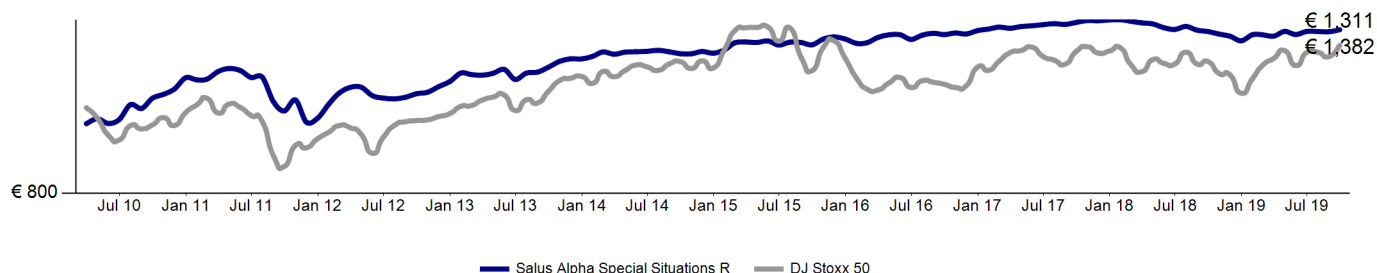
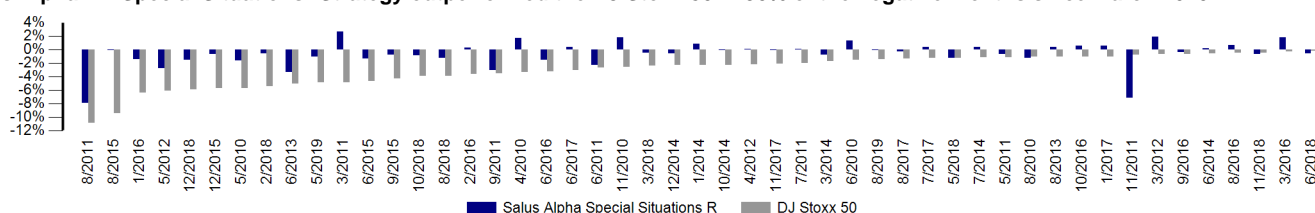


Investment Approach

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%
Sep 2019	3.8%
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	13.7656	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.

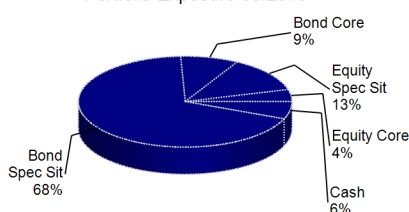
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

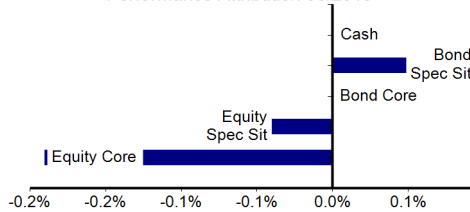
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%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

* 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.

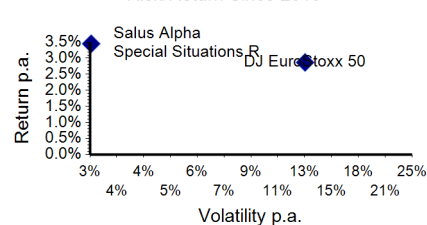
Portfolio Exposure 08/2019



Performance Attribution 08/2019



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

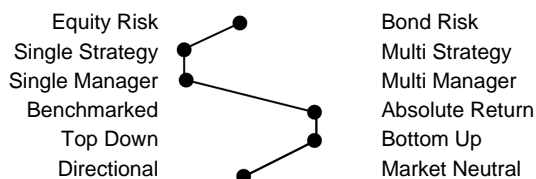
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	38.2%	31.1%
Outperformance	+7.1%	
Annual Mean Return	3.45%	2.87%
Outperformance (p.a.)	+0.6%	
Annual Volatility	3.15%	12.54%
Mod. Sharpe Ratio (0%)	1.09	0.23
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	0.35
Calmar Ratio	0.08	0.31

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 August 2019

Global equities declined in August across all major regions. While the perceived safe haven assets such as bonds outperformed amid rising concerns over the outlook for growth. The renewed escalation of trade tensions and the growing economic consequences triggered profit-taking in global equity markets in August. The tone of the month was set on its first day after the US president announced that an intention to impose a 10% tariff on the USD 300bn of Chinese imports that were not yet subject to tariffs. While in response, China introduced retaliatory tariffs on approximately USD 75bn of US imports. This led the US president to announce that the existing and planned tariff rates will both rise by 5%.

The US Fed cut interest rates, as expected, at the end of July. The Fed's comments indicated that the move was an adjustment rather than the start of an easing cycle, which seemed to disappoint investors concerned about an economic slowdown. US economic data indicated growth is slowing down. The US ISM Manufacturing PMI fell to 49.1 in August from 51.2 in July. US nonfarm payrolls rose by just 130,000 in August (vs. 150,000 expected), while the unemployment rate stayed at 3.7%. The S&P 500 Index fell -1.8% in August.

European equities also saw negative returns in August with the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index were down by -1.2%, -2.0%, -2.5% and -0.2% respectively. Eurozone's headlines were dominated by weak economic data, especially in Germany, and by increasing political uncertainties. The Eurozone composite PMI came at 51.9 in August from 51.5 in July. However, Germany's manufacturing sector remained in contraction (Manufacturing PMI: 43.6) in August. The German If Business Climate index fell to 94.3 in August from 95.8 in July. This economic slowdown has fuelled stimulus hopes and the German government indicated a possible fiscal package if the situation deteriorates further. The recent political shifts in Italy were the break-up of the governing coalition of the right-wing League and populist Five Star and the emergence of a new coalition government between Five Star and the Democratic Party. Meanwhile, in the UK, the prospect of a no-deal Brexit rose with the government unveiling plans for a lengthy prorogation of parliament. Brexit is already weighing on the UK economy, with second-quarter GDP shrinking by -0.2%, following 0.5% growth in Q1. The FTSE 100 Index fell -5.0% in August.

Salus Alpha Special Situations Fund returned -0.1% in August. The Strategies' positive performance in Fixed-income portfolio has been offset by the loss in Equities. However, the fund was pretty stable over this volatile period. The Strategies' Special Situations in the Industrials/Automobile and selected names of defensive category (Mayr-Melnhof and Agrana) stocks weighed on the Fund's performance. 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.

Special Situations:

During the month, we have realized a rewarding special situation in an M&A deal. An unprecedented bidding war has erupted over German lighting group Osram, with private equity group Bain swapping partners to team up with Advent to prepare to outbid Austria's AMS AG. The story begins in early July, when the US private equity firms Bain Capital and Carlyle Group have made a takeover bid for Osram at EUR 35 per share (a premium of 21% before the approach was made public). However, the share-price of Osram dropped (-8.5%) in early August, after its biggest shareholder Allianz Global Investors (own 9.3% stakes) rejected a takeover offer, despite it recommended by the Osram board.

At the same time, the Austrian sensor specialist, AMS AG launched counterbid for Osram at EUR 38.50 per share (a 10% premium over the Bain/Carlyle bid). Subsequently, the US private equity groups, Bain and its new partner Advent teamed up to prepare a rival offer for Osram. The consortium intended to offer a higher price than AMS offer of EUR 38.5. While in response, AMS sweetened its takeover offer to EUR 41.0 a share from previous offer of EUR 38.5. During August, we initiated our position shortly after Osram waived its existing standstill agreement with AMS and signed a cooperation agreement. However, we sold our position in mid-September after the share price increase of +11% since our entry levels. Thus, the position contributed significantly (+0.13%) to the Fund's monthly performance.

The Strategy's Special Situations in the Austrian energy company, EVN AG continued to rise +7% in September (20% since last three month) and thus, delivered a positive performance to the Fund's monthly results. The company's strategy to refocus on Austrian networks and renewables, its strong balance sheet, and no major concerns about the company's ability to maintain the dividend (with a 3.3% yield) supports our positive assessment about the investment case. The lower Austrian power company holds a 13% stake in Verbund. The positive revaluation of Verbund share price (performance: +46% YTD) and strong power market fundamentals are major investment positives, in our view.

In mid-August, we sold our entire position of Wienerberger AG (at good price levels) after the company reported very strong second quarter earnings. On the other hand, by taking advantage of weaker equity markets, we bought a new position in AT&S AG at attractive price levels. Furthermore, we also increased our existing exposure to Agrana Beteiligungs AG (an Austrian refiner and processors of agricultural raw materials) and Mayr-Melnhof (Europe's leading manufacturer of cartonboard and packaging boxes) as prices were attractive to us. During the month, the prices of both companies fell by -8% and -5% respectively, as bigger sellers in the market creating selling pressure on the stocks. Thus, the Fund's largest equity position in Mayr-Melnhof AG (4.3% of the Fund's volume) detracted negatively (-0.19%) to the Fund's performance.

On the downside, the strategies' exposure to Industrials, Rosenbauer International AG (the world's largest fire-fighting vehicle producer) and Automobiles, Polytec Holding AG (an Austrian car supplier) and Norma Group (German engineering firm) have delivered negative returns and detracted from performance during the period. As a result of ongoing trade tensions and fears of global economic slowdown have heavily weighed on Industrial and Automobile stocks.

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. While the Strategies' exposure to Corporate bonds have delivered positive returns and contributed significantly to the Fund's monthly results. The Strategies' exposure (14% to the total Fund's volume) to Contingent Capital (CoCo) bonds, the most junior debt issued by banks, delivered positive performance (+0.05%) in August. The Strategies' hybrid bond category (27% exposure to the total Fund's volume) has also delivered strong returns (approx. +0.10%) during the month. Meanwhile, as the strong performance of 4.25% Baywa Hybrid bond, we took profits and sold a part of position in August.

Outlook:

Global markets remain at risk of volatility in the months ahead given unresolved issues around trade (ongoing US/China trade war) and Iran (Middle East tensions) and mixed economic data as we are still in a seasonally weak part of the year for shares. We now see trade and geopolitical frictions are 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.