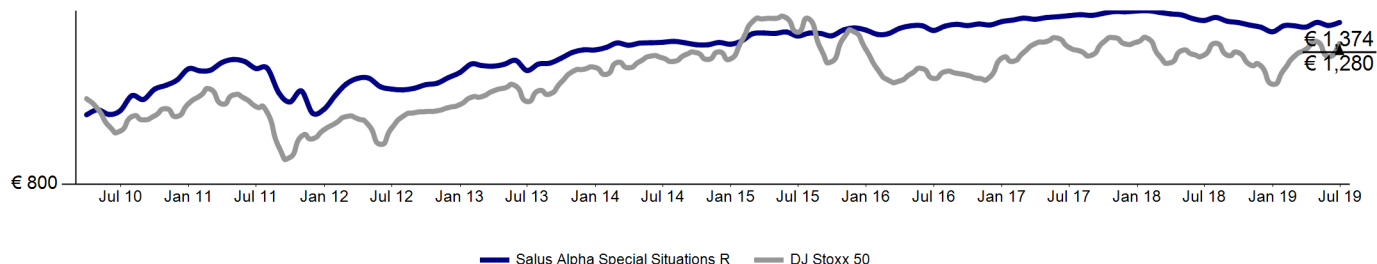
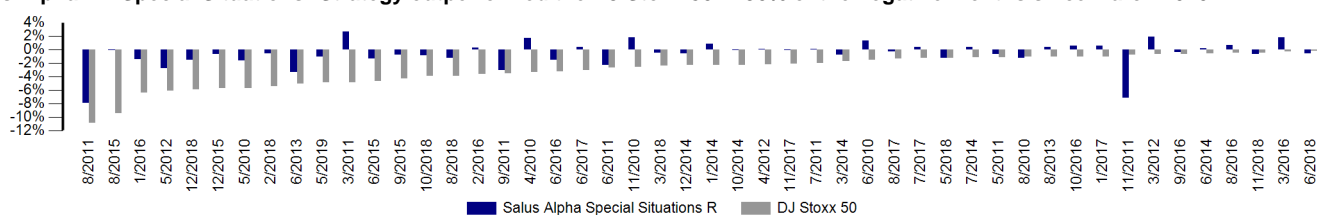


Investment Approach

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 90% of the negative months since March 2010*:**



Performance since inception of the fund

Year To Date	37%
Jun 2019	3.2%
Jun 2019	1.0%

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	13.6846	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 48 negative months since March 2010.

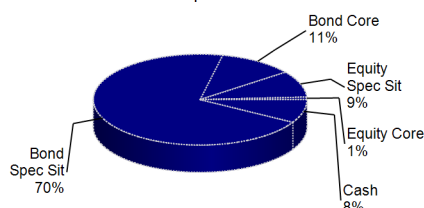
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

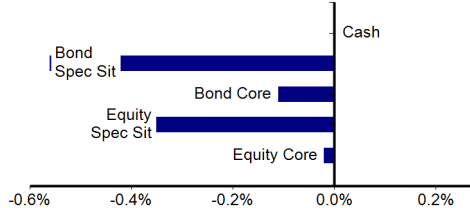
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%	-1.0%	1.0%							3.2%

* 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.

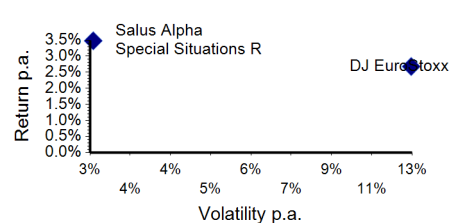
Portfolio Exposure 05/2019



Performance Attribution 05/2019



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

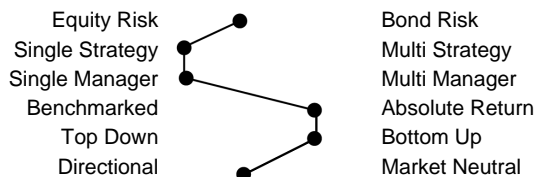
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	37.4%	28.0%
Outperformance	+9.4%	
Annual Mean Return	3.48%	2.68%
Outperformance (p.a.)	+0.8%	
Annual Volatility	3.17%	12.46%
Mod. Sharpe Ratio (0%)	1.10	0.22
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%)	0.63	0.33
Calmar Ratio	0.13	0.28

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 May 2019

Global equity markets fell sharply in May across all major regions. An escalation in US-China trade tensions and fears of global economic slowdown have weighed on investor sentiment and risk asset performance. The S&P 500 Index fell -6.6% in May after US-China trade negotiations broke down. Global government bonds benefited as investors turned towards safe havens. The US 10-year Treasury yield finished the month close to 2.1%. The US government increased the tariff rate on USD 200bn worth of Chinese imports from 10% to 25%, and announced that it may impose a 25% tariff on the remaining USD 300bn worth of Chinese imports. In response, China announced it will raise tariffs on USD 60bn of imports from the US from June 1. The US administration also blacklisted Chinese tech giant Huawei on security fears. Furthermore, US President Trump threatened higher tariffs on Mexican goods in a bid to force Mexico's government to stem the flow of migrants entering the US across its southern border. Economic data released during the month was mixed with the US nonfarm payroll employment increased by 263,000 in April (vs. 185,000 expected), reducing unemployment rate to 3.6% in April from 3.8% in March. The US ISM Manufacturing PMI fell to 52.1 in May from 52.8 in April. However, US consumer confidence remains robust, with a reading of 134.1 in May, compared with 129.2 in April. Meanwhile, the Federal Reserve (Fed) maintained its dovish stance it has held since the start of the year.

Eurozone equities experienced steep declines in May with the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index were down by -6.7%, -5.0%, -9.9% and -2.5% respectively. Eurozone's economic data continued to indicate slower growth. Eurozone composite PMI Index was slightly up to 51.8 in May from April's reading of 51.5. The Ifo business climate index fell to 97.9 points, indicating a worsening mood among German businesses. While Germany narrowly avoided a recession with a GDP growth rate of 0.4% in Q1 2019. Meanwhile, Italy's fiscal position was in focus after the European Commission (EC) cut its forecast for 2019 Italian GDP growth to 0.1% from 0.2%. This would mean the budget deficit would exceed the level previously agreed between Italy and the EC. The FTSE 100 Index fell -3.5% in May. Sterling (GBP) was weaker amid heightened Brexit uncertainty following the resignation of Prime Minister May.

Salus Alpha Special Situations Fund returned -1.0% in May and thus, performed better than major European equity indices, which slipped by more than -5%. 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 as we had been already prepared for such a correction phase with a low risk profile. Nevertheless, we sold certain positions in early May (at very initial phase of market-correction) as measures of risk reduction in the overall portfolio. The Fund's market hedges with efficient risk management strategies proved successful during the month. The Fund's short position of S&P 500 Index Future helped to hold our performance.

Special Situations:

As a result of trade war escalation and growing risk aversion, the Strategies' exposure to the Automobile and Financials performed negatively during the month. The Fund's newly initiated position in the Norma Group AG plunged by -15% in May and thus, detracted negatively (-0.16%) for the month. During mid-May, we bought Norma position, after the prices were reduced to EUR 40.0, as a consequence of Norma's profit warning and weak Q1 2019 results. However, the share-price of Norma further retreated to EUR 35.0, after the news that the European passenger car market contracted by -3.9% in March and the dividend payment. Also the share price of Polytec Holding AG (Austrian car supplier) also fell -12% in May, and thus, detracted -0.10% to the Fund's performance.

Recently, we have added low beta stocks (Mayr-Melnhof, Baywa, EVN and Rosenbauer) to our portfolio, in order to prepare our Fund for a market correction phase. Thus, in early May, we reduced the Fund's risk profile by selling our positions in Raiffeisen Bank (RBI) and Wienerberger, at good price levels. At the same time, we also trimmed our existing positions in Polytec Holding AG, Mayr-Melnhof and Do & Co AG. However, we maintained our positive view on the growth prospects of these Austrian companies.

On the other hand, by taking advantage of weaker equity markets, we bought a new position in Vienna Insurance Group (VIG) at attractive price levels. Furthermore, we increased our existing exposure to Rosenbauer International AG as prices were attractive to us. During the month, we also participated in S Immo's new bond issuance of 1.875% 2019-2026 bond. We sold our existing holdings in 3% S Immo 2014-2019 bond as the company repurchased it at a repurchase price (in each case including any accrued interest) of a total of 102.95% of the nominal amount.

The Strategies' market-hedges (the short position of S&P 500 Index) performed positively in May given the weaker equity markets. However, corporate bonds made negative total returns and have underperformed during the month. As a result of higher 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. -0.35%) from the Fund's monthly performance. The Strategies' hybrid bond category (27% exposure to the total Fund's volume) have also delivered negative returns (approx. -0.24%) during the month.

Outlook:

Global markets are likely to see further volatility and weakness in the short term on the back of uncertainty about trade and mixed economic data. The US trade threat could get worse and affect global economic growth. Thus, it will be interesting to see how trade negotiations will develop in the G20 summit at the end of June. Regional economic divergence continues, although global financial conditions broadly have slowed. Low yields are likely to see low returns from bonds, but government bonds remain excellent portfolio diversifiers. However, global policies (monetary and fiscal policies) have become more supportive to the economic activities. The major central banks grew more accommodative. The Fed remains more dovish and the ECB would not raise rates until at least next year.

However, the global economic picture for 2019 looks more challenging as we are in 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 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.