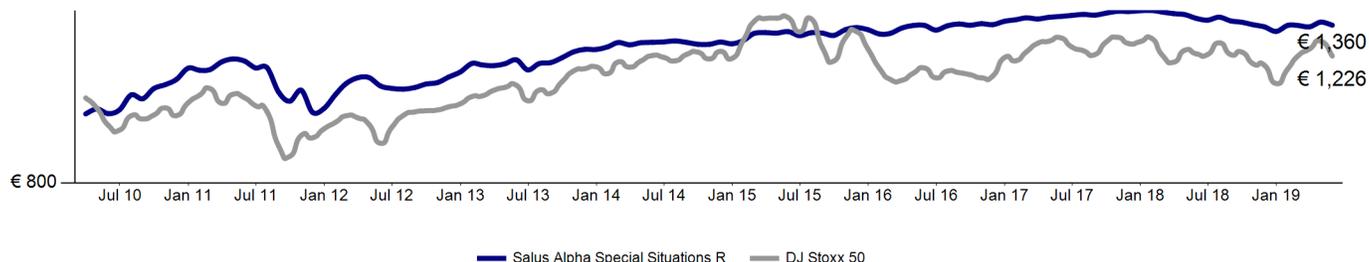
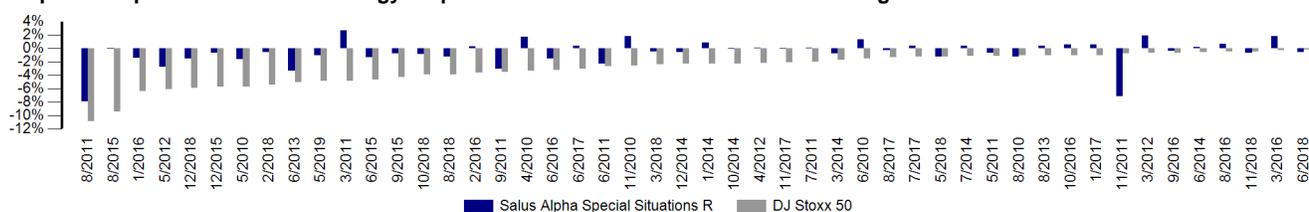


Investment Approach

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	36%
May 2019	2.1%
May 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	13.5475	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.

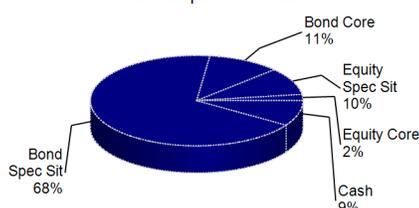
**** Correlation denotes one asset's dependence on the movements of a reference asset. Correlations of +1 imply that the assets move in tandem, correlations of -1 imply that they move exactly in opposing directions.

Fund Performance*

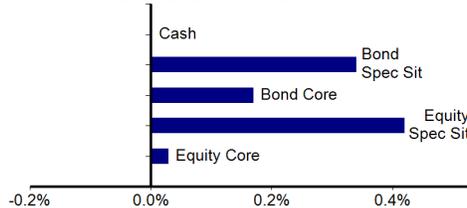
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD**
2010			0.9%	1.7%	-1.6%	1.3%	5.1%	-1.3%	3.5%	1.3%	1.8%	3.8%	17.6%
2011	-0.7%	0.2%	2.6%	1.0%	-0.7%	-2.3%	0.1%	-7.9%	-3.0%	3.8%	-7.2%	1.3%	-12.7%
2012	4.8%	3.8%	1.9%	0.0%	-2.8%	-0.8%	-0.3%	0.6%	1.2%	0.5%	1.9%	1.7%	13.1%
2013	2.9%	-0.5%	-0.2%	0.6%	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%								2.1%

* 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.

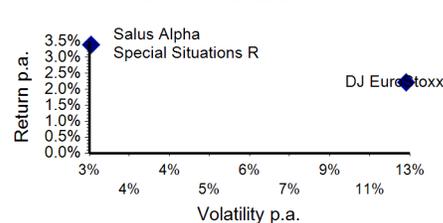
Portfolio Exposure 04/2019



Performance Attribution 04/2019



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

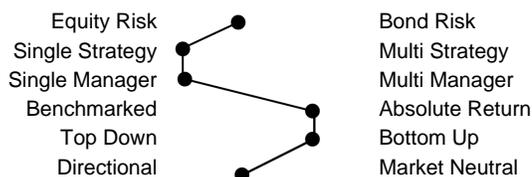
Order Routing	Caceis Bank Luxembourg
Order Cutoff	3:00 p.m.
Units / Amounts	Both
Liquidity	Daily
Manager Contact	invest@salusalphabet.com
Web	www.salusalphabet-sicav.com

Fund Performance*

Fund Inception		22-Mar-10
	<u>Fund</u>	<u>Benchmark</u>
Total Return	36.0%	22.6%
Outperformance	+13.4%	
Annual Mean Return	3.40%	2.22%
Outperformance (p.a.)	+1.2%	
Annual Volatility	3.15%	12.31%
Mod. Sharpe Ratio (0%)	1.08	0.18
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%)	0.62	0.27
Calmar Ratio	0.00	0.09

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 April 2019

Global equity markets continued their upward trend in April, with encouraging economic data, better-than-expected Q1 US earnings season and ongoing dovishness from major central banks supporting appetite for higher risk assets. US equities posted solid gains (+4% in April) with the S&P 500 hit another record high late in the month. The Federal Reserve's (Fed) dovish stance, which it has maintained since the start of the year, was consolidated in late March. However, there were more positive economic data released in April. The US nonfarm payroll employment increased by 196,000 in March (vs. expected: 180,000), while the unemployment rate remained unchanged at 3.8%. The US economy expanded faster than expected with Q1 2019 annualised GDP growth came in at 3.2% (Vs market estimated: 2.5% and Q4 2018: 2.2%).

After strong gains in Q1, Eurozone equities registered a further advance in April with the EuroStoxx50, the DAX30, the ATX20 and the Swiss SMI20 Index up by +5%, +7%, +6% and +3% respectively. Economic data released at the end of the month showed economic growth in the first three months of the year. Eurozone GDP expanded by 0.4% QoQ, compared to just 0.1% growth at the end of 2018. The news came as a relief after downbeat forward-looking economic indicators. The region's composite PMI dipped to 51.3 in April from 51.6 in March with manufacturing still in contraction territory. The German Ifo business climate index also worsened, dipping to 99.2 in April from 99.7 in March. While the Eurozone unemployment rate fell again to 7.7% in March. On the political front, Spain held general elections at the end of April. These saw the incumbent Socialist Party (PSOE) emerges as the largest party though it remains to be seen whether they will try to govern alone or form a coalition. Meanwhile, the FTSE 100 Index gained +2 in April, but it lagged global equities. The UK was granted a second, flexible, extension to the Article 50 deadline, averting a 'no deal' Brexit on 12 April.

Salus Alpha Special Situations Fund gained +1.6% in April 2019, and, thus outperformed the HFRX Special Situations Index and the HFRX Event Driven Index, which both gained +0.5% over the month. The Strategies' Special Situations in the Financials (Austrian banks and its CoCo bonds), Real-estate and selected names of Industrials/automobiles and Hospitality/tourism have performed positively. In contrast, some equity indexes (the short position of S&P 500) and fixed income index hedges (the short positions of Euro Bund Future) weighed on the Fund performance.

During April, we went with a short-term market-neutral strategy. Thus, the Fund's stock selection and efficient risk management strategies have played crucial role in the overall Fund's performance. However, we sold certain positions into strength as valuations achieved our targeted range. In contrast, we got slightly more aggressive (by buying Austrian laggard stocks), but overall retained a defensive investment strategy with moderate risk profile and some appropriate market-hedges.

Special Situations:

Within the Fund's Special Situations Strategy, our medium-sized position in the Austrian lender, Raiffeisen Bank International AG (RBI) rallied +19% in April and was the top performer for the month (+0.34% to the Fund's monthly performance). RBI is the most undervalued stock in the CEE banking region with strong fundamentals (ROE: 11% and CET1 ratio: 13.6%) and good earnings power. RBI is trading at 0.6x book value (Book-value per share: EUR 33.4), a P/E ratio below 6x and a dividend yield of 4.6% (based on 24% payout-ratio in FY2018), the share price is somehow disconnected from the bank's current earnings power, in our view. However, during April we trimmed a part of the position into strength. Nevertheless, we believe that, even after this month's rebound, the share is still a bargain.

The Strategy's Special Situation in a deep value restructuring play, Warimpex (an Austrian real estate developer) rallied +19% in April and was among the top contributors (+0.25%) for the month. The stock is well supported by the company's ongoing share buyback program and strong 4Q 2018 results. Warimpex currently trades at a 0.6x book value, 54% discount to NAV (NNNAV per share: EUR 2.56) and a dividend yield of 4.3%. We also like the company's on-going streamlining of the remaining hotel portfolio by selling the Czech Karlovy Vary in February and by continued talks about selling the two Paris hotels, probably this year. On the acquisition side we welcome the recent purchase of a promising German Darmstadt-based hotel with 394 rooms and a land reserve for an additional office development. We believe that any disposal announcements represent a positive trigger for the stock.

Furthermore, we selectively added to our existing exposure in Austrian car supplier, Polytec Holding AG (at EUR 9.25) during mid-April. The shares of the Austrian automotive company rallied +22% in April and delivered strong performance (+0.24%) to the Fund's monthly results. The European automotive industry remains sluggish with low visibility and some of the key uncertainties (trade tensions, WLTP, Diesel). The European passenger car market contracted -3.3% in the first quarter of 2019. However, 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 announce an M&A transaction this year.

As a strong performance of overall markets, we took profits and sold our positions in Andritz AG, Immofinanz AG and the DAX-listed Wirecard AG (German online payments company) and K+S AG (German potash and salt miner). The share price of K+S rose +13% in April as potash prices continue to rise in FY 2019. Meanwhile, we also sold our position in an Anglo-German tour operator, Tui AG, as the prices recovered substantially (+17 in April), and thus, contributed significantly (+0.18%) to the Fund's monthly results. On the other hand we took new positions in the Austrian laggards such as Strabag, Mayr-Melnhof, Rosenbauer, Wienerberger and EVN AG at good price levels.

As a result of risk-on market sentiment, corporate bonds saw strong returns in April. The Strategies' exposure (15% to the total Fund's volume) to Contingent Capital (CoCo) bank bonds delivered strong performance (+0.26%) during the month. However, we sold our entire position of 5.125% ErsteGroup Bank additional Tier 1 (AT1) bond (at good price levels), as measures of the Fund's compliance risk mitigation process. The position was up by +3.4% in April, and thus, attributed positively to the Fund's monthly performance. The Fund's hybrid position in Suedzucker bond contributed significantly (+0.19%) during the month. The bond prices recovered by +11% after the company's announcement that the coupon payment under its hybrid notes will be paid according to the regular payments dates (June 2019 to March 2020), and thus, no cancellation of remuneration payments (as it was previously announced by the company in March 2019). Nevertheless, the Strategies' hybrid bond category (26% exposure to the total Fund's volume) have also delivered strong returns (approx. +0.32%) during the month.

Outlook:

Global market volatility is likely to remain high and further weakness is possible as the US trade threat could get worse and affect global growth. Global equities recovered fast from December lows, and thus, are vulnerable to a short-term pullback. The concerns over the China-US trade dispute have intensified recently. Regional economic divergence continues, although global financial conditions broadly have slowed. Government bond yields were pushed higher and corporate bonds outperformed. However, global policies (monetary and fiscal policies) have become more supportive to the economic activities. The major central banks grew more accommodative and the threat around Brexit (no-deal risks) receded. The Fed turned 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 approach 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.