

CQS Global Convertible Fund (UCITS)

FACTSHEET | JULY 2015 (as at 30 June 2015)

INVESTMENT OBJECTIVE

- UCITS compliant long-only convertible Fund seeking attractive risk-adjusted returns over the medium-to-long term through investment in a portfolio of convertible securities across global markets.
- A high conviction portfolio of approximately 50-70 positions targeting 6-8%¹ net returns p.a. through the cycle with low volatility (expected 5-7% annualised over the cycle).

INVESTMENT APPROACH

- Seeking upside participation in rising equity markets and downside protection (due to the bond floor) in weak equity markets.
- Aiming to exploit opportunities in convertibles globally across diverse sectors, geographies and security profiles.
- Seeking to maximise returns within a framework of a disciplined and robust investment process underpinned by deep fundamental research.
- Active investment management and benchmark agnostic.

FUND MANAGEMENT

- Founded in 1999, CQS is a \$13.8bn² global multi-strategy asset management firm with 270 staff globally. The firm's track record is underpinned by fundamental research and quantitative analysis, with robust institutional operational and risk management platforms.
- Fund managed by James Peattie (Head of Long-Only Convertibles), supported by a dedicated team of portfolio managers, analysts and traders with an average of 26 years' experience.
- Convertibles are a core product at CQS. The firm currently manages \$1.6bn³ in convertibles across pooled and dedicated mandates for institutional investors globally.

Source: CQS. ¹Target returns are estimated only and net of fees, expenses and income reinvested. They are based on long-term performance projections of the investment strategy and market conditions at the time of modelling and are therefore subject to change. There is no guarantee that any target return can be achieved. Investors should not place any reliance on such target return in deciding whether to invest in the Fund. The value of investments can go down as well as up. Please read the important legal notice at the end of this document. ²Estimated as at 1 July 2015. ³As at 30 June 2015.

Information about the Fund and copies of the prospectus, the supplement, the key investor information documents, the latest audited annual report and accounts and any subsequent unaudited semi-annual report may be obtained free of charge from the administrator, State Street Fund Services (Ireland) Limited (the Administrator) or the investment manager, CQS (UK) LLP upon request. The Fund is authorised in Ireland and regulated by the Central Bank of Ireland. This document is solely for the HFM Allocator Intelligence Summit and cannot be distributed to any other external party without the express written consent of CQS.

KEY FUND FACTS

Portfolio Manager

- James Peattie

Legal Structure

- UCITS

Domicile

- Ireland

Reference Currency

- EUR

Share Classes

- EUR, GBP, USD

Target Return

- 6-8% annualised over the cycle

Expected Volatility

- 5-7% annualised over the cycle

AUM

- \$49m

13 USD Share Price/NAV

- 98.549

RISK AND REWARD PROFILE



Low

High

Registered

- Ireland

Fund Launch Date⁴

- 2 March 2015

One-off Charges

- Entry: 5.00% discretionary
- Exit: 3.00% discretionary

Depository

- State Street Custodial Services (Ireland) Limited

NET HISTORICAL RETURNS OF CQS GLOBAL CONVERTIBLE FUND (UCITS)⁴

%	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	YTD
I3 USD					(0.04)	(1.70)							(1.75)
M USD			(0.24)	1.71	0.90	(1.66)							0.67

NET HISTORICAL RETURNS OF CQS CONVERTIBLE OPPORTUNITIES FUND ("COF", NON-UCITS)⁵

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	1.25	2.32	(0.07)	1.68	0.83	(2.49)							3.50
2014	(0.47)	2.11	(0.27)	0.54	1.68	0.04	(0.07)	2.14	(2.16)	0.53	1.77	(0.10)	5.79
2013	2.49	0.50	1.33	1.90	1.66	(1.34)	2.95	(0.85)	2.89	1.98	0.69	0.24	15.33
2012	2.73	2.13	0.30	(0.51)	(2.51)	1.60	2.32	0.65	0.92	0.44	1.16	1.41	11.07
2011	0.86	1.33	0.67	0.74	(0.50)	(0.89)	(1.84)	(3.06)	(3.30)	3.19	(2.14)	0.24	(4.80)
2010	(0.62)	0.35	1.96	(0.42)	(3.25)	(0.33)	2.68	0.04	2.52	2.22	(1.35)	1.89	5.67
2009						(0.22)	5.22	1.54	2.40	(0.34)	0.72	1.67	11.40

COF STATISTICS⁵

Annualised (LTD) (%)	Volatility (LTD) (%)	Sharpe Ratio (LTD)	Up Months (Since Inception)	Down Months (Since Inception)
7.72	5.76	1.23	49	24

The CQS Convertible Opportunities Fund ("COF") is a long-only convertible fund that employs a similar investment strategy to the CQS Global Convertible Fund (UCITS) investment strategy. COF's performance history is used here for illustrative purposes only and is intended solely to show how a long only convertible bond fund managed by CQS has performed over a six-year period. COF is not authorised as an Undertaking in Collective Investment in Transferable Securities (a "UCITS fund") and it is not therefore subject to the rules and trading limits that apply to UCITS funds. COF also has a different fee structure from those fees normally charged under a UCITS fund. Thus the returns shown in the COF performance history would have been different had COF been trading as a UCITS fund.

INVESTMENT COMMENTARY – JUNE 2015⁶

June was a weak, and at times volatile, month for markets. The Bank of America Merrill Lynch Global 300 Convertible Index fell 2.2% in local currencies, which translated to a loss of 1.8% in US dollar terms. Global convertible issuance was however robust in June, totalling \$10.3bn. Although pricing of new deals was variable, investor appetite proved solid, and the Fund selectively participated with a short investment horizon. Losses in the month were driven by the US and European portfolios, with more modest losses in the Asian portfolio. Information Technology holdings in particular detracted, with weakness also in Financials and Real Estate holdings. Health Care holdings contributed positively to returns.

The Greek situation remains fluid, the Chinese equity market is unsettled and the economy has been showing signs of sloth. Meanwhile, investors in the US remained concerned over the likely pace of rate rises. All of these factors suggest to us that the asymmetric return profile offered by convertible bonds is attractive in this environment. The portfolio remains solidly investment grade and appropriately diversified.

Source: CQS. ⁴The CQS Global Convertible Fund (UCITS) a sub-fund of CQS Funds (Ireland) plc was approved by the Central Bank of Ireland on the 12 February 2015 and commenced investment activity 2 March 2015. Class M USD launched 2 March 2015. Class I3 USD launched 26 May 2015. Class returns are as at 30 June 2015 and calculated net of all fees and expenses on the basis of a shareholding since inception of such class or, if such class has become dormant at any point following inception, since the first new investment into such class. ⁵COF returns represent "strategy returns", a combination of B USD share class returns for June & July 2009 and B and C GBP share class returns from August 2009 to present date, net of fees and expenses and with all dividend and income reinvested. The main rationale for using these specific share classes is the length of their track record (longest consistently available). With respect to both performance tables detailed in ⁵ and ⁶, individual shareholders may have different returns depending upon the date of their investment. Investors should refer to each specific share class for the actual historical performance of the relevant class; please request full history of data from CQS. ⁶The Fund may have since exited some or all of the positions detailed in this commentary. All market data sourced from Bloomberg, Bank of America Merrill Lynch and UBS.

The value of investments can go down as well as up. This document includes historic returns and past performance is not a reliable indicator of future results. Please read the important legal notice at the end of this document.

KEY FUND FACTS*(continued)***Administrator**

- State Street Custodial Services (Ireland) Limited

Auditor

- Ernst & Young

Dealing Frequency**Subscriptions**

- Daily

Dealing Frequency Redemptions

- Daily with 1 business day's notice by 3pm Dublin time

Gate

- 10% discretionary

Management Fee

- I: 0.95% p.a.
- I2: 0.65% p.a.
- I3: 0.50% p.a. (limited capacity)
- D: 2.00% p.a.

TER/Expense Cap

- I: 1.55%
- I2: 1.25%
- I3: 1.1%
- D: 2.6%

Minimum Investment Size

- I: €100,000 or currency equivalent
- I2: €5m or currency equivalent
- I3: €10m or currency equivalent
- D: €100,000 or currency equivalent

SECURITY NUMBERS**ISIN**

- I: EUR IE00BTFQZP50
GBP IE00BTFQZQ67
USD IE00BTFQZR74
- I2: EUR IE00BTFQZS81
GBP IE00BTFQZT98
USD IE00BTFQZV11
- I3: EUR IE00BTFQZW28
GBP IE00BTFQZX35
USD IE00BTFQZY42
- D: EUR IE00BTFQZL13
GBP IE00BTFQZM20
USD IE00BTFQZN37

SECURITY SELECTION PROCESS

- The Portfolio Manager focuses on individual convertible securities to maximise investment opportunity and expected return asymmetry.
- Selected securities continually compete for a place in the portfolio.
- Catalysts for portfolio change include: relative valuation shifts; and corporate news; new issuance; rating actions, upgrades / downgrades; corporate events; calls / puts / maturities.
- In-house credit ratings are used to evaluate the significant unrated portion of the market to add value.

PORTFOLIO CONSTRUCTION AND RISK MANAGEMENT

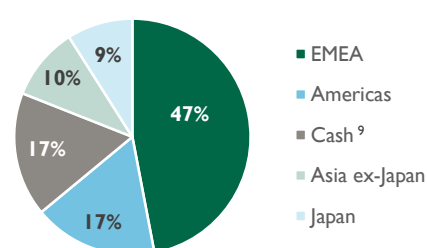
- The Portfolio Manager seeks optimal portfolio risk / reward and diversification by issuer, geography and industry sector with appropriate position sizing.
- Strict compliance with risk limits, monitored by an independent risk management team.

RISKS INVOLVED

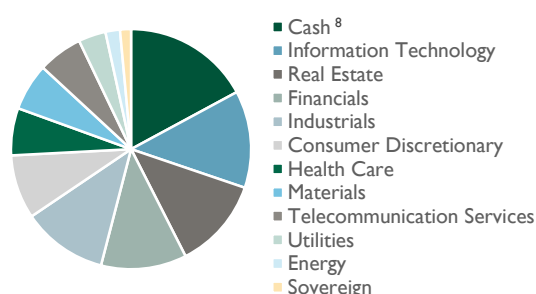
- Investments in global convertibles are primarily subject to equity, credit, interest rate and foreign exchange risk.
- The Fund will seek to hedge foreign exchange risk using financial derivatives.

PORTFOLIO ANALYSIS⁷

Region (% of NAV)



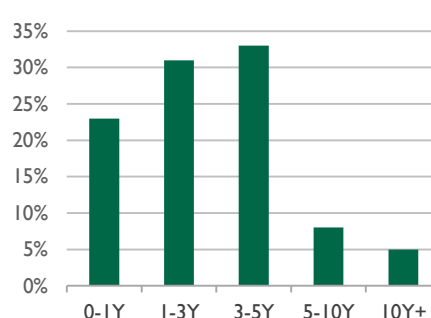
Industry (% of NAV)



Rating (% of NAV)⁹



Maturity (% NAV)¹⁰



TOP 5 HOLDINGS (%)⁷

Name	Sector	(% of NAV)
Intel Corp	Information Technology	3.14
RAG-Stiftung	Materials	2.62
E.ON SE	Utilities	2.59
adidas AG	Consumer Discretionary	2.58
STMicroelectronics NV	Information Technology	2.51

Source: CQS as at 30 June 2015. ⁷Actual allocations are for illustrative purposes only. There is no guarantee that the Fund will invest in this way at all or do so in the same manner as set forth in this factsheet. ⁸Exposure to cash was elevated at month-end due to investor inflows. ⁹Weighted Average Rating: Positions, including cash, are weighted according to market value and internal credit ratings are used where externally sourced credit ratings are not available. Cash is rated according to the issuer rating of the custodian bank. ¹⁰Maturity or first put.

KEY FUND FACTS

(continued)

REPORTING

Investor Report

- Monthly

Fiscal Year-End

- 30 June

PORTFOLIO CHARACTERISTICS

Expected Number of Positions

- 50-70

Anticipated Weighted Average Credit Rating (including CQS ratings)

- BBB- (or better)

Maximum Single Issuer Concentration

- 10.0% (UCITS 5/10/40 limit)

Maximum Sector Concentration

- 40%

Maximum Regional Concentration

- 60%

Maximum Emerging Market Exposure

- 35%

Maximum Cash

- 20%

Excluded Securities

Derivatives (except for currency hedging), reverse convertibles, synthetic convertibles

Borrowings

The Fund is permitted to borrow up to 10% of the Fund's NAV on a temporary short term basis

Anti-Dilution Levy

Partial Swing Pricing with transaction costs and threshold to be set by the Manager

Maximum Impact of Swing Pricing

- 2% of NAV

Not for distribution to retail investors as defined in Article 4 of the European Directive 2011/61/EU and the UK FCA COBs 3.4. CQS is a founder of the Hedge Fund Standards Board ("HFSB") which was formed to act as custodian of the hedge fund best practice standards (the "Standards") published by the Hedge Fund Working Group ("HFWG") in 2008 and to promote conformity to the Standards. HFSB is also responsible for ensuring that they are updated and refined as appropriate. The Standards were drawn up by HFWG which comprised the leading hedge funds (based mainly in London) in 2007 in response to concerns about the industry, including financial stability and systematic risk. The HFWG completed its work in January 2008 and published its report outlining the Standards. By applying, managers commit to adopt the "comply or explain" approach described in the Standards.

The term "CQS" may include one or more of any CQS branded entity including CQS Cayman Limited Partnership which is registered with the Cayman Islands Monetary Authority, CQS (UK) LLP, CQS Investment Management Limited and CQS Asset Management Limited which are each authorised and regulated by the UK Financial Conduct Authority, CQS (Hong Kong) Limited which is regulated by the Hong Kong Securities and Futures Commission, CQS (US), LLC which is registered with the US Securities and Exchange Commission, and CQS Investment Management (Australia) Pty Limited which is registered with the Australian Securities & Investments Commission, Australian Financial Services Licence No. 386047.

This document has been prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares in any fund or any security, commodity, financial instrument or derivative linked to, or otherwise included in, a portfolio managed or advised by CQS; or (iv) an offer to enter into any other transaction whatsoever, (each a "Transaction").

Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and suitability of such Transaction in light of your individual circumstances. Where applicable, any decision to enter into any Transaction should be based on the terms described in the relevant prospectus, supplement, offering memorandum, private placement memorandum, trading strategy, constitutional document and/or any other relevant document as appropriate ("Offering Document"). Any Transaction will be subject to the terms set out in its Offering Document and all applicable laws and regulations. The Offering Document supersedes this document and any information contained herein.

Nothing contained herein shall constitute or give rise to the relationship of partnership nor shall it constitute a joint venture or give rise to any fiduciary or equitable duties. Any information contained herein relating to any third party not affiliated with CQS is the sole responsibility of such third party and has not been independently verified by CQS or any other independent third party. The information contained herein is not warranted as to completeness or accuracy, nor should it be deemed exhaustive information or advice on the subjects covered. The information contained herein, as well as the views expressed herein by CQS professionals made as of the date of this presentation, is subject to change at any time without notice.

No representations and/or warranties are made that the information contained herein is either up to date and/or accurate and is not intended to be used or relied upon by any counterparty, investor or any other party.

CQS utilizes information sourced from third-party vendors, such as statistical and other data, that are believed to be reliable. However, the accuracy of this data, which may also be used to calculate results or otherwise compile data that finds its way over time into CQS research data stored on its systems, is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. CQS bears no responsibility for your investment research and/or investment decisions and you should consult your own lawyer, accountant, tax adviser or other professional adviser before entering into any Transaction. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives (including affiliates) accept any liability whatsoever for any errors and/or omissions or for any direct, indirect, special, incidental or consequential loss, damages or expenses of any kind howsoever arising from the use of, or reliance on, any information contained herein.

Information contained in this document should not be viewed as indicative of future results, past performance of any Transaction is not indicative of future results. The value of investments can go down as well as up. Certain assumptions and forward looking statements may have been made either for modelling purposes to simplify the presentation and/or calculation of any projections or estimates contained herein and CQS does not represent that any such assumptions or statements will reflect actual future events or that all assumptions have been considered or stated. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. Some of the information contained in this document may be aggregated data of transactions executed by CQS that has been compiled so as not to identify the underlying transactions of any particular customer.

Any indices included in this document are included to simply show the general market trends relative to the types of investments CQS tends to select for certain funds managed or advised by CQS ("CQS Funds") for the periods indicated within this document. The indices are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). CQS Funds are not managed to a specific index. This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation. In accepting receipt of this information, you represent and warrant that you have not been solicited, directly or indirectly, by CQS and are receiving this information at your own request. It is your responsibility to inform yourself of and to observe all applicable laws and regulations of any relevant jurisdiction.

The information transmitted is intended only for the person or entity to which it has been given and may contain confidential and/or privileged material. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. The information contained herein is confidential and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates.

Information Required, to the extent applicable, for Distribution of Foreign Collective Investment Schemes to Qualified Investors in Switzerland: The representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. The Prospectus, the Memorandum and Articles of Association and all other documents used for marketing purposes, including the annual and semi-annual report, if any, can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland. CQS (UK) LLP (as the distributor in Switzerland) and its agents do not pay any retrocessions to third parties in relation to the distribution of the Shares of the CQS Fund in or from Switzerland. CQS (UK) LLP (as the distributor in Switzerland) and its agents do not pay any rebates aiming at reducing fees and expenses paid by the CQS Fund and incurred by the investors.

Contact Information

clientservice@cqsm.com

www.cqscapital.com

CQS (UK) LLP

5th Floor
33 Grosvenor Place
London SW1X 7HY
United Kingdom

Tel: +44 (0) 20 7201 6900
Fax: +44 (0) 20 7201 1200

CQS (US), LLC

152 West 57th Street
40th Floor
New York
NY 10019
United States

Tel: +1 212 259 2900
Fax: +1 212 259 2699

CQS (Hong Kong) Limited

15-08 Two Exchange Square
8 Connaught Place
Central
Hong Kong SAR
China

Tel: +852 3920 8600
Fax: +852 2521 3189

CQS Investment Management (Australia) Pty Limited

Level 3, Gold Fields House
1 Alfred Street
Sydney
NSW 2000
Australia

Tel: +61 2 8294 4180



Scan this code with your smart phone
(Any QR scanner app will work)