



INSINGER DE BEAUFORT
BNP PARIBAS WEALTH MANAGEMENT

ABSOLUTE RETURN STRATEGY SICAV
(Société d'Investissement à Capital Variable)

Annual Report and Audited Financial Statements
as at December 31, 2015

R.C.S. Luxembourg : B-90.086



Table of Contents

	Page
Management, Administration and Independent Auditor	3
General Information	4
Market Synopsis	6
Review of the Sub-Fund	7
Audit Report	9
Statement of Net Assets	10
Statement of Operations and Changes in Net Assets	11
Changes in the Number of Shares	12
Statistics	12
Schedule of Investments	
Multi Manager Hedge	13
Notes to the Financial Statements	15



Management, Administration and Independent Auditor

CHAIRMAN

Mr Peter George SIERADZKI
Director
Bank Insinger de Beaufort N.V.
Amsterdam

DIRECTORS

Mr Steve GEORGALA
Managing Director
Maitland Advisory LLP.
London

Mr Marcel ERNZER
Managing Director Wallberg Invest S.A.
Luxembourg

Mr Marc BALTUS
CFO - Bank Insinger de Beaufort N.V.
Amsterdam

REGISTERED OFFICE

Centre Etoile
11/13 Boulevard de la Foire
L-1528 Luxembourg
R.C.S. Luxembourg B-90.086

AIFM

MDO Management Company S.A.
21st Century Building
19, rue de Bitbourg
L- 1273 Luxembourg
www.mdo-manco.com

PORTFOLIO MANAGER

Insinger de Beaufort Asset Management N.V.
Herengracht 537
1017 BV Amsterdam

DISTRIBUTOR

Bank Insinger de Beaufort N.V.
Herengracht 537
NL- 1017 BV Amsterdam

DEPOSITARY AND CENTRAL ADMINISTRATION

RBC Investor Services Bank S.A.
14, Porte de France
L- 4360 Esch-sur-Alzette

REGISTRAR AND TRANSFER AGENT

RBC Investor Services Bank S.A.
14, Porte de France
L- 4360 Esch-sur-Alzette

AUDITOR

PricewaterhouseCoopers, Société Coopérative
2, Rue Gerhard Mercator
L-2182 Luxembourg



General Information

The annual general meeting of Shareholders of ABSOLUTE RETURN STRATEGY SICAV (the "Company") is held at the registered office of the Company or at such other place in Luxembourg as indicated in the convening notice on the last Wednesday of April of each year at 2 p.m. Luxembourg time. If any such day is not a bank business day in Luxembourg, it will be held on the next following bank business day in Luxembourg.

Notices of all general meetings will be published in the "Mémorial, Recueil des Sociétés et Associations" of Luxembourg (the "Mémorial") and in at least one Luxembourg newspaper (to the extent required by Luxembourg law) and will be sent by mail to the holders of registered Shares at least eight days prior to the meeting at their addresses according to the register of Shareholders. Such notices will include the agenda and specify the time and place of the meeting, the conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in Articles 67 and 67-1 of the law of August 10, 1915 (as amended) of the Grand Duchy of Luxembourg and in the Company's Articles of Incorporation.

Each entire Share is entitled to one vote. Fractions of Shares however participate in the distribution of dividends (if any) or in the distribution of the liquidation proceeds.

The Annual Report and Audited Financial Statements will be published within six months after the end of the financial year and the unaudited semi-annual reports will be published within four months after the end of the relevant period. The reports include separate information on each of the Sub-Funds as well as combined information on all Sub-Funds. The reports are available at the registered office of the Company during normal business hours. The financial year end of the Company is December 31 of each year.

A detailed schedule of portfolio movements of the Sub-Fund is available free of charge upon request at the registered office of the Company.

The Net Asset Values and the issue and redemption prices of the shares in any Sub-Fund shall be made public and available at the registered office of the Company.

Under current legislation and practice, Shareholders are not subject to any capital gains, income, withholding, inheritance or other taxes in Luxembourg (except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg and for certain former residents of Luxembourg owning more than 10% of the share capital of the Company).

Potential investors should consult their professional advisers on the possible tax or other consequences of buying, holding, converting, transferring or selling any of the Shares under the laws of their countries of citizenship, residence or domicile.

The annual and semi-annual accounts can be obtained, free of charge, at the offices of the Portfolio Manager or can be downloaded, free of charge, from the website of the Portfolio Manager under the link:

<http://www.insinger.com>



General Information (continued)

Ongoing Charges Figure (Expense Ratio)

The Ongoing Charges Figure of the Sub-Fund is calculated by dividing the total expenses, by the average Net Asset Value of the Sub-Fund. The average Net Asset Value as at December 31, 2015 is calculated by averaging the Net Assets Value of each Valuation of the Sub-Fund in the year of 2015. The calculation of the ongoing charges figure of the underlying funds is based on available information of these underlying funds. Below ongoing charges figures exclude any performance fees, transaction costs/fees and bank interest paid.

Absolute Return Strategy SICAV - Multi-Manager Hedge

The average Net Asset Value for the year ended December 31, 2015 is EUR 50,497,867.

The Ongoing Charges Figures ("OCF") as at December 31, 2015 are as follows:

- excluding the OCF of the underlying funds is 1.09% per annum.
- including the OCF of the underlying funds is 2.85% per annum.

Other

The Board of Directors confirms adherence to the Association of the Luxembourg Fund Industry (ALFI) Code of Conduct in the governance of Absolute Return Strategy SICAV.

AIFM Directives

According to the new AIFM directives, please find here below the split between realised gains and realised losses on investments, and the split between the change in unrealised gains and change in unrealised losses

Sub-Fund Name	Currency	Change in Unrealised Gains	Change in Unrealised Losses	Realised Gains	Realised Losses
Multi Manager Hedge	EUR	1,980,474	(1,591,141)	2,177,779	(193,381)

According to the new AIFM directives, please find here below the split between realised gains and realised losses on forward foreign exchange contracts, and the split between the change in unrealised gains and change in unrealised losses

Sub-Fund Name	Currency	Change in Unrealised Gains	Change in Unrealised Losses	Realised Gains	Realised Losses
Multi Manager Hedge	EUR	648,605	-	597,078	(2,721,651)

- Remuneration of personnel of the Portfolio Manager

For more information related to the remuneration of personnel of the Portfolio Manager for the reporting period, we refer to the annual report for the year ended December 31, 2015 for Insinger de Beaufort Asset Management N.V. as published on www.insinger.com

- Remuneration of personnel of the AIFM

Details on the remuneration paid by the AIFM to its staff are available upon request of the Shareholders at the registered office of the AIFM.

General information related to the remuneration policy is included in the AIFM's main procedures and policies document as published on AIFM website on

<http://www.mdo-manco.com/our-clients>

- AIFMD Leverage

In accordance with the AIFM directives please find below the calculation of the AIFMD Leverage of the Sub-Fund from a gross method point of view as well as using the commitment method.

	Multi Manager Hedge
Gross method	112.80%
Commitment method	100.78%



Market Synopsis

Market Developments 2015

Last year was an extremely volatile year for both the equity markets and the bond markets and ultimately only yielded small returns. As the euro weakened further against the US dollar – having lost 14% in 2014, the euro lost a further 10% in 2015 – the returns were better when expressed in euros. However, when converted into US dollars, many equity and bond markets yielded minimal or even negative returns. As in previous years, the poorest results were posted in emerging markets, while the US markets again stood out positively against the rest of the world.

The financial markets initially responded enthusiastically when ECB President Draghi announced a larger than expected quantitative easing programme in January. The European equity markets in particular saw sharp price rises of sometimes in excess of 20% up to April. Yet these price gains were accompanied by a remarkable weakness in the euro, which lost 13% of its value against the US dollar over the first few months of the year. In the second quarter it was Greece that threw a spanner in the works by adopting an unprecedentedly tough stance in negotiations with the Troika and rejecting European bailout proposals via a referendum. The markets did succeed in bouncing back after the Greek government had been forced into agreeing to an even tougher bail-out package. The real setback for the markets came in August, when the Chinese government apparently devalued the renminbi on 11 August. This step was so poorly communicated that the markets became increasingly concerned about the economic slowdown in China and other emerging markets. Western equity markets finally succumbed on 24 August, a day which witnessed several hours of unprecedented volatility, partly caused by automated high frequency trading. The lows of the end of August were tested a month later at similar levels, after which a strong recovery took place in October. There was also an end-of-year rally, but only after markets had dropped again slightly in the first half of December due to persisting concerns about weakness in the Chinese economy and the ever-declining oil price.

European equity markets ultimately saw a price gain of approximately 5% in euros over the year, but results varied greatly from country to country. When expressed in US dollars the US index S&P500 was down by nearly 1% (excluding dividends), but in euros it posted a profit of nearly 10%, causing it once more to outperform most European indices on balance. Emerging market equities were the biggest losers, especially in those countries dependent on the production of commodities, such as Brazil. In these countries the currency losses against the US dollar were often even higher than the price losses on the market. At a price gain of 9%, Japan's Nikkei index was one of the best performers, while the yen remained more or less stable against the US dollar. The MSCI All Countries World index earned a total return in euros (including dividends) of 8.7% in 2015.

Like the equity markets, the European bond markets chiefly responded positively to the ECB's quantitative easing plans announced at the start of the year. The yield on German 10-year government bonds even dropped to close to zero (0.05%) in April. Yields on government bonds issued by peripheral Eurozone countries also fell further. For instance, under the influence of ECB policy, Spanish yields declined to about 1.2%. At the end of April, investors seemed to realise that Eurozone government bonds had become overvalued and a sharp drop in prices occurred, causing German government bond yields to revert to about 1% in the space of just one month. In contrast to the ECB, the US Fed implemented no special monetary policy initiatives and yields on US 10-year government bonds spent the entire year moving more or less sideways at about 2%. The persisting strength of the US dollar led to European investors earning a positive return on US treasuries again, like in 2014.

While European government bonds posted a modest positive return, European corporate bonds on average earned a marginal loss as spreads widened slightly. In the riskier high yield market, the second half of the year looked to be a repeat of the trends seen a year earlier. Having tightened in the first half of 2015, spreads again widened sharply (this time from 4% to about 7%), again due to the weakening of the oil price. The greatest losses were to be found in the US high yield market, about 15% of which comprises companies active in the shale oil industry. Yet spreads on corporate bonds from emerging markets also widened, leading to losses here too. Spreads on the European high yield market only widened to a relatively small extent.



Review of the Sub-fund

Absolute Return Strategy SICAV - Multi Manager Hedge

Last year was an extremely volatile year for both the equity markets and the bond markets and ultimately only yielded small returns. As the euro weakened further against the US dollar – having lost 14% in 2014, the euro lost a further 10% in 2015 – the returns were better when expressed in euros. However, when converted into US dollars, many equity and bond markets yielded minimal or even negative returns. As in previous years, the poorest results were posted in emerging markets, while the US markets again stood out positively against the rest of the world.

European equity markets ultimately saw a price gain of approximately 5% in euros over the year, but results varied greatly from country to country. When expressed in US dollars the US index S&P500 was down by nearly 1% (excluding dividends), but in euros it posted a profit of nearly 10%, causing it once more to outperform most European indices on balance. Emerging market equities were the biggest losers, especially in those countries dependent on the production of commodities, such as Brazil. In these countries the currency losses against the US dollar were often even higher than the price losses on the market. At a price gain of 9%, Japan's Nikkei index was one of the best performers, while the yen remained more or less stable against the US dollar. The MSCI All Countries World index earned a total return in euros (including dividends) of 8.7% in 2015.

Like the equity markets, the European bond markets chiefly responded positively to the ECB's quantitative easing plans announced at the start of the year. The yield on German 10-year government bonds even dropped to close to zero (0.05%) in April. Yields on government bonds issued by peripheral Eurozone countries also fell further. While European government bonds posted a modest positive return, European corporate bonds on average earned a marginal loss as spreads widened slightly. In the riskier high yield market, the second half of the year looked to be a repeat of the trends seen a year earlier. Having tightened in the first half of 2015, spreads again widened sharply (this time from 4% to about 7%), again due to the weakening of the oil price. The greatest losses were to be found in the US high yield market, about 15% of which comprises companies active in the shale oil industry.

For alternative strategies, 2015 proved to be a difficult year and within alternatives, returns varied widely. European real estate enjoyed again an excellent year up approximately 15-20%, benefitting from the declining yields. The gold price remained more or less stable but commodity prices and oil in particular remained under pressure throughout most of the year. Most macro managers were hit as a result of widening spreads and extreme volatility in some major currencies. Some of them lost money because of curve positions going against them when interest rate expectations in the US came down. Also short duration strategies did not work well in a world full of deflationary pressures. Making money in a zero interest rate world proves to be extremely difficult.

All of the HFR hedge fund indices lost value in 2015 with return in the range of – 4.0% and -0.3%. For hedge funds the best performances came from the long/short Europe equity funds and some selected market neutral funds. CTAs, distressed and most macro-managers lost money in the year.

The European markets found the operating environment to be more supportive than in US markets. Emerging market strategies underperformed again as the implications of lower energy prices on a number of oil dependent economies impacted valuations.

Developments and performance

ARS Multi Manager Hedge performed + 0.79% for the year 2015. The HFRX Equal Weighted Strategies EUR returned -2.30% and the HFRX Global Hedge EUR Index noted -4.38%.

During 2015, ARS Multi Manager Hedge has made relatively small changes to the portfolio strategy. The fund increased the allocation in CTAs half way the year by selecting MAN AHL Alpha Fund to further decrease correlations with equity markets and enhance the return targets slightly. The fund reduced the position in credit markets, mainly by selling the Henderson Credit Alpha Fund and Green T G2 Fund. In addition, we decreased our Event Driven exposure by selling our position in DK International. The fund diversified further by making investments in H20 Allegro and GFS Trend Macro. Total portfolio turnover was less than 25%.

In 2015, the best performing fund within the fund was the Marshall Wace Market Neutral Tops Fund with a performance of 17.3%. The strategy benefitted from an increase in dispersion in the equity-markets. Both long and short alpha contributed positively to returns. The least performing underlying fund was Altima Global Special Situations with -6.8% as a result of impairments on several of the underlying private equity situations. We follow a strictly conservative method in the valuation of the investment portfolio and perhaps we can see some more positive developments in 2016. All other negatively performing funds lost 4% or less, hence we do not foresee a major portfolio review the coming year.

Outlook

We anticipate that in 2016 the US financial markets and the US dollar will continue to act as safe havens in a world dominated by high levels of debt, low growth, extreme low yields and rising currency tensions.

We believe that dispersion and volatility should further pick up in 2016, bringing a new set of opportunities for equity long /short managers. We continue to be positive on global macro strategies for the diversification feature. For CTAs the expectations of



Review of the Sub-fund (continued)

greater divergence and de-correlation among asset classes should lead to a better environment for the sector going into 2016.

Most fixed income managers will struggle in this environment but distressed managers could start to benefit from attractive valuations. For event driven strategies we expect to see an environment of slowing M&A deals and more difficult financing. We continue to have little investments in this area.

ARS Multi Manager Hedge is well-balanced and invests mostly in liquid strategies. We can expect the fund to protect capital in difficult markets and benefit from volatility and stock selection. We therefore foresee low single digit positive returns and position ARS Multi Manager Hedge as a well-diversified alternative for low yielding bonds.

Luxembourg, February 2016
The Board of Directors

Historical performance is not an indication of future performance.



Audit report

To the Shareholders of
Absolute Return Strategy SICAV

Following our appointment by the General Meeting of the Shareholders dated April 29, 2015, we have audited the accompanying financial statements of Absolute Return Strategy SICAV, which comprise the statement of net assets and the schedule of investments as at December 31, 2015 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Absolute Return Strategy SICAV as of December 31, 2015, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société cooperative
Represented by

Luxembourg, April 19, 2016

Thierry Blondeau

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T: +352 494848 1, F:+352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Statement of Net Assets
as at December 31, 2015

	Note	Multi Manager Hedge EUR	Total USD
ASSETS			
Investments in securities at market value	(2)	45,515,827	49,737,442
Cash at bank		4,563,193	4,986,432
Amounts receivable on sale of investments		159,885	174,714
Unrealised profit on forward foreign exchange contracts	(8)	307,631	336,164
TOTAL ASSETS		50,546,536	55,234,752
LIABILITIES			
Subscriptions received in advance		716,606	783,072
Management fees payable	(3)	52,885	57,790
Taxes and expenses payable	(7)	84,504	92,342
Interest payable		152	166
TOTAL LIABILITIES		854,147	933,370
TOTAL NET ASSETS		49,692,389	54,301,382
Net asset value per share			
Class B Shares (EUR)		123.34	
Number of shares outstanding			
Class B Shares (EUR)		402,903.736	



Statement of Operations and Changes in Net Assets
for the year ended December 31, 2015

	Note	Multi Manager Hedge EUR	Total USD
NET ASSETS AT THE BEGINNING OF THE YEAR		47,401,608	57,621,397
INCOME			
Other income		892	975
TOTAL INCOME		892	975
EXPENSES			
Portfolio management fees	(3)	303,731	331,902
AIFM fees	(4)	45,130	49,316
Depositary bank fees	(10)	62,565	68,368
Domiciliation, administration and transfer agent fees	(10)	48,230	52,703
Audit fees, printing and publishing expenses		29,786	32,549
Taxe d'abonnement	(6)	18,281	19,977
Bank charges		1,287	1,406
Bank interest		9,382	10,252
Other charges		46,771	51,109
TOTAL EXPENSES		565,163	617,582
NET LOSS FROM INVESTMENTS		(564,271)	(616,607)
Net realised gain on sales of investments	(2)	1,984,398	2,168,452
Net realised loss on forward foreign exchange contracts		(2,124,573)	(2,321,629)
Net realised loss on foreign exchange	(2)	(4,210)	(4,600)
NET REALISED LOSS		(708,656)	(774,384)
Change in net unrealised appreciation on:			
- investments		389,333	425,444
- forward foreign exchange contracts		648,605	708,763
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		329,282	359,823
EVOLUTION OF THE CAPITAL			
Issue of shares		7,836,596	8,563,444
Redemption of shares		(5,875,097)	(6,420,015)
Currency translation		-	(5,823,267)
NET ASSETS AT THE END OF THE YEAR		49,692,389	54,301,382

The accompanying notes form an integral part of these financial statements.



Changes in the Number of Shares for the year ended December 31, 2015

	Multi Manager Hedge
EUR	
Class B Shares	
Number of shares outstanding at the beginning of the year	387,374.829
Number of shares issued	62,695.558
Number of shares redeemed	(47,166.651)
Number of shares outstanding at the end of the year	402,903.736

Statistics

	Multi Manager Hedge EUR
Total Net Asset Value	
December 31, 2015	49,692,389
December 31, 2014	47,401,608
December 31, 2013	20,907,478
Net asset value per share at the end of the year	
December 31, 2015	
Class B Shares (EUR)	123.34
December 31, 2014	
Class B Shares (EUR)	122.37
December 31, 2013	
Class B Shares (EUR)	119.92



Multi Manager Hedge

 Schedule of Investments
as at December 31, 2015

(expressed in EUR)

Description	Quantity	Currency	Average Cost	Fair Value (Note 2)	% net assets
Investment funds					
Equity Hedge - Equity Market Neutral					
Glg Glb Equity Alternat In Eur	23,551	EUR	2,330,000	2,297,857	4.62
Horizon Ptf I Euro Voting Shs	16,566	EUR	1,656,620	2,284,710	4.60
Marshall Wace Mkt Netr Tops A /Eur	14,115	EUR	1,800,000	2,654,880	5.34
			5,786,620	7,237,447	14.56
Equity Hedge - Fundamental Growth					
Schr Gaia Sir Us Eq -C- Eurh /Cap	17,912	EUR	2,220,000	2,223,994	4.48
The Raptor Private Holdings	192	USD	112,075	89,910	0.18
			2,332,075	2,313,904	4.66
Equity Hedge - Fundamental Value					
Alken Abs Ret Europe -Eu1- Cap	18,374	EUR	2,190,000	2,372,252	4.77
Egerton L-S Eur & Gbp B/1 Eur	42,550	EUR	1,115,089	3,592,193	7.23
			3,305,089	5,964,445	12.00
Event Driven - Distressed/Restructuring					
Dkdoi (Cayman) -A- Tr 2 01 Jan 15	758	USD	585,628	1,771,360	3.56
			585,628	1,771,360	3.56
Event Driven - Multi - Strategy					
Oz Europe Ovs II G Prime 32	1,173	USD	878,006	1,636,728	3.30
Taconic Opportunity -M- S4	1,396	EUR	1,395,887	1,327,844	2.67
			2,273,893	2,964,572	5.97
Event Driven - Special Situations					
Altima Restructure 3 B - 10	113	USD	82,269	-	-
Altima Restructure 4 B - 10	451	USD	329,603	260,925	0.52
Altima Restructure 5 B - 10	45	USD	32,600	57,755	0.12
Altima Restructure 6 B - 10	713	USD	521,042	47,556	0.10
Altima Restructure 10 B - 10	332	USD	242,941	185,814	0.37
Altima Restructure 11 B - 10	1,060	USD	774,439	134,747	0.27
Altima Restructure 14 B - 10	12	USD	9,092	5,718	0.01
Altima Restructure 17 B - 10	93	USD	-	-	-
Altima Restructure 18 B - 10	83	USD	60,730	67,564	0.14
			2,052,716	760,079	1.53
Macro - Multi - Strategy					
Gfs Ucits Trend Macro B Eur Acc	19,542	EUR	2,000,000	2,000,700	4.03
H2o Allegro -Ic- 4Dec /Cap	10	EUR	1,000,004	1,009,004	2.03
Standard Life Global Abs Rtn Str -D- /Cap	275,862	EUR	3,200,000	3,578,041	7.20
			6,200,004	6,587,745	13.26
Macro Currency					
Gam Star Global Rates -Eur- /Cap	196,210	EUR	2,340,000	2,379,148	4.79
			2,340,000	2,379,148	4.79
Macro Systematic Diversified					
Ahl Alpha Cayman A Usd Shares	1,715,985	USD	2,051,609	2,031,073	4.09
Winton Fut Fd -C- Lead Series	8,985	EUR	1,142,815	2,607,042	5.24
			3,194,424	4,638,115	9.33
Relative Value - Fixed Income - Convertible Arbitrage					
Advent Enhanced Phoenix Offshore - Series 1	6,855	USD	-	-	-

The accompanying notes form an integral part of these financial statements.



Multi Manager Hedge

Schedule of Investments (continued)
as at December 31, 2015

(expressed in EUR)

Description	Quantity	Currency	Average Cost	Fair Value (Note 2)	% net assets
Northwest Fd Red. Ptg. Shs -B-	1,458	EUR	2,502,961 2,502,961	2,810,124 2,810,124	5.66 5.66
Relative Value - Fixed Income - Corporate					
Muz L/S Cry Eurh Acc A Non Eq	24,614	EUR	2,470,000 2,470,000	2,472,030 2,472,030	4.98 4.98
Relative Value - Multi -Strategy					
Amaranth International Ltd - Class D1 Series 9264	2	USD	1,144	4,137	0.01
Arrowgrass Int -B- Eur Nni S0308	9,125	EUR	1,242,839	1,530,165	3.08
Hutchin Hill Cap Off Class C Restr	1,491	USD	1,657,232	1,741,689	3.50
Pine River Fd Ltd -Class B- Is1	705	USD	1,836,672 4,737,887	2,340,867 5,616,858	4.71 11.30
Total - Investment funds			37,781,297	45,515,827	91.60
Total Investment Portfolio			37,781,297	45,515,827	91.60

The accompanying notes form an integral part of these financial statements.



Notes to the Financial Statements for the year ended December 31, 2015

1 - Organisation

ABSOLUTE RETURN STRATEGY SICAV (the "Company") is an open-ended investment company with variable capital, incorporated in the Grand Duchy of Luxembourg as a "société anonyme" on the basis of the law of August 10, 1915 on Commercial Companies (the "law of 1915") as amended and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV") on the basis of part II of the law of December 17, 2010 on Collective Investment Undertakings (the "law of 2010"). Accordingly, the Company does not comply with the European Community Council Directive on Undertakings for Collective Investment in Transferable Securities. The SICAV qualifies as an alternative investment fund ("AIF") under the Law of July 12, 2013 on Alternative Investment Fund Managers ("AIFM") implementing Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on alternative investment fund managers (the "AIFMD").

The Company was incorporated in Luxembourg on November 29, 2002 for an unlimited period. The Articles of Incorporation of the Company were published in the "Mémorial, Recueil des Sociétés et Associations" of Luxembourg on December 28, 2002. The Company is registered with the "Registre de Commerce et des Sociétés", Luxembourg, under number B-90.086.

The Company is structured as an umbrella fund containing a variety of different portfolios ("Sub-Funds") of specific assets in various reference currencies. Each Sub-Fund is designated by the name of the Company, followed by a generic name.

Further, the shares of each Sub-Fund (the "Shares") may, as the Board of Directors shall so determine from time to time, be issued in one or more classes of Shares (each such class being referred to herein as a "Class"), whose assets will be commonly invested pursuant to a specific investment policy of the respective Sub-Fund, but where a specific sales and redemption charge structure, fee structure, distribution policy, hedging policy, reference currency or other specificity is applied to each such Class. At present, the following Sub-Fund is offered to investors:

Absolute Return Strategy SICAV - Multi Manager Hedge (Reference Currency: EUR)

The Portfolio Manager will invest the assets of the Sub-Fund in Alternative UCIs. Such Alternative UCIs will typically fall into categories such as equity long/short, macro/CTA, event/distressed and relative value.

Class B Shares: denominated in EUR and fully exposed to fluctuations in the EUR exchange rate relative to the major currencies in which the Sub-Fund is invested. Class B Shares are available for any type of investor.

As at December 31, 2015 only Class B Shares (EUR) is active.

2 - Significant Accounting Policies

The financial statements have been prepared in conformity with legal and regulatory requirements in Luxembourg, applicable to investment funds, including the following significant accounting policies.

a) Investments

Each share or unit in an open-ended UCI is valued at the last available Net Asset Value whether estimated or final, which is computed for such units or shares at or prior to the valuation day on which the Net Asset Value of the Shares of the Sub-Fund is determined and as approved by the Central Administration of the Company.

In assessing the valuation of the underlying funds, reliance is placed upon unaudited Net Asset Values supplied by the underlying funds or their administrators, which may be subject to adjustment upon finalisation of the audit of their financial statements.

The financial statements include investments in underlying investment funds, whose fair values have been derived from unaudited net asset values provided by such funds or their agents in accordance with the prospectus.

In respect of shares or units held by the Company, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Directors may decide to value such shares or units in line with the prices so established.

If events have occurred which may have resulted in a material change in the Net Asset Value of such shares or units in other UCI since the day on which the latest Net Asset Value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board of Directors, such change of value.

Securities (including shares or units in closed-ended UCIs) which are quoted or dealt in on a stock exchange are valued at their latest available published stock exchange closing price or, for securities quoted or dealt on several stock exchanges, at the closing price on the stock exchange which is normally the principal market for such security.



Notes to the Financial Statements (continued) for the year ended December 31, 2015

2 - Significant Accounting Policies (continued)

Securities traded on another regulated market operating regularly, recognised and open to the public (a "regulated market"), are valued as near as possible as for quoted securities.

In the event that any of the securities held in any portfolio at the valuation day are not quoted or traded on a stock exchange or another regulated market or, for any one of the securities, no price quotation is available, or if the price as determined pursuant to the above mentioned paragraphs is not in the opinion of the Board of Directors representative of the fair market value of the relevant securities, the value of such securities is determined based on the reasonably foreseeable sales price determined prudently and in good faith.

If, since the valuation day there has been a material movement in the quotations on the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is listed or dealt in, the Board of Directors may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation.

Should circumstances so require, the Board of Directors may also adopt other valuation methods in accordance with generally accepted procedures.

The valuations for all investments were based on the latest prices available at the last valuation point on December 31, 2015.

b) Net realised gain / (loss) on sales of investments

The net realised gain or loss on sales of investments is determined on the basis of the average cost of investments.

c) Transactions in foreign currencies

Principal closing exchange rate used as of December 31, 2015 is:

1 EUR = 1.092750 USD

The value of the assets and liabilities denominated in a currency other than the reference currency of the relevant Sub-Fund or Class will be translated at the prevailing exchange rates in Luxembourg at the Closing Date. Income and expenses in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the exchange rates prevailing at the transaction date.

d) Combined financial statements of the Company

The total Net Asset Value of the Company is equal to the net assets of the Sub-Fund translated into USD at the prevailing exchange rates in Luxembourg as at the valuation day.

e) Cost of investment securities

The cost of investment securities expressed in currencies other than the Sub-Fund's currency is translated into the Sub-Fund's currency at the exchange rate applicable at the purchase date.

f) Forward foreign exchange contracts

Outstanding forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the relevant valuation date and the resulting unrealised profits or losses are included in the statement of operations and changes in net assets. Realised gains and losses on matured forward foreign exchange contracts are also included in the statement of operations and changes in net assets.

g) Advance on investments

Payments made prior to the year end to acquire investments in advance of the calculation of the underlying fund's net asset value per share/unit are recorded as 'Investments paid in advance' in the Statement of Net Assets.



Notes to the Financial Statements (continued) for the year ended December 31, 2015

2 - Significant Accounting Policies (continued)

h) Subscriptions in advance

Subscriptions received in advance of the year end are credited to the "subscriptions received in advance" account until the net asset value has been calculated.

i) Income

Dividends are recognized on an ex-dividend basis, net of withholding taxes in the country of origin. Interest is recognized on an accrual basis.

3 - Portfolio Management and Performance Fees

Management fees

As remuneration for its services, the Portfolio Manager receives from the Company an annual fee at the maximum annual rate of 1.75% (for Class B) on the average net assets of the Sub-Fund.

The actual management fees charged during the year ended December 31, 2015 are 0.60% p.a. of the average net assets attributable to Class B.

Performance fees

In addition to the management fee, the Portfolio Manager receives a performance fee of the absolute performance (high water mark) of the Sub-Fund's net assets during a month, at the actual rate of 10% p.a. of the net assets attributable to Class B.

The performance fee is calculated and accrued on each valuation day and is payable on each valuation day for each Share Class in the currency of that Share Class. Once the performance fee is paid out to the Portfolio Manager, the outperformance of the Sub-Fund is reset to zero for the purposes of the calculation of the subsequent performance fee. Should there be no performance fee payable on a given valuation day, there is no reset. Once paid, a performance fee will not be refunded should future losses occur.

For the year ended December 31, 2015 there were no performance fees paid.

4 - AIFM Fee

As remuneration for its services, the AIFM shall receive from the SICAV a fee between 0.02% - 0.04% p.a. on the aggregated assets under management of the AIF SICAVs subject to a minimum annual fee of EUR 10,000 per Sub-Fund.

For valuations services, the SICAV pays an annual fee of EUR 14,000 and for Risk Management services, the SICAV pays EUR 18,000 per Sub-Fund.

5 - Rebates

The Portfolio Manager has not received rebates from the underlying funds in which the Sub-Fund invest during the year ended December 31, 2015.

6 - Taxation

Under current law and practice, which may change from time to time, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. Income and capital gains on the Company's investments, however, may be subject to withholding or capital gains taxes in certain countries.

However, the Sub-Funds are liable in Luxembourg to an annual tax ("taxe d'abonnement") of at present 0.05% per annum of their net assets, payable quarterly and calculated at the end of the relevant quarter.

In respect to Shares of a Sub-Fund or Class being dedicated to Institutional Investors only, the assets attributed to such Sub-Fund or Class are liable in Luxembourg to a "taxe d'abonnement" of 0.01% per annum of their net assets, payable quarterly and calculated at the end of the relevant quarter.



Notes to the Financial Statements (continued)
for the year ended December 31, 2015

7 - Taxes and Expenses Payable

	Multi Manager Hedge EUR
Depository bank commission, domiciliation, administration and transfer agent fees	(17,358)
Audit, Director Fees, printing and publication expenses	(28,668)
Other taxes and expenses	(22,500)
Taxe d'abonnement (Note 6)	(6,216)
CSSF, regulatory and legal fees	(9,762)
	(84,504)

8 - Forward Foreign Exchange Contracts

As at December 31, 2015, Absolute Return Strategy SICAV - Multi Manager Hedge had entered into the following outstanding Forward Foreign Exchange Contract:

	Purchase		Sale	Maturity date	Unrealised gain (in EUR)
EUR	10,815,386	USD	11,500,000	01/03/2016	307,631
					307,631

The counterparty linked to the Forward Exchange Contract is Bank Insinger de Beaufort N.V., Amsterdam.

9 - Dividends

The Company does not distribute dividends.

10 - Depository, Domiciliation, Administration and Transfer Agent Fees

The Company pays fees to RBC Investor Services Bank S.A., for its rendering of services as Depository and Central Administrative Agent and Registrar and Transfer Agent, in accordance with normal banking practices in Luxembourg.

The actual Depository Custody fees rate is set to 0.09% annually representing an amount of EUR 62,565. The Central Administration fees is set at EUR 25,000 per Sub-Fund annually and the Transfer Agency Fees amounted for the year ending December 31, 2015, to EUR 16,016 for Absolute Return Strategy SICAV - Multi Manager Hedge.



Notes to the Financial Statements (continued) for the year ended December 31, 2015

11 - Liquidity

The following underlying funds as held by Absolute Return Strategy SICAV- Multi Manager Hedge were gated as at December 31, 2015:

	Fair Value (in EUR)	% net assets
Advent Enhanced Phoenix Offshore - Series 1 *	0	0.00
Amaranth International Ltd - Class D1 Series 9264 *	4,137	0.01
Altima Restructure 3 B - 10	0	0.00
Altima Restructure 4 B - 10	260,925	0.52
Altima Restructure 5 B - 10	57,755	0.12
Altima Restructure 6 B - 10	47,556	0.10
Altima Restructure 10 B - 10	185,814	0.37
Altima Restructure 11 B - 10	134,747	0.27
Altima Restructure 14 B - 10	5,718	0.01
Altima Restructure 17 B - 10	0	0.00
Altima Restructure 18 B - 10	67,564	0.14
The Raptor Private Holdings *	89,910	0.18
	854,126	1.72

* These funds are in liquidation.

The Board of Directors approved to value the positions of Altima each month with a discount. The discount is based on the latest available official NAV for the Altima Fund.

12 - Directors Fees

The amount of Directors fees for the year ended December 31, 2015 for the SICAV is EUR 15,400 per annum, including tax and is included in the caption "Other charges" in the Statement of Operations and Changes in Net Assets.

13 - Transaction Costs

For the year ended December 31, 2015, the SICAV did not incur any transaction cost other than the transaction fees which amount to EUR 2.