

**Unaudited semi-annual report  
as at 30th June 2018**

# **Absolute Return Strategy SICAV**

Société d'Investissement à Capital Variable  
Incorporated under the Luxembourg laws

R.C.S. Luxembourg B 90 086

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**Absolute Return Strategy SICAV**

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# Absolute Return Strategy SICAV

## Organisation

<b>Registered Office</b>	11, rue Aldringen L-1118 LUXEMBOURG
<b>Board of Directors</b>	
<b>Chairman</b>	
Peter George SIERADZKI	CEO InsingerGilissen Bankiers N.V. AMSTERDAM
<b>Directors</b>	
Steve GEORGALA	Managing Director MAITLAND ADVISORY LLP LONDON
Marcel ERNZER	Managing Director WALLBERG INVEST S.A. LUXEMBOURG
Marc Jan BALTUS	CFO InsingerGilissen Bankiers N.V., AMSTERDAM
<b>Alternative Investment Fund Manager</b>	KREDIETRUST LUXEMBOURG S.A. 11, rue Aldringen L-2960 LUXEMBOURG
<b>Board of Directors of the Alternative Investment Fund Manager</b>	
<b>Chairman</b>	Vincent DECALF
<b>Director</b>	Olivier de JAMBLINNE de MEUX
<b>Managing director</b>	Stefan VAN GEYT
<b>Conducting officers</b>	Aurélien BARON Kristel COOLS Stefan VAN GEYT
<b>Portfolio Manager</b>	InsingerGilissen Asset Management N.V. Herengracht 537 NL-1017 BV AMSTERDAM
<b>Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent</b>	KREDIETRUST LUXEMBOURG S.A. 11, rue Aldringen L-2960 LUXEMBOURG
<b>Depository and Paying Agent</b>	KBL EUROPEAN PRIVATE BANKERS S.A. 43, boulevard Royal L-2955 LUXEMBOURG

# Absolute Return Strategy SICAV

## Organisation (continued)

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**Auditor**

PRICEWATERHOUSECOOPERS, Société coopérative  
2, rue Gerhard Mercator  
L-2182 LUXEMBOURG

**Distributor**

InsingerGilissen Bankiers N.V.  
Herengracht 537  
NL-1017 BV AMSTERDAM

# Absolute Return Strategy SICAV

## General information

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Absolute Return Strategy SICAV (the "Company") was incorporated in Luxembourg on 29th November 2002 for an unlimited period and is an open-ended investment company registered pursuant to Part II of the Luxembourg law of 17th December, 2010 on Undertakings for Collective Investment (the "Law of 2010"). The Company qualifies as an Alternative Investment Fund ("AIF") under the Law of 12th July 2013 on Alternative Investment Fund Managers ("AIFM") implementing Directive 2011/61/EU of the European Parliament and of the Council of 8th June 2011 on Alternative Investment Fund Managers (the "AIFMD").

The Directive 2014/91/EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/65/EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

The Company is structured as an umbrella fund containing a variety of different portfolios ("Sub-Funds") of specific assets in various reference currencies.

At the date of the financial statements, the following Sub-Fund is offered to investors:

Absolute Return Strategy SICAV - Multi-Manager Hedge in EUR

With effect on 11th April 2018, the Board of Directors of the Company has adopted the change of the currency of the Company from USD to EUR.

At the date of the financial statements, only Class B Shares (EUR) is active and are available for any type of investor.

The most recent financial statements, annual report, key investor information document as well as copies of the Articles of Incorporation of the Company and the material contracts referred to in the prospectus are available for inspection during usual business hours at the registered office of the Company in Luxembourg and can be obtained free of charge upon request from the AIFM.

# Absolute Return Strategy SICAV

## Combined statement of net assets (in EUR)

as at 30th June 2018

### Assets

#### Investments

Securities portfolio at market value	43,300,148.28
	<u>43,300,148.28</u>

#### Cash and cash equivalents

Cash at banks	1,516,925.15
	<u>1,516,925.15</u>

#### Receivables

Receivable on sales of securities	6,899.12
Unrealised gain on forward foreign exchange contracts	5,631.25
	<u>12,530.37</u>

#### Total assets

44,829,603.80

### Liabilities

#### Payables

Expenses payable	83,934.23
	<u>83,934.23</u>

#### Other liabilities

Prepaid subscriptions	759,708.00
	<u>759,708.00</u>

#### Total liabilities

843,642.23

#### Total net assets at the end of the period

43,985,961.57

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

# Absolute Return Strategy SICAV

## Combined statement of operations (in EUR)

from 1st January 2018 to 30th June 2018

### Income

#### Realised gain on investments

- on securities portfolio	657,146.65
- on forward foreign exchange contracts	315,814.24
	<hr/>
	972,960.89

#### Appreciation of unrealised results on investments

- on securities portfolio	3,030,028.76
- on forward foreign exchange contracts	5,631.25
	<hr/>
	3,035,660.01

#### Total income

4,008,620.90

### Expenses

#### Investment advisory or management fees

Portfolio management fees	138,102.74
	<hr/>
	138,102.74

#### Other expenses

Depositary fees	14,569.62
Central administration costs	18,930.54
Professional fees	14,013.86
Other administration costs	7,834.86
Subscription duty ("taxe d'abonnement")	9,911.63
Bank interest paid	1,190.64
Other fees	13,570.45
	<hr/>
	80,021.60

#### Realised loss on investments

- on securities portfolio	172,525.76
- on forward foreign exchange contracts	474,951.36
- on foreign exchange	20,557.01
	<hr/>
	668,034.13

#### Depreciation of unrealised results on investments

- on securities portfolio	2,702,796.01
- on forward foreign exchange contracts	119,719.61
	<hr/>
	2,822,515.62

#### Total expenses

3,708,674.09

#### Net income

299,946.81

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



## Absolute Return Strategy SICAV

### Combined statement of changes in net assets (in EUR)

from 1st January 2018 to 30th June 2018

Net income	299,946.81
Subscriptions	2,071,435.00
Redemptions	-7,940,571.39
Total changes in net assets	-5,569,189.58
Total net assets at the beginning of the period	49,555,151.15
<b>Total net assets at the end of the period</b>	<b>43,985,961.57</b>

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

# Absolute Return Strategy SICAV - Multi-Manager Hedge

## Statement of net assets (in EUR)

as at 30th June 2018

### Assets

#### Investments

Securities portfolio at market value	43,300,148.28
	<u>43,300,148.28</u>

#### Cash and cash equivalents

Cash at banks	1,516,925.15
	<u>1,516,925.15</u>

#### Receivables

Receivable on sales of securities	6,899.12
Unrealised gain on forward foreign exchange contracts	5,631.25
	<u>12,530.37</u>

#### Total assets

44,829,603.80

### Liabilities

#### Payables

Expenses payable	83,934.23
	<u>83,934.23</u>

#### Other liabilities

Prepaid subscriptions	759,708.00
	<u>759,708.00</u>

#### Total liabilities

843,642.23

#### Total net assets at the end of the period

43,985,961.57

### Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
B Share Class	343,496.245	EUR	128.05	43,985,961.57
				<u>43,985,961.57</u>

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

## Absolute Return Strategy SICAV - Multi-Manager Hedge

### Statement of operations (in EUR)

from 1st January 2018 to 30th June 2018

#### Income

##### Realised gain on investments

- on securities portfolio	657,146.65
- on forward foreign exchange contracts	315,814.24
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	972,960.89

##### Appreciation of unrealised results on investments

- on securities portfolio	3,030,028.76
- on forward foreign exchange contracts	5,631.25
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	3,035,660.01

##### Total income

4,008,620.90

#### Expenses

##### Investment advisory or management fees

Portfolio management fees	138,102.74
	<hr/>
	138,102.74

##### Other expenses

Depositary fees	14,569.62
Central administration costs	18,930.54
Professional fees	14,013.86
Other administration costs	7,834.86
Subscription duty ("taxe d'abonnement")	9,911.63
Bank interest paid	1,190.64
Other fees	13,570.45
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	80,021.60

##### Realised loss on investments

- on securities portfolio	172,525.76
- on forward foreign exchange contracts	474,951.36
- on foreign exchange	20,557.01
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	668,034.13

##### Depreciation of unrealised results on investments

- on securities portfolio	2,702,796.01
- on forward foreign exchange contracts	119,719.61
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	2,822,515.62

##### Total expenses

3,708,674.09

##### Net income

299,946.81

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

## Absolute Return Strategy SICAV - Multi-Manager Hedge

### Statement of changes in net assets (in EUR)

from 1st January 2018 to 30th June 2018

Net income	299,946.81
Subscriptions	2,071,435.00
Redemptions	-7,940,571.39
Total changes in net assets	-5,569,189.58
Total net assets at the beginning of the period	49,555,151.15
<b>Total net assets at the end of the period</b>	<b>43,985,961.57</b>

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

## Absolute Return Strategy SICAV - Multi-Manager Hedge

### Statistical information (in EUR)

as at 30th June 2018

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>30.06.2018</b>
	EUR	52,512,980.80	49,555,151.15	43,985,961.57
<b>Net asset value per share</b>	<b>Currency</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>30.06.2018</b>
B Share Class	EUR	122.77	127.41	128.05
<b>Number of shares</b>	<b>outstanding at the beginning of the period 01.01.2018</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the period 30.06.2018</b>
B Share Class	388,946.191	16,066.350	-61,516.296	343,496.245

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

# Absolute Return Strategy SICAV - Multi-Manager Hedge

## Statement of investments and other net assets (in EUR)

as at 30th June 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Other transferable securities</b>					
<b>Closed-ended investment funds</b>					
USD	6,854.671384	Advent Enh Phoeni Fd Off (the) Ser 1	0.00	0.00	0.00
USD	332.4649	Altima Restructure Fd Ltd Ser 10 B Sub 10	242,941.07	168,345.67	0.38
USD	1,059.8194	Altima Restructure Fd Ltd Ser 11 B Sub 10	774,438.69	104,413.58	0.24
USD	69.3734	Altima Restructure Fd Ltd Ser 4 B Sub 10	50,693.02	5,071.05	0.01
USD	713.0462	Altima Restructure Fd Ltd Ser 6 B Sub 10	521,042.14	22,581.18	0.05
USD	101.5054	Pine River Fd Ltd B Initial Ser 1	264,297.96	314,551.91	0.72
USD	162.1566	Raptor Private Hgs Ltd (The)	94,985.48	53,300.66	0.12
<b>Total closed-ended investment funds</b>			<b>1,948,398.36</b>	<b>668,264.05</b>	<b>1.52</b>
<b>Open-ended investment funds</b>					
<b>Investment funds (UCITS)</b>					
EUR	16,600	Alken Fd Abs Ret Europe EU1 Cap	1,978,569.25	2,281,172.00	5.19
EUR	9,381.585	Aviva Investors Multi-Strateg Target Return Fd I Cap	1,000,000.00	989,491.72	2.25
EUR	439.59	Boussard & Gavaudan SICAV Absolute Return Z EUR Cap	499,998.46	484,604.02	1.10
EUR	196,210.31	GAM Star Fd Plc Global Rates Istl EUR Cap	2,340,000.00	2,115,853.50	4.81
EUR	15.5	H2O Allegro I Cap	1,515,437.55	2,435,585.22	5.54
EUR	9,257.185	InRIS UCITS Plc R CFM Diversified Fd I EUR Cap	999,999.90	949,879.75	2.16
EUR	19,700	Muzinich Fds LongShortCreditYield Units N Hedged EUR Cap	1,976,846.21	2,010,582.00	4.57
EUR	1,350,000	Old Mutual GI Inv Ser Plc Equity Abs Return I Hedg EUR Cap	2,072,605.01	2,250,315.00	5.12
EUR	16,000	Schroder GAIA Sirios US Equity C EUR Hedged Cap	1,982,992.71	2,159,520.00	4.91
EUR	19,541.326	U Access (I) UCITS Fd Plc Trend Macro B EUR Hedged Cap	2,000,000.00	2,046,932.40	4.65
			<b>16,366,449.09</b>	<b>17,723,935.61</b>	<b>40.30</b>
GBP	857,469.5122	Majedie Asset Mgt (Intl) Inv Fd Co Plc Tortoise Z GBP Dist	1,019,945.60	996,640.32	2.27
<b>Total investment funds (UCITS)</b>			<b>17,386,394.69</b>	<b>18,720,575.93</b>	<b>42.57</b>
<b>Investment funds (UCI)</b>					
EUR	12,778.2287	Arrowgrass Intl Fd Ltd BL EUR NNI S0308 (B1)	1,876,595.20	2,209,339.13	5.02
EUR	42,550.255	Eger L-S Fd (EUR, GBP&NOK) Ltd B1 EUR	1,115,088.81	4,255,472.53	9.67
EUR	14,115.1918	Marshall Wace Fds Plc Market Neutral TOPS A EUR	1,800,000.00	3,225,175.94	7.33
EUR	1,458.04	Northwest Fd Ltd Ser B	2,502,961.04	2,677,850.84	6.09
EUR	906.1598	Taconic Opportunity Off Fd Ltd M Ser 1	1,395,887.00	1,614,975.56	3.67
EUR	8,985.23509	Winton Fd Ltd C EUR - Lead Series	1,142,814.89	2,643,977.68	6.01
			<b>9,833,346.94</b>	<b>16,626,791.68</b>	<b>37.79</b>
USD	1,962,259.21	AHL Alpha (Cayman) Ltd A USD	2,321,493.34	2,170,670.47	4.93
USD	758.1173	David Kempn Dis Opp Intl C Ltd A Tr 2 01 Jan 2018	585,628.36	2,325,540.95	5.29
USD	10,503.95	Horizon Portfolio I Ltd Fd USD Ser 1 Non voting	2,777,935.68	2,788,305.20	6.34
			<b>5,685,057.38</b>	<b>7,284,516.62</b>	<b>16.56</b>
<b>Total investment funds (UCI)</b>			<b>15,518,404.32</b>	<b>23,911,308.30</b>	<b>54.35</b>
Total investments in securities			<b>34,853,197.37</b>	<b>43,300,148.28</b>	<b>98.44</b>
Cash at banks				1,516,925.15	3.45
Other net assets/(liabilities)				-831,111.86	-1.89
<b>Total</b>				<b>43,985,961.57</b>	<b>100.00</b>

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

# Absolute Return Strategy SICAV

## Notes to the financial statements

as at 30th June 2018

### Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Company are prepared in accordance with Luxembourg legal and regulatory requirements concerning undertakings for collective investment and with generally accepted accounting principles in Luxembourg.

b) Valuation of assets

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.

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 net assets as at 30th June 2018 have been calculated for reporting purposes, based on last available prices at the date.

The official NAV as at 29th June 2018 is EUR 128.06.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

d) Net realised gain/(loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost. The realised gains and losses on sales of securities portfolio are recorded net in the statement of operations.

# Absolute Return Strategy SICAV

## Notes to the financial statements (continued)

as at 30th June 2018

### e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

Interest income accrued and payable are recorded, net of any withholding tax.

### f) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. Unrealised gains or losses are recorded in the statement of net assets. Variation of the unrealised gains or losses and realised gains or losses are recorded in the statement of operations.

### g) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in the portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the report. Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are recorded in the statement of operations.

### h) Combined financial statements

The combined financial statements of the Company are expressed in EUR and are equal to the corresponding items in the financial statements of the Sub-Fund.

## Note 2 - Portfolio management fee

As remuneration for its services, the Portfolio Manager receives from the Company an annual fee at the maximum annual rate of 0.60% on the average net assets of the Sub-Fund.

The actual management fees charged during the period ended 30th June 2018 are 0.60% p.a. of the average net assets attributable to Class B.

## Note 3 - Depositary, AIFM, Domiciliary Agent, administrative Agent and Registrar and Transfer Agent

As remuneration for the services of Depositary as rendered by KBL EUROPEAN PRIVATE BANKERS S.A., the Company charged an all-in fee of 0.06% per annum of the total net assets of the Company. This fee is reflected in the "Statement of operations" in the caption "Depositary fees".

As remuneration for the services of AIFM, Domiciliary Agent, Administrative Agent and Registrar and Transfer Agent as rendered by KREDIETRUST LUXEMBOURG S.A. the Company charged an all-in fee of 0.08% per annum of the total net assets of the Company. The total amount fees to the Depositary and the Paying Agent, the AIFM, Domiciliary Agent, Administrative Agent and Registrar and Transfer Agent is subject to a minimum of EUR 50,000 per annum should the total net assets of the Company be below EUR 40 million. This fee is reflected in the "Statement of operations" in the caption "Central administration costs".

The Depositary, and the Administrative Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

## Note 4 - Valuation of illiquid securities

The following underlying funds as held by Absolute Return Strategy SICAV - Multi-Manager Hedge were gated as at 30th June 2018:

	Fair Value (in EUR)	% net assets
Advent Enh Phoeni Fd Off (the) Ser 1	0.00	0.00
Altima Restructure Fd Ltd Ser 4 B Sub 10	5,071.05	0.01
Altima Restructure Fd Ltd Ser 6 B Sub 10	22,581.18	0.05
Altima Restructure Fd Ltd Ser 10 B Sub 10	168,345.67	0.38
Altima Restructure Fd Ltd Ser 11 B Sub 10	104,413.58	0.24
Pine River Fd Ltd B Initial Ser 1	314,551.91	0.72
Raptor Private Hqs Ltd (The)	53,300.66	0.12



## Absolute Return Strategy SICAV

### Notes to the financial statements (continued)

as at 30th June 2018

The Board of Directors approved to value the positions of Altima each month with a discount which varies from 0% to 90%. The discount is based on the latest available official NAV for the Altima Funds.

#### Note 5 - Subscription duty ("*taxe d'abonnement*")

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Company is subject to an annual "*taxe d'abonnement*" of 0.05% which is payable quarterly and calculated on the basis of the net assets of the Sub-Fund on the last day of each quarter.

Pursuant to Article 175 (a) of the amended law of 17th December 2010, the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

#### Note 6 - Forward foreign exchange contracts

As at 30th June 2018, the following Sub-Fund has entered in the following forward foreign exchange contract with KBL EUROPEAN PRIVATE BANKERS S.A. :

##### Absolute Return Strategy SICAV - Multi-Manager Hedge

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
EUR	7,251,940.96	USD	8,500,000.00	04.09.2018	5,631.25
					<u>5,631.25</u>

#### Note 7 - Changes in investments

The statement of changes in investments for the reporting period is available free of charge at the registered office of the Company.

## **Absolute Return Strategy SICAV**

### **Additional information**

as at 30th June 2018

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#### **1 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")**

During the reporting period, the Company did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no Information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.