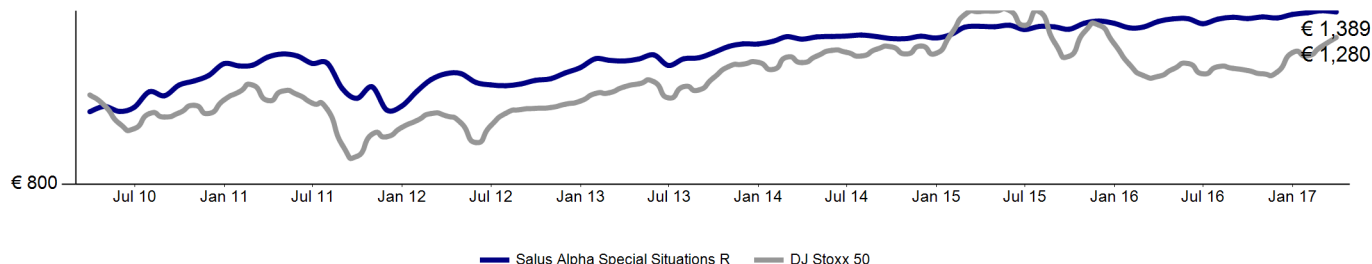
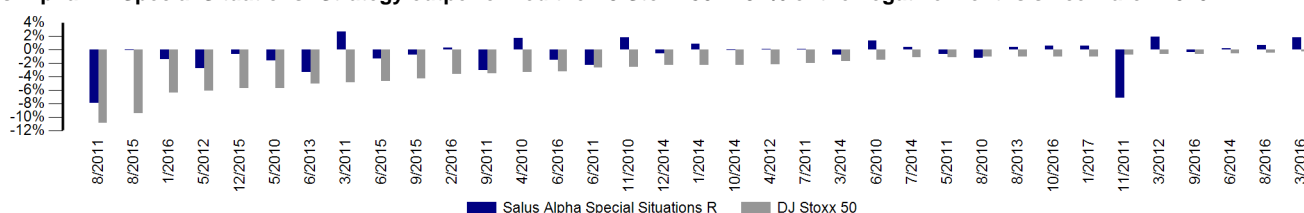


Investment Approach

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 94% of the negative months since March 2010*:**



Performance since inception of the fund

	39%
Year To Date	0.8%
Mar 2017	-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	13.8324	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 35 negative months since March 2010.

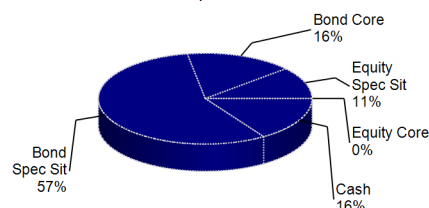
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

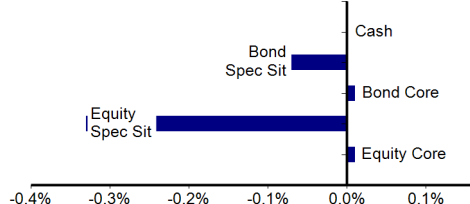
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%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

* 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.

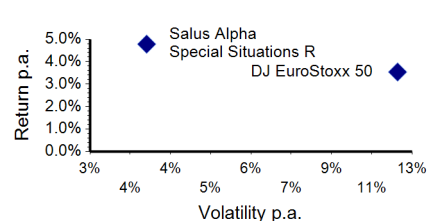
Portfolio Exposure 03/2017



Performance Attribution 03/2017



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

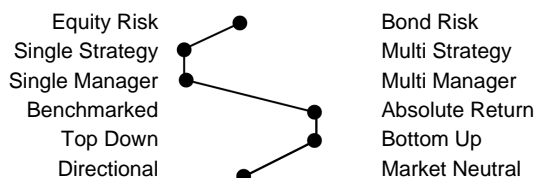
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

	Fund	22-Mar-10 Benchmark
Fund Inception		
Total Return	38.9%	28.0%
Outperformance	+10.9%	
Annual Mean Return	4.78%	3.54%
Outperformance (p.a.)	+1.2%	
Annual Volatility	3.99%	11.75%
Mod. Sharpe Ratio (0%)	1.20	0.30
Best Month	5.13%	8.05%
Worst Month	-7.9%	-10.9%
% Positive Months	64%	59%
Maximum Drawdown	-16.4%	-20.4%
Max. Drawdown Date	Nov-11	Sep-11
Sortino Ratio (0%)	0.73	0.41
Calmar Ratio	1.37	0.14

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 February 2017

Global equity markets posted solid gains in February, supported by continued strength in macro momentum and optimistic sentiment among investors by widespread improvement in global economic data. US equities rose over the month with the S&P 500 reaching record highs (+3.7% in February) amid optimism over President Trump's reflationary ambitions. In terms of economic reports, US Nonfarm payrolls increased 227,000 jobs in January (vs. expected 175,000 and 157,000 in December) and ISM Manufacturing Index rose to 57.5 from 56.0 in January. Furthermore, US consumer prices recorded their biggest increase in nearly four years in January 2017 in another sign that inflationary pressures could be picking up. However, the prospects for an early hike in the US interest rates also increased on rising inflationary pressures and more hawkish Fed commentary. Meanwhile, February proved also a positive month for global sovereign and corporate bonds. The most notable exception were shorter-dated US Treasuries, which were relatively weak, though the 10-year index gained.

On the other side, European equity markets advanced in February, supported by encouraging macroeconomic data that confirmed the resilient and broadening base of the European economic recovery. This was underpinned by an accommodative monetary policy, less austerity, a favourable exchange rate and some structural reforms. Eurozone's economic growth is accelerating as business activity surged to its highest level in February. The Eurozone composite PMI Index reached 56.0 in February from 54.4 in January. The results showed robust upturns for the French and German economies despite political uncertainty in both countries due to elections this year. Meanwhile, the Bank of England (BoE) kept interest rates on hold at 0.25% and left its asset purchase programme unchanged. But notably, the bank upgraded GDP growth expectations to 2.0% for 2017 (up from last November's forecast of 1.4%, which was itself an upgrade from the 0.8% forecast made in August 2016). The FTSE100 Index gained +2.3% in February as robust corporate results, M&A activity and positive macroeconomic data. During the month, major European equity indices such as the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index rallied by +2.8%, +2.6%, +2.6% and +3.1% respectively. The UK gilts and German Bunds did well in February (returned +3.2% and +2.3% respectively), with German Bunds benefitted from an uncertain political environment in Germany.

Salus Alpha Special Situations Fund gained +0.64% in February 2017, as the Strategies' Special Situations holdings in the Financials and Industrials contributed positively. 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.

Core Portfolio:

During the month, we sold our existing position in Andritz AG (an Austrian plant engineering group) at good price levels (EUR 50.0). Although, Andritz reported excellent Q4 2016 results, the order intake and backlog in 2016 were below consensus estimates. However, we maintained our positive view on growth prospects of the company, as an improving macroeconomic environment could lead to an improving order momentum of Andritz during 2017.

Special Situations:

Within the Fund's Special Situations Strategy, our holding in Agrana Beteiligungs AG (a leading sugar and starch producer in Central and Eastern Europe) was up by +6.0% in February and was the top performer (+0.38%) for the month. During February, we took part in Agrana's cash capital increase and secondary placement offer and have allocated a significant position at the offer price of EUR 100.0. The company is delivering strong earnings momentum. The group's business has been characterized by strong free cash flow generation and an attractive dividend policy, which we find very shareholder friendly. This transaction (capital increase) will not only strengthen the balance sheet of the group but will also increase the trading liquidity of the shares. The current increase in world sugar prices and strong bioethanol prices should support the company's margins. We believe that, despite the company's share price rally, the improving business prospects are not yet fully priced in and offers further upside. At the same time, we also participated in Corestate Capital Holding's capital increase and have allocated a small position at the offer price of EUR 22.8. Corestate Capital is a real estate investment firm specializing in investments in small to medium sized residential portfolios and commercial real estate markets. The position was up by +11.0% during February and contributed +0.10% to the Fund's monthly performance.

During the month, we initiated a medium-sized Special Situation position in German pharmaceutical company, Stada Arzneimittel AG as we anticipated a potential bidding war after Stada revealed that it has received two takeover offers, one from Cinven Partners LLP (at EUR 56.0/share) and another from Advent International Corporation (at EUR 58.0/Share + dividends). There is speculation that other private equity groups including Bain Capital, Permira and CVC Capital Partners are all assessing the situation closely and could make a counter bid or join one of the above-mentioned groups.

Furthermore, after a strong share price performance (+24.0% in the last three months), we sold our position in Palfinger AG. The share price of Palfinger AG rose as much as +10.0% in February and contributed positively to the Fund's performance. Palfinger is geographically well-positioned with an excellent track record company. The Austrian crane manufacturer continues with strong earnings momentum with solid demand trends in Europe and the US.

Outlook:

After the recent strong rally, the risk of a short-term consolidation or correction in equities remains high. The potential risk include uncertainty around policy changes under US President Trump, the US Federal Reserve's (Fed) aggressive monetary policy stance and rising geopolitical tension over North Korea. The Eurozone continues to deal with populist unrest which could trigger dramatic political changes via upcoming elections in France, Germany and Italy. Nevertheless, China's slowdown, lower commodity prices and tighter financing conditions in some emerging countries will remain downside risks to the global recovery. All in all, we still keep our opinion of 2017 to become a sideways market at best. 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.