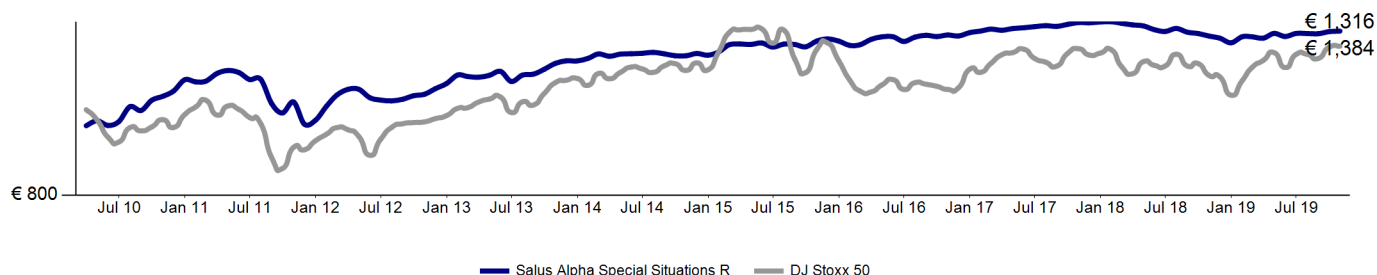
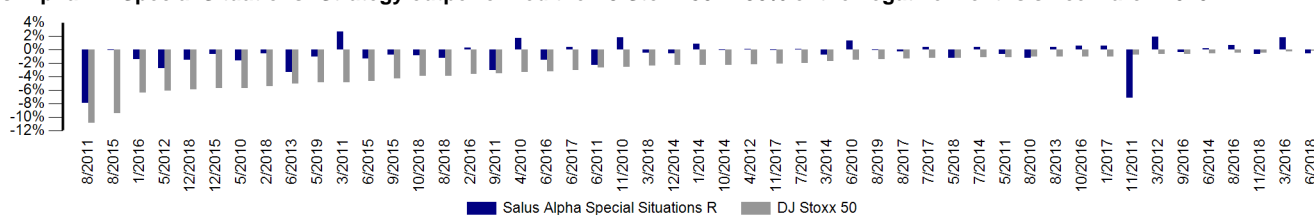


Investment Approach

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	38%
Oct 2019	4.0%
Oct 2019	0.2%

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	13.7920	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 49 negative months since March 2010.

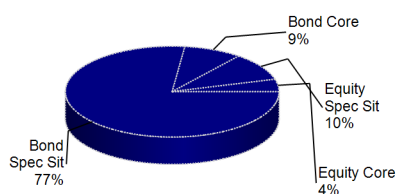
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

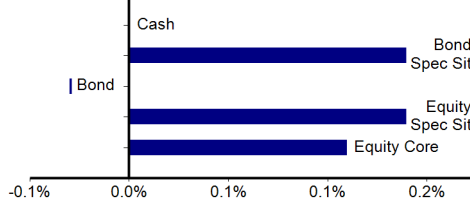
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%	0.0%	-0.1%	0.7%	0.2%			4.0%

* 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.

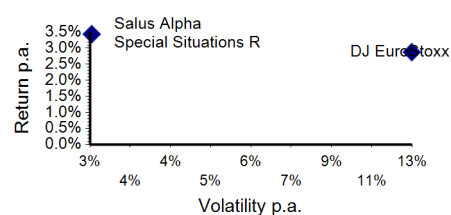
Portfolio Exposure 09/2019



Performance Attribution 09/2019



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

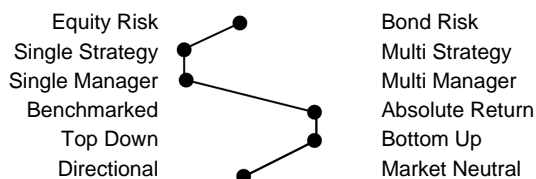
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	38.4%	31.6%
Outperformance	+6.8%	
Annual Mean Return	3.44%	2.88%
Outperformance (p.a.)	+0.6%	
Annual Volatility	3.15%	12.49%
Mod. Sharpe Ratio (0%)	1.09	0.23
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	59%	58%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.63	0.36
Calmar Ratio	0.06	0.34

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 September 2019

Global equity markets regained some momentum in September. An improving trade outlook (renewed optimism over a US-China trade deal) and extremely supportive central banks helped lift equity prices in September. The markets started to advance at the beginning of the month, particularly after the news that US and Chinese negotiators would meet in early October. However, the markets drifted lower in the second half of the month as an attack on two major oil refineries in Saudi Arabia (which accounted for approximately 5% of the world's oil supply) prompted a spike in oil prices (rallied +15% before it retreated at month end). While the political war continued to escalate at the month end on the heels of impeachment inquiries of President Donald Trump (by the democratic led House) and the reports that the Trump administration is considering curbing US investment in China also weighed late in the month. As expected, the Federal Reserve (Fed) cut interest rates by 25 basis points for a second time this year.

The S&P 500 Index gained +1.7% over the month. While the month saw a sharp sector rotation from higher growth technology companies into value cyclic industries (Financials, Energy and Retail sector) – a dramatic shift away from defensive and growth stocks (low corporate earnings volatility) towards previously underperforming value and small-cap stocks (offering attractive valuations). US economic data indicating that growth is slowing down. The US ISM Manufacturing PMI fell to 47.8 in September from 49.1 in August. US nonfarm payrolls rose by just 136,000 in September (vs. 145,000 expected), while the unemployment rate dropped to 3.5% in September from 3.7% in August.

European equity markets rallied strongly in September with the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index being up by +4.2%, +4.1%, +3.4% and +1.8% respectively. During the month, the European Central Bank (ECB) cut its deposit rate to a record low -0.5% from -0.4% and will also restart bond purchases of EUR 20bn a month from November. The ECB's policy easing came against a backdrop of weakening growth with confirmation that the Eurozone economy expanded just 0.2% in Q2. The Eurozone composite PMI fell to 50.1 in September from 51.9 in August. While annual inflation dropped to 0.8% in September from 1.0% in August. On the political front, Spain will hold a general election on 10 November, the fourth in four years, after the last election in April failed to produce a governing coalition. The FTSE 100 Index gained +2.8% over the month. However, Brexit and domestic political uncertainty remained elevated in September.

Salus Alpha Special Situations Fund gained +0.7% in September. The Strategies' Special Situations in the Financials (Austrian banks its corporate hybrid bonds), Industrials and Agriculture sector have performed positively. In contrast, some equity indexes used as hedges weighed on performance. However, during the month, we sold certain positions into strength as valuations achieved our targeted range. In terms of portfolio positioning, recently we got slightly more aggressive but overall retained a defensive investment strategy with moderate risk profile and some appropriate market-hedges.

Core Portfolio:

The Strategy's Core position (4.4% of the total Fund's volume) in Mayr-Melnhof AG, (Europe's leading manufacturer of cartonboard and packaging boxes) delivered solid performance (+0.11%) in September. Mayr-Melnhof continues to offer an attractive investment case with its defensive business model, along with a solid track record of achieving consistently high returns. Recently, the company reported strong Q2 results, driven mainly by the consolidation of the TANN Group as well as an improvement in the current business of the cartonboard division.

Special Situations:

The Strategy's high-conviction Special Situation in Agrana Beteiligungs AG (an Austrian refiner and processor of agricultural raw materials) rallied +6% in September and was one of the top performers (+0.12%) for the month. Agrana has a very balanced business model with strong regional positions. The company's reported 2Q 2019/20 results were better than expected in the Sugar and Starch segments but below in the Fruit segment (negatively affected by EUR 3.5 mn one-off). However, the company confirmed its FY2019/20 guidance (EBIT is expected to increase +10% to +50%). We like the investment case as its end markets exposure is very defensive – almost 85% of group's products are supplied to the food and animal industries and only 15% to the board and chemical industries. The company continues to invest in the profitable Fruit and Starch segments, which should further improve the product mix and lower the earnings volatility related to its sugar activities. The business is also characterised by strong free cash flow generation, a robust balance sheet and an attractive dividend policy. Thus, we believe that Agrana's turnaround story remains intact despite the challenges in the Sugar and Fruit segments.

As a strong performance of overall markets, we took profits and trimmed our positions in Rosenbauer International AG (the world's largest fire-fighting vehicle producer) and EVN AG (Austrian energy company). Meanwhile, we also made excellent profits in our shorter-term positions in FACC AG (+0.06%) and Osram Licht AG (+0.08%).

In early September, we took new position in Bawag Group AG. The share price of an Austrian bank rallied +9% since our entry price levels (EUR 33.7). Consequently, we sold our position in mid-September and contributed significantly (+0.12%) to the Fund's monthly results.

On the downside, our short positions in equity indices (the short position of S&P 500) used as a hedge, weighed on the Fund's performance. Furthermore, the Strategies' position in the K+S AG (German potash and salt miner) fell by -11% in September, and thus, detracted from performance (-0.12%) during the month. The German potash producer reduces potash production by 300,000 tonnes up to the end of 2019 as China's ban on the commodity imports has worsened global market conditions.

As a result of risk-on market sentiment, corporate bonds saw strong returns in September. The Strategies' exposure (14% to the total Fund's volume) to Contingent Capital (CoCo) bonds, the most junior debt issued by banks, delivered strong performance (+0.23%) in September. The Strategies' hybrid bond category (27% exposure to the total Fund's volume) has delivered flat returns (+0.01%) in September. Towards the end of the month, we initiated two new bond positions of Infineon Technologies AG (coupons of 3.625% and 2.875%). Both positions have 4% exposure each to the total Fund's volume.

Outlook:

Global markets remain at risk of volatility in the months ahead given unresolved issues around trade (ongoing US/China trade war), Iran and Middle East tensions, impeachment noise and weak global economic data. We now see trade and geopolitical frictions as the principal drivers of the global economy and markets. Regional economic divergence continues, although global financial conditions broadly have slowed. However, overall global policies (monetary and fiscal policies) have become more supportive to the economic activities. A significant shift by central banks toward monetary easing should extend the long expansion and support risk assets.

Nevertheless, the global economic picture for the second half of 2019 looks more challenging. We think global economic momentum has peaked and that trade-policy friction is negatively influencing corporate confidence. 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.