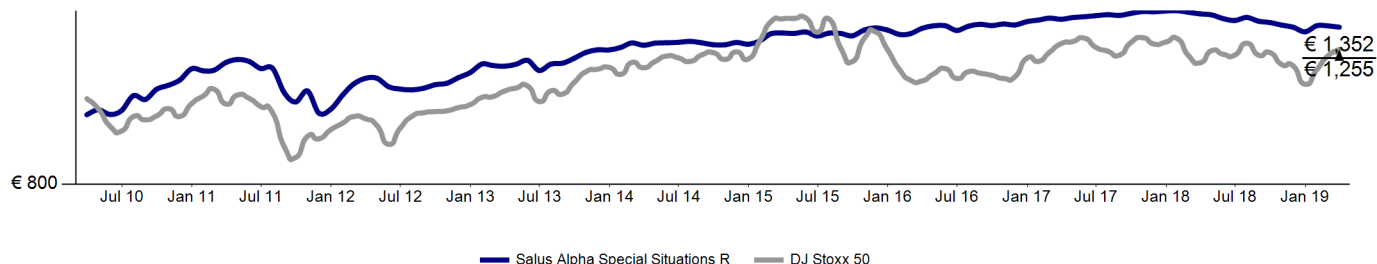
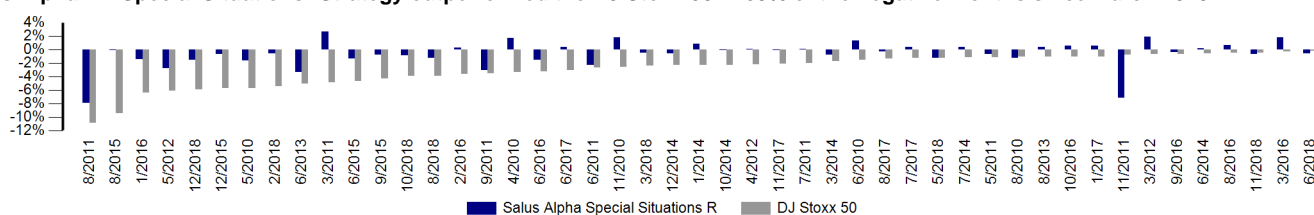


Investment Approach

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%
Mar 2019	1.6%
	-0.5%

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	13.4700	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 47 negative months since March 2010.

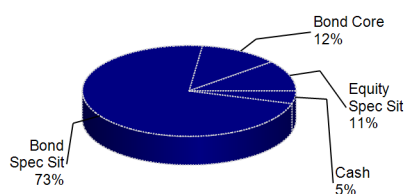
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

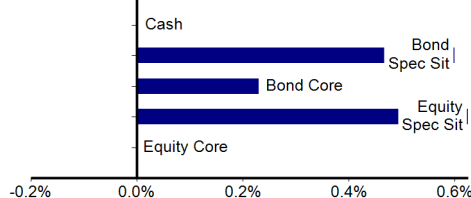
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%	-1.5%	-6.7%
2019	2.1%	-0.1%	-0.5%										1.6%

* 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.

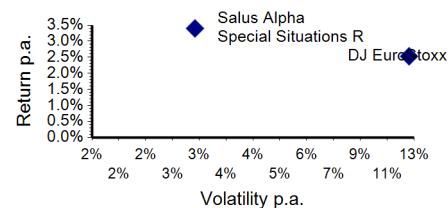
Portfolio Exposure 01/2019



Performance Attribution 01/2019



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

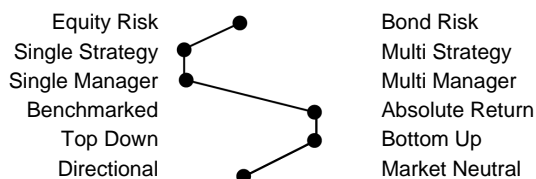
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	35.2%	25.5%
Outperformance		+9.7%
Annual Mean Return	3.40%	2.53%
Outperformance (p.a.)		+0.9%
Annual Volatility	3.04%	12.11%
Mod. Sharpe Ratio (0%)	1.12	0.21
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	59%	57%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.61	0.31
Calmar Ratio	0.02	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 January 2019

Global equity markets recovered after December's sell-off as investors were assured by the US Federal Reserve (Fed) that it would be more patient with further rate increases and renewed optimism over the US-China trade talks. The Fed highlighted a greater degree of flexibility in future rate decisions and confirmed any changes will be based on economic momentum. Furthermore, the US President Trump stated that he would meet with China's President Xi Jinping in February to work towards a resolution to the trade dispute. The developments buoyed risk assets around the world. The S&P 500 Index recovered +7.9% in January, and significantly outperformed other major regions. US labour market strength continued into the new year, the US economy added 304,000 non-farm payrolls (vs. expected: 165,000). However, the unemployment rate edged up to 4% from 3.9% as the government shutdown contributed to the higher jobless rate. Global government bond yields fell in January. While corporate bonds saw a strong rebound and outperformed government bonds.

On the other side, Eurozone equities bounced back in January after a weak end to 2018. Major European equity indices such as the EuroStoxx50, the DAX30, the ATX20, and the Swiss SMI20 Index were up by +5.3%, +5.8%, +8.7% and +6.4% respectively. Risk assets recovered some of the losses they made in the fourth quarter. However, Eurozone's economic data continued to indicate slower growth. The Eurozone composite PMI Index fell to 50.7 in January from 51.1 in December, suggesting that business growth is close to stalling. The unemployment rate remained stable in December at 7.9%. Eurozone's fourth-quarter GDP rose by 0.2% QoQ, the same as in Q3. Italy slipped into recession with two consecutive quarters of economic contraction. The European Central Bank (ECB) said the risks surrounding the Eurozone growth outlook have moved to the downside. However, the central bank maintained its guidance for interest rates to remain unchanged "at least through the summer of 2019". Despite the political gridlock, the FTSE 100 Index gained +3.6% over the month but lagged global equities as a result of sterling strength. During January, the Sterling (GBP) rose +3% against the US dollar and EURO on hopes that the UK would avoid a disorderly exit ('no deal' Brexit) from the European Union. Salus Alpha Special Situations Fund gained +2.1% in January 2019, as a result of strong stock selection and efficient risk management. The Strategies' Special Situations holdings in the Industrials/ Automobile, Real estate, Financials (Austrian banks and its CoCo bonds) and selected names of Agriculture and Healthcare have performed positively. The Strategies' hybrid bond category have also delivered strong returns during the month. However, we sold certain positions into strength as valuations achieved our targeted range. In terms of portfolio positioning, we went with a short term contrarian optimistic view into 2019, sold a decent part of equities into strength, thus, retained a defensive investment strategy.

Special Situations:

Within the Fund's Special Situations Strategy, our highest conviction holdings in Austrian catering company DO&CO continued to deliver strong performance (+0.13%) during the month. The company won important projects in 2H 2018, with its share price keeping up relatively stable during recent sell-off. We believe DO&CO's investment case remains very robust on the back of clearly more positive fundamentals, given higher estimates (strong potential deal pipeline) and attractive valuation multiples. Nevertheless, after a strong share price performance, we sold into strength towards the end of January.

The Strategy's Special Situation position in a deep value restructuring play, Warimpex (an Austrian real estate developer) rallied +24.0% in January and was among the top performers (+0.27%) for the month. The stock was well supported by the company's ongoing share buyback program and stable dividend yield (of more than 5%). We think that the group is attractively valued in relative and absolute terms. The investment case offers good earnings potential, improved fundamentals and most importantly, the gearing of the group is on a much more comfortable level now.

Furthermore, towards the end of the month, we sold our position in real estate company S Immo as shares rallied +16% during January and contributed 0.19% to the Fund's monthly performance.

During the month, we increased our existing exposure to Baywa AG (German agricultural trading group) as prices were attractive to us. The share price of the company rallied +16% during January, and thus, contributed significantly (+0.20%) to the Fund's performance. The company's Q3 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 make us stick to that deep value play.

Meanwhile, as a strong performance of overall markets, we took profits and sold our holdings in Mayr-Melnhof Karton, AT&S, Voestalpine, Raiffeisen Bank International, Polytec and the German listed Leoni (German automotive cable supplier) and Deutsche Pfandbriefbank (German lender).

On the other hand, we took new positions in Bawag Group AG (Austrian bank) and Siemens Healthineers AG (German health-care technology company) at good price levels. While we also increased our existing exposure to Fresenius (German health-care company) as our valuation model suggests attractive upside potential from current share-price levels. The DAX-listed stock has recently been oversold, and thus, has created a buying opportunity, in our view. Overall, by considering the current state of global economy, we avoided cyclical stocks and increased our exposure to defensive sectors: Healthcare, Food & Agricultural sectors (economically insensitive stocks: Agrana, Baywa, Siemens Health and Fresenius).

As a result of risk-on market sentiment, corporate bonds saw a strong rebound in January. The Strategies' exposure (13% to the total Fund's volume) to Contingent Capital (CoCo) bank bonds has delivered strong performance (+0.42%) during the month. However, this strong total-return reflects the sell-off in the fourth quarter of the last year and the consequent higher starting yield for bond markets. The Strategies' hybrid bond category (26% exposure to the total Fund's volume) have also delivered strong returns (approx. +0.47%) during the month.

Outlook:

Global equity markets remain at risk of further short term corrections. The threats around Brexit, trade wars could get worse and affect global growth. The global economic picture for 2019 looks more challenging as we approach the closing stages of this economic cycle. Nevertheless, political uncertainty remains a headwind, while recent macroeconomic data releases continue to send mixed signals about the outlook for the global economy. The US continues to expand robustly, while data from the Eurozone and China have softened. UK growth remains sluggish and any improvement in business confidence remains contingent on Brexit outcomes. The outlook for corporate earnings also weakened as companies warned of higher costs amid growing threats to global trade and elevated corporate debt. 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.