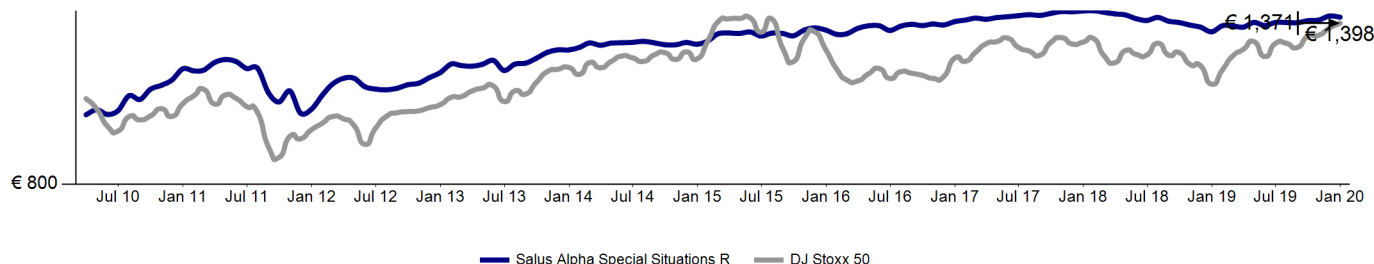
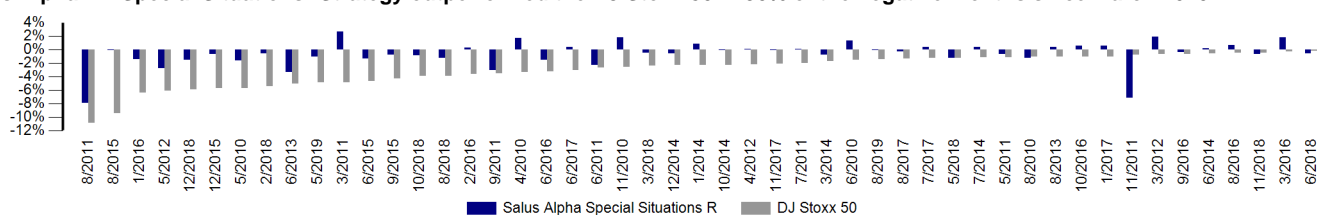


Investment Approach

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	40%
Dec 2019	5.0%
Dec 2019	-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	13.9283	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 49 negative months since March 2010.

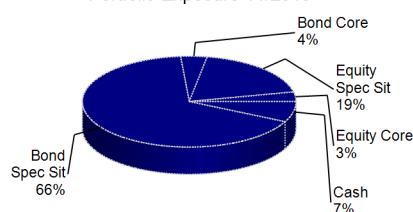
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

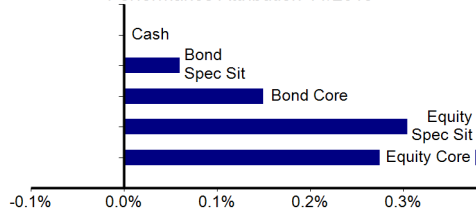
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%	1.4%	-0.4%	5.0%

* 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.

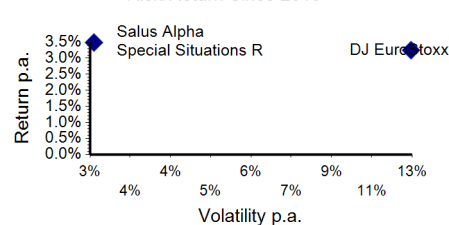
Portfolio Exposure 11/2019



Performance Attribution 11/2019



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

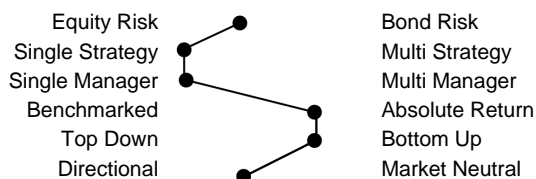
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	39.8%	37.1%
Outperformance		+2.7%
Annual Mean Return	3.49%	3.25%
Outperformance (p.a.)		+0.2%
Annual Volatility	3.18%	12.45%
Mod. Sharpe Ratio (0%)	1.10	0.26
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%)	0.65	0.40
Calmar Ratio	0.07	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 November 2019

Global equities continued their upward trend in November, supported by receding fears of an imminent recession and signs of progress in US-China trade talks. The S&P 500 reached record highs (+3.4% in November) amid hopes of a preliminary US-China trade deal, some encouraging economic data and good corporate earnings. The economy expanded at a 2.1% annualised rate in the Q3 2019 (vs. an initial estimate of 1.9% and Q2 2019 GDP: 2.0%), indicating a resilient US economy despite expectations for a continued slowdown. US nonfarm payrolls surged by 266,000 in November (vs. 187,000 expected) and the unemployment rate dropped to 3.5% in November from 3.6% in October. However, the US ISM Manufacturing PMI fell to 48.1 in November (vs. market expectations of 49.2) from 48.3 in October.

On the other hand, European equity markets also delivered strong performance for the third consecutive month. During the month, major European equity indices such as the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index were up by +2.8%, +2.9%, +0.01% and +2.7% respectively. The rally has been supported by improving economic data and the continuation of the risk-on sentiment. The Eurozone composite PMI Index rose to 46.9 in November from 45.9 in October. The German IFO Business Climate Index improved to 95.0 in November from 94.7 in October. The Eurozone's annual inflation rebounded to 1.0% in November from 0.7% in October. These positive economic developments drove the German Bund price lower and pushed the yield to a 5-month 'high' of -0.35%. Christine Lagarde took over as president of the European Central Bank on 1 November. In her first major speech she urged governments to boost public investment in order to increase domestic demand in Europe's economy.

On the political front, Spain held another inconclusive election, the incumbent Socialists remained the biggest party and agreed a coalition with left-wing Podemos. However, they will likely also need the support of regional nationalist parties. At month-end, Germany's Social Democrats (SPD) elected new left-wing leaders in a move that could potentially destabilize the grand coalition between the SPD and Angela Merkel's Christian Democrats. The FTSE 100 Index gained +1.4 and the Sterling extended its recent recovery in November.

Salus Alpha Special Situations Fund gained +1.4% in November. The Strategies' exposure to the Cyclical and Defensive sectors has done well in the current risk-on environment. The Fund's Special Situations in the Agriculture, Industrials and Automobile sectors have performed positively. In contrast, some equity indexes (the short position of S&P 500) used as hedges weighed on the Fund performance. However, 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 appropriate market-hedges.

Core Portfolio:

The Strategy's Core position (3.4% of the total Fund's volume) in Mayr-Melnhof AG, (Europe's leading manufacturer of cartonboard and packaging boxes) rallied more than 9.0% in November and was the top contributor (+0.40%) for the month. The company reported record 3Q earnings with outperformance in both segments (an improved Packaging division and sustained Cartonboard profitability). 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.

Special Situations:

The Strategy's high-conviction Special Situation in Agrana Beteiligungs AG continued to rise +6.0% in November (15% since last three months) and, thus, contributed significantly (+0.12%) to the Fund's monthly performance. We believe that Agrana's turnaround story remains intact despite the challenges in the Fruit segment. The company has already confirmed its FY2019/20 guidance. The ongoing recovery in the Sugar business and higher ethanol prices help lift the result of the Starch segment. Agrana has a very balanced business model with strong regional positions. 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 business is also characterised by strong free cash flow generation, a robust balance sheet and attractive dividends.

Another Special Situation is the German agricultural trading group, Baywa AG. It continued to grow +7.2% in November (23% since last four months), and thus, delivered a strong performance (+0.15%) to the Fund's monthly results. The company reported strong 3Q results with all three business segments Agriculture, Energy and Building Materials (to a lesser extent) contributed to the increase in operating performance. Notwithstanding, roughly two third of full year operating earnings are expected to occur in 4Q due to the backend-loaded project business in Renewables.

The strategies' exposure to Automobiles, Polytec Holding AG and Norma Group (German engineering firm) have delivered strong performance. The prices of Polytec and Norma recovered +13.0% and 14.3% respectively. However, we sold both positions into strength and thus, contributed +0.21% and +0.18% to the Fund's monthly performance. The European automotive industry remains sluggish (car production fell by -4% in 2019) with low visibility and some of the key uncertainties (trade dispute, Diesel emission, costly transition to electric cars and Brexit). Global car production is expected to fall -6% in 2019 as sharp downturn in consumer demand from the US to China markets. While pressure in the passenger car market should at least ease sequentially (market stabilization expected in FY2020), the opposite seems to be for the commercial vehicles/truck markets.

We believe that Polytec has a strong balance sheet with low leverage, putting them in a good position to ride out the cyclical weakness and even can announce an M&A transaction in the near future. While after three profit warnings in 2019 and the sudden departure of CEO Kleinhens, Norma is working hard to regain investor trust. However in our view, it will take a very long time to return to a 17%+ adjusted EBITA margin profile in a world of electric mobility that entails higher costs and competition.

The Strategy's Special Situation in a deep value restructuring play, Warimpex (an Austrian real estate developer) rose +8.4% in November and was among the top contributors (+0.15%) for the month. The stock is well supported by the company's ongoing share buyback program and a very strong 3Q 2019 results.

Furthermore, the share price of circuit board manufacturer AT&S rallied +10.6% in November and thus, contributed positively (+0.13%) to the Fund's performance. AT&S already provided a capacity timeline with 2Q19/20. We believe that AT&S continues to trade at discounts to peers. However, we sold our entire position into share price strength.

As a result of risk-on market sentiment, corporate bonds saw excellent returns (+0.21%) in November. The strategies' hybrid position in Suedzucker bond contributed significantly (+0.15%) during the month. It recovered further by +7.5% in November on the back of improved market fundamentals (higher bio-ethanol and sugar prices). During FY2019, Suedzucker achieved significant earnings improvement in sugar, special products and CropEnergies. Suedzucker has been hit by a fall in European Union prices following the liberalization of the sugar sector in 2017.

In early November, we participated in UBM Development's a new corporate bond issuance (2.75% UBM Bond 2019-2025) with a medium-sized position (3.2% of the Fund). The position attributed +0.11% to the Fund's monthly results. Furthermore, we took profits and sold the largest part of our position in 6.75% Porr Hybrid bond at attractive price levels. We also trimmed our 3.625% Infineon Technologies Hybrid bond in order to take profits and reduce duration risk.

Outlook:

Source for all performance numbers: Salus Alpha, Bloomberg. This is promotional information. Our languages of communication are German and English. Past returns are no guarantee for future returns. Historic performance can not be used as an indicator for future performance. There is no guarantee that the investment product will achieve the investment target. Salus Alpha does not have any influence on the holdings of these investment products, which can appreciate as well as depreciate in value, and whose value can as well be influenced by moving exchange rates. The provided performance data are net of fees, however sales fees and taxes may apply. Agents are not allowed to make statements or declarations deviating from the currently valid investment product documents. Despite diligent examination of all information contained in this document, Salus Alpha cannot assume any liability for its correctness. The Fund is authorised in Luxembourg and is supervised by the Commission de Surveillance du Secteur Financier (CSSF). The current prospectus can be downloaded from sac.salusalphabet.com or www.salusalphabet.com.

Global markets remain at risk of volatility in the months ahead given unresolved issues around trade (US/China trade), Iran, US politics (impeachment noise) and mixed global economic data. We now see trade and geopolitical frictions as the principal drivers of the global economy and markets. But we are now entering a period of positive seasonality with the Santa Claus rally often seen from mid-December. Global growth is expected to improve through next year. 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.