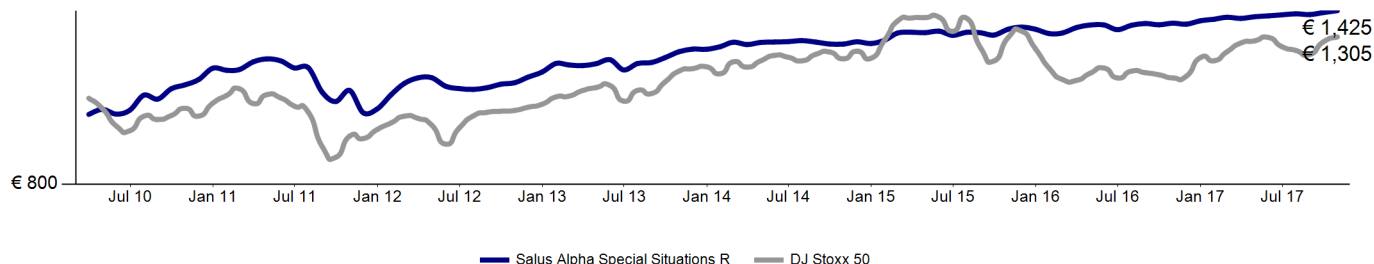
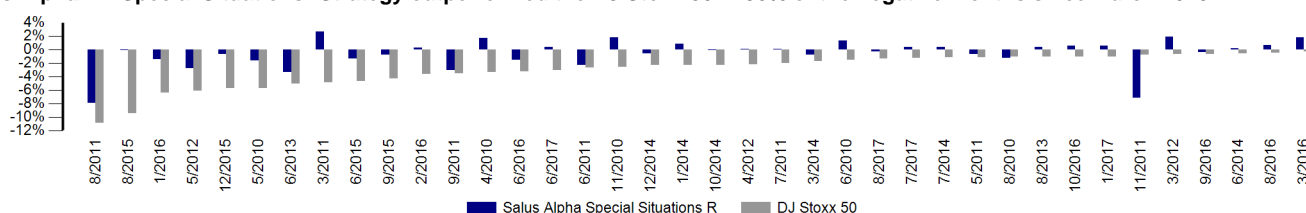


Investment Approach

Salus Alpha Special Situations R EUR is a Multi-Asset sub-fund of Salus Alpha SICAV, investing across the full range of eligible instruments like bonds, equity and cash. It combines an opportunistic core portfolio of selected, fundamentally attractively valued top companies (10% - 30% exposure) with positions in short- and medium-termed special situations (0% - 70% exposure). Employing a traditional stock-picker approach, the fund targets to achieve an absolute return independent of the development of the overall equity market. Special situations are for example acquisitions and bidding wars, changes in the capital structure, management changes, share buybacks, director's dealings, IPOs, capital increases, index changes or earning surprises.



Salus Alpha RN Special Situations* Strategy outperformed the DJ Stoxx 50 in 95% of the negative months since March 2010*:**



Performance since inception of the fund

	42%
Year To Date	3.4%
Oct 2017	0.6%

Fund Inception* **22-Mar-2010**

Target Return

7% p.a. (net of fees)

Recommended Holding Period	3 - 5 years
Synthetic Risk/Reward Indicator (SRRRI according to KID)	4

Currency	ISIN	NAV	Min. Initial Investment	Registered In
EUR	LU1280956597	14.1941	1,000	LU, AT, DE
USD	LU1280956670	10.0000	1,000	LU
GBP	LU1280956910	10.0000	1,000	LU
CHF	LU1280956753	10.0000	1,000	LU
SEK	LU1280957058	100.0000	10,000	LU

Correlations Since 2010*****	DJ Stoxx 50	HFRX ED: Special Situations Index	Bonds**, 50% DJ Stoxx 50)	Bonds**
Salus Alpha Special Situations R	0.58	0.53	0.53	-0.01
DJ Stoxx 50		0.64	0.96	-0.07
HFRX ED: Special Situations Index			0.58	-0.16
Benchmark (50% Bonds**, 50% DJ Stoxx 50)				0.21

* Salus Alpha RN Special Situations (AT0000A0GZ08) was merged into Salus Alpha Special Situations R EUR (LU1280956597) on 1-Aug-2016. Actual fund performance since inception.

** iBoxx Sovereign Bond Index.

*** The Benchmark had 38 negative months since March 2010.

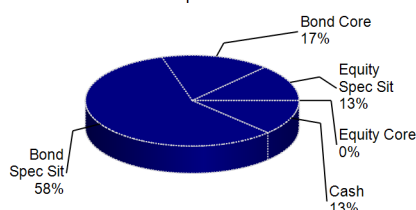
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

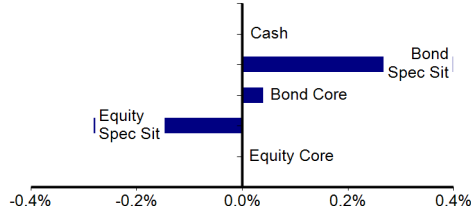
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	1.3%	-3.3%	2.2%	0.3%	1.6%	2.0%	0.9%	0.0%	7.9%
2014	0.9%	1.5%	-0.8%	0.7%	0.1%	0.1%	0.3%	-0.5%	-0.6%	0.0%	0.8%	-0.6%	1.5%
2015	1.2%	2.4%	0.3%	-0.1%	0.5%	-1.4%	1.0%	-0.1%	-0.8%	1.9%	0.7%	-0.7%	4.9%
2016	-1.4%	0.2%	1.8%	0.8%	0.0%	-1.6%	1.5%	0.6%	-0.4%	0.5%	-0.3%	1.1%	2.9%
2017	0.5%	0.6%	-0.4%	0.6%	0.3%	0.3%	0.3%	-0.3%	0.7%	0.6%			3.4%

* Salus Alpha RN Special Situations (AT0000A0GZ08) was merged into Salus Alpha Special Situations R EUR (LU1280956597) on 1-Aug-2016. Actual fund performance since inception.

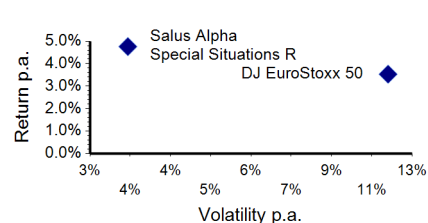
Portfolio Exposure 10/2017



Performance Attribution 10/2017



Risk/Return Since 2010



Product Details

Manager	Salus Alpha Capital Ltd
Mutual Fund Company	Salus Alpha SICAV
Custodian	CACEIS Bank Luxembourg
Legal Structure	UCITS
Fund Domicile	Luxembourg
Sales Fee	3.00%
Redemption Fee	None
Management Fee	1.90%
Performance Fee	20%

Availability

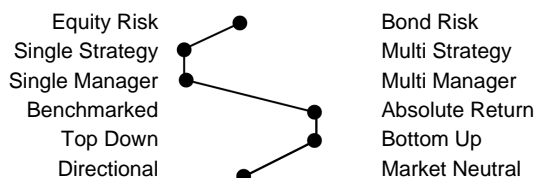
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	42.5%	30.5%
Outperformance	+12.0%	
Annual Mean Return	4.76%	3.53%
Outperformance (p.a.)	+1.2%	
Annual Volatility	3.68%	11.28%
Mod. Sharpe Ratio (0%)	1.29	0.31
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	66%	59%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.74	0.42
Calmar Ratio	1.75	0.13

Fund Category

Fund Strategy	Mixed Asset Moderate
Target Return	7% p.a. (net of fees)
Target Volatility	4% - 6% p.a.
Target Correlation To Stocks	ca. 0.5
Target Correlation To Bonds	<0.2



* Salus Alpha RN Special Situations (AT0000A0GZ08) was merged into Salus Alpha Special Situations R EUR (LU1280956597) on 1-Aug-2016. Actual fund performance since inception.

** Year to date.

Performance Review for October 2017

Global equities made further progress in October, driven by positive economic data and a strong corporate earnings season. The S&P 500 Index advanced (to a new all-time high, +2.2% in October) against a backdrop of strong economic data. The US economy expanded at a faster pace than forecast (GDP annual growth at 3.0% vs. expectations of 2.6%) in the third quarter, indicating resilient demand from consumers and businesses despite damage from two hurricanes Harvey and Irma. US ISM Manufacturing Index reached at 58.7 in October. While the latest release of US jobs report confirmed that the economy added 261,000 jobs in October and the unemployment rate was down to 4.1% as labor conditions returned to normal following the storm-weakened September. Furthermore, the steady stream of strong company earnings reports drove market performance towards the end of the month.

On the other side, the rally in European equities continued in October with the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index advanced +2.2%, +3.1%, +2.7% and +0.9% respectively. The economic backdrop remained encouraging with third-quarter GDP rose by 0.6% QoQ (2.5% YoY basis). The region has posted its eighteen consecutive GDP quarterly expansion. The Eurozone's composite PMI holding steady at a six-year high level of 56.0 in October. Furthermore, the regions' unemployment rate fell to an eight-year low of 8.9% in September. On the monetary policy front, as expected, the European Central Bank (ECB) announced to reduce the monthly pace of net asset purchases by half (from EUR 60bn per month to EUR 30bn per month) starting in January 2018, while extending the programme by another nine months until September 2018. Eurozone's inflation in October was at 1.5%.

The FTSE100 Index rose +1.6% in October, against a backdrop of rising oil prices and inflation. Economic data indicated modest growth in the UK economy with 3Q 2017 GDP growth of 0.4% QoQ. Emerging markets also posted a strong return with ongoing strength in global growth proving supportive. October was a positive month for bond markets with corporate bonds outperforming government bonds.

Salus Alpha Special Situations Fund gained +0.6% in October 2017, as a result of efficient risk management and decent stock selections. The Strategies' Special Situations holdings in the Industrials and Financials (Hybrid banking bonds) have performed positively. In contrast, some equity index hedges weighed on performance. However, during October we trimmed certain positions into strength as a measure of overall risk management.

Special Situations:

The Strategy's Special Situation position in an Austrian circuit board manufacturer, Austria Technologie & Systemtechnik AG (AT&S) rallied more than 50% in October and was the top performer (+0.22%) for the month. The investment case became more attractive after the massive guidance increase in early October. The company reported exceptional 2Q17/18 results, higher than any ambitious forecast, resulting in the best quarterly performance in the past five years. The report highlighted significantly higher revenues with IC substrates and efficiency improvements as well as faster and better introduction of mSAP technology processes, while other business segments (Automotive, Industrial & Medical) developed positively as well, resulting in nearly all plants working at full capacity. Although we sold a part of position into share price strength, we remained invested and expect that the ongoing earnings momentum will continue in the 2H 17/18 and next year.

Our medium-sized Special Situation position in Austrian steelmaker, Voestalpine AG, rallied +9.5% in October and delivered strong performance (+0.17%) to the Fund's monthly performance. The Austrian steel group continues to benefit from favourable steel market conditions in Europe and worldwide. The company reported impressive second quarter results, mainly driven by better steel margins. Voestalpine remains the best-in-class steel producer in Europe with a strong FCF profile in the years ahead due to the limited steel capex needs for the next five years. Despite strong H1 earnings run rate, we see no particular risks regarding H2 17/18, pointing to the best results since 2008/09. This should give management scope for material increases in shareholder returns (to the upper end of the 3%- 4% dividend target range).

During the month, we also participated in Baywa's subordinated bond issuance (4.25% hybrid bond) with a relatively large position (5.5% of the Fund's volume). The position rose by +6.6% in October and contributed +0.37% to the Fund's monthly performance. Baywa AG is a Germany-based leading agricultural trading company with a strong foothold in the co-operative sector.

Meanwhile, given a rebound in crude oil prices during October, we bought small positions in Austrian oil companies, OMV AG and Schoeller-Bleckmann Oilfield Equipment AG (SBOE). OPEC and other oil producers are expected to extend their production cut in their November meeting. However, after a decent price rise, we sold our SBOE position and attributed positively to the Fund's monthly results.

The Austrian banks continued to benefit from Central, Eastern European (CEE) recovery. The Strategies' hybrid bond position in 6.125% Raiffeisen Bank International (RBI), 8.875% Erste Group Bank AG and 6.5% Erste Group Bank have contributed positively to the Fund's monthly performance.

Outlook:

After the recent strong rally, the risk of a short-term consolidation or correction in equities remains high. Global markets are trading at all time highs and a lot of good news has been already factored in. However, the synchronised global recovery continued in October. The solid US corporate earnings season has confirmed that the economy is growing at a robust pace and the uplift in Eurozone growth is expected to continue.

Nevertheless, the Fed is likely to continue along its tightening path. The ECB is also in gradual tightening mode by reducing the monthly pace of net asset purchases by half. Thus, we continue to be cautiously positioned and are trying to use market corrections for buying first class quality, but we don't shy away from selling again in order to lock-in profits.