b>Currency</b>		
Australian Dollar	1.451	1.424
Danish Krone	6.628	6.654
Euro	0.889	0.891
Hong Kong Dollar	7.750	7.789
Japanese Yen	107.828	108.578
Malaysian Ringgit	—	4.090
Pound Sterling	0.808	0.754
Swiss Franc	0.947	0.966
Singapore Dollar	1.394	1.345
South African Rand	17.379	13.976
Swedish Krona	9.308	9.350
Taiwan Dollar	29.564	29.911

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020****10. 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. These include brokerage commissions and broker fees on exchange traded future contracts.

	<b>30 June 2020</b> <b>US\$</b>	<b>30 June 2019</b> <b>US\$</b>
Transaction costs	47,694	52,329

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.

**11. SOFT COMMISSION ARRANGEMENTS**

There were no soft commission arrangements in place during the financial period. There are three commission sharing agreements in place. This equated to US\$Nil (30 June 2019: US\$Nil) of the Fund's commissions paid.

**12. 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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

**12. TRANSACTIONS INVOLVING CONNECTED PERSONS (Continued)**

The Fund uses affiliates of the Investment Manager and the same investment advisors as Ferox Master Fund Limited, Ferox Fund Limited, Ferox Investments ICAV, Ferox BF2 Limited and Suzuka Inka: Segment Watzmann. The parties are connected as they share an Investment Manager. During the financial period ended 30 June 2020 the Fund purchased some of the ASCOT, warrants and defaulted bonds held in the portfolio of Ferox Master Fund Limited. The Fund paid US\$88,737 for these positions (31 December 2019: None).

**13. 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 Investment Manager, the Directors and Ferox Investments ICAV as related parties. The Fund has an investment in Ferox Investments ICAV. 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.

Elizabeth Beazley and Teddy Otto are employees of Carne Global Financial Services Limited. Nicholas Curtis is a non executive Director of Ferox Capital Management Limited. At the balance sheet date, Tom Seymour Mead was a Partner of Ferox Capital LLP and a Director of Ferox Capital Management Limited.

Effective 24 April 2020, Nic Curtis subscribed £500,000 into Sterling Management Shares (Accumulation) and was allocated 3,194.48 Shares.

Details of fees with related parties are set out in Note 4. Ferox Master Fund Limited ("Ferox Master") used the same Investment Manager as the Fund and is therefore considered a connected person. During the financial period operating expenses paid by Ferox Master on behalf of the Fund amounted to US\$258,923 (30 June 2019: US\$735,616) and US\$nil (31 December 2019: US\$84,596) remains payable at financial period end and is included in accrued expenses and other payables. Effective October 1, 2019 Salar Fund plc commenced directly paying for operating expenses incurred by it.

The Fund is invested in Ferox Investments ICAV which is also managed by Ferox Capital LLP and is therefore considered a related party. The Fund holds Chinook Global Convertible Bond Fund Class M EUR Shares US\$7,258,567 (31 December 2019: US\$9,695,464) 57,546 shares (31 December 2019: 78,809 shares).

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

**14. 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 Unaudited Statement of Comprehensive Income. During the period no dividends were approved or paid. (30 June 2019: Nil).

**15. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

Since early January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. While containment efforts may have helped to slow the growth of the virus in mainland China, in late March 2020, global financial markets reacted sharply to the news that the virus continued to spread across the globe, as well as concerns regarding the larger economic impact this may have on a global scale. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak which at this point is not fully known. With regards to day to day operations, the Investment Manager and many of its service providers have invoked business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to continue to operate with minimal impact. The Investment Manager expects continued market volatility; however the Fund is a going concern, financially stable and able to meet its obligations to shareholders and continue its business and investment strategy for the foreseeable future.

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

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

16. NET ASSET VALUE HISTORY

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Class A1 US\$ Shares (Accumulation)</b>		
Net asset value (\$)	88,211,029	90,362,317
Net asset value per share (\$)	160.94	164.86
<b>US\$ Management Shares (Accumulation)</b>		
Net asset value (\$)	861,507	854,801
Net asset value per share (\$)	125.21	127.62
<b>Class C1 US\$ Shares (Distribution - income)</b>		
Net asset value (\$)	71,841	137,753
Net asset value per share (\$)	132.59	135.82
<b>Class C1 US\$ Shares (Distribution - non-income)</b>		
Net asset value (\$)	13,839	347,100
Net asset value per share (\$)	147.98	151.64
<b>Class E1 US\$ Shares (Accumulation)</b>		
Net asset value (\$)	6,672,924	5,975,381
Net asset value per share (\$)	144.22	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 (\$)	2,132,390	2,075,261
Net asset value per share (\$)	137.74	141.45
<b>Class E3 US\$ Shares (Accumulation)</b>		
Net asset value (\$)	1,199,374	1,312,638
Net asset value per share (\$)	131.55	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 (€)	1,203,360	1,236,480
Net asset value per share (€)	100.28	103.04

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

16. NET ASSET VALUE HISTORY (Continued)

	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Class A1 Euro Shares (Accumulation) <sup>1</sup></b>		
Net asset value (€)	5,008,092	5,311,067
Net asset value per share (€)	151.30	156.25
<b>Class C1 Euro Shares (Distribution - income) <sup>1</sup></b>		
Net asset value (€)	581,921	600,940
Net asset value per share (€)	122.30	126.30
<b>Class E1 Euro Shares (Accumulation) <sup>1</sup></b>		
Net asset value (€)	135,428,810	210,018,613
Net asset value per share (€)	145.87	150.88
<b>Class E1 Euro Shares (Distribution – income) <sup>1</sup></b>		
Net asset value (€)	2,015,870	3,880,851
Net asset value per share (€)	101.30	104.61
<b>Class E2 Euro Shares (Accumulation) <sup>1</sup></b>		
Net asset value (€)	19,491,640	71,298,328
Net asset value per share (€)	138.25	143.19
<b>Class E3 Euro Shares (Accumulation) <sup>1</sup></b>		
Net asset value (€)	9,063,076	15,085,522
Net asset value per share (€)	120.11	124.79
<b>Class I Euro Shares (Accumulation) <sup>1</sup></b>		
Net asset value (€)	6,716,027	13,190,302
Net asset value per share (€)	100.95	104.12
<b>Class A1 Sterling Shares (Accumulation) <sup>1</sup></b>		
Net asset value (£)	1,404,508	1,453,000
Net asset value per share (£)	161.02	165.92
<b>Sterling Management Shares (Accumulation) <sup>1</sup></b>		
Net asset value (£)	2,981,288	2,557,514
Net asset value per share (£)	165.47	169.65
<b>Class C1 Sterling Shares (Distribution - income) <sup>1</sup></b>		
Net asset value (£)	4,809,949	8,252,488
Net asset value per share (£)	140.24	144.51



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

16. NET ASSET VALUE HISTORY (Continued)

	30 June 2020	31 December 2019
<b>Class C1 Sterling Shares (Distribution - non-income) <sup>1</sup></b>		
Net asset value (£)	774,644	950,808
Net asset value per share (£)	146.49	150.94
<b>Class C2 Sterling Shares (Distribution - income) <sup>1</sup></b>		
Net asset value (£)	257,819	270,232
Net asset value per share (£)	137.50	142.04
<b>Class C2 Sterling Shares (Distribution - non-income) <sup>1</sup></b>		
Net asset value (£)	21,574	22,286
Net asset value per share (£)	139.50	144.11
<b>Class E1 Sterling Shares (Accumulation) <sup>1</sup></b>		
Net asset value (£)	7,562,088	3,270,824
Net asset value per share (£)	139.35	144.31
<b>Class E3 Sterling Shares (Accumulation) <sup>1</sup></b>		
Net asset value (£)	324,679	288,384
Net asset value per share (£)	127.38	132.08
<b>Class E1 Sterling Shares (Distribution income) <sup>1</sup></b>		
Net asset value (£)	11,328,362	25,243,688
Net asset value per share (£)	111.88	115.31
<b>Class I Sterling Shares (Accumulation) <sup>1</sup></b>		
Net asset value (£)	128,501,168	288,468,970
Net asset value per share (£)	105.44	108.52
<b>Class E2 Sterling Shares (Accumulation) <sup>1</sup></b>		
Net asset value (£)	56,957	51,670
Net asset value per share (£)	99.99	103.34

<sup>1</sup> Hedged share class

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)**  
**For the financial period ended 30 June 2020**

**17. CHANGES TO THE PROSPECTUS**

There were no updates to the prospectus recorded during the financial period.

**18. EFFICIENT PORTFOLIO MANAGEMENT**

The Fund may, for the purposes of efficient portfolio management, enter into derivative contracts. Derivative contracts open at 30 June 2020 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.

**19. SUBSEQUENT EVENTS**

Apart from the ongoing situation with COVID-19 pandemic, there have been no significant events since the financial period end that impact the Fund and require disclosure in the unaudited financial statements.

Subsequent to financial period end, there have been subscriptions and redemptions of US\$8,568,349 and US\$133,537,934 on the Fund.

**20. APPROVAL OF THE UNAUDITED FINANCIAL STATEMENTS**

The unaudited financial statements were approved and authorised for issue by the Directors on 20 August 2020.

## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS 30 June 2020

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>EQUITY</b>			
<b>INDONESIA</b>			
BERLIAN LAJU TANKER*	19,178,743	-	0.00%
<b>TOTAL INDONESIA (2019: 0.00%)</b>		-	0.00%
<b>JAPAN (2019: 0.46%)</b>			
<b>TOTAL EQUITY (2019: 0.46%)</b>		-	0.00%
<b>MUTUAL FUNDS</b>			
<b>IRELAND</b>			
CHINOOK GLOBAL CONVERTIBLE BOND FUND	57,546	7,258,567	1.46%
<b>TOTAL IRELAND (2019: 1.07%)</b>		7,258,567	1.46%
<b>TOTAL MUTUAL FUNDS (2019: 1.07%)</b>		7,258,567	1.46%
<b>GOVERNMENT BONDS</b>			
<b>BELGIUM</b>			
TREASURY CERTIFICATES BGTB 0% 09/07/2020	10,000,000	11,244,271	2.27%
<b>TOTAL BELGIUM (2019: 0.00%)</b>		11,244,271	2.27%
<b>TOTAL GOVERNMENT BONDS (2019: 0.00%)</b>		11,244,271	2.27%
<b>CONVERTIBLE BONDS</b>			
<b>AUSTRALIA</b>			
SEVEN GROUP HOLDINGS LTD 2.2% 05/03/2025	2,500,000	1,710,994	0.34%
<b>TOTAL AUSTRALIA (2019: 1.46%)</b>		1,710,994	0.34%

\* Cost of Position; \$Nil

## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>BRITISH VIRGIN ISLANDS</b>			
CP FOODS HOLDINGS LTD 0.50% 22/09/2021	2,400,000	2,533,176	0.51%
<b>TOTAL BRITISH VIRGIN ISLANDS (2019: 0.00%)</b>		<u>2,533,176</u>	<u>0.51%</u>
<b>CAYMAN ISLANDS</b>			
KINGSOFT CORP LTD 0.625% 29/04/2025	20,000,000	3,066,460	0.62%
<b>TOTAL CAYMAN ISLANDS (2019: 0.00%)</b>		<u>3,066,460</u>	<u>0.62%</u>
<b>CHINA</b>			
LENOVO GROUP LTD 3.375% 24/01/2024	8,200,000	8,199,262	1.65%
SMART INSIGHT INTL LTD COGARD 4.50% 05/12/2023	24,000,000	3,462,930	0.70%
<b>TOTAL CHINA (2019: 1.95%)</b>		<u>11,662,192</u>	<u>2.35%</u>
<b>FRANCE</b>			
SAFRAN SA 0.875% 15/05/2027	1,733,000	2,341,212	0.47%
TOTAL SA 0.50% 02/12/2022	8,000,000	7,889,600	1.59%
<b>TOTAL FRANCE (2019: 1.19%)</b>		<u>10,230,812</u>	<u>2.06%</u>
<b>GERMANY</b>			
ARCANDOR AG 8.875% 11/07/2013**	7,900,000	-	0.00%
BASF SE BASGR 0.925% 09/03/2023	5,000,000	4,903,550	0.99%
DEUTSCHE WOHNEN AG 0.325% 26/07/2024	2,700,000	3,334,951	0.67%
DEUTSCHE WOHNEN SE 0.60% 05/01/2026	2,000,000	2,413,243	0.48%
MTU AERO ENGINES AG 0.125% 17/05/2023	2,100,000	3,023,157	0.61%
<b>TOTAL GERMANY (2019: 5.65%)</b>		<u>13,674,901</u>	<u>2.75%</u>
<b>HONG KONG</b>			
CHINA EVERGRANDE GROUP 4.25% 14/02/2023	30,000,000	3,651,519	0.74%
<b>TOTAL HONG KONG (2019: 3.35%)</b>		<u>3,651,519</u>	<u>0.74%</u>
<b>INDIA</b>			
SHREE ASHT CINE VISION 2.875% 22/12/2012***	220,000	-	0.00%
<b>TOTAL INDIA (2019: 0.00%)</b>		<u>-</u>	<u>0.00%</u>

\*\*Cost of Position; \$27,702

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

## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>LUXEMBOURG</b>			
LAGFIN SCA 2% 02/07/2025	1,000,000	1,112,122	0.22%
<b>TOTAL LUXEMBOURG (2019: 0.00%)</b>		<u>1,112,122</u>	<u>0.22%</u>
<b>NETHERLANDS</b>			
KPNQWEST NV 10% 15/03/2012	1,000,000	855	0.00%
<b>TOTAL NETHERLANDS (2019: 0.00%)</b>		<u>855</u>	<u>0.00%</u>
<b>SINGAPORE</b>			
SUNTEC REIT SUNSP 1.75% 05/09/2021	8,000,000	5,530,273	1.11%
<b>TOTAL SINGAPORE (2019: 1.23%)</b>		<u>5,530,273</u>	<u>1.11%</u>
<b>SOUTH AFRICA</b>			
REMGRO JERSEY GBP LTD REMSJ 2.625% 22/03/2021	8,100,000	9,769,697	1.97%
<b>TOTAL SOUTH AFRICA (2019: 2.30%)</b>		<u>9,769,697</u>	<u>1.97%</u>
<b>SPAIN</b>			
AMADEUS IT GROUP SA 1.50% 09/04/2025	3,100,000	4,243,877	0.86%
<b>TOTAL SPAIN (2019: 0.00%)</b>		<u>4,243,877</u>	<u>0.86%</u>
<b>SWITZERLAND</b>			
DUFY ONE BV 1% 04/05/2023	1,800,000	2,018,657	0.41%
SIKA AG 0.15% 05/06/2025	2,900,000	3,596,570	0.72%
SWISS PRIME SITE AG 0.25% 16/06/2023	4,120,000	4,322,542	0.87%
SWISS PRIME SITE AG 0.325% 16/01/2025	3,400,000	3,602,937	0.73%
<b>TOTAL SWITZERLAND (2019: 3.05%)</b>		<u>13,540,706</u>	<u>2.73%</u>
<b>UNITED KINGDOM</b>			
BP CAPITAL MARKETS PLC 1% 28/04/2023	5,900,000	7,595,243	1.53%
DERWENT LONDON CAPITAL 1.50% 12/06/2025	3,600,000	4,218,778	0.85%
J SAINSBURY PLC 2.875% 29/12/2049	8,200,000	10,088,353	2.03%
NATIONAL GRID NA INC 0.90% 02/11/2020	10,900,000	13,473,680	2.71%
OCADO GROUP PLC 0.75% 18/01/2027	1,300,000	1,662,472	0.34%
OCADO GROUP PLC 0.88% 09/12/2025	2,000,000	3,251,691	0.65%
<b>TOTAL UNITED KINGDOM (2019: 7.51%)</b>		<u>40,290,217</u>	<u>8.11%</u>

## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>UNITED STATES</b>			
1LIFE HEALTHCARE INC ONEM 3% 15/06/2025	1,000,000	1,052,500	0.21%
AIR CANADA 4% 01/07/2025	3,600,000	3,915,000	0.79%
AKAMAI TECHNOLOGIES INC 0.375% 01/09/2027	4,600,000	5,022,234	1.01%
AMERICAN AIRLINES GROUP 6.50% 01/07/2025	1,700,000	1,598,408	0.32%
ARCELORMITTAL SA MTNA 5.50% 18/05/2023	42,500	1,217,200	0.25%
BILIBILI INC 1.25% 15/06/2027	1,400,000	1,789,130	0.36%
CARNIVAL CORP 5.75% 01/04/2023	720,000	1,180,677	0.24%
CHENIERE ENERGY INC LNG 4.25% 15/03/2045	3,650,000	2,299,500	0.46%
CHIMERA INVESTMENT CORP 7% 01/04/2023	1,100,000	1,609,575	0.32%
COUPA SOFTWARE INC 0.375% 15/06/2026	1,100,000	1,275,235	0.26%
DATADOG INC 0.125% 15/06/2025	1,400,000	1,652,518	0.33%
FIVE9 INC 0.50% 01/06/2025	700,000	747,830	0.15%
FORTIVE CORPORATION 0.875% 15/02/2022	4,000,000	3,914,480	0.79%
GUIDEWIRE SOFTWARE INC 1.25% 15/03/2025	2,400,000	2,797,344	0.56%
HUAZHU GROUP LTD HTHT 3% 01/05/2026	2,100,000	2,246,496	0.45%
JOYY INC 1.375% 15/06/2026	3,600,000	3,975,804	0.80%
JP MORGAN CHASE BANK NA 0.125% 01/01/2023	7,200,000	7,703,280	1.55%
JPMORGAN CHASE FINANCIAL 0.25% 01/05/2023	8,200,000	7,989,506	1.61%
LIBERTY MEDIA CORP 1.375% 15/10/2023	5,000,000	5,215,000	1.05%
LIVE NATION ENTERTAINMEN 2% 15/02/2025	1,400,000	1,199,492	0.24%
MOMO INC 1.25% 01/07/2025	2,800,000	2,182,096	0.44%
NCL CORPORATION LTD 6% 15/05/2024	920,000	1,231,709	0.25%
NUVASIVE INC 2.25% 15/03/2021	1,100,000	1,207,888	0.24%
OKTA INC 0.375% 15/06/2026	2,500,000	2,701,000	0.54%
ON SEMICONDUCTOR CORP 1% 01/12/2020	2,800,000	3,276,000	0.66%
PALO ALTO NETWORKS 0.75% 01/07/2023	6,600,000	7,106,946	1.43%
PALO ALTO NETWORKS 0.375% 01/06/2025	3,500,000	3,493,980	0.70%
REALPAGE INC 1.50% 15/05/2025	1,400,000	1,512,014	0.31%
ROYAL CARIBBEAN CRUISES RCL 4.25% 15/06/2023	3,500,000	3,250,625	0.66%
SILICON LABORATORIES INC 1.375% 01/03/2022	2,000,000	2,423,220	0.49%
SOUTHWEST AIRLINES CO LUV 1.25% 01/05/2025	3,600,000	4,318,380	0.87%
SPLUNK INC 1.125% 15/06/2027	2,800,000	2,991,296	0.60%
SUNEDISON INC 2.75% 01/01/2021	1,800,000	40,068	0.01%
SWK 5% 2023 (PERP) 5% 08/11/2023	3,500,000	3,961,216	0.80%

## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>UNITED STATES (Continued)</b>			
TRANSOCEAN INC RIG 0.5% 30/01/2023	1,600,000	657,584	0.13%
TWITTER INC 0.25% 15/06/2024	6,500,000	6,135,610	1.24%
UNDER ARMOUR INC UA 1.50% 01/06/2024	1,700,000	1,934,520	0.39%
ZSCALER INC. ZS 0.125% 01/07/2025	1,700,000	1,744,129	0.35%
<b>TOTAL UNITEDSTATES (2019: 11.89%)</b>		<u>108,569,490</u>	<u>21.86%</u>
<b>VIETNAM</b>			
VINPEARL JSC 3.50% 14/06/2023	3,000,000	2,941,740	0.59%
<b>TOTAL VIETNAM (2019: 0.98%)</b>		<u>2,941,740</u>	<u>0.59%</u>
<b>TOTAL CONVERTIBLE BONDS (2019: 40.56%)</b>		<u><u>232,529,031</u></u>	<u><u>46.82%</u></u>
<b>ZERO COUPON CONVERTIBLE BONDS</b>			
<b>BELGIUM</b>			
BEKAERT SA 0% 09/06/2021	1,900,000	2,038,483	0.41%
UMICORE SA 0% 23/06/2025	3,400,000	3,949,569	0.80%
<b>TOTAL BELGIUM (2019: 0.65%)</b>		<u>5,988,052</u>	<u>1.21%</u>
<b>BRITISH VIRGIN ISLANDS</b>			
BEST PATH GLOBAL 0% 18/05/2021	36,000,000	4,795,216	0.97%
<b>BRITISH VIRGIN ISLANDS (2019: 0.00%)</b>		<u>4,795,216</u>	<u>0.97%</u>
<b>CHINA</b>			
CHINA CONCH VENTURE 0% 05/09/2023	21,000,000	2,916,346	0.59%
CHINA MILK PRODUCTS GRP 0% 05/01/2012****	3,000,000	-	0.00%
<b>TOTAL CHINA (2019: 4.48%)</b>		<u>2,916,346</u>	<u>0.59%</u>
<b>FRANCE</b>			
AIRBUS GROUP SE 0% 14/06/2021	10,200,000	11,360,521	2.29%
CARREFOUR SA 0% 27/03/2024	4,000,000	3,819,840	0.77%
SAFRAN SA 0% 21/06/2023	4,715,000	7,286,221	1.46%
<b>TOTAL FRANCE (2019: 6.82%)</b>		<u>22,466,582</u>	<u>4.52%</u>

\*\*\*\*Cost of Position; \$130,400

## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>ZERO COUPON CONVERTIBLE BONDS (Continued)</b>			
<b>GERMANY</b>			
GN STORE NORD 0% 21/05/2024	5,700,000	6,432,093	1.30%
RAG-STIFTUNG 0% 16/03/2023	4,000,000	4,365,342	0.88%
RAG-STIFTUNG 0% 17/06/2026	2,800,000	3,146,372	0.63%
<b>TOTAL GERMANY (2019: 4.29%)</b>		<b>13,943,807</b>	<b>2.81%</b>
<b>HONG KONG</b>			
CHINA RAILWAY CONSTRUCT 0% 29/01/2021	3,500,000	3,443,230	0.69%
CHINA YANGTZE PWR INT BV 0% 09/11/2021	1,900,000	2,139,417	0.43%
SHANGHAI PORT GROUP BVI 0% 09/08/2021	8,400,000	8,412,936	1.70%
<b>TOTAL HONG KONG (2019: 3.32%)</b>		<b>13,995,583</b>	<b>2.82%</b>
<b>ITALY</b>			
SNAM SPA SRGIM 0% 20/03/2022	5,000,000	5,953,731	1.20%
STMICROELECTRONICS NV 0% 03/07/2022	3,400,000	4,594,930	0.92%
<b>TOTAL ITALY (2019: 1.80%)</b>		<b>10,548,661</b>	<b>2.12%</b>
<b>JAPAN</b>			
FUJI CORP/AICHI FUJMAC 0% 25/03/2021	100,000,000	1,236,428	0.25%
JAPAN AIRLINES CORP 0% 25/03/2011*****	370,000,000	-	0.00%
SBI HOLDINGS INC 0% 14/09/2022	300,000,000	3,987,527	0.80%
SUZUKI MOTOR CORPORATION 0% 31/03/2021	460,000,000	4,254,029	0.86%
SUZUKI MOTOR CORPORATION 0% 31/03/2023	130,000,000	1,241,769	0.25%
<b>TOTAL JAPAN (2019: 6.78%)</b>		<b>10,719,753</b>	<b>2.16%</b>
<b>LUXEMBOURG</b>			
CITIGROUP GLOBAL MARKET FUND LC 0% 25/07/2024	23,000,000	3,018,355	0.61%
<b>TOTAL LUXEMBOURG (2019: 0.00%)</b>		<b>3,018,355</b>	<b>0.61%</b>
<b>MALAYSIA</b>			
CERAH CAPITAL LTD KNBZMK 0% 08/08/2024	6,600,000	6,176,610	1.24%
<b>TOTAL MALAYSIA (2019: 1.28%)</b>		<b>6,176,610</b>	<b>1.24%</b>
<b>NETHERLANDS (2019: 3.10%)</b>			

\*\*\*\*\*Cost of Position; \$Nil



## SALAR FUND PLC

### APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>ZERO COUPON CONVERTIBLE BONDS (Continued)</b>			
<b>SWEDEN</b>			
GEELY SWEDEN FINANCE AB 0% 19/06/2024	4,900,000	5,572,369	1.12%
<b>TOTAL SWEDEN (2019: 0.00%)</b>		<u>5,572,369</u>	<u>1.12%</u>
<b>SWITZERLAND</b>			
CEMBRA MONEY BANK AG 0% 09/07/2026	7,000,000	7,102,217	1.43%
ELIOTT CAPITAL SARL ELICAP 0% 30/12/2022	9,400,000	10,187,745	2.05%
<b>TOTAL SWITZERLAND (2019: 3.92%)</b>		<u>17,289,962</u>	<u>3.48%</u>
<b>TAIWAN</b>			
INNOLUX CORP CHINNO 0% 22/01/2025	2,800,000	2,649,388	0.53%
YA HSIN INDUSTRIAL CO 0% 05/01/2009*****	4,125,000	-	0.00%
<b>TOTAL TAIWAN (2019: 0.87%)</b>		<u>2,649,388</u>	<u>0.53%</u>
<b>UNITED KINGDOM</b>			
GLENCORE FUNDING LLC 0% 27/03/2025	5,200,000	4,384,588	0.88%
<b>TOTAL UNITED KINGDOM (2019: 3.22%)</b>		<u>4,384,588</u>	<u>0.88%</u>
<b>UNITED STATES</b>			
BARCLAYS BANK PLC 0% 04/02/2025	3,800,000	4,545,560	0.92%
BARCLAYS BANK PLC 0% 18/02/2025	3,100,000	3,268,625	0.66%
CYBERARK SOFTWARE LTD 0% 15/11/2024	4,300,000	4,011,513	0.81%
ILLUMINA INC 0% 15/08/2023	1,400,000	1,520,582	0.31%
JP MORGAN CHASE BANK 0% 24/05/2022	4,900,000	5,814,272	1.17%
JP MORGAN CHASE BANK 0% 07/08/2022	2,100,000	2,637,474	0.53%
JP MORGAN CHASE BANK 0% 18/09/2022	6,200,000	7,523,224	1.51%
<b>TOTAL UNITED STATES (2019: 6.82%)</b>		<u>29,321,250</u>	<u>5.91%</u>
<b>TOTAL ZERO COUPON CONVERTIBLE BONDS (2019: 47.35%)</b>		<u>153,786,522</u>	<u>30.97%</u>

\*\*\*\*\*Cost of Position; \$825

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>BOND OPTIONS</b>					
<b>CHINA</b>					
JPM/PING AN 0% 2020	JP Morgan	10.00	13,000,000	303,654	0.06%
<b>TOTAL CHINA (2019: 0.47%)</b>				<u>303,654</u>	<u>0.06%</u>
<b>JAPAN</b>					
ANA 0% 2022	Mizuho	20.00	1,000,000,000	-	0.00%
ANA 0% 2022	Mizuho	35.00	170,000,000	-	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% 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	300,000,000	-	0.00%
ANA 0% 2024	Nomura	60.00	750,000,000	-	0.00%
BUNKA SHUTTER 0% 2023	Nomura	55.00	600,000,000	53,707	0.01%
COSMO ENERGY 0% 2022	Mizuho	110.00	1,000,000,000	-	0.00%
CYBERAGENT 0% 2023	Nomura	90.00	300,000,000	251,785	0.05%
DAIO PAPER 0% 2020	Mizuho	40.00	300,000,000	2,387	0.00%
DAIO PAPER 0% 2020	Mizuho	50.00	390,000,000	3,103	0.00%
DAIO PAPER 0% 2020	Mizuho	55.00	180,000,000	1,432	0.00%
EDION 0% 2025	Mizuho	80.00	450,000,000	351,925	0.07%
FUJI MACHINE 0% 2021	Mizuho	70.00	370,000,000	1,145,912	0.23%
FUJI MACHINE 0% 2021	Nomura	60.00	300,000,000	929,118	0.19%
HIS 0% 2024	Mizuho	50.00	600,000,000	-	0.00%
HOSIDEN 0% 2024	Nomura	70.00	200,000,000	-	0.00%
IWATAN 0% 22/10/2020	Nomura	0.60	650,000,000	226,225	0.05%
IWATAN 0% 22/10/2020	Nomura	0.80	150,000,000	52,206	0.01%
IWATANI 0% 2020	Nomura	65.00	500,000,000	174,019	0.04%
JAPAIR 0% 04/03/2022	Barclays	0.40	500,000,000	-	0.00%
JAPAIR 0% 04/03/2022	Mizuho	0.65	250,000,000	-	0.00%
JAPAN AIRPORT TERMINAL 0% 2022	Mizuho	30.00	800,000,000	-	0.00%
JAPAN AIRPORT TERMINAL 0% 2022	Mizuho	40.00	500,000,000	-	0.00%
JAPAN AIRPORT TERMINAL 0% 2022	Mizuho	45.00	850,000,000	-	0.00%
JAPAN AIRPORT TERMINAL 0% 2022	Nomura	45.00	150,000,000	-	0.00%
KANDENKO 0% 2021	Nomura	70.00	500,000,000	6,005	0.00%

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>BOND OPTIONS (Continued)</b>					
<b>JAPAN (Continued)</b>					
KANSAI 0% 2022	Credit Suisse	50.00	630,000,000	46,878	0.01%
KEIHAN 0% 2021	Mizuho	40.00	300,000,000	2,075	0.00%
KEIHAN 0% 2021	Nomura	40.00	400,000,000	2,767	0.00%
KEIHAN 0% 2021	Nomura	50.00	400,000,000	7,757	0.00%
KYOMAI 0% 31/03/2021	Nomura	0.80	450,000,000	-	0.00%
KYORITSU MAINTENANCE 0% 2021	Mizuho	50.00	350,000,000	-	0.00%
KYUSHU 0% 2022	Daiwa	55.00	1,000,000,000	-	0.00%
KYUSHU 0% 2022	Mizuho	40.00	500,000,000	-	0.00%
KYUSHU 0% 2022	Nomura	65.00	800,000,000	-	0.00%
LIXIL 0% 2022	Daiwa	40.00	500,000,000	-	0.00%
LIXIL 0% 2022	Mizuho	40.00	800,000,000	-	0.00%
LIXIL 0% 2022	Nomura	45.00	1,710,000,000	-	0.00%
LIXIL 0% 2022	Nomura	80.00	60,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2022	Mizuho	35.00	200,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2022	Mizuho	40.00	900,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2022	Nomura	35.00	500,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2022	Nomura	40.00	1,110,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2024	Mizuho	43.00	100,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2024	Mizuho	45.00	260,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2024	Nomura	45.00	100,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2024	Daiwa	50.00	200,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2024	JP Morgan	50.00	500,000,000	-	0.00%
MITSUBISHI CHEMICAL 0% 2024	Mizuho	50.00	450,000,000	-	0.00%
NAGOYA RAILROAD 0% 2024	Nomura	35.00	160,000,000	203,421	0.04%
NAGOYA RAILROAD 0% 2024	Mizuho	40.00	200,000,000	254,276	0.05%
NAGOYA RAILROAD 0% 2024	Nomura	40.00	1,140,000,000	1,449,374	0.29%
NICHICON 0% 2024	Nomura	48.00	500,000,000	-	0.00%
NIPPON FLOUR 0% 2025	Nomura	45.00	200,000,000	62,964	0.01%
NIPRO 0% 2021	Mizuho	60.00	360,000,000	4,243	0.00%
NIPRO 0% 2021	Nomura	45.00	300,000,000	3,536	0.00%
OBARA 0% 2025	Nomura	90.00	300,000,000	513,097	0.10%
OSAKA SODA (DAISO) 0% 2022	Mizuho	60.00	300,000,000	976	0.00%
OSAKA SODA (DAISO) 0% 2022	Mizuho	50.00	300,000,000	977	0.00%
OSAKA SODA (DAISO) 0% 2022	Nomura	60.00	500,000,000	1,628	0.00%
PARK24 0% 2025	Nomura	40.00	700,000,000	-	0.00%
RESORTTRUST 0% 2021	Mizuho	48.00	1,000,000,000	-	0.00%
RESORTTRUST 0% 2021	Mizuho	90.00	530,000,000	-	0.00%

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>BOND OPTIONS (Continued)</b>					
<b>JAPAN (Continued)</b>					
RESORTTRUST 0% 2021	Nomura	55.00	230,000,000	-	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	Daiwa	95.00	300,000,000	35,562	0.01%
SBI 0% 2023	Mizuho	70.00	800,000,000	94,831	0.02%
SCREEN 0% 2022	Nomura	50.00	1,050,000,000	-	0.00%
SCREEN 0% 2022	Nomura	65.00	700,000,000	-	0.00%
SENKO 0% 2022	Daiwa	65.00	300,000,000	52,759	0.01%
SENKO 0% 2022	Mizuho	52.00	300,000,000	44,509	0.01%
SHIMIZU 0% 2020	Mizuho	35.00	500,000,000	-	0.00%
SHIMIZU 0% 2020	Mizuho	40.00	900,000,000	-	0.00%
SHIMIZU 0% 2020	Mizuho	45.00	200,000,000	-	0.00%
SHIZUOKA BANK FLOAT 2023	JP Morgan	100.00	10,000,000	-	0.00%
SODICK 0% 2021	Nomura	55.00	500,000,000	29,894	0.01%
SODICK 0% 2021	Nomura	50.00	240,000,000	12,724	0.00%
STAR MICRONICS 0% 2021	Mizuho	70.00	400,000,000	4,841	0.00%
STAR MICRONICS 0% 2021	Nomura	60.00	200,000,000	2,420	0.00%
STAR MICRONICS 0% 2021	Nomura	70.00	560,000,000	12,196	0.00%
STAR MICRONICS 0% 2021	Nomura	70.00	300,000,000	3,631	0.00%
STAR MICRONICS 0% 2021	Nomura	75.00	90,000,000	1,089	0.00%
SUMITOMO METAL 0% 2023	Nomura	40.00	300,000,000	-	0.00%
TAKASHIMAYA 0% 2020	Mizuho	30.00	660,000,000	-	0.00%
TAKASHIMAYA 0% 2028	Nomura	50.00	500,000,000	-	0.00%
TEIJIN 0% 10/12/2021	Mizuho	45.00	250,000,000	89,755	0.02%
TEIJIN 0% 2021	Nomura	45.00	250,000,000	89,755	0.02%
TOA CORP 0% 2024	Mizuho	125.00	500,000,000	353,937	0.07%
TOHO HOLDINGS 0% 2023	Nomura	45.00	800,000,000	68,478	0.02%
TOHO HOLDINGS 0% 2023	Nomura	50.00	200,000,000	17,120	0.00%
TOHOKU 0% 03/12/2020	Nomura	0.0050	90,000,000	-	0.00%
TOHOKU 0% 03/12/2020	Daiwa	0.45	600,000,000	-	0.00%
TOHOKU 0% 03/12/2020	Mizuho	0.50	1,200,000,000	-	0.00%
TOHOKU ELECTRIC 0% 2020	Mizuho	40.00	430,000,000	-	0.00%
TOHOKU ELECTRIC 0% 2020	Mizuho	45.00	140,000,000	-	0.00%
TORAY 0% 2021	Nomura	30.00	860,000,000	-	0.00%
TORAY 0% 2021	Nomura	35.00	450,000,000	-	0.00%
TRACOS 0% 20/11/2020	BNP Paribas	0.50	1,000,000,000	-	0.00%
TRANSCOSMOS 0% 2020	Mizuho	60.00	150,000,000	-	0.00%

**SALAR FUND PLC**

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**APPENDIX 1  
SCHEDULE OF INVESTMENTS (Continued)  
30 June 2020**

<b>ASSETS (Continued)</b>	<b>Counterparty</b>	<b>Strike Price</b>	<b>Quantity</b>	<b>Fair Value US\$</b>	<b>Net Assets %</b>
<b>BOND OPTIONS (Continued)</b>					
<b>JAPAN (Continued)</b>					
VITAL KSK HOLDINGS 0% 2020	Mizuho	60.00	400,000,000	3,279	0.00%
VITAL KSK HOLDINGS 0% 2020	Nomura	60.00	570,000,000	4,673	0.00%
ZENRIN 0% 2023	Nomura	90.00	750,000,000	-	0.00%
<b>TOTAL JAPAN (2019: 3.09%)</b>				<u>6,673,246</u>	<u>1.34%</u>
<b>TAIWAN</b>					
ZHEN DING TEWCHNOLOGY 0% 2025	JP Morgan		4,000,000	288,704	0.06%
<b>TOTAL TAIWAN (2019: 0.00%)</b>				<u>288,704</u>	<u>0.06%</u>
<b>TOTAL THAILAND (2019: 0.01%)</b>					
<b>TOTAL BOND OPTIONS (2019: 3.57%)</b>				<u>7,265,604</u>	<u>1.46%</u>
<b>INDEX OPTION (2019: 0.31%)</b>					
<b>SWITZERLAND (2019: 0.08%)</b>					
<b>UNITED KINGDOM (2019: 0.23%)</b>					

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Counterparty	Quantity	Fair Value US\$	Net Assets %
<b>CONTRACTS FOR DIFFERENCE</b>				
<b>CHINA</b>				
PING AN BNP USD SWAP X 31/12/2049	BNP Paribas	(87,100)	21,364	0.00%
<b>TOTAL CHINA (2019: 0.01%)</b>			<u>21,364</u>	<u>0.00%</u>
<b>GERMANY</b>				
MTU AERO ENGINES AG 23/09/2025	BNP Paribas	(7,400)	26,207	0.01%
<b>TOTAL GERMANY (2019: 0.00%)</b>			<u>26,207</u>	<u>0.01%</u>
<b>JAPAN</b>				
DAIO PAPER BNP SWAP 31/12/2049	BNP Paribas	(133,500)	6,190	0.00%
KEIHAN RAIL BNP SWAP 31/12/2049	Nomura	(31,500)	13,146	0.00%
NAGOYA RAILROAD BNP SWAP 31/12/2049	Nomura	(252,500)	70,249	0.02%
<b>TOTAL JAPAN (2019: 0.11%)</b>			<u>89,585</u>	<u>0.02%</u>
<b>NETHERLANDS (2019: 0.05%)</b>				
<b>SWITZERLAND (2019: 0.00%)</b>				
<b>TAIWAN (2019: 0.00%)</b>				
<b>UNITED STATES</b>				
BILIBILI INC ORDINARY 01/01/2029	BNP Paribas	(13,100)	4,995	0.00%
YY INC-ADR 0% 01/01/2029	BNP Paribas	(5,500)	4,381	0.00%
<b>TOTAL UNITED STATES (2019: 0.00%)</b>			<u>9,376</u>	<u>0.00%</u>
<b>TOTAL CONTRACTS FOR DIFFERENCE (2019: 0.17%)</b>			<u><u>146,532</u></u>	<u><u>0.03%</u></u>

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>INTEREST RATE SWAPS</b>			
<b>JAPAN</b>			
JPY INTEREST RATE SWAP 0.118% 09/06/2021	2,500,000,000	21,870	0.00%
<b>TOTAL JAPAN (2019: 0.01%)</b>		<u>21,870</u>	<u>0.00%</u>
<b>UNITED KINGDOM (2019: 0.00%)</b>			
<b>UNITED STATES (2019: 0.02%)</b>			
<b>TOTAL INTEREST RATE SWAPS (2019: 0.03%)</b>		<u>21,870</u>	<u>0.00%</u>
<b>WARRANTS (Counterparty: BNP Paribas Securities Services)</b>			
<b>CYPRUS</b>			
ARLO XIV LTD 0% 04/04/2023	500,000,000	212,487	0.04%
<b>TOTAL CYPRUS (2019: 0.00%)</b>		<u>212,487</u>	<u>0.04%</u>
<b>JAPAN</b>			
ANA 0% 17/08/2022	200,000,000	-	0.00%
ARATA CORP 0% 24/07/2023	400,000,000	86,733	0.02%
ARLO XIV LTD 0% 22/08/2022	1,000,000,000	-	0.00%
ARLO XIV LTD 0% 24/09/2024	1,000,000,000	-	0.00%
CHUGOKU ELECTRIC 0% 2022	500,000,000	272,834	0.06%
DCM HOLDINGS 0% 30/11/2020	1,000,000,000	2,611,469	0.53%
J LINK LTD 0% 20/11/2023	500,000,000	-	0.00%
KANSAI 0% 17/06/2022	700,000,000	52,086	0.01%
LINE CORP 0% 20/09/2023	1,300,000,000	145,191	0.03%
LINE CORP 0% 19/09/2025	500,000,000	171,107	0.03%
NIPPON FLOUR 0% 20/06/2025	800,000,000	297,713	0.06%
RELO GROUP 0% 2021	600,000,000	-	0.00%
TAKASHIMAYA 0% 11/11/2020	1,560,000,000	-	0.00%
TAKUMI CAPITAL LTD 0% 13/02/2023	500,000,000	-	0.00%
TAKUMI CAPITAL LTD 0% 25/03/2021	800,000,000	-	0.00%
TAKUMI CAPITAL LTD 0% 30/04/2021	700,000,000	-	0.00%
WESSEX LTD 0% 13/02/2023	1,200,000,000	-	0.00%

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

ASSETS (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>WARRANTS (Continued)</b>			
<b>JAPAN (Continued)</b>			
WESSEX LTD 0% 24/03/2021	260,000,000	13,785	0.00%
WESSEX LTD 0% 21/05/2024	600,000,000	1,695,586	0.34%
WESSEX LTD 0% 17/10/2024	700,000,000	-	0.00%
<b>TOTAL JAPAN (2019: 0.74%)</b>		<u>5,346,504</u>	<u>1.08%</u>
<b>TOTAL WARRANTS (2019: 0.74%)</b>		<u>5,558,991</u>	<u>1.12%</u>
<b>FUTURES CONTRACT (2019: 0.06%)</b>			
<b>BOND FUTURES (2019: 0.04%)</b>			
<b>GERMANY (2019: 0.01%)</b>			
<b>UNITED STATES (2019: 0.03%)</b>			
<b>INDEX FUTURES (2019: 0.02%)</b>			
<b>UNITED KINGDOM (2019: 0.02%)</b>			
<b>FORWARD CURRENCY CONTRACTS (2019: 2.78%)</b>			
<b>TOTAL ASSETS (2019: 97.10%)</b>		<u>417,811,388</u>	<u>84.13%</u>

LIABILITIES	Counterparty	Quantity	Fair Value US\$	Net Assets %
<b>BOND OPTIONS (2019: (0.00)%)</b>				
<b>TOTAL JAPAN (2019: (0.00)%)</b>				



# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

LIABILITIES (Continued)	Counterparty	Quantity	Fair Value US\$	Net Assets %
<b>CONTRACTS FOR DIFFERENCE</b>				
<b>JAPAN</b>				
CHUGOKU ELECTRIC SCOT SWAP	BNP Paribas	(35,000)	(325)	(0.00)%
DCM HLDGS SCOT 31/12/2049	BNP Paribas	(883,000)	(1,033,847)	(0.21)%
FUJI MACHINE MFG BNP SWAP	Nomura	(434,500)	(274,005)	(0.05)%
IWATANI BNP SWAP 31/12/2049	Nomura	(138,600)	(35,792)	(0.01)%
OBARA NOM SWAP 31/12/2049	Nomura	(25,000)	(1,159)	(0.00)%
SBI SCOT SWAP 31/12/2049	BNP Paribas	(172,600)	(257,323)	(0.05)%
SUZUKI MOTOR SCOT SWAP 31/12/2049	BNP Paribas	(14,300)	(10,079)	(0.00)%
YAKO CO LTD 20/06/2024	Nomura	(58,900)	(135,444)	(0.03)%
<b>TOTAL JAPAN (2019: (0.00)%)</b>			<u>(1,747,974)</u>	<u>(0.35)%</u>
<b>SWITZERLAND</b>				
STMICROELECTRONICS MS USD SWAP X 31/12/2049	BNP Paribas	(111,900)	(140,653)	(0.03)%
<b>TOTAL SWITZERLAND (2019: (0.01)%)</b>			<u>(140,653)</u>	<u>(0.03)%</u>
<b>TAIWAN (2019: (0.00)%)</b>				
<b>UNITED KINGDOM</b>				
OCADO EQUITY ORDINARY BNP SWAP CFD 0% 09/12/2025	BNP Paribas	(37,615)	(42,140)	(0.01)%
<b>TOTAL UNITED KINGDOM (2019: (0.00)%)</b>			<u>(42,140)</u>	<u>(0.01)%</u>
<b>UNITED STATES</b>				
ON SEMICONDUCTOR 01/01/2028	BNP Paribas	(50,000)	(13,000)	(0.00)%
<b>TOTAL UNITED STATES (2019: (0.02)%)</b>			<u>(13,000)</u>	<u>(0.00)%</u>
<b>TOTAL CONTRACTS FOR DIFFERENCE (2019: (0.03)%)</b>			<u>(1,943,767)</u>	<u>(0.39)%</u>
<b>INTEREST RATE SWAPS (Counterparty: BNP Paribas Securities Services)</b>				
<b>EUROPE</b>				
EUR INTEREST RATE SWAP 0.0160% 25/08/2023		10,000,000	(145,042)	(0.03)%
EUR INTEREST RATE SWAP 0.068% 22/09/2023		10,000,000	(167,455)	(0.03)%
EUR INTEREST RATE SWAP 0.072% 15/02/2021		30,000,000	(75,451)	(0.02)%

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

LIABILITIES (Continued)	Quantity	Fair Value US\$	Net Assets %
<b>INTEREST RATE SWAPS (Continued)</b>			
<b>EUROPE (Continued)</b>			
EUR INTEREST RATE SWAP 0.1947% 15/11/2022	20,000,000	(311,644)	(0.06)%
EUR INTEREST RATE SWAP 0.262% 27/03/2022	25,000,000	(308,946)	(0.06)%
EUR INTEREST RATE SWAP 0.275% 07/01/2021	25,000,000	(82,502)	(0.02)%
EUR INTEREST RATE SWAP 0.2970% 09/03/2023	10,000,000	(242,895)	(0.05)%
EUR INTEREST RATE SWAP 0.4340% 08/01/2026	7,500,000	(384,848)	(0.08)%
<b>TOTAL EUROPE (2019: (0.18)%)</b>		<u>(1,718,783)</u>	<u>(0.35)%</u>
<b>SWITZERLAND</b>			
CHF INTEREST RATE SWAP 0.2650% 18/05/2025	20,000,000	(857,481)	(0.17)%
<b>TOTAL SWITZERLAND (2019: (0.09)%)</b>		<u>(857,481)</u>	<u>(0.17)%</u>
<b>UNITED KINGDOM</b>			
GBP INTEREST RATE SWAP 0.754% 28/01/2021	25,000,000	(83,381)	(0.02)%
GBP INTEREST RATE SWAP 1.1400% 19/05/2022	10,000,000	(219,768)	(0.04)%
GBP INTEREST RATE SWAP 1.1730% 13/02/2021	15,000,000	(102,404)	(0.02)%
GBP INTEREST RATE SWAP 1.3880% 11/01/2021	10,000,000	(72,607)	(0.02)%
<b>TOTAL UNITED KINGDOM (2019: (0.03)%)</b>		<u>(478,160)</u>	<u>(0.10)%</u>
<b>UNITED STATES</b>			
USD INTEREST RATE SWAP 1.298% 22/09/2022	20,000,000	(480,461)	(0.10)%
USD INTEREST RATE SWAP 1.760% 23/06/2021	25,000,000	(365,509)	(0.07)%
USD INTEREST RATE SWAP 2.484% 08/01/2023	35,000,000	(2,000,917)	(0.40)%
USD INTEREST RATE SWAP 3.143% 15/11/2023	20,000,000	(1,972,327)	(0.40)%
<b>TOTAL UNITED STATES (2019: (0.22)%)</b>		<u>(4,819,214)</u>	<u>(0.97)%</u>
<b>TOTAL INTEREST RATE SWAPS (2019: (0.52)%)</b>		<u>(7,873,638)</u>	<u>(1.59)%</u>

**SALAR FUND PLC**

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**APPENDIX 1  
SCHEDULE OF INVESTMENTS (Continued)  
30 June 2020**

<b>LIABILITIES (Continued)</b>	<b>Quantity</b>	<b>Fair Value US\$</b>	<b>Net Assets %</b>
<b>FUTURES CONTRACT</b>			
<b>BOND FUTURES (Counterparty: BNP Paribas Securities Services)</b>			
<b>UNITED STATES</b>			
US 10YR NOTE (CBT) SEPTEMBER 20	(20)	(42,500)	(0.01)%
US 5YR NOTE (CBT) SEPTEMBER 20	(125)	(122,070)	(0.02)%
<b>TOTAL UNITED STATES (2019: (0.00)%)</b>		<u>(164,570)</u>	<u>(0.03)%</u>
<b>TOTAL BOND FUTURES (2019: (0.00)%)</b>		<u>(164,570)</u>	<u>(0.03)%</u>
<b>TOTAL FUTURES CONTRACT (2019: (0.00)%)</b>		<u>(164,570)</u>	<u>(0.03)%</u>

# SALAR FUND PLC

## APPENDIX 1 SCHEDULE OF INVESTMENTS (Continued) 30 June 2020

### LIABILITIES (Continued)

#### FORWARD CURRENCY CONTRACTS

Currency Bought (Counterparty: BNP Paribas)	Amount Bought	Currency Sold	Amount Sold	Contract Date	Unrealised Loss US\$	Net Assets %
EUR	1,700,000	AUD	2,781,020	20/07/2020	(4,295)	(0.00)%
EUR	19,100,000	HKD	167,617,398	20/07/2020	(142,635)	(0.03)%
EUR	5,000,000	SGD	7,866,600	20/07/2020	(19,699)	(0.00)%
GBP	18,000,000	CHF	21,543,552	20/07/2020	(473,744)	(0.10)%
GBP	21,000,000	JPY	2,847,980,100	20/07/2020	(419,206)	(0.09)%
GBP	89,000,000	USD	112,629,785	20/07/2020	(2,445,038)	(0.49)%

<b>TOTAL FORWARD CURRENCY CONTRACTS (2019: (0.44)%)</b>	<b>(3,504,617)</b>	<b>(0.71)%</b>
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<b>TOTAL LIABILITIES (2019: (0.99)%)</b>	<b>(13,486,592)</b>	<b>(2.72)%</b>
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<b>NET FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (2019: 96.11%)</b>	<b>404,324,796</b>	<b>81.41%</b>
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**% of total  
gross  
assets**

#### ANALYSIS OF TOTAL GROSS ASSETS

Transferable securities and money market instruments admitted to an official stock exchange listed or traded in a regulated market	75.42%
Exchange traded financial derivatives	2.42%
Other current assets	22.16%
<b>TOTAL (2019: 100.00%)</b>	<b>100.00%</b>

**APPENDIX 2**  
**STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS**  
**30 June 2020**

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>
JP MORGAN CHASE BANK NA 0.125% 01/01/2023	USD	16,898,600
CHUGOKU ELECTRIC POWER CO	JPY	16,162,908
SINO BIOPHARMACEUTICAL 0% 17/02/2025	EUR	11,622,815
BARCLAYS BANK PLC 0% 04/02/2025	USD	11,440,000
TREASURY CERTIFICATES BGTB 0% 09/07/2020	EUR	11,231,685
AMERICA MOVIL SAB DE CV 0% 28/05/2020	EUR	11,006,931
BP CAPITAL MARKETS PLC 1% 28/04/2023	GBP	10,098,618
ANLLIAN CAPITAL LTD 0% 05/02/2025	EUR	9,167,031
DELIVERY HERO AG 0.25% 23/01/2024	EUR	9,053,200
STMICROELECTRONICS NV 0% 03/07/2022	USD	8,902,700
SOUTHWEST AIRLINES CO LUV 1.25% 01/05/2025	USD	8,146,125
JP MORGAN CHASE BANK NA 0% 30/12/2020	USD	7,131,972
AMADEUS IT GROUP SA 1.50% 09/04/2025	EUR	6,876,484
DIGITAL GARAGE INC 0% 14/09/2023	JPY	6,586,446
NATIONAL GRID NA INC 0.90% 02/11/2020	GBP	6,293,615
BARCLAYS BANK PLC 0% 18/02/2025	USD	6,102,250
EXTRA SPACE STORAGE INC	USD	5,958,940
JP MORGAN CHASE BANK NA 0% 24/05/2022	EUR	5,647,365
GEELY SWEDEN FINANCE AB 0% 19/06/2024	EUR	5,521,132
BEST PATH GLOBAL 0% 18/05/2021	HKD	5,419,355
LIBERTY MEDIA CORP 1.375% 15/10/2023	USD	5,143,986
SAFRAN SA 0% 21/06/2023	EUR	5,023,392
LIVE NATION ENTERTAINMEN 2% 15/02/2025	USD	5,000,000
UMICORE SA 0% 23/06/2025	EUR	4,739,700
COSMO ENERGY HLD 0% 05/12/2022	JPY	4,725,887
INNOLUX CORP CHINNO 0% 22/01/2025	USD	4,614,500
SMART INSIGHT INTL LTD COGARD 4.50% 05/12/2023	HKD	4,576,265
WORKDAY INC 0.25% 01/10/2022	USD	4,484,561
SWISS PRIME SITE AG 0.25% 16/06/2023	CHF	4,484,386
AIRBUS GROUP SE 0% 14/06/2021	EUR	4,429,465

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

## SALAR FUND PLC

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### APPENDIX 2

#### STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)

30 June 2020

Sales	Ccy	Proceeds US\$
AMERICA MOVIL SAB DE CV 0% 28/05/2020	EUR	38,439,135
CHUGOKU ELECTRIC POWER 0% 24/01/2020	JPY	31,047,393
MORGAN STANLEY FIN LLC 0% 17/12/2021	EUR	24,074,829
CHINA OVRES FIN KY 5 0% 05/01/2023	USD	23,869,560
NATIONAL GRID NA INC 0.90% 02/11/2020	GBP	20,053,192
BRITISH LAND CO 0% 09/06/2020	GBP	19,058,371
BASF SE BASGR 0.925% 09/03/2023	USD	18,690,038
CHUGOKU ELECTRIC POWER CO	JPY	16,001,141
RAG-STIFTUNG 0% 02/10/2024	EUR	14,221,093
LINK 2019 CB LTD 1.6% 03/04/2024	HKD	13,154,559
SIKA AG 0.15% 05/06/2025	CHF	11,711,566
SINO BIOPHARMACEUTICAL 0% 17/02/2025	EUR	11,542,328
YAMAGUCHI FINANCIAL GROUP 0% 26/03/2020	USD	11,100,000
SHANGHAI PORT GROUP BVI 0% 09/08/2021	USD	10,895,500
ELIOTT CAPITAL SARL 0% 30/12/2022	EUR	10,895,386
JP MORGAN CHASE BANK 0% 07/08/2022	USD	10,294,750
ANGANG STEEL CO LTD 0% 25/05/2023	HKD	9,675,437
STMICROELECTRONICS NV 0% 03/07/2022	USD	9,493,750
REMGRO JERSEY GBP LTD 2.625% 22/03/2021	GBP	9,477,193
SWISS PRIME SITE AG 0.325% 16/01/2025	CHF	9,376,463
JP MORGAN CHASE BANK NA 0.125% 01/01/2023	USD	8,873,256
J SAINSBURY PLC 2.875% 29/12/2049	GBP	8,853,137
ANLLIAN CAPITAL LTD 0% 05/02/2025	EUR	8,790,491
DELIVERY HERO AG 0.25% 23/01/2024	EUR	8,740,329
SPLUNK INC 0.50% 15/09/2023	USD	8,610,818
SAFRAN SA 0% 21/06/2023	EUR	8,499,031
CEMBRA MONEY BANK AG 0% 09/07/2026	CHF	8,494,832
CIE GENERALE DES ESTABLI MLFP 0% 10/01/2022	USD	8,431,100
RAG-STIFTUNG 0% 16/03/2023	EUR	8,426,189

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

**APPENDIX 3**  
**SECURITIES FINANCING TRANSACTION REGULATION DISCLOSURE**  
**30 June 2020**

The Securities Financing Transaction Regulation came into effect on 12 January 2016. The purpose of the SFTR is to enhance transparency around the use of Securities Financing Transactions (SFTs) and Total Return Swaps (TRSs). It is the Board of Directors and Management's view that the Fund does not hold any instruments subject to the SFTR. The Fund does hold Contracts for Difference (CFDs). Whether CFDs are included in the definition of TRS is uncertain and clarification has been sought from ESMA on this matter. It is the Fund's current understanding that CFDs will not be in scope for the SFTR and as such are excluded from this unaudited note to the financial statements.