

SALAR FUND PLC
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM
1 JANUARY 2015
TO
30 JUNE 2015

SALAR FUND PLC

UNAUDITED FINANCIAL STATEMENTS 30 June 2015

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SALAR FUND PLC

FUND INFORMATION

DIRECTORS

Yvonne Connolly*
Nicholas Curtis
Teddy Otto* - Chairman

All Directors are non-executive
*independent Director

REGISTERED OFFICE

Custom House Plaza,
Block 6,
International Financial Services Centre,
Dublin 1,
Ireland.

INVESTMENT MANAGER AND DISTRIBUTOR

Ferox Capital LLP,
66 St. James's Street,
London SW1A 1NE,
England.

ADMINISTRATOR

Citco Fund Services (Ireland) Limited,
Custom House Plaza,
Block 6,
International Financial Services Centre,
Dublin 1,
Ireland.

CUSTODIAN

UBS (Luxembourg) S.A.,
Dublin Branch,
1 Georges Quay Plaza,
Dublin 2,
Ireland.

PRIME BROKER/SUB-CUSTODIAN

UBS AG,
London Branch,
1 Finsbury Avenue,
London EC2M 2PP,
United Kingdom.

SALAR FUND PLC

FUND INFORMATION (Continued)

LEGAL ADVISORS *(As to Irish Law)*

Dechert,
Riverside Two,
Sir John Rogerson's Quay,
Dublin 2,
Ireland.

(As to UK and US Law)

Dechert LLP,
160 Queen Victoria Street,
London,
EC4V 4QQ,
England.

AUDITORS

Ernst & Young,
Chartered Accountants,
Ernst & Young Building,
Harcourt Centre,
Harcourt Street,
Dublin 2,
Ireland.

COMPANY SECRETARY

CCT Secretarial Limited,
Block 6,
Custom House Plaza,
International Financial Services Centre,
Dublin 1,
Ireland.

SALAR FUND PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Notes	Unaudited 30 June 2015 US\$	Audited 31 December 2014 US\$
Assets			
Cash and cash equivalents		2,915,501	10,293,834
Due from brokers	6	141,700,582	76,673,752
Financial assets at fair value through profit or loss	3,4	1,053,157,395	845,104,430
Subscription proceeds due		3,970,971	10,732,542
Interest receivable		3,289,193	3,621,429
Dividends receivable		285	48,054
Other receivables and prepayments		24,375	63,064
Total assets		<u>1,205,058,302</u>	<u>946,537,105</u>
Liabilities			
Due to brokers	6	31,793,276	5,389,062
Financial liabilities at fair value through profit or loss	3,4	3,271,659	10,747,235
Performance fee payable	5	4,057,002	2,053,288
Investment management fee payable	5	1,081,428	934,392
Redemptions payable		229,803	585,386
Administration fee payable	5	227,229	212,639
Equalisation payable		151,225	135,711
Custodian fee payable	5	61,110	60,738
Interest payable		30,271	214
Audit fee payable	5	22,970	68,252
Dividends payable		–	3,467
Accrued expenses and other payables		617,002	120,878
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>41,542,975</u>	<u>20,311,262</u>
Net assets attributable to holders of redeemable participating shares		<u>1,163,515,327</u>	<u>926,225,843</u>

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

SALAR FUND PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2015

	Unaudited 30 June 2015	Audited 31 December 2014
Net asset value per ordinary share		
Class A1 US\$ Shares (Accumulation)	US\$147.09	US\$140.02
Class A2 US\$ Shares (Accumulation)	US\$125.78	US\$119.99
US\$ Management Shares (Accumulation)	US\$108.05	US\$101.83
Class C1 US\$ Shares (Distribution - income)	US\$124.52	US\$119.56
Class C1 US\$ Shares (Distribution - non-income)	US\$135.30	US\$128.79
Class C2 US\$ Shares (Distribution - income)*	US\$–	US\$117.45
Class E1 US\$ Shares (Accumulation)	US\$132.14	US\$125.81
Class E1 US\$ Shares (Distribution - income)***	US\$102.26	US\$–
Class E2 US\$ Shares (Accumulation)	US\$128.91	US\$122.97
Class E3 US\$ Shares (Accumulation)	US\$126.05	US\$120.56
Class I US\$ Shares (Accumulation)****	US\$99.20	US\$–
Class A1 Euro Shares (Accumulation)	€151.35	€144.21
Euro Management Shares (Accumulation)**	€104.80	€–
Class C1 Euro Shares (Distribution - income)	€125.76	€120.91
Class E1 Euro Shares (Accumulation)	€146.34	€139.44
Class E2 Euro Shares (Accumulation)	€141.77	€135.45
Class E3 Euro Shares (Accumulation)	€126.16	€120.80
Class I Euro Shares (Accumulation)*****	€99.26	€–
Class A1 Sterling Shares (Accumulation)	£154.29	£146.63
Class A2 Sterling Shares (Accumulation)	£151.13	£143.94
Sterling Management Shares (Accumulation)	£149.96	£141.07
Class C1 Sterling Shares (Distribution - income)	£138.17	£132.47
Class C1 Sterling Shares (Distribution - non-income)	£140.43	£133.45
Class C2 Sterling Shares (Distribution - income)	£138.57	£132.63
Class C2 Sterling Shares (Distribution - non-income)	£136.75	£130.25
Class E1 Sterling Shares (Accumulation)	£134.36	£127.71
Class E1 Sterling Shares (Distribution - income)	£110.29	£105.86
Class E3 Sterling Shares (Accumulation)	£128.13	£122.31
Class I Sterling Shares (Accumulation)****	£99.21	£–

* Share class redeemed 31 December 2014.

** Share class launched 5 May 2015.

*** Share class launched 24 February 2015.

**** Share class launched 8 June 2015.

***** Share class launched 9 June 2015.

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

SALAR FUND PLC

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2015

	Notes	30 June 2015 US\$	30 June 2014 US\$
Income			
Interest income		16,379,355	16,483,864
Dividend income		738,984	109,277
Dividend withholding tax		(38,488)	(3,391)
Net gain on securities, derivative instruments and foreign exchange		<u>6,342,829</u>	<u>31,739,395</u>
Total investment gain		<u>23,422,680</u>	<u>48,329,145</u>
Expenses			
Investment management fee	5	5,142,644	5,985,332
Performance fee	5	4,324,311	2,553,911
Interest expense		1,494,219	1,095,641
Other operating expenses		897,978	883,171
Administration fee	5	617,814	688,779
Custodian fees	5	116,688	135,407
Dividends on securities sold short		<u>141,166</u>	<u>–</u>
Total expenses		<u>12,734,820</u>	<u>11,342,241</u>
Finance costs			
Distributions to shareholders		<u>2,378,949</u>	<u>3,392,388</u>
Total finance costs		<u>2,378,949</u>	<u>3,392,388</u>
Net gain attributable to holders of redeemable participating shares		<u>8,308,911</u>	<u>33,594,516</u>

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 period ended 30 June 2015

	30 June 2015 US\$	30 June 2014 US\$
Net gain attributable to holders of redeemable participating shares	8,308,911	33,594,516
Issue of redeemable participating shares		
Class A1 US\$ Shares (Accumulation)	1,690,979	5,637,432
Class A2 US\$ Shares (Accumulation)	–	559,903
Class B US\$ Shares (Accumulation)	–	509,955
Class C1 US\$ Shares (Distribution - income)	448,406	877,943
Class C1 US\$ Shares (Distribution non - income)	1,587	1,364,596
Class C2 US\$ Shares (Distribution - income)	1,252,590	–
Class E1 US\$ Shares (Accumulation)	18,341,389	14,640,858
Class E1 US\$ Shares (Distribution - income)	63,561,040	–
Class E2 US\$ Shares (Accumulation)	1,513,457	4,001,444
Class E3 US\$ Shares (Accumulation)	3,201,179	5,704,779
Class A1 Euro Shares (Accumulation)	68,846	2,495,980
Euro Management Shares (Accumulation)	5,531,200	–
Class C1 Euro Shares (Distribution - income)	1,547,897	1,310,243
Class I Euro Shares (Accumulation)	40,091,348	–
Class E1 Euro Shares (Accumulation)	50,641,663	86,547,992
Class E2 Euro Shares (Accumulation)	43,413,073	65,725,505
Class E3 Euro Shares (Accumulation)	56,542,704	55,080,381
Class A1 Sterling Shares (Accumulation)	20,328	539,431
Class A2 Sterling Shares (Accumulation)	772,171	409,004
Sterling Management Shares (Accumulation)	230,513	–
Class I Sterling Shares (Accumulation)	114,204,318	–
Class C1 Sterling Shares (Distribution - income)	28,296,055	42,226,282
Class C1 Sterling Shares (Distribution non - income)	1,333,127	1,263,922
Class C2 Sterling Shares (Distribution - income)	94,077	73,961
Class C2 Sterling Shares (Distribution non - income)	–	6
Class E1 Sterling Shares (Accumulation)	15,712,490	6,439,604
Class E1 Sterling Shares (Distribution - income)	12,561,902	44,248,261
Class E3 Sterling Shares (Accumulation)	–	319,937
Total proceeds from issue of shares during the period	461,072,339	339,977,419

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 (Continued)
For the period ended 30 June 2015

	30 June 2015 US\$	30 June 2014 US\$
Redemption of redeemable participating shares		
Class A1 US\$ Shares (Accumulation)	(22,642,068)	–
Class A2 US\$ Shares (Accumulation)	–	(107,000)
US\$ Management Shares (Accumulation)	(5,000,000)	–
Class B US\$ Shares (Accumulation)	–	(24,931)
Class C1 US\$ Shares (Distribution - income)	(1,969,601)	(103,411)
Class C1 US\$ Shares (Distribution non - income)	(1,972,703)	(880,944)
Class C2 US\$ Shares (Distribution - income)	(88,776)	(52,675)
Class E1 US\$ Shares (Accumulation)	(18,867,108)	(14,293,260)
Class E2 US\$ Shares (Accumulation)	(1,854,740)	(1,773,855)
Class E3 US\$ Shares (Accumulation)	(3,673,534)	(1,498,545)
Class A1 Euro Shares (Accumulation)	(31,271,289)	(2,330,479)
Class C1 Euro Shares (Distribution - income)	(2,610,801)	(41,426)
Class E1 Euro Shares (Accumulation)	(23,174,460)	(18,622,297)
Class E2 Euro Shares (Accumulation)	(9,677,474)	(24,542,611)
Class E3 Euro Shares (Accumulation)	(23,342,597)	(30,826,736)
Class A1 Sterling Shares (Accumulation)	(4,962,727)	(8,336,544)
Class A2 Sterling Shares (Accumulation)	(342,075)	(244,593)
Sterling Management Shares (Accumulation)	(48,739)	–
Class C1 Sterling Shares (Distribution - income)	(51,951,517)	(46,291,552)
Class C1 Sterling Shares (Distribution non - income)	(11,130,295)	(867,092)
Class C2 Sterling Shares (Distribution - income)	(4,433,615)	(810,669)
Class C2 Sterling Shares (Distribution non - income)	(15,980)	–
Class E1 Sterling Shares (Accumulation)	(4,457,202)	(26,118,957)
Class E1 Sterling Shares (Distribution - income)	(8,249,351)	(2,268,481)
Class E3 Sterling Shares (Accumulation)	(203,889)	–
Total cost of shares redeemed during the period	<u>(231,940,541)</u>	<u>(180,036,058)</u>
Total increase from capital activity	<u>229,131,798</u>	<u>159,941,361</u>
Equalisation	(151,225)	(69,056)
Net assets at the beginning of the year	926,225,843	917,650,107
Net assets attributable to holders of redeemable participating shares at the end of the period	<u><u>1,163,515,327</u></u>	<u><u>1,111,116,928</u></u>

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

SALAR FUND PLC

UNAUDITED STATEMENT OF CASH FLOWS
For the period ended 30 June 2015

	30 June 2015 US\$	30 June 2014 US\$
Cash flows from operating activities:		
Net gain attributable to holders of redeemable participating shares	8,308,911	33,594,516
Adjustments to reconcile gain attributable to holders of redeemable participating shares to net cash used in operating activities:		
Purchase of financial instruments held for trading	(1,035,745,983)	(942,809,096)
Proceeds from sale of financial instruments held for trading	862,685,498	810,624,983
Unrealised gain/(loss) on financial instruments held for trading	(25,102,976)	6,760,281
Net realised gain on financial instruments held for trading	(17,365,080)	(28,792,719)
Due from/to brokers	(38,622,616)	(38,195,053)
Interest receivable	332,236	38,783
Dividends receivable	47,769	–
Other receivables and prepayments	38,689	17,144
Performance fee payable	2,003,714	(4,035,537)
Investment management fee payable	147,036	223,298
Administration fee payable	14,590	16,593
Custodian fee payable	372	(3,480)
Interest payable	30,057	293,271
Audit fee payable	(45,282)	(33,619)
Dividends payable	(3,467)	–
Accrued expenses and other payables	496,124	607,423
Net cash used in operating activities	<u>(242,780,408)</u>	<u>(161,693,212)</u>
Cash flows from financing activities:		
Proceeds from issue of redeemable participating shares	467,698,199	340,075,150
Payment on redemptions of redeemable participating shares	<u>(232,296,124)</u>	<u>(179,270,156)</u>
Net cash provided by financing activities	<u>235,402,075</u>	<u>160,804,994</u>
Net decrease in cash and cash equivalents	(7,378,333)	(888,218)
Cash and cash equivalents at beginning of the period	<u>10,293,834</u>	<u>2,784,129</u>
Cash and cash equivalents at end of the period	<u>2,915,501</u>	<u>1,895,911</u>
<i>Supplementary cash flow information:</i>		
Interest received	16,711,591	16,522,647
Interest paid	1,464,162	(802,370)
Dividends received	748,265	105,886
Dividends paid	144,633	–

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

SALAR FUND PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the period ended 30 June 2015

1. ORGANISATION

Salar 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”) under the European Communities Undertakings for Collective Investment in Transferable Securities (UCITS) Regulations 2011 (as amended) (the “UCITS 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 targets absolute returns and aims to achieve returns which exceed the Benchmark Return as defined in the Fund’s Prospectus.

The Fund’s investment activities are managed by Ferox Capital LLP (the “Investment Manager”) with the administration of the Fund delegated to Citco Fund Services (Ireland) Limited (the “Administrator”).

Shares are issued and redeemed as GBP, Euro and US\$ shares. The Fund has six main classes of shares, Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares and Class I Shares. As at 30 June there were no open Class B and Class D Shares.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

Statement of compliance

The unaudited financial statements are condensed and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2014. The unaudited financial statements are also prepared in accordance with the provisions of the Companies Act 2014 and the UCITS Regulations. The format and certain wordings of the unaudited financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Fund’s business as an investment fund.

The unaudited financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) *Financial instruments*

(i) *Classification*

The Fund designates its financial assets and financial liabilities into the categories below in accordance with International Accounting Standards (“IAS”) 39.

Financial assets and liabilities held for trading

These include convertible bonds, corporate bonds, zero convertible bonds, warrants, bond options, index options, equity options, interest rate swaps, contracts for difference (“CFDs”), futures contracts and forward currency contracts. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives are categorised as held for trading, as the Fund does not designate any derivatives as hedging instruments for hedge accounting purposes as described under IAS 39.

(ii) *Recognition*

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

(iii) *Derecognition*

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

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

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

(iv) *Initial measurement*

Financial instruments categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Unaudited Statement of Comprehensive Income.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) *Financial instruments (continued)*

(v) *Subsequent measurement*

After initial measurement, the Fund measures financial instruments which are classified as held for trading at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the Unaudited Statement of Financial Position date without any deduction for estimated future selling costs.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by the Investment Manager, acting as the competent person appointed by the Directors per the Valuation Policy of 16 September 2014 and approved for such purposes by UBS (Luxembourg) S.A. Dublin Branch (the "Custodian"), using valuation techniques, including use of recent arm's length market transactions, referencing to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Fund records its derivative activities on a fair value basis. Fair values are determined using quoted market prices, models and broker quotations. For over-the-counter ("OTC") contracts, the assets represent the Fund's unrealised gains, and liabilities represent unrealised losses.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Unaudited Statement of Comprehensive Income. Subsequent changes in the fair value of financial instruments held for trading are recognised in the Unaudited Statement of Comprehensive Income. Where the Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for offsetting risk positions and applies the last price to the net open position as appropriate.

(c) *Impairment of financial assets*

The Fund assesses at each Statement of Financial Position date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) *Offsetting financial instruments*

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

(e) *Cash and cash equivalents*

Cash and cash equivalents include amounts due from banks on demand and interest bearing deposits with original maturities of three months or less. Cash on hand or on deposit is held for the purpose of meeting short-term cash commitments rather than for investments or other purposes. Cash and cash equivalents are held with Citco Bank Nederland NV.

(f) *Foreign currency translation*

Functional and presentation currency

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

Foreign currency transactions

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

(g) *Use of estimates*

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) *Dividend income*

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

(i) *Interest income and expense*

Interest income and interest expense are recognised on an effective yield basis in the Unaudited Statement of Comprehensive Income.

(j) *Taxation*

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

(k) *Redeemable participating shares*

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

The redeemable participating shares can be put back to the Fund on any dealing day for cash equal to a proportionate share of the Fund’s net asset value. The Fund’s net asset value per share is calculated by dividing the net assets attributable to holders of redeemable participating shares with the total number of outstanding redeemable shares.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) *Expenses*

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

(m) *Transaction costs*

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Financial instruments categorised at fair value through profit or loss measured initially at fair value, with transaction costs for such instruments being recognised directly in the Unaudited Statement of Comprehensive Income.

Transaction costs on purchases or sales of financial assets or financial liabilities are included in net gain on securities, derivatives and foreign exchange in the Unaudited Statement of Comprehensive Income.

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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 multiple broker quotes. Investments which are included in this category include convertible bonds, corporate bonds, bond options, equity options, index options, warrants, CFDs, interest rate swaps and forward currency contracts.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

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

The following tables summarise the valuation of the Fund's financial assets and liabilities by the above fair value hierarchy levels as of 30 June 2015 and 31 December 2014.

30 June 2015	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Debt instruments	–	1,022,149,666	240,452	1,022,390,118
Equity instruments	728,414	–	–	728,414
Financial derivatives	434,728	29,604,135	–	30,038,863
Total financial assets	1,163,142	1,051,753,801	240,452	1,053,157,395
Financial liabilities				
Financial derivatives	(77,607)	(3,194,052)	–	(3,271,659)
Total financial liabilities	(77,607)	(3,194,052)	–	(3,271,659)
31 December 2014				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Debt instruments	–	815,740,068	544,353	816,284,421
Equity instruments	1,802,759	–	–	1,802,759
Financial derivatives	3,231,660	23,785,590	–	27,017,250
Total financial assets	5,034,419	839,525,658	544,353	845,104,430
Financial liabilities				
Financial derivatives	(341,694)	(10,404,331)	(1,210)	(10,747,235)
Total financial liabilities	(341,694)	(10,404,331)	(1,210)	(10,747,235)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Certain financial instruments may be recorded using valuation techniques with unobservable market data or are priced to incorporate low levels of market activity and are therefore included in Level 3. These include convertible bonds with a fair value of US\$200,450 (31 December 2014: US\$494,351), zero coupon convertible bonds with a fair value of US\$40,002 (31 December 2014: US\$50,002) and contracts for difference with a fair value of US\$Nil (31 December 2014: US\$(1,210)).

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 2015 and 31 December 2014. There were no movements between Level 1 and Level 2 during the period.

4. 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 IAS 39). The derivative contracts that the Fund holds or issues are interest rate swaps, bond options, equity options, index options, warrants, CFDs, futures contracts and forward currency contracts.

As of 30 June 2015, the following derivative contracts were included in the Fund's Unaudited Statement of Financial Position at fair value through profit or loss:

	Asset US\$	Liability US\$
Bond options	18,810,266	–
Contracts for difference	1,156,684	(631,028)
Equity options	664,514	–
Forward currency contracts	8,198,445	(838,053)
Futures contracts	223,117	(77,607)
Interest rate swaps	43,612	(1,724,971)
Warrants	942,225	–
Total	30,038,863	(3,271,659)

SALAR FUND PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued) For the period ended 30 June 2015

4. DERIVATIVE CONTRACTS (Continued)

As of 31 December 2014, the following derivative contracts were included in the Fund's Statement of Financial Position at fair value through profit or loss:

	Asset US\$	Liability US\$
Bond options	19,489,609	–
Index options	25,143	–
Equity options	3,017,008	–
Contracts for difference	75,132	(1,126,246)
Forward currency contracts	1,490,517	(7,534,895)
Futures contracts	189,509	(341,694)
Interest rate swaps	104,401	(1,744,400)
Warrants	2,625,931	–
Total	27,017,250	(10,747,235)

One of the differences in the risk associated with OTC contracts and exchange-traded contracts is regarding credit risk. The Fund has credit risk from OTC contracts when two conditions are present (i) the OTC contracts have unrealised gains, net of any collateral and (ii) the counterparty to the contract may default. The credit risk related to exchange-traded contracts is reduced by having the exchange's clearing house act as a central counterparty for the transaction. However, margin balances are subject to counterparty risk with the broker.

Bond options

Bond options represent OTC contracts with major multinational brokers which allow the Fund to invest solely in the optionality component of a predetermined specific notional amount of a convertible bond. Unrealised gains or losses 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.

Contracts for difference

CFDs represent 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 is valued at the CFD's settlement date and is included in the Unaudited Statement of Comprehensive Income.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

4. DERIVATIVE CONTRACTS (Continued)

Forward currency contracts

Forward currency contracts are OTC agreements entered into by the Fund 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/period-end date and are 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.

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. Unrealised gains or losses are fair valued with the resulting movement recorded in the Unaudited Statement of Comprehensive Income.

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.

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 timeframe. Warrants which are traded on an active market are valued at the quoted price.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

4. DERIVATIVE CONTRACTS (Continued)

Warrants (continued)

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 listed warrants through regulated 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.

5. 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 of 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 net asset value of Class A2, Class C2 and Class E2 Shares, an investment management fee equal to 1/12 of 0.9 per cent per month of the net asset value of Class D 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 net asset value 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 and payable monthly in arrears. The total investment management fee for the period was US\$5,142,644 (30 June 2014: US\$5,985,332) and US\$1,081,428 (31 December 2014: US\$934,392) was payable at period end.

No investment management fee is payable in respect of Class B Shares or Management Shares.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

5. FEES AND EXPENSES (Continued)

Performance Fee

The Investment Manager is also entitled to receive an annual performance fee in respect of each Class A Share, Class C Share, Class D Share, Class E Share and Class I Share in the Fund. The performance fee is calculated in respect of each calendar year by reference to the net asset value per share of the class concerned as at the last valuation point prior to the commencement of that calendar year and the net asset value per share of that class as at the last valuation point in that calendar year (a "Calculation Period"). The initial offer price of the relevant class shall be the starting net asset value per share for the calculation of the threshold net asset value per share (as defined below) for Class A Share, Class C Share, Class D Share, Class E share and shall be the starting net asset value per share for the calculations of the hurdle and the high water mark (as defined below) for Class I Share.

The Directors have the right to change the Calculation Period to each calendar quarter in each year with effect from the start of the calendar year following that in which the Directors determine to make such change subject to giving at least three months prior written notice thereof to the shareholders.

The performance fee in respect of each Class A Share, Class C Share and Class D Share in any Calculation Period is equal to 10 per cent of the appreciation in the net asset value per share of the class concerned (before deduction for any accrued performance fees and adjusted to take into account any dividends paid during such period in respect of Distribution Shares) during that Calculation Period (or part thereof during which the relevant Share was in issue) above the threshold net asset value per share (as defined below) for that class in respect of that Calculation Period (or part thereof).

For each of the Class E Shares, a performance fee calculation in respect of each Calculation Period is equal to the aggregate of the performance fees determined in respect of each separate subscription of shares, accrued daily. The performance fee calculation for each separate subscription of shares will be 10 per cent of any increase in the net asset value per share of the relevant share class during the Calculation Period over the threshold net asset value per share relating to that subscription, after deduction of the investment management fee (but not any accrued performance fees) and any trading expenses for that period. 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 the net asset value per share of the share class. There may be occasions where an investor effectively pays performance fees for which it has gained no benefit or where some investors are subsidising other investors.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

5. FEES AND EXPENSES (Continued)

Performance Fee (continued)

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 net asset value will be adjusted to reflect such fee. No performance fee will accrue or be paid until the net asset value exceeds the high water mark. The performance fee shall be paid after the end of the Calculation Period in arrears. The Custodian shall verify the calculation of the performance fee prior to payment at the end of each Calculation Period.

The threshold net asset value per share of the Class A Shares, Class C Shares, Class D Shares and Class E Shares in respect of each Calculation Period will be the starting net asset value per share of each class of Class A Shares, Class C Shares, Class D Shares and Class E Shares multiplied by the benchmark return. The starting net asset value per share of each relevant class of Class A Shares, Class C Shares, Class D Shares and Class E Shares will be the net asset value per share of the relevant class at the date of issue of that share (before deduction for any accrued performance fees and adjusted to take into account any dividends paid during such period) or, if issued in a previous Calculation Period, the net asset value per share of the relevant class at the start of the current Calculation Period.

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 net asset value 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.

For each Calculation Period, the benchmark return in respect of a Class A US\$ Share and Non-Voting Share, Class C US\$ Share, Class D US\$ Share and Class E US\$ Share is the percentage rate achieved by compounding on a rolling daily basis to the end of the Calculation Period 100 per cent plus the US\$ 3-month LIBOR interest rate on the first business day of each calendar quarter in the Calculation Period.

For each Calculation Period, the benchmark return in respect of a Class A Sterling Share, Class C Sterling Share and Class E Sterling Share is the percentage rate achieved by compounding on a rolling weekly basis to the end of the Calculation Period 100 per cent plus the Sterling 3-month LIBOR interest rate on the first business day each calendar quarter in the Calculation Period.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

5. FEES AND EXPENSES (Continued)

Performance Fee (continued)

For each Calculation Period, the benchmark return in respect of a Class A Euro Share, Class C Euro Share and Class E Euro Share is the percentage rate achieved by compounding on a rolling weekly basis to the end of the Calculation Period 100 per cent plus the Euro 3-month LIBOR interest rate on the first business day of each calendar quarter in the Calculation Period.

No performance fee is payable in respect of the Class B Shares or Management Shares.

There was US\$4,324,311 (30 June 2014: US\$2,553,911) performance fee accrued on the Fund for the period ended 30 June 2015 and US\$4,057,002 (31 December 2014: US\$2,053,288) was payable at period end.

Equalisation

The subscription price at which Class A Shares, Class C Shares, Class D Shares and Class I Shares are issued on any dealing day (other than the first dealing day in any Calculation Period) is the net asset value per share of each such class before accrual for the performance fee (if any). The difference between the subscription price of a Class A Share, Class C Share, Class D Share and Class I Share and the net asset value per share of that class after accrual for the performance fee per share is referred to as an equalisation credit. An adjustment is then made at the end of each Calculation Period to compensate for the difference between the amount of performance fee accrued in respect of a Class A Share, Class C Share, Class D Share and Class I Share at the time of subscription and the performance fee payable in respect of that share at the end of the Calculation Period. No equalisation adjustment is made in respect of the Class E Shares.

Administration Fee

The Administrator receives from the Fund a monthly administration fee for its services which is calculated as a percentage of the Fund's net assets calculated as at each valuation day and payable in arrears. The total administration fee for the period was US\$617,814 (30 June 2014: US\$688,779) and US\$227,229 was payable at period end (31 December 2014: US\$212,639).

Custodian Fee

The Custodian 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 0.05 per cent per annum of the net asset value of the Fund subject to a minimum annual fee of the US\$ equivalent of €40,000 (plus VAT, if any) thereon. The total custodian fee for the period was US\$116,688 (30 June 2014: US\$135,407) and US\$61,110 (31 December 2014: US\$60,738) was payable at period end.

SALAR FUND PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued) For the period ended 30 June 2015

5. FEES AND EXPENSES (Continued)

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' fees and expenses for the period were US\$23,885 (30 June 2014: US\$15,059) and US\$18,907 (31 December 2014: US\$Nil) was prepaid at period end. The Fund paid US\$24,647 to Carne Global Financial Services Limited ("Carne"), an independent governance firm, in respect of Director support services for Yvonne Connolly and Teddy Otto. Yvonne Connolly and Teddy Otto are employees of Carne. Nicholas Curtis, a Director related to the Investment Manager, is not entitled to receive any fees for acting as a Director of the Fund.

Audit Fee

The total audit fee for the period was US\$23,552 (30 June 2014: US\$43,859) and US\$22,970 (31 December 2014: US\$68,252) was payable at period end.

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 Unaudited Statement of Financial Position date, respectively.

The majority of the amounts due from brokers are held with UBS AG, London Branch (the "Sub-Custodian") rated A by Standard & Poor's. 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 as at 30 June 2015 and 31 December 2014.

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

	30 June 2015 US\$	31 December 2014 US\$
Due from brokers		
Cash balance with Sub-Custodian	133,563,607	71,362,532
Collateral	3,301,249	4,201,396
Margin balance with brokers	1,234,430	452,377
Receivable for investments sold	3,601,296	657,447
Total	<u>141,700,582</u>	<u>76,673,752</u>

SALAR FUND PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued) For the period ended 30 June 2015

6. DUE FROM AND TO BROKERS (Continued)

	30 June 2015 US\$	31 December 2014 US\$
Due to brokers		
Cash balance with Sub-Custodian	18,703	2,259
Payable for investments purchased	<u>31,774,573</u>	<u>5,386,803</u>
Total	<u><u>31,793,276</u></u>	<u><u>5,389,062</u></u>

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 and Class B Shares rank pari passu with the Class A Shares, Class C Shares, Class D 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 and Class B Shares. More details of the fees relating to each class of shares can be found in Note 5.

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

The net assets attributable to holders of redeemable participating shares are at all times equal to the net asset value of the Fund. The participating shares which comprise the equity capital of the fund are in substance a liability of the Fund to shareholders under IAS 32, 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 capital requirements as disclosed on next sentence. The minimum regulatory capital of the Fund is €300,000.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

7. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (Continued)

Capital management (continued)

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.

8. CONTINGENCIES

During 2014, it became apparent that US Internal Revenue Code (IRC) Section 305(C) might apply to certain US Convertible Bonds. This section of the IRC seeks to apply a withholding tax (WHT) on certain changes to the conversion ratios of convertible bond and other similar instruments, due to potentially apply only to dividend payments on the underlying security. There are still significant uncertainties surrounding the computation and application of these rules. The outflow of economic resources (if any), that may be required to settle any obligations arising from the application of these rules cannot be estimated with reasonable certainty until such until such a time as guidance is issued by the IRS and the withholding agent.

9. RISK MANAGEMENT AND FINANCIAL DERIVATIVES

Principles of risk management

The Fund is exposed to risks arising from the financial instruments it holds. The prospectus of the Fund contains investment guidelines that set out its overall investment objectives and investment restrictions.

The Fund has exposure to the following risks from its use of financial instruments; market risk (which includes price risk, currency risk and interest rate risk), credit risk and liquidity risk.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

9. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Principles of risk management (continued)

The board of the Fund has delegated the day to day risk management and reporting to the Investment Manager under the investment management agreement executed on 14 January 2008. The Investment Manager is responsible for ensuring that the appropriate risk management processes are in place and that they are functioning adequately, with the investment management function responsible for:

- trading securities, pre and post trade compliance and monitoring risk on a day to day basis;
- monitoring levels of global exposure, position risk, leverage, counterparty risk, other risk parameters of relevance;
- overseeing the risk management process of the Investment Manager;
- setting policy on instrument types, exposure limits and trading strategies (in conjunction with the board of the Fund);
- post trade checking of breaches of investment limits whether due to market movement or otherwise; and
- liaising with the Administrator in the setting of policies relating to financial derivative instruments pricing and dealing with any pricing issues that have been escalated in accordance with agreed escalation procedures or require a decision.

Market risk

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

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

9. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Global exposure

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

The Fund held derivative positions during the period ended 30 June 2015 and year ended 31 December 2014. The Fund has primarily held transferable securities, CFDs, cash and cash equivalents. Convertible bonds are transferable securities with derivative elements. This portfolio is monitored regularly by the Investment Manager as part of their commitment approach.

The Fund to date has held forward currency contracts, listed futures, warrants, interest rate swaps, CFDs and options contracts. Exposures to these positions are monitored on a daily basis pursuant to the commitment approach.

Breaches of the exposure limits, if any, are identified using the commitment approach, addressed by the Investment Manager and reported to the Directors.

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

Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities or other instruments with sensitivity to equity prices (e.g. convertible bonds) as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from equity linked derivatives. The Fund manages this risk by investing in a well diversified portfolio. The Fund is also exposed to other price risk relating to changes in market sentiment, supply and demand and other market forces.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

9. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Currency risk

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

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

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

Interest rate risk

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

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund. It is the Fund's policy to enter into financial instruments with a range of reputable counterparties. The Investment Manager only permits trading with approved brokers. New brokers are added, subject to a formal review process that includes a review of the broker's creditworthiness, financial strength, ability to enter into legally enforceable arrangements and standing in the financial community. Therefore, the Fund seeks to avoid counterparty credit losses on its financial instruments. The Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as of 30 June 2015 and 31 December 2014 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the Unaudited Statement of Financial Position.

With respect to financial derivative instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

9. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Credit risk (continued)

The Fund's overall exposure to credit risk on financial derivative instruments subject to a master netting arrangement is eliminated only to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised.

This exposure can change substantially within a short period since it is affected by each transaction subject to the arrangement.

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

The Sub-Custodian provides a sub custody service pursuant to a sub-custody agreement between it and the Custodian for all the Fund's investments. The Sub-Custodian identifies, records and holds the Fund's investments held by it as sub-custodian in such a manner that the identity and location of the investments can be identified at any time and that such investments are readily identifiable as belonging to a customer of the Sub-Custodian and are separately identifiable from the Sub-Custodian's own investments. In the event of insolvency or bankruptcy of the Custodian or Sub-Custodian, the Fund will be treated as a general creditor in relation to the cash held at both.

Cash and cash equivalents are held with Citco Bank Nederland N.V, a financial institution incorporated under Dutch law, is not rated by any ratings agency. In the event of insolvency or bankruptcy of Citco Bank Nederland NV, the Fund will be treated as a general creditor in relation to the cash held at both.

Significant concentrations of credit risk

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

Liquidity risk

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

SALAR FUND PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued) For the period ended 30 June 2015

10. EXCHANGE RATES

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

Currency	30 June 2015 Rate	31 December 2014 Rate
Australian Dollar	1.298	1.224
Chinese Renminbi	6.199	6.206
Euro	0.896	0.826
Hong Kong Dollar	7.752	7.754
Indian Rupee	63.599	63.235
Japanese Yen	122.100	119.880
Pound Sterling	0.636	0.642
Swiss Franc	0.934	0.994
Singapore Dollar	1.347	1.324
South African Rand	12.148	11.545
Swedish Krona	8.293	7.825
Thai Baht	33.779	32.915

11. SOFT COMMISSION ARRANGEMENTS

There were no soft commission arrangements in place during the period. There are three commission sharing agreements in place. This equated to US\$9,556 (30 June 2014: US\$17,347) of the Fund's commissions paid.

12. RELATED PARTIES

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 and the Directors as related parties.

Nicholas Curtis, a Director of the Fund is also a Partner of the Investment Manager.

Yvonne Connolly and Teddy Otto are employees of Carne.

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

SALAR FUND PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued) For the period ended 30 June 2015

12. RELATED PARTIES (Continued)

The Fund uses affiliates of the Investment Manager and the same investment advisors as the Salar Convertible Absolute Return Fund, Yamame Fund Limited, Ferox Master Fund Limited and Suzuka Inka: Segment Watzmann. During the period the Fund entered into trades with the above mentioned Ferox Funds managed by the Investment Manager. All such trades were carried out at an arm's length basis. The Fund made 2 transactions during the period (2014: 12) with the above mentioned Funds.

Operating expenses paid by the Ferox Master Fund Limited on behalf of the Fund during the period amounted to US\$503,242 (30 June 2014: US\$618,400) and US\$553,721 (31 December 2014: US\$50,479) remains payable at period end and is included in accrued expenses and other payables.

13. CONNECTED PARTIES

The UCITS Regulations require that any transaction carried out with the Fund by a promoter, manager, custodian, investment adviser and/or associate of these ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the shareholders. The Board of Directors of the Fund is satisfied that there are arrangements (evidenced by written procedures) in place to ensure that this requirement is applied to transactions with connected parties, and that transactions with connected parties during the period complied with the requirement.

14. SIGNIFICANT EVENTS DURING THE PERIOD

Dividends for the Fund were declared on 24 February 2015 with an ex-date of 27 February 2015 as follows:

	Dividend per share	Dividend
Class C1 Sterling Shares (Distribution - income)	1.89	GBP954,456
Class C2 Sterling Shares (Distribution - income)	1.34	GBP31,782
Class E1 Sterling Shares (Distribution - income)	1.60	GBP511,990
Class C1 Euro Shares (Distribution - income)	1.75	EUR39,697
		Nil
Class C2 Euro Shares (Distribution - income)	0.94	(fully redeemed)
Class C1 US\$ Shares (Distribution - income)	1.70	US\$17,211
		Nil
Class C2 US\$ Shares (Distribution - income)	1.22	(fully redeemed)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (Continued)
For the period ended 30 June 2015

14. SIGNIFICANT EVENTS DURING THE PERIOD (Continued)

The new Companies Act 2014 was signed into law on 23 December 2014. The Act commenced on 1 June 2015 by ministerial order and replaced all previously enacted Companies legislation. Certain disclosure updates have been made within the financial statements, including narrative changes to ensure the financial statements are consistent with the language used in the Companies Act 2014 and previous references throughout the financial statements to the Companies Acts 1963 – 2013 have been replaced with the Companies Act 2014.

15. SUBSEQUENT EVENTS

Dividends for the Fund were declared on 20 August 2015 with an ex-date of 20 August 2015 as follows:

	Dividend per share	Dividend
Class C1 Sterling Shares (Distribution - income)	0.83	GBP741,585
Class C2 Sterling Shares (Distribution - income)	0.83	GBP22,225
Class E1 Sterling Shares (Distribution - income)	0.66	GBP347,955
Class C1 Euro Shares (Distribution - income)	0.75	EUR31,169
Class C1 US\$ Shares (Distribution - income)	0.75	US\$11,982

16. APPROVAL OF THE UNAUDITED FINANCIAL STATEMENTS

The unaudited financial statements were approved and authorised for issue by the Directors on 18 August 2015.

SALAR FUND PLC

APPENDIX 1 (UNAUDITED) SCHEDULE OF INVESTMENTS 30 June 2015

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

	Counterparty	Quantity	Fair Value US\$	Net Assets %
ASSETS				
BOND OPTIONS				
CAYMAN ISLANDS				
WISMAR 10/04/2020	JP Morgan	8,250,000	465,292	0.04%
TPKHOL 10/09/2016	Standard Chartered	2,500,000	–	0.00%
TOTAL CAYMAN ISLANDS			<u>465,292</u>	<u>0.04%</u>
HONG KONG				
BTSDf 20/02/2017	Morgan Stanley	22,000,000	–	0.00%
TOTAL HONG KONG			<u>–</u>	<u>0.00%</u>
INDIA				
AMTIIN 06/04/2017	Standard Chartered	3,000,000	30,000	0.00%
TOTAL INDIA			<u>30,000</u>	<u>0.00%</u>
JAPAN				
CHUGEP 23/03/2018	Nomura/Mizuho International	450,000,000	267,553	0.03%
CHUGEP 25/03/2020	Mizuho International	500,000,000	491,564	0.04%
DAISBK 30/04/2019	Nomura/Mizuho International	900,000,000	735,582	0.06%
DAISO 22/07/2019	Nomura/Mizuho International	400,000,000	247,905	0.02%
EBARA 19/03/2018	Nomura	150,000,000	383,571	0.03%
EDION 10/06/2020	Nomura Mizuho	200,000,000	83,862	0.01%
EDION 19/06/2020	International/Nomura	500,000,000	209,656	0.02%
FTECH 20/03/2018	Mizuho International	650,000,000	636,814	0.05%
GSYUAS 13/03/2019	Mizuho International	400,000,000	102,333	0.01%
Japan Airport Terminal 04/03/2022	Mizuho International	150,000,000	240,819	0.02%
Japan Airport Terminal 06/03/2020	Nomura	300,000,000	369,066	0.03%
JOYOBK 24/04/2019	Nomura	2,000,000	263,676	0.02%
KYODO 12/12/2017	Mizuho International	500,000,000	188,702	0.02%
MCHNKU 31/01/2019	Merrill Lynch/Nomura Nomura/Mizuho	600,000,000	587,725	0.05%
MIT SOL 24/04/2018	International	11,000,000	239,932	0.02%
NAGOYA 09/12/2022	Mizuho International	400,000,000	354,968	0.03%
NAGOYA 11/12/2022	Nomura Nomura/Mizuho	300,000,000	266,226	0.02%
NIHON UNISYS 20/06/2016	International Nomura/Mizuho	250,000,000	353,290	0.03%
NIKKIS 02/08/2018	International	450,000,000	262,084	0.02%

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Counterparty	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)				
BOND OPTIONS (Continued)				
JAPAN (Continued)				
NIPCER 24/04/2018	Nomura	400,000,000	480,413	0.04%
NIPPLM 12/09/2016	Nomura	200,000,000	252,380	0.02%
NIPTO 18/04/2016	Nomura	500,000,000	483,423	0.04%
OBARA 08/04/2020	Nomura	250,000,000	176,845	0.02%
ONOKEN 10/02/2017	Nomura	180,000,000	66,824	0.01%
PARBED 26/07/2018	Nomura/Daiwa	770,000,000	490,069	0.04%
PARKTF 26/04/2016	Nomura	860,000,000	265,212	0.02%
PARKTF 26/04/2018	Mizuho International	500,000,000	212,406	0.02%
PRSKOG 28/12/2018	Nomura	400,000,000	482,876	0.04%
RIKEN 19/03/2020	Mizuho International	300,000,000	391,545	0.03%
SEINO 01/10/2018	Mitsubishi	100,000,000	125,212	0.01%
SENCOL 21/04/2019	Nomura	725,000,000	203,760	0.02%
SENCOL 23/04/2019	Daiwa	100,000,000	28,105	0.01%
SHIGBK 23/06/2020	Mizuho International	5,000,000	798,800	0.07%
SHIZBK 25/04/2018	Mizuho International	8,000,000	397,568	0.03%
STARZEN 31/03/2020	Mizuho International	200,000,000	95,109	0.01%
SUMIFR 24/08/2018	Nomura	680,000,000	493,727	0.04%
TAKASH 11/12/2018	Mitsubishi	700,000,000	365,674	0.03%
TEIJIN 12/12/2018	Mizuho International	200,000,000	414,453	0.04%
TERUMO 04/12/2019	Nomura/Mizuho International	550,000,000	322,230	0.03%
TERUMO 06/12/2021	Mizuho International	700,000,000	531,077	0.05%
TOBRAI 31/03/2016	Nomura	200,000,000	62,206	0.01%
TOKAI 25/06/2018	Mizuho International	300,000,000	276,221	0.02%
TOPPAN 19/12/2016	Nomura/Mizuho International	1,800,000,000	824,314	0.07%
TOPPAN 19/12/2019	Daiwa/Mizuho International	720,000,000	735,497	0.06%
TOYOSA 04/03/2020	Mizuho International	500,000,000	136,953	0.01%
TOYOSA 04/03/2022	Nomura/Mizuho International	750,000,000	312,138	0.03%
TSUKADA 19/09/2017	Nomura	650,000,000	244,881	0.02%
VTLKSK 26/09/2018	Nomura/Mizuho International	500,000,000	225,156	0.02%
YOKORK 17/07/2018	Mizuho International	400,000,000	353,527	0.03%
TOTAL JAPAN			<u>16,533,929</u>	<u>1.42%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Counterparty	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)				
BOND OPTIONS (Continued)				
TAIWAN				
CHIPET 17/12/2019	Barclays	9,200,000	508,972	0.04%
TRAAIR 29/11/2016	Barclays	4,000,000	40,000	0.01%
TWGIC 10/09/2016	Standard Chartered	3,000,000	–	0.00%
TOTAL TAIWAN			<u>548,972</u>	<u>0.05%</u>
THAILAND				
BGHTB 18/09/2017	Merrill Lynch	230,000,000	736,979	0.06%
TOTAL THAILAND			<u>736,979</u>	<u>0.06%</u>
UNITED STATES				
JOYOBK 24/04/2019	Mizuho International	1,000,000	131,838	0.01%
TOTAL UNITED STATES			<u>131,838</u>	<u>0.01%</u>
TOTAL BOND OPTIONS			<u>18,447,010</u>	<u>1.58%</u>
CONTRACTS FOR DIFFERENCE				
INDIA				
AMTEK INDIA		867,373	848,865	0.07%
TOTAL INDIA			<u>848,865</u>	<u>0.07%</u>
JAPAN				
NIPPON LIGHT METAL HOLDINGS		(270,000)	51,704	0.01%
NIPPON THOMPSON		(182,000)	96,050	0.01%
SBI HOLDINGS		(53,100)	16,229	0.00%
TOPPAN PRINTING		(176,000)	47,628	0.00%
			<u>211,611</u>	<u>0.02%</u>
UNITED STATES				
KROGER		(20,000)	30,288	0.00%
TOTAL UNITED STATES			<u>30,288</u>	<u>0.00%</u>
VIETNAM				
VINCOM REGS		1,200,000	65,920	0.01%
TOTAL VIETNAM			<u>65,920</u>	<u>0.01%</u>
TOTAL CONTRACTS FOR DIFFERENCE			<u>1,156,684</u>	<u>0.10%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
CONVERTIBLE BONDS			
AUSTRALIA			
DLSAU 6% 01/09/2018	3,400,000	3,386,349	0.29%
TOTAL AUSTRALIA		<u>3,386,349</u>	<u>0.29%</u>
BELGIUM			
COFBBB 3.125% 28/04/2016	9,532,516	10,954,491	0.94%
SOFBB WW 1% 19/09/2016	21,000,000	20,996,220	1.81%
TOTAL BELGIUM		<u>31,950,711</u>	<u>2.75%</u>
BERMUDA			
TEMFAT 0.5% 30/05/2018	21,000,000	3,497,629	0.30%
TOTAL BERMUDA		<u>3,497,629</u>	<u>0.30%</u>
BRITISH VIRGIN ISLANDS			
CHUNTE 0.75% 18/10/2015	22,100,000	22,251,385	1.92%
CPFTB 0.5% 15/01/2019	1,000,000	1,059,470	0.09%
YUEZHK 1.5% 08/08/2019	4,500,000	4,798,845	0.41%
TOTAL BRITISH VIRGIN ISLANDS		<u>28,109,700</u>	<u>2.42%</u>
CAYMAN ISLANDS			
CTRP 1.25% 15/10/2018	2,640,000	3,022,034	0.26%
CTRP 144A 1% 01/07/2020	7,000,000	6,806,870	0.59%
KAISAG 1638 8% 20/12/2015	18,800,000	2,198,671	0.19%
KINSF 1.25% 11/04/2019	57,000,000	7,234,973	0.62%
PREMET 7.25% 04/02/2018	43,000,000	3,189,520	0.27%
QIHU 144A 0.5% 15/08/2020	5,300,000	5,006,009	0.43%
SFUN 2% 15/12/2018	2,900,000	2,755,406	0.24%
YY 2.25% 01/04/2019	4,450,000	4,188,162	0.36%
TOTAL CAYMAN ISLANDS		<u>34,401,645</u>	<u>2.96%</u>
CHINA			
HTINL 2% 13/02/2019	5,250,000	5,565,630	0.48%
TOTAL CHINA		<u>5,565,630</u>	<u>0.48%</u>
CYPRUS			
PRMCTY MLPC 4% 13/11/2019	2,300,000	2,965,037	0.25%
TOTAL CYPRUS		<u>2,965,037</u>	<u>0.25%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
CONVERTIBLE BONDS (Continued)			
FINLAND			
OUTOK 3.25% 26/02/2020	3,200,000	3,545,284	0.30%
SLDZFH 0.5% 29/09/2015	21,100,000	23,540,211	2.02%
TALVLN 4% 16/12/2015	8,300,000	138,905	0.02%
TOTAL FINLAND		<u>27,224,400</u>	<u>2.34%</u>
FRANCE			
ARTEMI PP 3.25% 01/01/2016	31,150	5,990,470	0.51%
BNP 0.25% 21/09/2015	13,200,000	15,220,603	1.31%
NEXANS NEX 4% 01/01/2016	106,000	6,511,390	0.56%
SOIFP SOI 6.75% 31/12/2018	2,969,438	2,202,248	0.19%
TOTAL FRANCE		<u>29,924,711</u>	<u>2.57%</u>
GERMANY			
KAR 8.875% 11/07/2013	1,000,000	–	0.00%
TOTAL GERMANY		<u>–</u>	<u>0.00%</u>
GUERNSEY			
MKTLN MKT 2% 31/03/2020	3,800,000	5,873,057	0.50%
TOTAL GUERNSEY		<u>5,873,057</u>	<u>0.50%</u>
HONG KONG			
ASMPTE 2% 28/03/2019	32,000,000	4,460,586	0.39%
TEMFAT 0.5% 30/05/2018	40,000,000	6,662,150	0.57%
TONICI 0.5% 26/06/2020	7,800,000	7,806,708	0.67%
TOTAL HONG KONG		<u>18,929,444</u>	<u>1.63%</u>
INDIA			
AMTIIN AMTI 2.5% 21/09/2017	10,200,000	10,812,000	0.93%
SACV SACV 2.875% 22/12/2012	220,000	2,200	0.00%
TOTAL INDIA		<u>10,814,200</u>	<u>0.93%</u>
ISLE OF MAN			
BBYLN BBY 1.875% 03/12/2018	4,500,000	6,908,503	0.59%
CLLNLN CLLN 2.5% 19/12/2019	3,400,000	5,760,844	0.50%
TOTAL ISLE OF MAN		<u>12,669,347</u>	<u>1.09%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
CONVERTIBLE BONDS (Continued)			
ITALY			
EDIZIM PCIM 0.25% 29/11/2016	11,000,000	13,457,997	1.16%
ENIIM GALP 0.25% 30/11/2015	14,700,000	16,407,514	1.41%
ENIIM SRG 0.625% 18/01/2016	9,800,000	11,639,422	1.00%
MTIM 5.75% 20/02/2019	2,400,000	3,577,233	0.31%
TOTAL ITALY		<u>45,082,166</u>	<u>3.88%</u>
JAPAN			
YAMAFG FLOAT 26/03/2020	4,900,000	5,242,853	0.45%
TOTAL JAPAN		<u>5,242,853</u>	<u>0.45%</u>
JERSEY			
BBYLN BBY 1.875% 03/12/2018	4,200,000	6,447,936	0.56%
CLLNLN CLLN 2.5% 19/12/2019	2,900,000	4,913,661	0.42%
CPCO 2.5% 04/10/2018	6,100,000	10,350,889	0.89%
DANAGS REGS 7% 31/10/2017	5,000,000	4,122,550	0.35%
		<u>25,835,036</u>	<u>2.22%</u>
LUXEMBOURG			
SUBCNO SUBC 1% 05/10/2017	9,400,000	8,613,408	0.74%
TOTAL LUXEMBOURG		<u>8,613,408</u>	<u>0.74%</u>
MAURITIUS			
GOARIN 2.5% 04/10/2017	7,200,000	7,148,664	0.61%
TOTAL MAURITIUS		<u>7,148,664</u>	<u>0.61%</u>
NETHERLANDS			
SIEGR WW 1.05% 16/08/2017	17,500,000	18,695,775	1.61%
WHANA 1% 22/05/2019	8,900,000	10,356,907	0.89%
TOTAL NETHERLANDS		<u>29,052,682</u>	<u>2.50%</u>
SINGAPORE			
CAPLSP REGS 1.95% 17/10/2023	13,250,000	10,221,393	0.88%
CAPLSP REGS 2.8% 08/06/2025	9,750,000	7,000,467	0.60%
CCTSP 2.5% 12/09/2017	4,500,000	3,655,565	0.31%
OLAMSP 6% 15/10/2016	10,200,000	10,468,821	0.90%
SSREIT 4.5% 24/09/2017	2,500,000	1,875,779	0.16%
SUNSP REGS 1.4% 18/03/2018	13,000,000	9,632,274	0.83%
TOTAL SINGAPORE		<u>42,854,299</u>	<u>3.68%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
CONVERTIBLE BONDS (Continued)			
SOUTH AFRICA			
IMPALA IMP 1% 21/02/2018	5,000,000	4,238,675	0.36%
TOTAL SOUTH AFRICA		<u>4,238,675</u>	<u>0.36%</u>
SPAIN			
CAIXAB CABK 1% 25/11/2017	3,500,000	4,320,573	0.37%
IDRSM IDR 1.75% 17/10/2018	2,700,000	2,911,445	0.25%
TOTAL SPAIN		<u>7,232,018</u>	<u>0.62%</u>
SWITZERLAND			
BALHOL 1.5% 17/11/2016	9,755,000	11,259,890	0.97%
BKWSW BKW 0.125% 30/09/2020	7,360,000	8,280,443	0.71%
IMPNSW IMPN 0.5% 30/06/2022	2,250,000	2,389,482	0.21%
SPSNSW 1.875% 21/06/2016	16,515,000	18,139,893	1.56%
TOTAL SWITZERLAND		<u>40,069,708</u>	<u>3.45%</u>
THAILAND			
CPFTB 0.5% 15/01/2019	5,800,000	6,144,926	0.53%
TOTAL THAILAND		<u>6,144,926</u>	<u>0.53%</u>
UAE			
AABAR UCG 0.5% 27/03/2020	14,700,000	17,195,162	1.48%
NBADUH NBAD 1% 12/03/2018	12,200,000	12,954,936	1.11%
TOTAL UAE		<u>30,150,098</u>	<u>2.59%</u>
UNITED KINGDOM			
ISATLN ISAT 1.75% 16/11/2017	6,000,000	8,797,980	0.76%
SBRYLN SBRY 1.25% 21/11/2019	8,700,000	14,689,872	1.26%
		<u>23,487,852</u>	<u>2.02%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
CONVERTIBLE BONDS (Continued)			
UNITED STATES			
ARCC 144A 4.875% 15/03/2017	3,500,000	3,617,793	0.31%
ARCC 5.75% 01/02/2016	8,360,000	8,516,750	0.73%
ARCP 3% 01/08/2018	11,500,000	10,865,660	0.93%
AWAY 0.125% 01/04/2019	6,590,000	6,314,077	0.54%
BRCO 144A 1.375% 01/01/2020	7,400,000	7,687,601	0.66%
BTU 4.75% 15/12/2041	2,200,000	363,000	0.03%
CTXS 0.5% 15/04/2019	1,750,000	1,855,000	0.16%
ESRT 144A 2.625% 15/08/2019	8,000,000	8,118,720	0.70%
IDCC 144A 1.5% 01/03/2020	5,550,000	5,699,184	0.49%
IPXL 2% 15/06/2022	2,600,000	2,609,334	0.23%
LINTA 144A 1% 30/09/2043	6,380,000	6,329,247	0.55%
LMCA 1.375% 15/10/2023	6,500,000	6,193,720	0.53%
LNG 4.25% 15/03/2045	1,750,000	1,317,978	0.11%
LNKD 144A 0.5% 01/11/2019	14,775,000	14,878,794	1.28%
LYV 2.5% 15/05/2019	2,700,000	2,907,576	0.25%
MCP 5.5% 01/02/2018	4,820,000	166,868	0.01%
MDRX 1.25% 07/07/2020	3,070,000	3,159,537	0.27%
MU 3% 15/11/2043	3,900,000	3,536,988	0.30%
N 0.25% 01/06/2018	13,300,000	13,888,392	1.19%
NHI 3.25% 01/04/2021	9,795,000	9,693,769	0.83%
NVDA 1% 01/12/2018	1,680,000	1,940,618	0.17%
OCR OCR 3.25% 15/12/2035	1,800,000	2,221,038	0.19%
PCLN 144A 0.9% 15/09/2021	8,200,000	7,834,239	0.67%
QI ADS 6.75% 22/03/2013	1,300,000	198,250	0.02%
SNDK 0.5% 15/10/2020	19,075,000	18,575,044	1.60%
SRC 2.875% 15/05/2019	10,000,000	9,425,000	0.81%
STWD 3.75% 15/10/2017	15,500,000	15,655,000	1.35%
STWD 4.55% 01/03/2018	2,875,000	2,995,405	0.26%
THRX 2.125% 15/01/2023	3,100,000	2,914,000	0.25%
TIVO 144A 4% 15/03/2016	3,875,000	4,082,661	0.35%
TOL 144A 0.5% 15/09/2032	4,800,000	5,002,536	0.43%
TSLA 0.25% 01/03/2019	14,500,000	14,358,988	1.23%
TWTR 144A 0.25% 15/09/2019	14,800,000	13,273,084	1.14%
WLL 144A 1.25% 01/04/2020	2,628,000	2,887,515	0.25%
TOTAL UNITED STATES		<u>219,083,366</u>	<u>18.82%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
CONVERTIBLE BONDS (Continued)			
VIETNAM			
VINCOM REGS 5% 03/04/2017	2,500,000	3,379,975	0.29%
TOTAL VIETNAM		<u>3,379,975</u>	<u>0.29%</u>
TOTAL CONVERTIBLE BONDS		<u>712,927,586</u>	<u>61.27%</u>
CORPORATE BONDS			
BRITAIN			
KERLIN REGS 10.625% 28/01/2017	3,100,000	3,543,580	0.30%
ODEON REGS 9% 01/08/2018	3,600,000	5,859,679	0.51%
TCGLN 7.75% 22/06/2017	1,200,000	2,013,043	0.17%
TOTAL BRITAIN		<u>11,416,302</u>	<u>0.98%</u>
TOTAL CORPORATE BONDS		<u>11,416,302</u>	<u>0.98%</u>
EQUITIES			
JAPAN			
U SHIN	52,921	325,934	0.03%
TOTAL JAPAN		<u>325,934</u>	<u>0.03%</u>
SPAIN			
GENERAL DE ALQUILER DE MAQUINAR	1,243,938	402,480	0.03%
TOTAL SPAIN		<u>402,480</u>	<u>0.03%</u>
TOTAL EQUITIES		<u>728,414</u>	<u>0.06%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
EQUITY OPTIONS			
GERMANY			
DBKGN 18/12/2015	2,324	10,825	0.00%
MUVGN 17/07/2015	940	115,363	0.01%
SRG 17/12/2015	765	87,485	0.01%
TOTAL GERMANY		<u>213,673</u>	<u>0.02%</u>
SWITZERLAND			
UBSNE 18/12/2015	2,845	57,865	0.01%
ZURN 18/03/2016	5,300	96,451	0.01%
TOTAL SWITZERLAND		<u>154,316</u>	<u>0.02%</u>
BRITAIN			
BLND 18/09/2015	750	38,341	0.00%
TOTAL BRITAIN		<u>38,341</u>	<u>0.00%</u>
UNITED STATES			
CB 17/07/2015	298	3,874	0.00%
KR 17/07/2015	420	134,400	0.01%
LAMR 17/07/2015	967	29,010	0.00%
MIC 17/07/2015	450	3,150	0.00%
PG 17/07/2015	1,160	34,800	0.00%
SPY 17/07/2015	1,675	48,575	0.01%
WM 15/01/2016	875	4,375	0.00%
TOTAL UNITED STATES		<u>258,184</u>	<u>0.02%</u>
TOTAL EQUITY OPTIONS		<u>664,514</u>	<u>0.06%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

ASSETS (Continued)

FORWARD CURRENCY CONTRACTS

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Contract date	Fair Value US\$	Net Assets %
EUR	100,000,000	USD	111,505,400	31/07/2015	110,817	0.01%
EUR	100,000,000	USD	108,997,600	28/08/2015	2,664,133	0.23%
GBP	23,600,000	CHF	34,350,927	28/08/2015	253,653	0.02%
GBP	35,400,000	HKD	420,806,085	28/08/2015	1,380,153	0.12%
GBP	26,300,000	JPY	4,982,470,270	28/08/2015	518,539	0.04%
GBP	1,000,000	SEK	12,937,822	28/08/2015	10,522	0.00%
GBP	27,000,000	SGD	56,007,412	28/08/2015	918,289	0.08%
GBP	55,000,000	USD	84,216,990	28/08/2015	2,260,702	0.19%
GBP	2,500,000	ZAR	47,229,495	28/08/2015	81,637	0.01%
TOTAL FORWARD CURRENCY CONTRACTS					<u>8,198,445</u>	<u>0.70%</u>

	Quantity	Fair Value US\$	Net Assets %
FUTURES			
GERMANY			
DOW JONES EURO STOXX 50 01/09/2015	350	63,283	0.01%
EURO BOBL FUTURE 01/09/2015	(160)	114,248	0.01%
TOTAL GERMANY		<u>177,531</u>	<u>0.02%</u>
UNITED STATES			
10 YEAR US TREASURY NOTE FUTURE 01/09/2015	(60)	37,969	0.00%
5 YEAR US TREASURY NOTE FUTURE 01/09/2015	(75)	7,617	0.00%
TOTAL UNITED STATES		<u>45,586</u>	<u>0.00%</u>
TOTAL FUTURES		<u>223,117</u>	<u>0.02%</u>

INTEREST RATE SWAPS

BRITAIN

GBP INTEREST RATE SWAP 1.53 13/11/2019	10,000,000	43,612	0.00%
TOTAL BRITAIN		<u>43,612</u>	<u>0.00%</u>
TOTAL INTEREST RATE SWAPS		<u>43,612</u>	<u>0.00%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
WARRANTS			
JAPAN			
KYOKUY 09/11/2016	300,000,000	70,071	0.01%
SENCOL 21/04/2017	100,000,000	28,105	0.00%
SFOODS 20/05/2020	400,000,000	363,256	0.03%
TOPPAN 19/12/2016	700,000,000	320,567	0.03%
USHIN 13/07/2018	300,000,000	240,850	0.02%
TOTAL JAPAN		<u>1,022,849</u>	<u>0.09%</u>
SWITZERLAND			
UBS AG 06/05/2016	200,000,000	282,632	0.02%
TOTAL SWITZERLAND		<u>282,632</u>	<u>0.02%</u>
TOTAL WARRANTS		<u>1,305,481</u>	<u>0.11%</u>
ZERO CONVERTIBLE BONDS			
BRITISH VIRGIN ISLANDS			
BJENTE 0% 28/07/2019	78,000,000	9,913,570	0.85%
BLTAIJ BLTA 12% 10/02/2015	1,500,000	112,425	0.01%
SIIC 363 0% 18/02/2018	61,000,000	8,214,909	0.71%
TOTAL BRITISH VIRGIN ISLANDS		<u>18,240,904</u>	<u>1.57%</u>
CAYMAN ISLANDS			
BTSDF 0% 20/02/2019	50,000,000	6,152,065	0.53%
CHCONS COLI 0% 04/02/2021	7,000,000	8,299,760	0.71%
CMILK CMLK 0% 05/01/2049	1,000,000	40,002	0.00%
HENGAN 0% 27/06/2018	125,000,000	17,239,856	1.48%
SMIZCH REGS 0% 07/11/2018	2,300,000	2,726,052	0.23%
TPKHOL REGS 0% 01/10/2017	3,250,000	3,218,475	0.28%
TPKHOL REGS 0% 08/04/2020	8,250,000	8,130,953	0.70%
XINAOG 0% 26/02/2018	1,750,000	1,983,835	0.17%
TOTAL CAYMAN ISLANDS		<u>47,790,998</u>	<u>4.10%</u>
FRANCE			
NEOFP FLOAT 0% 29/12/2049	60,590	3,813,263	0.33%
TECFP TEC 0% 01/01/2016	136,200	12,663,448	1.09%
TOTAL FRANCE		<u>16,476,711</u>	<u>1.42%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
ZERO CONVERTIBLE BONDS (Continued)			
GERMANY			
EOANGR BKW 0% 01/10/2018	2,200,000	2,786,357	0.24%
RAGSTF EVK 0% 31/12/2018	2,800,000	3,586,306	0.31%
TOTAL GERMANY		<u>6,372,663</u>	<u>0.55%</u>
JAPAN			
ADVANT 0% 14/03/2019	760,000,000	6,447,240	0.55%
BEBRID 0% 19/09/2018	10,000,000	82,924	0.01%
CHUGEP 0% 23/03/2018	10,000,000	86,990	0.01%
CHUGEP 0% 25/03/2020	110,000,000	980,212	0.08%
DAIFKU 0% 02/10/2017	115,000,000	1,270,717	0.10%
IIDAG 0% 18/06/2020	480,000,000	4,067,636	0.35%
JALSTM 0% 25/03/2012	370,000,000	–	0.00%
JAPAIR 0% 04/03/2022	50,000,000	466,503	0.04%
JOYOBK 8333 0% 24/04/2019	3,900,000	4,051,847	0.34%
KAWKIS 0% 26/09/2018	360,000,000	3,222,899	0.28%
NAGOYA 0% 11/12/2024	610,000,000	5,209,030	0.45%
NIHUNI 0% 20/06/2016	100,000,000	946,515	0.08%
NIPPLM 0% 10/12/2018	100,000,000	933,149	0.08%
PARKTF 0% 26/04/2018	270,000,000	2,279,875	0.20%
SBIHLD 0% 02/11/2017	250,000,000	2,400,819	0.21%
SEINO 0% 01/10/2018	110,000,000	1,013,234	0.09%
SHIZBK 0% 25/04/2018	8,700,000	8,652,585	0.74%
TAKASH 0% 11/12/2018	280,000,000	2,394,000	0.21%
TDHLD 0% 15/06/2020	310,000,000	2,667,054	0.23%
TERUMO 0% 04/12/2019	270,000,000	2,318,606	0.20%
TERUMO 0% 06/12/2021	180,000,000	1,550,071	0.13%
TOBRAI 0% 31/03/2016	60,000,000	504,845	0.04%
TOYOSA 0% 04/03/2020	470,000,000	3,807,905	0.33%
TOYOSA 0% 04/03/2022	410,000,000	3,256,025	0.28%
USHIN 0% 19/09/2017	100,000,000	876,732	0.08%
TOTAL JAPAN		<u>59,487,413</u>	<u>5.11%</u>
KOREA			
HYNHEA 0% 29/06/2020	7,600,000	7,663,878	0.66%
TOTAL KOREA		<u>7,663,878</u>	<u>0.66%</u>
MALAYSIA			
KNBZMK 0% 18/09/2021	9,400,000	9,411,985	0.81%
KNBZMK REGS 0% 24/10/2018	13,750,000	11,159,678	0.96%
TOTAL MALAYSIA		<u>20,571,663</u>	<u>1.77%</u>

SALAR FUND PLC

**APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015**

	Quantity	Fair Value US\$	Net Assets %
ASSETS (Continued)			
ZERO CONVERTIBLE BONDS (Continued)			
MEXICO			
AMXLMM 0% 28/05/2020	28,100,000	32,157,522	2.76%
TOTAL MEXICO		<u>32,157,522</u>	<u>2.76%</u>
NETHERLANDS			
SALZGT 0% 15/06/2022	5,600,000	6,182,504	0.53%
TOTAL NETHERLANDS		<u>6,182,504</u>	<u>0.53%</u>
SOUTH AFRICA			
SHPSJ 0% 03/04/2017	38,010,000	3,570,248	0.31%
TOTAL SOUTH AFRICA		<u>3,570,248</u>	<u>0.31%</u>
SWEDEN			
INDDEN 0% 15/05/2019	39,000,000	5,282,464	0.45%
TOTAL SWEDEN		<u>5,282,464</u>	<u>0.45%</u>
TAIWAN			
ASACEM 0% 13/05/2018	10,175,000	10,225,163	0.88%
AUOPT 0% 13/10/2015	7,800,000	8,959,392	0.77%
EPIST 2448 0% 07/08/2018	11,700,000	11,655,365	1.00%
RADOPT 0% 21/07/2016	9,000,000	9,775,035	0.84%
SILPRE 0% 31/10/2019	5,000,000	5,412,700	0.47%
TOTAL TAIWAN		<u>46,027,655</u>	<u>3.96%</u>
UNITED STATES			
AKAM 0% 15/02/2019	875,000	913,719	0.08%
HOLX 0% 15/12/2043	9,700,000	11,773,763	1.01%
YHOO 0% 01/12/2018	15,100,000	15,534,125	1.34%
TOTAL UNITED STATES		<u>28,221,607</u>	<u>2.43%</u>
TOTAL ZERO CONVERTIBLE BONDS		<u>298,046,230</u>	<u>25.62%</u>
TOTAL ASSETS		<u>1,053,157,395</u>	<u>90.51%</u>

SALAR FUND PLC

APPENDIX 1 (UNAUDITED)
SCHEDULE OF INVESTMENTS (Continued)
30 June 2015

	Quantity	Fair Value US\$	Net Assets %			
LIABILITIES						
CONTRACTS FOR DIFFERENCES						
INDIA						
AMTIIN AMTI 2.5% 21/09/2017	3,400,000	(125,375)	(0.01)%			
TOTAL UNITED STATES		<u>(125,375)</u>	<u>(0.01)%</u>			
JAPAN						
CYBERDYNE	53,000	(2,170)	(0.00)%			
CYBERDYNE	(53,000)	(60,770)	(0.01)%			
TOTAL JAPAN		<u>(62,940)</u>	<u>(0.01)%</u>			
SPAIN						
GENERAL DE ALQUILER DE MAQUINAR	3,004,904	(442,713)	(0.03)%			
TOTAL SPAIN		<u>(442,713)</u>	<u>(0.03)%</u>			
TOTAL CONTRACTS FOR DIFFERENCES		<u>(631,028)</u>	<u>(0.05)%</u>			
FORWARD CURRENCY CONTRACTS						
Currency Bought	Amount Bought	Currency Sold	Amount Sold	Contract date	Fair Value US\$	Net Assets %
EUR	2,500,000	GBP	1,844,903	28/08/2015	(109,280)	(0.01)%
EUR	20,000,000	JPY	2,788,570,700	28/08/2015	(520,678)	(0.04)%
EUR	14,000,000	USD	15,777,729	28/08/2015	(145,086)	(0.01)%
GBP	3,000,000	CHF	4,397,694	28/08/2015	(996)	(0.00)%
GBP	4,000,000	HKD	48,887,001	28/08/2015	(16,690)	(0.00)%
SEK	12,957,640	GBP	1,000,000	02/07/2015	(10,452)	(0.00)%
GBP	3,000,000	SEK	39,296,211	28/08/2015	(26,647)	(0.00)%
GBP	2,000,000	SGD	4,242,496	28/08/2015	(1,604)	(0.00)%
GBP	15,000,000	USD	23,591,445	28/08/2015	(6,620)	(0.00)%
TOTAL FORWARD CURRENCY CONTRACTS					<u>(838,053)</u>	<u>(0.06)%</u>
	Quantity	Fair Value US\$	Net Assets %			
FUTURES						
GERMANY						
DOW JONES EURO STOXX 50 01/09/2015	100	(30,124)	(0.00)%			
EURO BOBL FUTURE 01/09/2015	(65)	(14,671)	(0.00)%			
TOTAL GERMANY		<u>(44,795)</u>	<u>(0.00)%</u>			

SALAR FUND PLC

APPENDIX 1 (UNAUDITED)
 SCHEDULE OF INVESTMENTS (Continued)
 30 June 2015

	Quantity	Fair Value US\$	Net Assets %
LIABILITIES (Continued)			
FUTURES (Continued)			
UNITED STATES			
5 YEAR US TREASURY NOTE 01/09/2015	(175)	(32,812)	(0.01)%
TOTAL UNITED STATES		<u>(32,812)</u>	<u>(0.01)%</u>
TOTAL FUTURES		<u>(77,607)</u>	<u>(0.01)%</u>
INTEREST RATE SWAPS			
EUROPEAN UNION			
EUR INTEREST RATE SWAP 0.472 25/12/2019	20,000,000	(48,521)	(0.00)%
EUR INTEREST RATE SWAP 0.712 29/01/2016	50,000,000	(33,994)	(0.00)%
EUR INTEREST RATE SWAP 0.735 23/01/2016	10,000,000	(70,916)	(0.01)%
EUR INTEREST RATE SWAP 0.8325 20/11/2017	15,000,000	(353,683)	(0.03)%
TOTAL EUROPEAN UNION		<u>(507,114)</u>	<u>(0.04)%</u>
UNITED STATES			
USD INTEREST RATE SWAP 0.505 02/05/2016	40,000,000	(24,338)	(0.00)%
USD INTEREST RATE SWAP 0.525 25/01/2016	25,000,000	(65,960)	(0.01)%
USD INTEREST RATE SWAP 0.942 07/06/2017	20,000,000	(38,136)	(0.00)%
USD INTEREST RATE SWAP 1.339 16/05/2018	25,000,000	(132,823)	(0.01)%
USD INTEREST RATE SWAP 1.455 15/05/2019	20,000,000	(2,751)	(0.00)%
USD INTEREST RATE SWAP 1.575 04/03/2018	25,000,000	(416,111)	(0.04)%
USD INTEREST RATE SWAP 1.699 25/12/2019	25,000,000	(59,427)	(0.01)%
USD INTEREST RATE SWAP 1.746 20/01/2019	25,000,000	(478,311)	(0.04)%
TOTAL UNITED STATES		<u>(1,217,857)</u>	<u>(0.11)%</u>
TOTAL INTEREST RATE SWAPS		<u>(1,724,971)</u>	<u>(0.15)%</u>
TOTAL LIABILITIES		<u>(3,271,659)</u>	<u>(0.28)%</u>
NET FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,049,885,736</u>	<u>90.23%</u>

SALAR FUND PLC

APPENDIX 1 (UNAUDITED) SCHEDULE OF INVESTMENTS (Continued) 30 June 2015

Except where noted, the counterparty for all other derivative asset and liabilities is UBS AG.

	% 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	84.90 %
Exchange traded financial derivatives	1.71 %
Over-the-counter financial derivatives	0.78 %
Other current assets	<u>12.61 %</u>
TOTAL	<u>100.00 %</u>

SALAR FUND PLC

APPENDIX 2 (UNAUDITED) SUMMARY OF 20 LARGEST PURCHASES AND SALES 30 June 2015

Summary of largest 20 purchases and sales

20 Largest Purchases	Ccy	Cost US\$
AMXLMM 0% 28/05/2020	EUR	31,193,167
AABAR UCG 0.5% 27/03/2020	EUR	19,303,299
SLDZFH 0.5% 29/09/2015	EUR	18,043,643
SNDK 0.5% 15/10/2020	USD	16,564,789
ENIIM GALP 0.25% 30/11/2015	EUR	15,965,274
BNP 0.25% 21/09/2015	EUR	15,619,553
SPNSW 1.875% 21/06/2016	CHF	13,945,792
STWD 3.75% 15/10/2017	USD	13,283,978
TECFP TEC 0% 01/01/2016	EUR	12,400,690
EPIST 2448 0% 07/08/2018	USD	11,917,175
HOLX 0% 15/12/2043	USD	11,201,464
LNKD 144A 0.5% 01/11/2019	USD	11,171,213
COFBBB 3.125% 28/04/2016	EUR	11,140,049
CAPLSP REGS 2.875% 03/09/2016	SGD	10,884,408
CPCO 2.5% 04/10/2018	GBP	10,448,455
CHUNTE 0.75% 18/10/2015	USD	10,385,159
N 0.25% 01/06/2018	USD	10,267,605
BRCD 144A 1.375% 01/01/2020	USD	9,619,781
TOYOSA 0% 04/03/2020	JPY	8,708,092
SIIC 363 0% 18/02/2018	HKD	8,654,338
20 Largest Sales	Ccy	Proceeds US\$
LUKOIL 2.625% 16/06/2015	USD	19,306,986
YTL 1.875% 18/03/2015	USD	15,802,415
CHCONS COLI 0% 04/02/2021	USD	15,445,550
GBLBBB 0.375% 09/10/2018	EUR	14,119,517
OCR OCR 3.25% 15/12/2035	USD	12,844,028
CAPLSP REGS 2.875% 03/09/2016	SGD	11,232,843
SGL SGL 3.5% 30/06/2016	EUR	11,133,569
EXR 144A 2.375% 01/07/2033	USD	10,651,752
COGO 2% 21/03/2017	HKD	10,449,337
SFUN 2% 15/12/2018	USD	9,852,902
CEZCP MOL 0% 04/08/2017	EUR	9,426,720
STWD 4% 15/01/2019	USD	9,270,703
KNBZMK REGS 0% 24/10/2018	SGD	9,215,370
CELLK 2.75% 27/03/2018	USD	9,155,965
YY 144A 2.25% 01/04/2019	USD	8,625,888
RAGSTF EVK 0% 31/12/2018	EUR	8,505,498
FOSUNI 1.5% 22/11/2018	HKD	8,328,250
NLY 5% 15/05/2015	USD	8,313,210
CAIXAB CABK 1% 25/11/2017	EUR	8,065,673
TWTR 144A 1% 15/09/2021	USD	7,199,212

**APPENDIX 3 (UNAUDITED)
ANNUAL FDI REPORT
30 June 2015**

An Annual FDI report is provided to the Central Bank detailing any exposures breached during the year and any material changes to the risk management process. During the period ended 30 June 2015 and the year ended 31 December 2014 there were no material breaches of the FDI exposure limits.