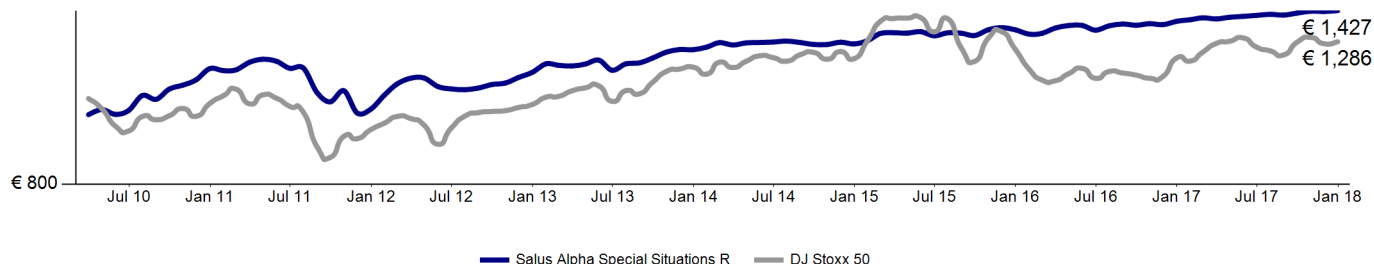
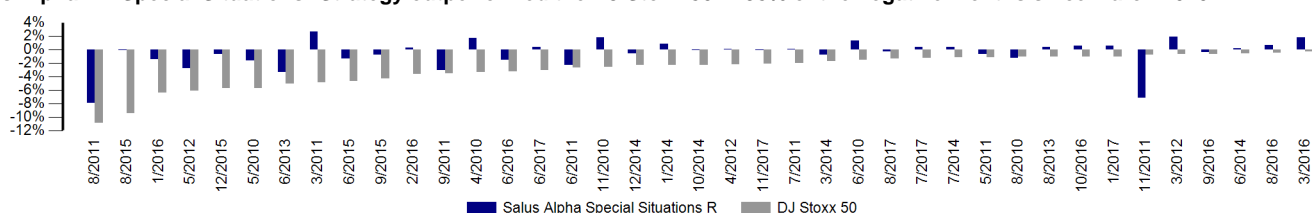


### Investment Approach

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-term 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

	<b>43%</b>
Year To Date	3.6%
Dec 2017	0.3%

### 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	14.2201	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 (AT000A0GZ08) 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 39 negative months since March 2010.

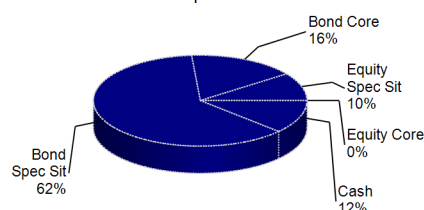
\*\*\*\* Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

### Fund Performance\*

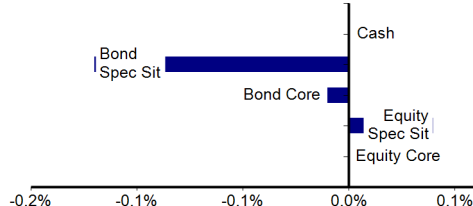
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%	-0.1%	0.3%	3.6%

\* 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.

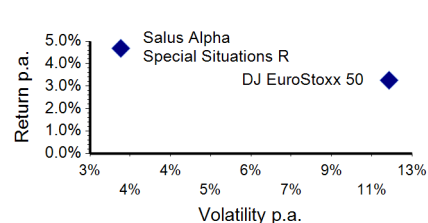
Portfolio Exposure 11/2017



Performance Attribution 11/2017



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

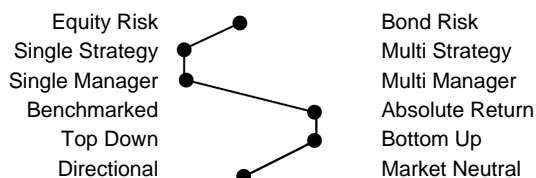
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	<a href="mailto:invest@salusalphabet.com">invest@salusalphabet.com</a>
Web	<a href="http://www.salusalphabet-sicav.com">www.salusalphabet-sicav.com</a>

### Fund Performance\*

	Fund	22-Mar-10 Benchmark
Fund Inception		
Total Return	42.7%	28.6%
Outperformance	<b>+14.1%</b>	
Annual Mean Return	4.68%	3.26%
Outperformance (p.a.)	<b>+1.4%</b>	
Annual Volatility	3.57%	11.33%
Mod. Sharpe Ratio (0%)	1.31	0.29
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	65%	59%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.73	0.39
Calmar Ratio	1.75	0.10

### 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 November 2017**

Global equity markets took a short pause at the beginning of November after a prolonged period of positive returns and low volatility. However, most of the global equity indices rebounded by the end of the month amid optimism over economic growth and company earnings. Nevertheless, the regional disparity has been higher in recent months with US equities advancing while European equities retreated. The S&P 500 Index advanced (to a new all-time high, +2.8% in November) against a backdrop of strong macroeconomic data. The Trump administration's tax reform proposal also took a step closer to approval, offering a boost to sentiment overall. In economic news, US GDP growth for the third quarter of 2017 has revised upwards to 3.3% (annualised rate), up from its previously reported 3.0%. While the latest release of US jobs report confirmed that the economy added 228,000 jobs in November (vs. expected: 195,000) and the unemployment rate remained at 4.1%

On the other hand, European equity markets retreated in November as some profit-taking (after this year's gains) and a stronger EURO weighted on risk asset. Falling government bond yields at the start of the month and subdued inflation levels fuelled a risk-off sentiment which dragged on. However, the economic backdrop for the Eurozone remained bright. Forward-looking economic indicators pointed to ongoing strong momentum. The Eurozone composite PMI Index reached 57.5 in November from 56.0 in October. The German Ifo business climate index hit a new record high of 117.5 in November, up from 116.7 in October. The Eurozone's unemployment rate was confirmed at 8.8% in October, down from 8.9% in September. While inflation rose to 1.5% in November from 1.4% in October.

However, some political uncertainty remained in the region as talks over the formation of a new coalition government in Germany has collapsed. During the month, major European equity indices such as the EuroStoxx50, the DAX30, the ATX20 and the FTSE100 were retreated by -2.8%, -3.3%, -1.8% and -2.2% respectively. Despite a sluggish UK economy, the Bank of England has raised interest rates for the first time in a decade, from a record low of 0.25% back to 0.50%.

Salus Alpha Special Situations Fund returned -0.1% in November 2017, and thus, showed better performance than the major equity indices, which slipped as quoted above. The Strategies' Special Situation position in the Austrian real-estate company, Immofinanz AG and the Fund's market hedges weighed on the Fund's performance. The fund was pretty stable over this period as we had been already prepared for such a market correction/consolidation phase.

**Special Situations:**

The Strategy's Special Situation position in an Austrian circuit board manufacturer, Austria Technologie & Systemtechnik AG (AT&S) rallied more than 30% in November and was the top performer for the month. The investment case offers unique mix of value and growth. Following a burdensome two-year investment cycle targeting new technologies (mSAP and IC substrates), AT&S is now entering a higher profitability phase of business as its new technologies are being widely adopted driving strong growth and margin expansion. The company managed to secure premium pricing for its mSAP technology (most advanced printed circuit board) supported by limited competition due to a highly complex production process establishing high entry barriers. After the massive guidance increase in early October, AT&S reported exceptional 2Q17/18 results, significantly beating market expectations and the best quarterly performance in the past five years. Thus, we continue to remain bullish on AT&S and expect that the ongoing earnings momentum will continue in the 2H 17/18 and next year.

During the month, we also participated in AT&S's subordinated bond issuance (4.75% hybrid bond) with relatively medium-sized position (3.2% of the Fund). We believe the placement will improve AT&S balance sheet structure and provide funding for upcoming investment into capacity expansion in Chongqing.

We also sold our medium-sized position in Voestalpine AG (an Austrian specialty steelmaker) at EUR 48.8, as the stock achieved our short-term targeted range. The share price of Voest rose as much as +14% since we bought it in August 2017. Voest 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.

Meanwhile, we made decent gains in shorter-term Financial holdings such as Deutsche Bank AG and Erste Group Bank AG. Both positions were up by +7.4% and 3.5% respectively and thus, attributed positively to the Fund's monthly performance. On the other hand, we took a new position in the German-Austrian residential real estate company, Buwog AG as prices were attractive to us.

On the downside, our holdings in Immofinanz AG did show negative performance during the month. The share price of Austrian real estate company dropped -7% in November as Russian exit hits company's Q3 2017 results (a negative valuation effect of EUR -157.8mn was recognised in the Q3). While, the Fund's short positions in equity indices (the short position of S&P 500) used as hedges weighed on the performance.

**Outlook:**

Global equities remain at risk of a further consolidation or short term correction. After solid gains in recent months we expect some profit taking by the year-end. However, the synchronised global recovery continued in November. The solid US economic data confirmed that the economy is growing at robust pace. While 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.