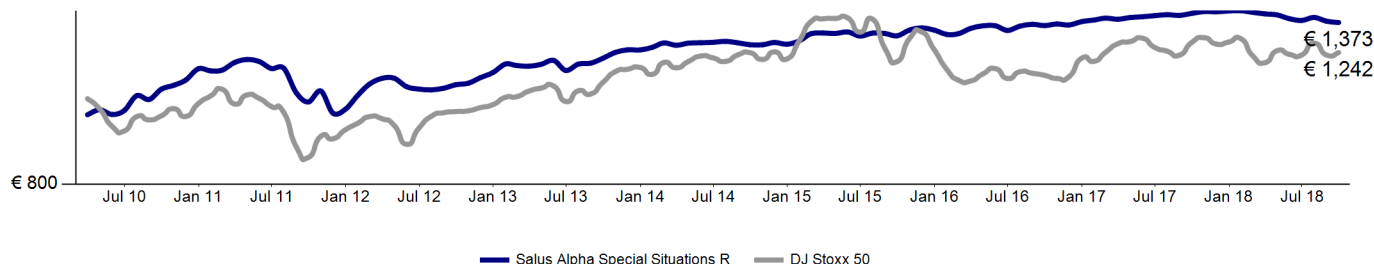
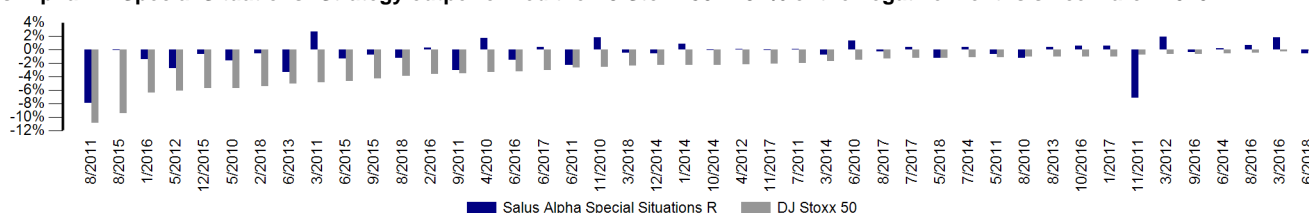


Investment Approach

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 91% of the negative months since March 2010*:**



Performance since inception of the fund

	37%
Year To Date	-3.8%
Sep 2018	-0.4%

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	13.6807	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 44 negative months since March 2010.

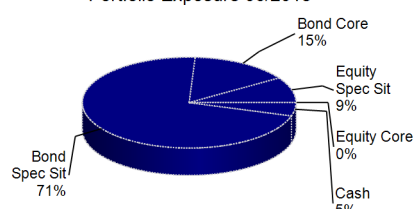
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

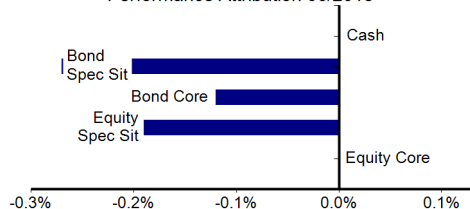
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%
2018	0.1%	-0.5%	-0.5%	-0.3%	-1.3%	-0.6%	1.0%	-1.2%	-0.4%				-3.8%

* 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.

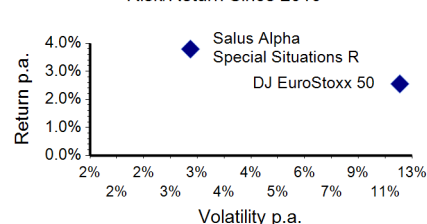
Portfolio Exposure 06/2018



Performance Attribution 06/2018



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

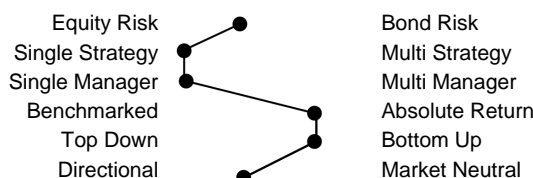
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	37.3%	24.2%
Outperformance	+13.1%	
Annual Mean Return	3.79%	2.55%
Outperformance (p.a.)	+1.2%	
Annual Volatility	2.99%	11.56%
Mod. Sharpe Ratio (0%)	1.27	0.22
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	62%	57%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.65	0.31
Calmar Ratio	0.38	0.07

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 June 2018

Global equity markets came under pressure in June, pushing some market returns into negative territory, mainly driven by increased concerns over political and economic uncertainty. The latest trade-war fears and political uncertainty in Italy could lead to weigh on global economic growth. US President Trump imposed a 25% tariff on up to USD 50bn of Chinese imports followed by signals that it would target an additional USD 200bn in goods if Beijing retaliated. The prospects of a trade war between the world's two largest economies weighed on financial markets. However, the US equity market held on to gains despite a rise in volatility. The S&P 500 Index advanced +0.5% in June. The US ISM manufacturing index increased to 60.2 in June from 58.7 in May. US unemployment rate recorded at 4% in June. While the US retail trade rose by 0.8% month-over-month in May 2018, following an upwardly revised 0.4% advance in April. As expected, the Federal Reserve (Fed) raised interest rates by 25 basis points in its June meeting. It now anticipates two further hikes to come this year, followed by three more next year.

On the other side, Eurozone equities saw negative returns in June with the EuroStoxx50, the DAX30 and the ATX20 Index were down by -0.3%, -2.4% and -3.0% respectively. The trade concerns caused by protectionist rhetoric from the US have weighed on European equity markets. While after slowing economic growth and still low core inflation, the European Central Bank (ECB) announced that interest rates will not be going up until at least the summer of next year, although they did confirm that Eurozone quantitative easing would come to an end by the end of this year. On the macroeconomic front, Eurozone composite PMI Index increased to 54.8 in June from 54.1 in May. Eurozone's annual inflation increased to 2.0% in June from 1.9% in May, mainly as a result of higher energy prices. By contrast, core inflation (which excludes food, energy, alcohol and tobacco) fell back to 1.0%. Meanwhile, the Bank of England (BOE) kept its key interest rate unchanged (at current 0.5% levels). The FTSE 100 Index declined slightly (-0.5%) in June. However, the rising interest rates in the US, trade-war concerns and stronger US dollar have dragged on emerging market equities.

Salus Alpha Special Situations Fund returned -0.6% in June 2018, and thus, better performance than the major Eurozone equity indices, which slipped by about -2%. The Strategies' Special Situations in the Financials and selected name of Industrials weighed on the Fund's performance. However, we sold certain positions into strength as valuations achieved our targeted range. While as a result of rising risk aversion, the Strategies' exposure to the banks CoCo (Contingent Convertible bond) and hybrid bonds have detracted from performance during the month. In terms of portfolio positioning, we were already prepared for markets correction phase; our low risk profile and some appropriate-hedges (short position of S&P 500 Index and short position of Euro Bund Future) helped to in part hold our performance.

Core Portfolio:

During the month, we sold our existing core position in Andritz AG (an Austrian plant engineering group) at attractive price levels and contributed positively to the Fund's performance. However, we maintained our positive view on the growth prospects of the company based on a strong order intake and an unchanged business environment in its key divisions. The company has established itself as a leading player in its markets over the last decade, with an excellent track record of growth.

While in mid-June, we started again to build a position in Mayr-Melnhof (Europe's leading manufacturer of cartonboard and packaging boxes) as prices were attractive to us. The strength of the business model remains undisputed and the company remains our core defensive play. Mayr-Melnhof has a solid historical track record of good profitability, dividend payments and a strong balance sheet.

Special Situations:

The Strategies' Special Situations to Financials and Industrials have attributed negatively during the month. The Fund's shares of an Austrian circuit board manufacturer, Austria Technologie & Systemtechnik AG (AT&S) fell -11% in June and detracted negatively (-0.09%) for the month. The company's guidance for FY 2018/19e was below market expectations and reflects the low visibility and more pronounced seasonality in 1Q 18/19. We think FY2018/19e might be a transitional year as there are no positive triggers visible in the short term. However, we see fundamentally deep value in the company, especially after the recent profit-taking.

As a result of trade war escalation and growing risk aversion, the Strategies' exposure (12% to the total Fund's volume) to contingent capital (CoCo) bonds, the most junior debt issued by banks, detracted (approx. -0.10%) from the Fund's monthly performance. The Strategies' hybrid bond category (29% exposure to the total Fund's volume) have also delivered negative returns (approx. -0.18%) during the month. However, the Fund's short position in Fixed income index hedges (the short positions of Euro Bund Future) helped to hold our performance. We kept focus on shorter duration bonds (2 - 4 years) and try to avoid longer duration bonds (more 5 years) in our portfolio. The reduction in monetary stimulus could continue to put pressure on bond markets. During mid-June, the ECB's guidance on future monetary policy has pushed out expectations of any interest rate hike until 2020 and helped short-dated euro denominated bond yields to fall.

During the month, we sold our financial positions in Erste Bank Group AG (an Austrian lender) and Vienna Insurance Group AG (an Austrian insurer) as measures of risk reduction in the overall portfolio. We made decent profits in our shorter-term positions in Voestalpine AG (an Austrian specialty steelmaker) and FACC AG (the upper Austrian aerospace supplier). The Strategies' Special Situations in Austrian real-estate companies, CA Immo and Warimpex were down by approx. -5% as overall market sentiment remained at pessimistic levels during the month.

Outlook:

Global market volatility is likely to remain high as the US trade threat could get worse and affect global growth. A divergence in the outlook for inflation between the US and the Eurozone suggests that monetary policy will also continue to diverge. With the economic indicators turning down at the same time as political uncertainty has spiked higher, the Eurozone's outlook has changed slightly negative compared to the sunny forecast seen at the start of the year. However, major central banks are turning only gradually toward monetary tightening and thus, lower interest rates should keep investment returns favourable in Europe. However, ahead of the US mid-term elections, the return of political risk is another theme for 2018. 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.