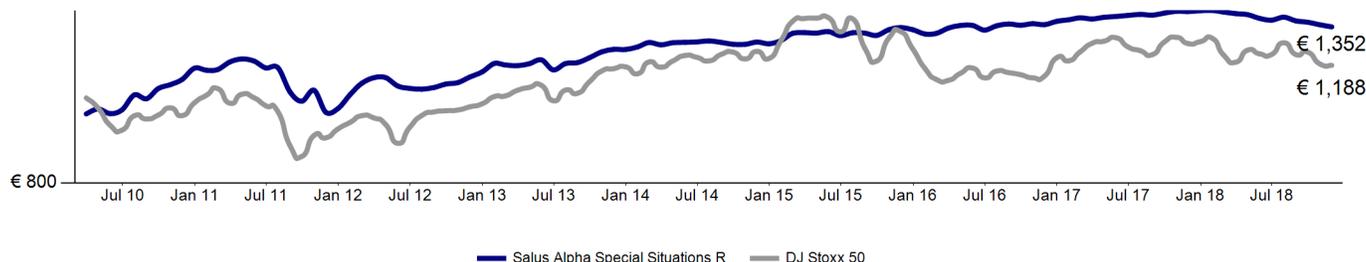
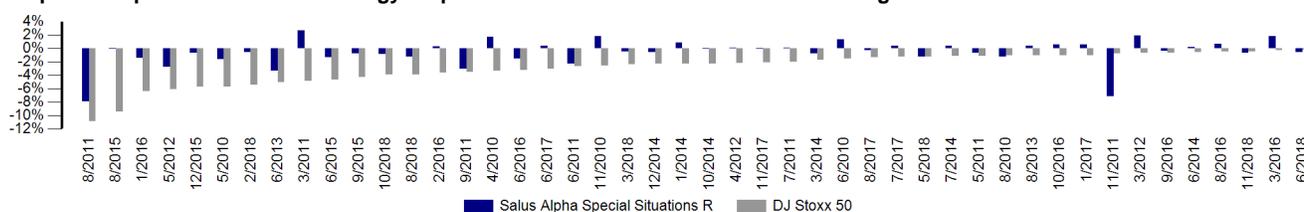


Investment Approach

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 89% of the negative months since March 2010*:**



Performance since inception of the fund

Year To Date	35%
Nov 2018	-5.3%
Nov 2018	-0.7%

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	13.4769	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 46 negative months since March 2010.

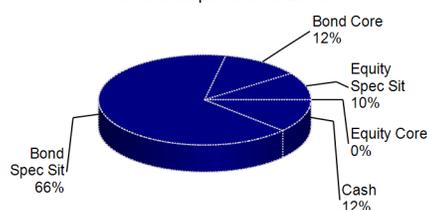
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

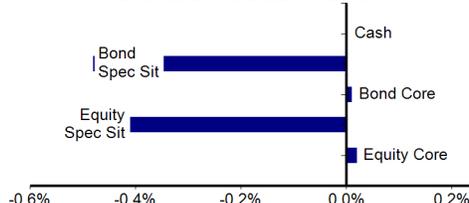
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%	-0.9%	-0.7%		-5.3%

* 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.

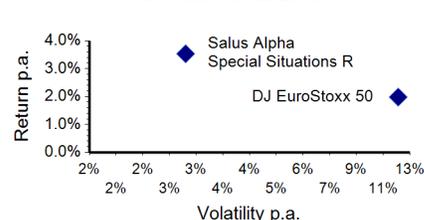
Portfolio Exposure 10/2018



Performance Attribution 10/2018



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

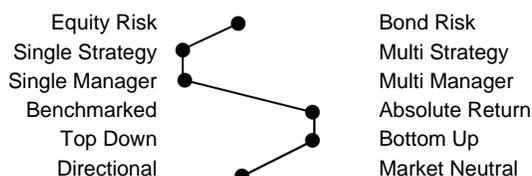
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	35.2%	18.8%
Outperformance	+16.4%	
Annual Mean Return	3.53%	1.98%
Outperformance (p.a.)	+1.5%	
Annual Volatility	2.92%	11.60%
Mod. Sharpe Ratio (0%)	1.21	0.17
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	60%	56%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.62	0.24
Calmar Ratio	0.01	-0.25

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 2018

Global equity markets fell sharply in October, as a combination of multiple factors contributed to the weak returns, including tightening global financial conditions, US- China trade tensions, fears of global economic slowdown, the ongoing dispute between the Italian government and the EU over the Italy's budget, and some weaker corporate earnings. Bond markets reflected the risk-off market sentiment with US Treasury bond yields continued higher in October supported by signs of positive US economic activity and Fed's policy trajectory. Outside the US, government yields mostly declined. The S&P 500 Index fell -7% in October amid investor concerns over the durability of earnings strength and the economic cycle. Meanwhile, the US Govt was preparing a new round of tariffs on Chinese imports. While the Fed reiterated plans to raise interest rates. The increases in US interest rates have signaled the end of cheap money that has driven a near decade-long bull market for global equities. Overall, leading US economic indicators remain broadly stable with US third-quarter GDP growth increased at a 3.5% annualised rate. Unemployment rate also dropped to 3.7% in October from 3.9% in September.

On the other side, Eurozone equities experienced sharp declines in October due to some disappointing earnings results, softer macroeconomic data, ongoing Italian budget battles, political uncertainty in Germany, Brexit negotiations and a falling oil prices. On the economic front, GDP data confirmed a slowdown in the Eurozone economy (with a 0.2% QoQ growth rate in Q3 compared to 0.4% in Q2). The unemployment rate remained unchanged at 8.1% in September. Forward-looking surveys also softened. The Eurozone composite PMI Index fell to 52.7 in October from 54.1 in September. The German IFO Index fell to 102.8 in October from 103.7 in September. While the rise in headline inflation from 2.1% in September to 2.2% in October was in line with the consensus forecast.

Meanwhile, Italy's draft 2019 budget was rejected by the European Commission, giving a three-week deadline for Italy to respond with a new draft or potentially face fines. While in Germany, following the poor performance in the Hesse state elections, Mrs. Merkel announced that she would step down from the leadership of the CDU party (Christian Democratic Union) in December. As expected, the ECB made no change to monetary policy. During the month, major European equity indices such as the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index were down by -5.9%, -6.5%, -5.5% and -0.7% respectively. The FTSE 100 Index also declined -5.1% during the month. The strength of the US dollar and rising risk aversion weighed on emerging markets in October.

Salus Alpha Special Situations Fund returned -0.9% in October 2018 and, thus outperformed the HFRX Special Situations Index and the HFRX Event Driven Index, which were down by -6.2% and -4.6% respectively. The Fund showed far better performance than major equity indices, which slipped more than -6.0%. The month offered no real hiding place other than cash in terms of underlying fund performance. However, the fund was pretty stable over this volatile period. The Fund's market hedges with efficient risk management strategies proved successful 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 Future) helped to hold our performance.

Special Situations:

The Strategy's Special Situation position in Austrian catering company, DO&CO AG continues to deliver strong momentum (+7% in October) and was the top performer (+0.25%) for the month. The company reported good Q2 2018/19 results and secured an important agreement with Turkish Airlines (TA) on the prolongation of their partnership for the next fifteen years. DO&CO has continued its winning series this year, with its share price and valuation getting another fresh trigger.

DO&CO has already won a ten-year catering contract for British Airways flights (of approx. EUR 250mn annual sales). DO&CO's potential deal pipeline includes BA and Iberia lounges contract (EUR 30-40mn per annum), IAG's North America catering tender (EUR 50mn per annum), ten-years new airline catering contract of Aer Lingus (EUR 35mn per annum) and catering contracts for major sports events (UEFA EURO 2020, Champions League finals). We believe DO&CO's investment case remains very robust on the back of clearly more positive fundamentals, given higher estimates and attractive valuation multiples.

During the month, the real estate sector was adversely affected by the market volatility, fears about rising interest rates and slowing economic growth. The Strategies' Special Situations in Austrian real-estate companies, S Immo, Immofinanz and Warimpex were down by -12%, -6% and -8% respectively, and thus, detracted from the Fund's performance (by -0.16%, -0.08% and -0.09% respectively). Furthermore, the Strategy's position in Baywa AG (German agricultural trading group) dropped by -10% in October, and thus, detracted by -0.11% to the Fund's monthly performance. The company's third quarter earnings were hit by the drought situation and low water levels in Germany. Nevertheless, we met with the company's CFO who gave a very confident outlook for the full year results which makes us stick to that deep value play.

On the other hand, we took advantage of share price weakness in Vienna Insurance Group AG (an Austrian insurer), Voestalpine AG (an Austrian specialty steelmaker), Infineon Technologies AG (German semiconductor manufacturer) and Fuchs Petrolub AG (German lubricants company) with satisfactory profit trades. During the month, we sold our positions in Raiffeisen Bank and EVN AG as measures of risk reduction in the overall portfolio.

The Strategies' market-hedges (the short position of S&P 500 Index) performed positively in October given the weaker/volatile equity markets. However, corporate bonds made negative total returns and have underperformed during the month. As a result of trade war escalation and growing risk aversion, the Strategies' exposure (13% to the total Fund's volume) to contingent capital (CoCo) bonds, the most junior debt issued by banks, detracted (approx. -0.16%) from the Fund's monthly performance. The Strategies' hybrid bond category (26% exposure to the total Fund's volume) have also delivered negative returns (approx. -0.21%) during the month.

Outlook:

Global equity markets remain at risk of further short term corrections. The threats around trade, emerging market contagion, ongoing Fed rate hikes and rising bond yields, the Mueller inquiry and Italian budget negotiations point to a period of increased volatility and potential weakness ahead. However, the focus of investors' will continue to remain on the ongoing Q3 2018 earnings season. The outlook for corporate earnings also weakened as companies warned of higher costs amid growing threats to global trade. 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 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. Nevertheless, 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.