

**Annual report including audited financial statements  
as at 31st December 2017**

# **INSINGER DE BEAUFORT MANAGER SELECTION SICAV**

Société d'Investissement à Capital Variable  
with multiple sub-funds  
Luxembourg

R.C.S. Luxembourg B 75 761

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# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

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# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Organisation

### Registered Office

11, rue Aldringen  
L-1118 LUXEMBOURG

### Board of Directors

#### *Chairman*

Peter George SIERADZKI

CEO  
INSINGERGILISSEN BANKIERS N.V.  
AMSTERDAM

#### *Directors*

Steve GEORGALA

Managing Director  
MAITLAND ADVISORY LLP  
LONDON

Marcel ERNZER

Director  
WALLBERG INVEST S.A.  
LUXEMBOURG

Marc Jan BALTUS

CFO  
INSINGERGILISSEN BANKIERS N.V.  
AMSTERDAM

### Alternative Investment Fund Manager

KREDIETRUST LUXEMBOURG S.A.  
11, rue Aldringen  
L-2960 LUXEMBOURG

### Board of Directors of the Alternative Investment Fund Manager

#### *Chairman*

Vincent DECALF (since 17th March 2017)  
Olivier de JAMBLINNE de MEUX (until 17th March 2017)

#### *Directors*

Vincent DECALF (until 17th March 2017)  
Olivier de JAMBLINNE de MEUX (since 17th March 2017)

#### *Managing director*

Stefan VAN GEYT

### Conducting officers

Aurélien BARON  
Kristel COOLS  
Stefan VAN GEYT

### Portfolio Manager

INSINGERGILISSEN ASSET MANAGEMENT N.V.  
(previously called INSINGER DE BEAUFORT ASSET  
MANAGEMENT N.V.)  
Herengracht 537  
NL-1017 BV AMSTERDAM

### Sub-portfolio Manager

INSINGERGILISSEN BANKIERS N.V.  
Herengracht 537  
NL-1017 BV AMSTERDAM

### Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent

KREDIETRUST LUXEMBOURG S.A.  
11, rue Aldringen  
L-2960 LUXEMBOURG

# INSINGER DE BEAUFORT MANAGER SELECTION 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

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## General information

INSINGER DE BEAUFORT MANAGER SELECTION SICAV (the "SICAV", the "Company" or the "Fund") was incorporated in Luxembourg on 17th May 2000 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.

At the date of the financial statements, the following Sub-Funds are offered to investors:

- INSINGER DE BEAUFORT MULTI-MANAGER EQUITY	in EUR
- INSINGER DE BEAUFORT MULTI-MANAGER BALANCED	in EUR
- INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED	in EUR
- INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE	in EUR

At the date of the financial statements, only EUR Share Class is active. These shares aim to achieve the investment objective of long-term capital growth.

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.

The Board of Directors confirms adherence to the Association of the Luxembourg Fund Industry (ALFI) Code of Conduct in the governance of INSINGER DE BEAUFORT MANAGER SELECTION SICAV.

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors

### Market review 2017

While the year 2016 was characterised by many unusual events (result of the Brexit referendum, election of Donald Trump) and sharp trend reversals in both bond markets as well as equity markets, the year 2017 rather offered the opposite picture with extraordinarily calm developments in financial markets. In many markets volatility dropped to historic lows. The most remarkable development was probably the strong recovery of the euro, not only against the US dollar, against which the currency gained 14%, but against practically all other currencies as well. Due to the strong rise in the euro investment returns expressed in euros were often disappointing, while most equity markets recorded strong returns expressed in local currencies, in particular in emerging markets.

Within bond markets developments in government bonds were particularly calm. The yield on a 10-year Dutch government bond traded around 0.6% all year, within a tight range of roughly 0.4% to 0.8%. The yield managed to stay at such low levels even though the European economy gave increasing signs of a strong acceleration in growth. The improving growth was not accompanied by higher inflation, while ECB monetary policies remained extremely loose with the refi rate unchanged at 0% and monthly bond purchases of EUR 60 billion, which amount was only halved towards the end of the year. Government bond markets of peripheral Eurozone countries were hardly more volatile. The yield on Italian and Spanish government bonds finished the year around the level where they had started, namely at around 2.0% and 1.6% respectively. Contrary to previous years there were no large price gains to be realised in these markets, although they still offered a higher return than the core markets, that traded at lower yield levels. Also the important US government bond market was remarkably quiet. The US economy has been growing at a higher pace than the European economy for years, but also in the US there were no clear signs of accelerating inflation. The Federal Reserve hiked official short rates three times by 0.25%, but this hardly seemed to affect US government bond rates, with the yield on the US 10-year Treasury trading within a tight range of around 2.1% to 2.6%, finishing the year at practically the level where it had started (2.4%).

Like in 2016, corporate bonds yielded a better return than government bonds. Supported by accelerating economic growth across the globe, risk premiums on corporate bonds continued to decline, resulting in modest price gains on most corporate bonds. Price gains on the riskiest corporate bonds (high yield) were similar to those on investment-grade bonds. With yields on government bonds roughly stable and risk premiums on corporate bonds declining, a diversified European bond portfolio consequently yielded a modestly positive return over the year as a whole.

Equity markets again had a good year, supported by an improving global economy in combination with continued strong monetary support by the world's main central banks. However, the strong rise in the euro against most other currencies seriously dampened investment returns expressed in euros. The total return (price gains plus dividends) on the MSCI World All Countries index was 21% when expressed in US dollars, but was limited to less than 9% in euros. Supported by a weak dollar and a strong recovery in oil prices, emerging market equity markets strongly outperformed, with price gains expressed in euros of close to 20%. The strong interest in technology stocks played an important role in this development. The increasing weight of the large Chinese internet stocks makes emerging market indices more sensitive to the technology sector. The returns on developed markets were, expressed in euros, much lower and showed little variation across regions. The well-known US S&P500 index returned close to 20% in US dollars, but less than 5% in euros. Like in the emerging markets, technology stocks delivered by far the best returns in developed equity markets, with the Nasdaq index gaining almost 13% in euros. Also in line with emerging markets the US equity market demonstrated remarkably low volatility, rising all year without major corrections. European markets were strong in the first half of the year, supported by the surprising result of the French Presidential elections, that boosted optimism on the future of the Eurozone. However, after the month of May European markets lagged the world index, held back by the rising value of the euro and the small weight of the technology sector in European indices. The broad European DJ Stoxx 600 index ultimately managed to gain over 7%, thereby slightly outperforming the broad US market expressed in euros. The Japanese Nikkei 225 index in the end delivered a slightly higher return of just over 8% in euros. The Japanese market not only benefitted from the strong world economy, but also from the re-election of Prime Minister Abe in the fall.

### INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

The NAV of INSINGER DE BEAUFORT MULTI-MANAGER EQUITY – EUR Class increased from EUR 117.81 to EUR 124.88. The Sub-Fund returned 6.00% in 2017.

During the first two months of 2017 global equity markets continued their upward rallies. At the end of February we did put some more emphasis on cyclical stocks at the expense of defensive stocks. We significantly reduced the position in SPDR S&P Dividend ETF, a more defensively focused US dividend equity strategy. We bought a new position in Japanese equities via Vanguard FTSE Japan UCITS ETF (EUR) ETF as we thought that the more cyclical Japanese stock market should benefit from further global economic strength. We sold the position in the iShares Core DAX UCITS ETF as the euro was strengthening and we thought this could pose a drag on German exporters. In the beginning of March the equity allocation was slightly reduced by profit taking on European and US equity investments. The proceeds were left in cash. During March and the first half of April we witnessed the US equity markets lose some price momentum after investors started to doubt the timeline of Trump's plans. In contrast, price momentum improved on the European equity markets in the wake of positive macro-economic indicators. Hence, in the middle of April we reduced the allocation to US equities again in favour of European equities via a new position in DNCA Invest – Value Europe fund. At the start of May we bought

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

a new position in SPDR Gold Trust at the expense of the cash holdings. We believe that gold is a relatively attractive investment with a view to retaining purchasing power in an economic climate in which interest rates are lagging behind inflation. Moreover, we believe that gold can provide a better counterweight than bonds to the risks inherent to equity investments in times of political uncertainty. In June we saw less reason to remain heavily invested in the US equity markets, because president Trump was experiencing difficulties in implementing his plans. We consequently decided to take profit on a portion of the US equity investments by selling the entire position in Axa Rosenberg US Equity Alpha Fund and reducing the position in SPDR S&P 500 ETF. The Axa fund has been a long time investment, but we decided to sell the fund, because we saw more opportunities in other US equity investment strategies. We used the proceeds to expand the allocation to emerging market equities and we bought a new position in Robeco QI Emerging Conservative Equities. This fund applies a quantitative investment strategy and invests in equities that distinguish themselves via a combination of low risk, attractive valuations and positive momentum. In July we sold the entire position in JPMorgan US Value in favor of a new position in Robeco BP US Large Cap Equities. This fund is managed by Boston Partners and, like the JPMorgan fund, invests in US value stocks. However, we felt more confident in the investment strategy and team at Boston Partners. In August we switched the position in the Robeco BP US Select Opportunities Equities fund to Schroder ISF US Small & Mid-Cap Equity as we did not want the Robeco BP strategy to become too dominant within the equity investments. In August we again took profit on US equities. We sold the remaining position in SPDR S&P Dividend ETF. We used the proceeds to expand the allocation to Japanese equities via the Vanguard FTSE Japan UCITS ETF, as we still believed that Japanese equities could profit from both stronger domestic growth and the general upturn in the global economy. During the remainder of the year we took no further actions besides some portfolio maintenance as we considered the fund well-positioned.

### Equity Funds

Global equity markets rose on the back of economic growth, strong company results and accommodative monetary policies. The election of Trump proved to be very worthwhile for US equity markets in 2017. In between equity markets experienced short-lived pressures by negative news surrounding president Trump (i.e. FBI investigation, Trump's reaction to domestic unrest in Charlottesville, Trump's seeming inability to get his plans approved, geopolitical tensions surrounding North Korea). Especially US large caps and IT companies benefitted from plans for tax cuts on profits that are repatriated and a weakening US dollar. From the start of the year until the middle of September European investors in equities outside Europe faced a major headwind from the strengthening of the euro. Thereafter, European investors in global equities benefitted from the ongoing rallies in equity markets worldwide, while the euro weakened somewhat against the major currencies.

Overall the equity investments performed well in line with the global equity markets as measured by the MSCI All Country World Index (Net Total Return EUR). The greater focus on quality and defensive equity strategies in the US and emerging market regions detracted from the relative performance, because performances in those regions were largely driven by IT and cyclical stocks. However, this was offset by the greater focus on European equity investments, because European investors investing in other regions had a significant drawback on their performances due to the strengthening of the euro. Moreover, the European equity investments outperformed the broad European equity market as measured by the Stoxx Europe 600 Index (Net Return), because of the greater focus on European growth and mid-cap stocks. Also a greater focus on continental European stocks contributed to the performance.

Overall the US equity investments contributed positively to the Fund's performance, but underperformed the broad US equity market as represented by the S&P 500 Index. This was mainly caused by the larger focus on quality and value equity strategies. Moreover, the exposure to US small & mid-cap stocks detracted from relative performance as those type of stocks lagged US large-cap stocks. A large part of the US equity investments was invested via passively managed funds, namely iShares Core S&P 500 ETF, SPDR S&P 500 ETF and Vanguard S&P 500 ETF. These positions are intended to earn the performance of the broad US equity market and belong to the core of the US equity investments. These three positions mimicked the performance of the S&P 500 Index quite well and made up on average over 40% of the US equity investments. Next to the passively managed funds, also Columbia Threadneedle US Contrarian Core Equities Fund and Wellington US Research Fund belong to the core of the US equity investments. Despite their different investment strategies, both funds showed comparable performances that were slightly less than the S&P 500 Index in a strong equity market rally. The more defensively oriented SPDR S&P Dividend ETF with a tilt to mid-cap stocks lagged the broad US equity market that was mostly driven by large-cap, growth and cyclical stocks. In August we sold the entire position in the SPDR S&P Dividend ETF. US value stocks did lag the broad US equity market in 2017. Despite its value tilt, the Axa Rosenberg US Equity Alpha Fund performed in line with the broad US equity market until the entire position was sold in June. The value oriented JPM US Value Fund did lag the S&P 500 Index until it was sold at the end of July, but the fund performed in line with its own benchmark the Russell 1000 Value Index. We switched the investments in JPM US Value Fund to Robeco BP US Large Cap Equities, also a fund with a focus on value stocks. However, since we bought Robeco BP US Large Cap Equities at the end of July, the fund significantly outperformed its own benchmark (the Russell 1000 Value Index) and even managed to outperform the S&P 500 Index. The fund benefitted from its overweight in the strong IT and financials sectors and also showed good stock selection within the energy sector. AB American Growth Portfolio was the best performer within the US equity investments as growth stocks handily outperformed value stocks. The fund had more than twice the performance of the S&P 500 Index and did also beat its own benchmark the Russell 1000 Growth Index. The fund had a tailwind from its large exposure to IT companies and a good selection within Health Care and Consumer Staples stocks, while the fund was not invested in relatively poorly performing sectors like real estate,



# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

telecommunication and utilities. After the US presidential elections in November 2016 US small and mid-cap stocks rallied on the prospect of extra economic stimulus. However, from the end of February 2017 until the end of August 2017 US small and mid-cap stocks (as measured by S&P Midcap 400 Index) lagged large cap stocks. Robeco US Select Opportunities Equities performed in line with the broad US small and mid-cap market until it was sold at the end of August. Schroder US Small & Mid-Cap Equity underperformed the S&P Midcap 400 Index somewhat in the remainder of the year after it was bought at the end of August. Stock selection in the Health Care and Consumer Discretionary sectors detracted most from relative performance.

Overall the European equity investments contributed positively to the Fund's performance and outperformed the broad European equity market as measured by the Stoxx Europe 600 Index. The European equity investments benefitted from a larger focus on growth, mid-cap and continental European stocks. Core European equity investments are composed of UBS MSCI EMU UCITS ETF, JOHCM Continental European Fund and IdB Equity Income Fund with a tilt towards continental European stocks. UBS MSCI EMU UCITS ETF is a passively managed fund and did outperform the broad European equity market including UK stocks, as UK stocks faced headwinds because of Brexit. JOHCM Continental European Fund posted good results over the whole of 2017, but lagged the continental European stock market in the first half of 2017. Stock selection within Consumer Discretionary (Pandorra), Energy (Saipem), Consumer Staples (Ahold Delhaize) and Financials (Southern European banks) sectors detracted from relative performance. IdB Equity Income Fund did perform in line with European equity markets for most of the year, but the performance had a severe drawback in November as some positions (Allice, Vestas) took a hit. In April we bought a new position in DNCA Invest Value Europe before the first round of the French presidential elections. European equity markets reacted enthusiastically after pro-EU candidate Macron reached the second round of the presidential elections. The fund posted an outperformance in April due to its greater focus on French industrial stocks and also mid-cap stocks. In the remainder of the year the fund performed in line with the broad European equity market. Allianz Europe Equity Growth significantly outperformed the broad European equity markets, because of its large overweight to IT stocks, stock selection and the avoidance of the poorly performing Energy, Real Estate and Telecommunication sectors. The best performing equity fund and the largest contributor to performance was the IdB European Mid Cap Fund. The fund by far outperformed the European mid-cap stock market, as well as the broad European equity market, because of strong stock selection and the avoidance of poorly performing sectors like Energy and Telecommunication.

Overall the Japanese equity investments contributed positively to the Fund's performance. At the start of 2017 the Fund had no Japanese equity investments. At the end of February we started to allocate to Japanese equity investments via a new position in Vanguard FTSE Japan UCITS ETF. We financed this position by reducing US equity investments. The Fund benefitted from this switch as Japanese equities outperformed US equities and global equity markets in the remainder of the year. At the end of 2017 the allocation to Japanese equities was in line with global equity markets as reflected by the MSCI All Country World Index.

Overall the emerging markets equity investments contributed positively to the Fund's performance, but significantly underperformed the broad emerging equity markets. We had a cautious stance on emerging equity markets. That was reflected in our choice of funds, namely Stewart Investors Asia Pacific Fund, Stewart Investors Emerging Markets Leaders Fund and Robeco QI Emerging Conservative Equities. These funds have a strong focus on higher quality and less risky stocks. However, performances of emerging markets equity markets were largely driven by riskier IT stocks, especially from China. As of the end of 2017 the weight of this sector has grown to more than a quarter of broad emerging market equity investments. Also riskier Chinese bank stocks contributed strongly to performances of broad emerging equity markets. However, both Stewart Investors funds placed more emphasis on IT stocks from Taiwan and India, that performed well, but much less than IT stocks from China. Also the focus on higher quality companies detracted from the performances of both funds. We bought a new position in the Robeco QI Emerging Conservative Equities at the end of June. Since then the fund realized a positive performance, but underperformed the broad emerging equity markets, mainly because of its strategy to select low volatility stocks.

### Alternative Funds

Overall the alternative investments contributed positively to the Fund's performance. Absolute Return Strategy SICAV - Multi-Manager Hedge realized a positive return, outperforming equally weighted indices of hedge fund strategies like the HFRX Equal Weighted Strategies EUR Index. Especially long/short equity strategies, systematic strategies (or CTA's) and distressed debt contributed strongly to the performance of Absolute Return Strategy SICAV - Multi-Manager Hedge. Aviva Multi-Strategy Target Return Fund realized a negative return and significantly underperformed the HFRX Equal Weighted Strategies EUR Index. Aviva Multi-Strategy Target Return Fund diversifies its assets across like 25 investment strategies. Aviva Multi-Strategy Target Return Fund benefitted from its long only equity market positions and also the currency and credit strategies contributed positively to the performance. However, this was by large offset by the losses in the duration, currency and volatility strategies. At the beginning of May we bought a new position in gold via SPDR Gold Shares. Since then gold realized a positive return in dollars, but because of the weakening of the dollar against the euro, gold realized a negative return in euros. Hence, the investment in gold contributed negatively to the Fund's performance. IdB Real Estate Equity Fund realized a positive return. IdB Real Estate Equity Fund benefitted from an overweight to the UK market as the UK market was one of the worst performing regions. IdB Real Estate Equity Fund had a strategic underweight the UK market due to uncertainty with regards to Brexit. IdB Real Estate Equity Fund also benefitted from its relatively large investments in the German market which was by far the best performing market. IdB Real Estate Equity Fund had an

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

average net market exposure of approximately 59% in 2017 and managed to outperform the European listed real estate market on a risk-adjusted basis.

### Outlook & Strategy

Given current valuations, we still strongly prefer equities to bonds. Global equity markets are supported by an improving global economy in combination with continued strong monetary support by the world's main central banks. Compared to equities, most bond markets appear to offer little value with yields at very low levels. Continued strong global economic growth could result in rising inflation expectations, which could cause losses in bond markets.

### INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

The NAV of INSINGER DE BEAUFORT MULTI-MANAGER BALANCED – EUR Class increased from EUR 120.54 to EUR 124.97. The Sub-Fund returned 3.68% in 2017.

In 2017 the fund was in a risk-on mode with a heightened allocation to equities, because we had positive expectations about global economic growth. During the year we took numerous actions in the portfolio in anticipation of market developments and to manage risk. In March we reduced the allocation to equities in favor of cash, because the equity allocation was approaching its upper boundary risk limit. During the first four months of the year we kept a heightened allocation to cash. In May we reduced the cash allocation in favor of new positions in gold and a fixed income strategy with stable returns. At the start of 2017, within the equity investments, we kept a high allocation to US and European equities, while we had a more cautious stance on emerging equities markets. In March, June and August we reduced the allocation to US equities in favor of allocations to Japanese, EM and European equities. At the end of 2017 we had a reduced allocation to US equities, a heightened allocation to European equities and neutral allocations to Japan and EM equities. Within the bond investments, we reduced interest rate risk during the year. In March we reduced USD interest rate risk by partly switching the investments in USD government bonds to US floaters. We also reduced European interest rate risk by reducing European bond investments in favor of global bond investments. During the year we increased diversification by buying global credits, European financial bonds, emerging market debt and high yield bonds. The fund ended the year with an allocation to equities that is at the midst of the bandwidth that is set for this fund.

During the first two months of 2017 global equity markets continued their upward rallies. At the end of February we did put some more emphasis on cyclical stocks at the expense of defensive stocks. We significantly reduced the position in SPDR S&P Dividend ETF, a more defensively focused US dividend equity strategy. We bought a new position in Japanese equities via Vanguard FTSE Japan UCITS ETF (EUR) ETF as we thought that the more cyclical Japanese stock market should benefit from further global economic strength. We sold the position in the iShares Core DAX UCITS ETF as the euro was strengthening and we thought this could pose a drag on German exporters. At the start of March, we reduced the allocation to government bonds as we expected yields to rise. Within the US bond investments, we partly switched the position in iShares USD Treasury Bond 3-7yr UCITS ETF to a new position in iShares Floating Rate Bond ETF. Floating rate bonds are less sensitive to rising yields, and if yields do rise then so does the interest paid on this type of bond. Furthermore, within European bond investments, we switched the entire position in iShares EUR Government Bond 7-10yr UCITS ETF to a new position in Schroder EURO Corporate Bond fund. In the beginning of March, the equity allocation was reaching its upper boundary risk limit due to rallying equity markets. Hence, the equity allocation was slightly reduced by profit taking on European and US equity investments. The proceeds were left in cash. During March and the first half of April we witnessed the US equity markets lose some price momentum after investors started to doubt the timeline of Trump's plans. In contrast, price momentum improved on the European equity markets in the wake of positive macro-economic indicators. Hence, in the middle of April we reduced the allocation to US equities again in favour of European equities via a new position in DNCA Invest – Value Europe fund. At the start of May we bought a new position in SPDR Gold Trust at the expense of the cash holdings. We believe that gold is a relatively attractive investment with a view to retaining purchasing power in an economic climate in which interest rates are lagging behind inflation. Moreover, we believe that gold can provide a better counterweight than bonds to the risks inherent to equity investments in times of political uncertainty. At the end of May, we bought a new position in the BlueOrchard Microfinance Fund at the expense of the cash holdings. This fund invests in loans to Microfinance Institutions (MFIs), often local banks in developing countries. We believe that this fund has an attractive return profile at a time of extremely low interest rates on savings. The purchases of SPDR Gold Trust and BlueOrchard Microfinance Fund significantly reduced the amount of cash held in the fund. In June we saw less reason to remain heavily invested in the US equity markets, because president Trump was experiencing difficulties in implementing his plans. We consequently decided to take profit on a portion of the US equity investments by selling the entire position in Axa Rosenberg US Equity Alpha Fund and reducing the position in SPDR S&P 500 ETF. The Axa fund has been a long time investment, but we decided to sell the fund, because we saw more opportunities in other US equity investment strategies. We used the proceeds to expand the allocation to emerging market equities and we bought a new position in Robeco QI Emerging Conservative Equities. This fund applies a quantitative investment strategy and invests in equities that distinguish themselves via a combination of low risk, attractive valuations and positive momentum. At the end of June, because of low European interest rates and to create more regional diversification within the bond investments, we switched part of the European credit investments via the Robeco Euro Credit fund to a new position in a global bond fund, namely Robeco Global Credits. In July we sold the entire position in JPMorgan US Value in favor of a new position in Robeco BP US Large Cap Equities. This fund is managed by Boston

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

Partners and, like the JPMorgan fund, invests in US value stocks. However, we felt more confident in the investment strategy and team at Boston Partners. In August we switched the position in the Robeco BP US Select Opportunities Equities fund to Schroder ISF US Small & Mid-Cap Equity as we did not want the Robeco BP strategy to become too dominant within the equity investments. In August we again took profit on US equities. We sold the remaining position in SPDR S&P Dividend ETF. We used the proceeds to expand the allocation to Japanese equities via the Vanguard FTSE Japan UCITS ETF, as we still believed that Japanese equities could profit from both stronger domestic growth and the general upturn in the global economy. In August we sold the entire position in the Franklin Templeton Global Total Return Fund. The proceeds were invested in a new position in the Neuberger Berman Short Duration Emerging Market Debt Fund, which chiefly invests in short-term bonds issued by companies and governments in emerging markets. We opted for the version of the fund in which the exchange risk against the euro is hedged. In September we switched the remaining position in Standard Life European Corporate Bond Fund to Schroder Euro Corporate Bond. As European corporate bonds were highly valued, we sought value in the European Financial Bonds space. Furthermore, we diversified global bond investments. We sold positions in Robeco Euro Credit Bond Fund and Robeco IG Corporate Bonds (zero duration share class). We reinvested the proceeds in Robeco Financial Institutions Bonds and Robeco Global Credits. In addition, we expanded the investments in riskier high yield corporate bonds via the Hermes Multi Strategy Credit Fund and in emerging market debt via the Neuberger Berman Short Duration Emerging Market Debt Fund. During the remainder of the year we took no further actions besides some portfolio maintenance as we considered the fund well-positioned.

### Equity Funds

Global equity markets rose on the back of economic growth, strong company results and accommodative monetary policies. The election of Trump proved to be very worthwhile for US equity markets in 2017. In between equity markets experienced short-lived pressures by negative news surrounding president Trump (i.e. FBI investigation, Trump's reaction to domestic unrest in Charlottesville, Trump's seeming inability to get his plans approved, geopolitical tensions surrounding North Korea). Especially US large caps and IT companies benefitted from plans for tax cuts on profits that are repatriated and a weakening US dollar. From the start of the year until the middle of September European investors in equities outside Europe faced a major headwind from the strengthening of the euro. Thereafter, European investors in global equities benefitted from the ongoing rallies in equity markets worldwide, while the euro weakened somewhat against the major currencies.

Overall the equity investments performed well in line with the global equity markets as measured by the MSCI All Country World Index (Net Total Return EUR). The greater focus on quality and defensive equity strategies in the US and emerging market regions detracted from the relative performance, because performances in those regions were largely driven by IT and cyclical stocks. However, this was offset by the greater focus on European equity investments, because European investors investing in other regions had a significant drawback on their performances due to the strengthening of the euro. Moreover, the European equity investments outperformed the broad European equity market as measured by the Stoxx Europe 600 Index (Net Return), because of the greater focus on European growth and mid-cap stocks. Also a greater focus on continental European stocks contributed to the performance.

Overall the US equity investments contributed positively to the Fund's performance, but underperformed the broad US equity market as represented by the S&P 500 Index. This was mainly caused by the larger focus on quality and value equity strategies. Moreover, the exposure to US small & mid-cap stocks detracted from relative performance as those type of stocks lagged US large-cap stocks. A large part of the US equity investments was invested via passively managed funds, namely iShares Core S&P 500 ETF, SPDR S&P 500 ETF and Vanguard S&P 500 ETF. These positions are intended to earn the performance of the broad US equity market and belong to the core of the US equity investments. These three positions mimicked the performance of the S&P 500 Index quite well and made up on average over 40% of the US equity investments. Next to the passively managed funds, also Columbia Threadneedle US Contrarian Core Equities Fund and Wellington US Research Fund belong to the core of the US equity investments. Despite their different investment strategies, both funds showed comparable performances that were slightly less than the S&P 500 Index in a strong equity market rally. The more defensively oriented SPDR S&P Dividend ETF with a tilt to mid-cap stocks lagged the broad US equity market that was mostly driven by large-cap, growth and cyclical stocks. In August we sold the entire position in the SPDR S&P Dividend ETF. US value stocks did lag the broad US equity market in 2017. Despite its value tilt, the Axa Rosenberg US Equity Alpha Fund performed in line with the broad US equity market until the entire position was sold in June. The value oriented JPM US Value Fund did lag the S&P 500 Index until it was sold at the end of July, but the fund performed in line with its own benchmark the Russell 1000 Value Index. We switched the investments in JPM US Value Fund to Robeco BP US Large Cap Equities, also a fund with a focus on value stocks. However, since we bought Robeco BP US Large Cap Equities at the end of July, the fund significantly outperformed its own benchmark (the Russell 1000 Value Index) and even managed to outperform the S&P 500 Index. The fund benefitted from its overweight in the strong IT and financials sectors and also showed good stock selection within the energy sector. AB American Growth Portfolio was the best performer within the US equity investments as growth stocks handily outperformed value stocks. The fund had more than twice the performance of the S&P 500 Index and did also beat its own benchmark the Russell 1000 Growth Index. The fund had a tailwind from its large exposure to IT companies and a good selection within Health Care and Consumer Staples stocks, while the fund was not invested in relatively poorly performing sectors like real estate, telecommunication and utilities. After the US presidential elections in November 2016 US small and mid-cap stocks rallied on the prospect of extra economic stimulus. However, from the end of February 2017 until the end of August 2017 US small and mid-cap stocks (as measured by S&P Midcap 400 Index) lagged large cap stocks. Robeco US Select

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

Opportunities Equities performed in line with the broad US small and mid-cap market until it was sold at the end of August. Schroder US Small & Mid-Cap Equity underperformed the S&P Midcap 400 Index somewhat in the remainder of the year after it was bought at the end of August. Stock selection in the Health Care and Consumer Discretionary sectors detracted most from relative performance.

Overall the European equity investments contributed positively to the Fund's performance and outperformed the broad European equity market as measured by the Stoxx Europe 600 Index. The European equity investments benefitted from a larger focus on growth, mid-cap and continental European stocks. Core European equity investments are composed of UBS MSCI EMU UCITS ETF, JOHCM Continental European Fund and IdB Equity Income Fund with a tilt towards continental European stocks. UBS MSCI EMU UCITS ETF is a passively managed fund and did outperform the broad European equity market including UK stocks, as UK stocks faced headwinds because of Brexit. JOHCM Continental European Fund posted good results over the whole of 2017, but lagged the continental European stock market in the first half of 2017. Stock selection within Consumer Discretionary (Pandorra), Energy (Saipem), Consumer Staples (Ahold Delhaize) and Financials (Southern European banks) sectors detracted from relative performance. IdB Equity Income Fund did perform in line with European equity markets for most of the year, but the performance had a severe drawback in November as some positions (Allice, Vestas) took a hit. In April we bought a new position in DNCA Invest Value Europe before the first round of the French presidential elections. European equity markets reacted enthusiastically after pro-EU candidate Macron reached the second round of the presidential elections. The fund posted an outperformance in April due to its greater focus on French industrial stocks and also mid-cap stocks. In the remainder of the year the fund performed in line with the broad European equity market. Allianz Europe Equity Growth significantly outperformed the broad European equity markets, because of its large overweight to IT stocks, stock selection and the avoidance of the poorly performing Energy, Real Estate and Telecommunication sectors. The best performing equity fund and the largest contributor to performance was the IdB European Mid Cap Fund. The fund by far outperformed the European mid-cap stock market, as well as the broad European equity market, because of strong stock selection and the avoidance of poorly performing sectors like Energy and Telecommunication.

Overall the Japanese equity investments contributed positively to the Fund's performance. At the start of 2017 the Fund had no Japanese equity investments. At the end of February we started to allocate to Japanese equity investments via a new position in Vanguard FTSE Japan UCITS ETF. We financed this position by reducing US equity investments. The Fund benefitted from this switch as Japanese equities outperformed US equities and global equity markets in the remainder of the year. At the end of 2017 the allocation to Japanese equities was in line with global equity markets as reflected by the MSCI All Country World Index.

Overall the emerging markets equity investments contributed positively to the Fund's performance, but significantly underperformed the broad emerging equity markets. We had a cautious stance on emerging equity markets. That was reflected in our choice of funds, namely Stewart Investors Emerging Markets Leaders Fund, Stewart Investors Asia Pacific Fund and Robeco QI Emerging Conservative Equities. These funds have a strong focus on higher quality and less risky stocks. However, performances of emerging markets equity markets were largely driven by riskier IT stocks, especially from China. As of the end of 2017 the weight of this sector has grown to more than a quarter of broad emerging market equity investments. Also riskier Chinese bank stocks contributed strongly to performances of broad emerging equity markets. However, both Stewart Investors funds placed more emphasis on IT stocks from Taiwan and India, that performed well, but much less than IT stocks from China. Also the focus on higher quality companies detracted from the performances of both funds. We bought a new position in the Robeco QI Emerging Conservative Equities at the end of June. Since then the fund realized a positive performance, but underperformed the broad emerging equity markets, mainly because of its strategy to select low volatility stocks.

### Fixed Income Funds

Overall the fixed income investments contributed slightly positively to the Fund's performance, despite a market environment of low and choppy interest rates. Most fixed income investments contributed positively to the Fund's performance, but the profit was partly offset by US dollar fixed income investments, because of US dollar weakness against the euro.

BlueBay Funds - BlueBay Investment Grade Bond Fund realized a positive return and significantly outperformed the broad European corporate bond markets. The overweight risk position, including in subordinated financials, contributed most to the relative performance. Pimco GIS Low Average Duration Fund realized a slightly negative return. The fund invests in USD shorter-dated bonds that have lower yields, but also less interest rate risk. BNP Paribas Flexi I US Mortgage realized a positive return, as spreads on Mortgage Backed Securities remained tight despite the scaling down of purchases by the Fed. The currency risk of both Pimco GIS Low Average Duration Fund and BNP Paribas Flexi I US Mortgage was hedged to euro, but hedging costs due to the interest rate differential detracted from performance.

Hermes Multi Strategy Credit Fund realized a positive return with low volatility, but lagged the broader high yield market due to its more defensive strategy. Since we bought Schroder Euro Corporate Bond at the beginning of March, the fund showed a strong performance and was one of the top performers within its peer group of European corporate bond funds. Schroder Euro Corporate Bond benefitted from its flexible approach. The off benchmark positions in High Yield and USD and GBP bonds (hedged to EUR) were all contributing. Schroder Euro Corporate Bond also benefitted from sector

## **INSINGER DE BEAUFORT MANAGER SELECTION SICAV**

### **Report on activities of the Board of Directors (continued)**

allocation, for example an overweight in the insurance sector. Since we bought iShares Floating Rate Bond ETF at the beginning of March, the fund realized a steady return throughout the year in USD. However, this profit turned into a loss due to the weakening of the dollar against the euro. Since we bought Robeco Global Credits at the end of June, the fund realized a positive return and performed in line with broad global bond markets, despite a more cautious stance. The overweight in European Financials and underweight European corporates was an important contributor. Since we bought Neuberger Berman Short Duration Emerging Market Debt Fund at the end of August, the fund realized a small gain. Throughout the year the fund showed a steady positive performance due to the high carry and lower spreads. Since we bought Robeco Financial Institutions Bonds in the midst of September, the fund realized a positive return. Subordinated financials was one of the best performing bond segments in 2017, as spreads tightened due to the better economic outlook and improvement of bank balance sheets. Robeco Financial Institutions Bonds benefitted from the overweight in CoCo's as well as sector and issuer selection. The government bond investments via the passively managed funds iShares eb.rexx Government Germany 5.5-10.5yr UCITS ETF and iShares 7-10 Year Treasury Bond ETF (total position sold in March 2017) detracted from the Fund's performance due to higher interest rates and a loss on the US treasury investments due to the weakening of the dollar.

#### **Alternative Funds**

Overall the alternative investments contributed positively to the Fund's performance. Absolute Return Strategy SICAV - Multi-Manager Hedge realized a positive return, outperforming equally weighted indices of hedge fund strategies like the HFRX Equal Weighted Strategies EUR Index. Especially long/short equity strategies, systematic strategies (or CTA's) and distressed debt contributed strongly to the performance of Absolute Return Strategy SICAV - Multi-Manager Hedge. Aviva Multi-Strategy Target Return Fund realized a negative return and significantly underperformed the HFRX Equal Weighted Strategies EUR Index. Aviva Multi-Strategy Target Return Fund diversifies its assets across like 25 investment strategies. Aviva Multi-Strategy Target Return Fund benefitted from its long only equity market positions and also the currency and credit strategies contributed positively to the performance. However, this was by large offset by the losses in the duration, currency and volatility strategies. At the beginning of May we bought a new position in gold via SPDR Gold Shares. Since then gold realized a positive return in dollars, but because of the weakening of the dollar against the euro, gold realized a negative return in euros. Hence, the investment in gold contributed negatively to the Fund's performance. IdB Real Estate Equity Fund realized a positive return. IdB Real Estate Equity Fund benefitted from an underweight to the UK market as the UK market was one of the worst performing regions. IdB Real Estate Equity Fund had a strategic underweight the UK market due to uncertainty with regards to Brexit. IdB Real Estate Equity Fund also benefitted from its relatively large investments in the German market which was by far the best performing market. IdB Real Estate Equity Fund had an average net market exposure of approximately 59% in 2017 and managed to outperform the European listed real estate market on a risk-adjusted basis.

#### **Outlook & Strategy**

Given current valuations, we still strongly prefer equities to bonds. Global equity markets are supported by an improving global economy in combination with continued strong monetary support by the world's main central banks. Compared to equities, most bond markets appear to offer little value with yields at very low levels. Continued strong global economic growth could result in rising inflation expectations, which could cause losses in bond markets.

## **INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED**

The NAV of INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED – EUR Class increased from EUR 128.14 to EUR 130.55. The Sub-Fund returned 1.88% in 2017.

In 2017 the fund was in a risk-on mode with a heightened allocation to equities, because we had positive expectations about global economic growth. During the year we took numerous actions in the portfolio in anticipation of market developments and to manage risk. In March we reduced the allocation to equities in favor of cash, because the equity allocation was approaching its upper boundary risk limit. During the first four months of the year we kept a heightened allocation to cash. In May we reduced the cash allocation in favor of new positions in gold and a fixed income strategy with stable returns. At the start of 2017, within the equity investments, we kept a high allocation to US and European equities, while we had a more cautious stance on emerging equities markets. In March, June and August we reduced the allocation to US equities in favor of allocations to Japanese, EM and European equities. At the end of 2017 we had a reduced allocation to US equities, a heightened allocation to European equities and neutral allocations to Japan and EM equities. Within the bond investments, we reduced interest rate risk during the year. In March we reduced USD interest rate risk by partly switching the investments in USD government bonds to US floaters. We also reduced European interest rate risk by reducing European bond investments in favor of global bond investments. During the year we increased diversification by buying global credits, European financial bonds, emerging market debt and high yield bonds. The fund ended the year with an allocation to equities that is at the midst of the bandwidth that is set for this fund.

During the first two months of 2017 global equity markets continued their upward rallies. At the end of February we did put some more emphasis on cyclical stocks at the expense of defensive stocks. We significantly reduced the position in SPDR S&P Dividend ETF, a more defensively focused US dividend equity strategy. We bought a new position in Japanese

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

equities via Vanguard FTSE Japan UCITS ETF (EUR) ETF as we thought that the more cyclical Japanese stock market should benefit from further global economic strength. We sold the position in the iShares Core DAX UCITS ETF as the euro was strengthening and we thought this could pose a drag on German exporters. At the start of March, we reduced the allocation to government bonds as we expected yields to rise. Within the US bond investments, we partly switched the position in iShares USD Treasury Bond 3-7yr UCITS ETF to a new position in iShares Floating Rate Bond ETF. Floating rate bonds are less sensitive to rising yields, and if yields do rise then so does the interest paid on this type of bond. Furthermore, within European bond investments, we switched the entire position in iShares EUR Government Bond 7-10yr UCITS ETF to a new position in Schroder EURO Corporate Bond fund. In the beginning of March, the equity allocation was reaching its upper boundary risk limit due to rallying equity markets. Hence, the equity allocation was slightly reduced by profit taking on European and US equity investments. The proceeds were left in cash. During March and the first half of April we witnessed the US equity markets lose some price momentum after investors started to doubt the timeline of Trump's plans. In contrast, price momentum improved on the European equity markets in the wake of positive macro-economic indicators. Hence, in the middle of April we reduced the allocation to US equities again in favour of European equities via a new position in DNCA Invest – Value Europe fund. At the start of May we bought a new position in SPDR Gold Trust at the expense of the cash holdings. We believe that gold is a relatively attractive investment with a view to retaining purchasing power in an economic climate in which interest rates are lagging behind inflation. Moreover, we believe that gold can provide a better counterweight than bonds to the risks inherent to equity investments in times of political uncertainty. At the end of May, we bought a new position in the BlueOrchard Microfinance Fund at the expense of the cash holdings. This fund invests in loans to Microfinance Institutions (MFIs), often local banks in developing countries. We believe that this fund has an attractive return profile at a time of extremely low interest rates on savings. The purchases of SPDR Gold Trust and BlueOrchard Microfinance Fund significantly reduced the amount of cash held in the fund. In June we saw less reason to remain heavily invested in the US equity markets, because president Trump was experiencing difficulties in implementing his plans. We consequently decided to take profit on a portion of the US equity investments by selling the entire position in Axa Rosenberg US Equity Alpha Fund and reducing the position in SPDR S&P 500 ETF. The Axa fund has been a long time investment, but we decided to sell the fund, because we saw more opportunities in other US equity investment strategies. We used the proceeds to expand the allocation to emerging market equities and we bought a new position in Robeco QI Emerging Conservative Equities. This fund applies a quantitative investment strategy and invests in equities that distinguish themselves via a combination of low risk, attractive valuations and positive momentum. At the end of June, because of low European interest rates and to create more regional diversification within the bond investments, we switched part of the European credit investments via the Robeco Euro Credit fund to a new position in a global bond fund, namely Robeco Global Credits. In July we sold the entire position in JPMorgan US Value in favor of a new position in Robeco BP US Large Cap Equities. This fund is managed by Boston Partners and, like the JPMorgan fund, invests in US value stocks. However, we felt more confident in the investment strategy and team at Boston Partners. In August we switched the position in the Robeco BP US Select Opportunities Equities fund to Schroder ISF US Small & Mid-Cap Equity as we did not want the Robeco BP strategy to become too dominant within the equity investments. In August we again took profit on US equities. We sold the remaining position in SPDR S&P Dividend ETF. We used the proceeds to expand the allocation to Japanese equities via the Vanguard FTSE Japan UCITS ETF, as we still believed that Japanese equities could profit from both stronger domestic growth and the general upturn in the global economy. In August we sold the entire position in the Franklin Templeton Global Total Return Fund. The proceeds were invested in a new position in the Neuberger Berman Short Duration Emerging Market Debt Fund, which chiefly invests in short-term bonds issued by companies and governments in emerging markets. We opted for the version of the fund in which the exchange risk against the euro is hedged. In September we switched the remaining position in Standard Life European Corporate Bond Fund to Schroder Euro Corporate Bond. As European corporate bonds were highly valued, we sought value in the European Financial Bonds space. Furthermore, we diversified global bond investments. We sold positions in Robeco Euro Credit Bond Fund and Robeco IG Corporate Bonds (zero duration share class). We reinvested the proceeds in Robeco Financial Institutions Bonds and Robeco Global Credits. In addition, we expanded the investments in riskier high yield corporate bonds via the Hermes Multi Strategy Credit Fund and in emerging market debt via the Neuberger Berman Short Duration Emerging Market Debt Fund. During the remainder of the year we took no further actions besides some portfolio maintenance as we considered the fund well-positioned.

### Equity Funds

Global equity markets rose on the back of economic growth, strong company results and accommodative monetary policies. The election of Trump proved to be very worthwhile for US equity markets in 2017. In between equity markets experienced short-lived pressures by negative news surrounding president Trump (i.e. FBI investigation, Trump's reaction to domestic unrest in Charlottesville, Trump's seeming inability to get his plans approved, geopolitical tensions surrounding North Korea). Especially US large caps and IT companies benefitted from plans for tax cuts on profits that are repatriated and a weakening US dollar. From the start of the year until the middle of September European investors in equities outside Europe faced a major headwind from the strengthening of the euro. Thereafter, European investors in global equities benefitted from the ongoing rallies in equity markets worldwide, while the euro weakened somewhat against the major currencies.

Overall the equity investments performed well in line with the global equity markets as measured by the MSCI All Country World Index (Net Total Return EUR). The greater focus on quality and defensive equity strategies in the US and emerging market regions detracted from the relative performance, because performances in those regions were largely driven by IT and cyclical stocks. However, this was offset by the greater focus on European equity investments, because European

## INSINGER DE BEAUFORT MANAGER SELECTION SICAV

### Report on activities of the Board of Directors (continued)

investors investing in other regions had a significant drawback on their performances due to the strengthening of the euro. Moreover, the European equity investments outperformed the broad European equity market as measured by the Stoxx Europe 600 Index (Net Return), because of the greater focus on European growth and mid-cap stocks. Also a greater focus on continental European stocks contributed to the performance.

Overall the US equity investments contributed positively to the Fund's performance, but underperformed the broad US equity market as represented by the S&P 500 Index. This was mainly caused by the larger focus on quality and value equity strategies. Moreover, the exposure to US small & mid-cap stocks detracted from relative performance as those type of stocks lagged US large-cap stocks. A large part of the US equity investments was invested via passively managed funds, namely iShares Core S&P 500 ETF, SPDR S&P 500 ETF and Vanguard S&P 500 ETF. These positions are intended to earn the performance of the broad US equity market and belong to the core of the US equity investments. These three positions mimicked the performance of the S&P 500 Index quite well and made up on average over 40% of the US equity investments. Next to the passively managed funds, also Columbia Threadneedle US Contrarian Core Equities Fund and Wellington US Research Fund belong to the core of the US equity investments. Despite their different investment strategies, both funds showed comparable performances that were slightly less than the S&P 500 Index in a strong equity market rally. The more defensively oriented SPDR S&P Dividend ETF with a tilt to mid-cap stocks lagged the broad US equity market that was mostly driven by large-cap, growth and cyclical stocks. In August we sold the entire position in the SPDR S&P Dividend ETF. US value stocks did lag the broad US equity market in 2017. Despite its value tilt, the Axa Rosenberg US Equity Alpha Fund performed in line with the broad US equity market until the entire position was sold in June. The value oriented JPM US Value Fund did lag the S&P 500 Index until it was sold at the end of July, but the fund performed in line with its own benchmark the Russell 1000 Value Index. We switched the investments in JPM US Value Fund to Robeco BP US Large Cap Equities, also a fund with a focus on value stocks. However, since we bought Robeco BP US Large Cap Equities at the end of July, the fund significantly outperformed its own benchmark (the Russell 1000 Value Index) and even managed to outperform the S&P 500 Index. The fund benefitted from its overweight in the strong IT and financials sectors and also showed good stock selection within the energy sector. AB American Growth Portfolio was the best performer within the US equity investments as growth stocks handily outperformed value stocks. The fund had more than twice the performance of the S&P 500 Index and did also beat its own benchmark the Russell 1000 Growth Index. The fund had a tailwind from its large exposure to IT companies and a good selection within Health Care and Consumer Staples stocks, while the fund was not invested in relatively poorly performing sectors like real estate, telecommunication and utilities. After the US presidential elections in November 2016 US small and mid-cap stocks rallied on the prospect of extra economic stimulus. However, from the end of February 2017 until the end of August 2017 US small and mid-cap stocks (as measured by S&P Midcap 400 Index) lagged large cap stocks. Robeco US Select Opportunities Equities performed in line with the broad US small and mid-cap market until it was sold at the end of August. Schroder US Small & Mid-Cap Equity underperformed the S&P Midcap 400 Index somewhat in the remainder of the year after it was bought at the end of August. Stock selection in the Health Care and Consumer Discretionary sectors detracted most from relative performance.

Overall the European equity investments contributed positively to the Fund's performance and outperformed the broad European equity market as measured by the Stoxx Europe 600 Index. The European equity investments benefitted from a larger focus on growth, mid-cap and continental European stocks. Core European equity investments are composed of UBS MSCI EMU UCITS ETF, JOHCM Continental European Fund and IdB Equity Income Fund with a tilt towards continental European stocks. UBS MSCI EMU UCITS ETF is a passively managed fund and did outperform the broad European equity market including UK stocks, as UK stocks faced headwinds because of Brexit. JOHCM Continental European Fund posted good results over the whole of 2017, but lagged the continental European stock market in the first half of 2017. Stock selection within Consumer Discretionary (Pandorra), Energy (Saipem), Consumer Staples (Ahold Delhaize) and Financials (Southern European banks) sectors detracted from relative performance. IdB Equity Income Fund did perform in line with European equity markets for most of the year, but the performance had a severe drawback in November as some positions (Allice, Vestas) took a hit. In April we bought a new position in DNCA Invest Value Europe before the first round of the French presidential elections. European equity markets reacted enthusiastically after pro-EU candidate Macron reached the second round of the presidential elections. The fund posted an outperformance in April due to its greater focus on French industrial stocks and also mid-cap stocks. In the remainder of the year the fund performed in line with the broad European equity market. Allianz Europe Equity Growth significantly outperformed the broad European equity markets, because of its large overweight to IT stocks, stock selection and the avoidance of the poorly performing Energy, Real Estate and Telecommunication sectors. The best performing equity fund and the largest contributor to performance was the IdB European Mid Cap Fund. The fund by far outperformed the European mid-cap stock market, as well as the broad European equity market, because of strong stock selection and the avoidance of poorly performing sectors like Energy and Telecommunication.

Overall the Japanese equity investments contributed positively to the Fund's performance. At the start of 2017 the Fund had no Japanese equity investments. At the end of February we started to allocate to Japanese equity investments via a new position in Vanguard FTSE Japan UCITS ETF. We financed this position by reducing US equity investments. The Fund benefitted from this switch as Japanese equities outperformed US equities and global equity markets in the remainder of the year. At the end of 2017 the allocation to Japanese equities was in line with global equity markets as reflected by the MSCI All Country World Index.

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

Overall the emerging markets equity investments contributed positively to the Fund's performance, but significantly underperformed the broad emerging equity markets. We had a cautious stance on emerging equity markets. That was reflected in our choice of funds, namely Stewart Investors Emerging Markets Leaders Fund and Robeco QI Emerging Conservative Equities. These funds have a strong focus on higher quality and less risky stocks. However, performances of emerging markets equity markets were largely driven by riskier IT stocks, especially from China. As of the end of 2017 the weight of this sector has grown to more than a quarter of broad emerging market equity investments. Also riskier Chinese bank stocks contributed strongly to performances of broad emerging equity markets. However, both Stewart Investors funds placed more emphasis on IT stocks from Taiwan and India, that performed well, but much less than IT stocks from China. Also the focus on higher quality companies detracted from the performances of both funds. We bought a new position in the Robeco QI Emerging Conservative Equities at the end of June. Since then the fund realized a positive performance, but underperformed the broad emerging equity markets, mainly because of its strategy to select low volatility stocks.

### Fixed Income Funds

Overall the fixed income investments contributed slightly positively to the Fund's performance, despite a market environment of low and choppy interest rates. Most fixed income investments contributed positively to the Fund's performance, but the profit was partly offset by US dollar fixed income investments, because of US dollar weakness against the euro.

BlueBay Funds - BlueBay Investment Grade Bond Fund realized a positive return and significantly outperformed the broad European corporate bond markets. The overweight risk position, including in subordinated financials, contributed most to the relative performance. Pimco GIS Low Average Duration Fund realized a slightly negative return. The fund invests in USD shorter-dated bonds that have lower yields, but also less interest rate risk. BNP Paribas Flexi I US Mortgage realized a positive return, as spreads on Mortgage Backed Securities remained tight despite the scaling down of purchases by the Fed. The currency risk of both Pimco GIS Low Average Duration Fund and BNP Paribas Flexi I US Mortgage was hedged to euro, but hedging costs due to the interest rate differential detracted from performance.

Hermes Multi Strategy Credit Fund realized a positive return with low volatility, but lagged the broader high yield market due to its more defensive strategy. Since we bought Schroder Euro Corporate Bond at the beginning of March, the fund showed a strong performance and was one of the top performers within its peer group of European corporate bond funds. Schroder Euro Corporate Bond benefitted from its flexible approach. The off benchmark positions in High Yield and USD and GBP bonds (hedged to EUR) were all contributing. Schroder Euro Corporate Bond also benefitted from sector allocation, for example an overweight in the insurance sector. Since we bought iShares Floating Rate Bond ETF at the beginning of March, the fund realized a steady return throughout the year in USD. However, this profit turned into a loss due to the weakening of the dollar against the euro. Since we bought Robeco Global Credits at the end of June, the fund realized a positive return and performed in line with broad global bond markets, despite a more cautious stance. The overweight in European Financials and underweight European corporates was an important contributor. Since we bought Neuberger Berman Short Duration Emerging Market Debt Fund at the end of August, the fund realized a small gain. Throughout the year the fund showed a steady positive performance due to the high carry and lower spreads. Since we bought Robeco Financial Institutions Bonds in the midst of September, the fund realized a positive return. Subordinated financials was one of the best performing bond segments in 2017, as spreads tightened due to the better economic outlook and improvement of bank balance sheets. Robeco Financial Institutions Bonds benefitted from the overweight in CoCo's as well as sector and issuer selection. The government bond investments via the passively managed funds iShares eb.rexx Government Germany 5.5-10.5yr UCITS ETF and iShares 7-10 Year Treasury Bond ETF detracted from the Fund's performance due to higher interest rates and a loss on the US treasury investments due to the weakening of the dollar.

### Alternative Funds

Overall the alternative investments contributed positively to the Fund's performance. Absolute Return Strategy SICAV - Multi-Manager Hedge realized a positive return, outperforming equally weighted indices of hedge fund strategies like the HFRX Equal Weighted Strategies EUR Index. Especially long/short equity strategies, systematic strategies (or CTA's) and distressed debt contributed strongly to the performance of Absolute Return Strategy SICAV - Multi-Manager Hedge. Aviva Multi-Strategy Target Return Fund realized a negative return and significantly underperformed the HFRX Equal Weighted Strategies EUR Index. Aviva Multi-Strategy Target Return Fund diversifies its assets across like 25 investment strategies. Aviva Multi-Strategy Target Return Fund benefitted from its long only equity market positions and also the currency and credit strategies contributed positively to the performance. However, this was by large offset by the losses in the duration, currency and volatility strategies. At the beginning of May we bought a new position in gold via SPDR Gold Shares. Since then gold realized a positive return in dollars, but because of the weakening of the dollar against the euro, gold realized a negative return in euros. Hence, the investment in gold contributed negatively to the Fund's performance. IdB Real Estate Equity Fund realized a positive return. IdB Real Estate Equity Fund benefitted from an underweight to the UK market as the UK market was one of the worst performing regions. IdB Real Estate Equity Fund had a strategic underweight the UK market due to uncertainty with regards to Brexit. IdB Real Estate Equity Fund also benefitted from its relatively large investments in the German market which was by far the best performing market. IdB Real Estate Equity Fund had an average net market exposure of approximately 59% in 2017 and managed to outperform the European listed real estate market on a risk-adjusted basis.



# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Report on activities of the Board of Directors (continued)

### Outlook & Strategy

Given current valuations, we still strongly prefer equities to bonds. Global equity markets are supported by an improving global economy in combination with continued strong monetary support by the world's main central banks. Compared to equities, most bond markets appear to offer little value with yields at very low levels. Continued strong global economic growth could result in rising inflation expectations, which could cause losses in bond markets.

### INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

The NAV of INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE – EUR Class decreased from EUR 99.38 to EUR 98.40. The Sub-Fund returned -0.99% in 2017.

In many ways, 2017 was a challenging year for investors thanks to the relatively sharp fluctuations in bond yields throughout the year. Yet in spite of the high volatility, bond yields increased on balance in 2017. Across the year as a whole, this ultimately had a negative effect on bond prices.

It looked as if it would be a very difficult year for bond investments, as yields on most bonds had dropped to extremely low levels over the previous few years. Moreover, spreads on corporate bonds had tightened sharply. Long-term bond yields and spreads remained volatile in the first half of 2017, with German 10-year bond yields even reaching their lowest level of the year in April (about 0.1%). These fluctuations were chiefly driven by political and economic trends. The start of 2017 saw an upturn in yields after Donald Trump's election in 2016 led to a rapid increase in inflation expectations, as almost all the new president's policy plans (tax cuts, government investment, import tariffs) proved to be inflationary. The rising expectations with respect to economic growth and inflation had a positive effect on corporate bond spreads. The decline in yields in February and the fluctuations in the months that followed were caused by concerns about possible delays to Trump's tax-based and other growth initiatives, as well as potential political risks in Europe. In April, yields fluctuated sharply as a result of geopolitical concerns relating to Syria and North Korea and the prospect of French presidential elections. However, economic data for Europe continued to be positive in general, allowing the economic recovery in Europe to continue. Yields increased further after the ECB announced plans to halve its bond purchases from January 2018, although it would continue to buy bonds for a longer period. This announcement also caused a decline in the value of the euro. Throughout the rest of the year, sentiment indicators in Europe continued their upward trend and even exceeded economists' forecasts. Indicators for investor sentiment and confidence in the economy reached new record highs (over the past 10 years), while retail sales also recovered, German factory orders remained close to record highs and unemployment figures continued to fall to historically-low levels.

During 2017 the Fund held a relatively short duration, because we had the expectation of rising interest rates. The duration decreased from approximately 4.5 at the start of the year to approximately 4 at the end of the year, mainly due to time decay. The focus on capital retention and stable asset growth remained unchanged in 2017. The Fund was therefore mainly invested in government bonds with high credit ratings and in investment grade corporate bonds. Throughout the year profit was taken on government bonds via reducing the position in 3.25% Netherlands 2021, causing the percentage invested in government bonds to drop below 60% (to approx. 56%). The percentage invested in corporate bonds consequently increased in relative terms to about 39%. There is no exposure to peripheral European government bonds, such as Italy, Spain or Greece. The fund holds some exposure to foreign currency, namely British pound via 5% Tesco 2023 and Norwegian Kronen via 3.75% Norwegian Government 2021. The stronger euro caused some headwind in 2017. However, the loss in the British pound has been entirely offset by the gain in the 5% Tesco 2023 bond. At the end of May we have bought a new position in 0.75% ING 2021. At the end of October 4.125% Lagardere 2017 has matured. At the beginning of December we have sold 1.125% Intesa Sanpaola Spa 2022 as yield of this bond was at an historic low. At the end of December we have partly sold 2.25% Kingdom of the Netherlands 2022 to raise some cash.

### Outlook & Strategy

Looking forward to 2018, bond markets may well see further increases in yields, possibly due to the influence of higher inflation expectations, the sound outlook for economic growth in Europe and growing tightness on the job market. US inflation expectations could rise even further as a result of economic growth picking up, tax cuts for business, higher government investment and higher wage increases caused by a further decline in the already low unemployment rate. Like 2017, 2018 could well be another tough year for bond investors.

Luxembourg, 9th March 2018

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.



## Audit report

To the Shareholders of  
**INSINGER DE BEAUFORT MANAGER SELECTION SICAV**

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### *Our opinion*

In our opinion, the accompanying financial statements give a true and fair view of the financial position of INSINGER DE BEAUFORT MANAGER SELECTION SICAV and of each of its sub-funds (the "Fund") as at 31st December 2017, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### ***What we have audited***

The Fund's financial statements comprise:

- the statement of net assets as at 31st December 2017;
- the statement of investments and other net assets as at 31st December 2017;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *Basis for opinion*

We conducted our audit in accordance with the Law of 23rd July 2016 on the audit profession (Law of 23rd July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

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

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### *Other information*

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the Board of Directors of the Fund for the financial statements*

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

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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*



## Audit report (continued)

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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### *Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements*

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 25th April 2018

Thierry Blondeau

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Combined statement of net assets (in USD)

as at 31st December 2017

### Assets

#### Investments

Securities portfolio at market value

119,254,318.31

119,254,318.31

#### Cash and cash equivalents

Cash at banks

6,319,644.01

6,319,644.01

#### Receivables

Receivable on issues of shares

153,967.73

Income receivable on portfolio

205,560.55

359,528.28

#### Total assets

125,933,490.60

### Liabilities

#### Payables

Payable on redemptions of shares

401,768.66

Expenses payable

236,182.38

637,951.04

#### Total liabilities

637,951.04

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

125,295,539.56

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

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Combined statement of operations (in USD)

from 1st January 2017 to 31st December 2017

### Income

#### Investment income

Dividends, net	944,426.49
Interest on bonds and other debt securities, net	156,720.32
	<hr/>
	1,101,146.81

#### Realised gain on investments

- on securities portfolio	10,316,285.86
	<hr/>
	10,316,285.86

#### Appreciation of unrealised results on investments

- on securities portfolio	4,212,897.83
	<hr/>
	4,212,897.83

#### Total income

15,630,330.50

### Expenses

#### Investment advisory or management fees

Portfolio management fees	923,381.65
Performance fees	561,016.92
	<hr/>
	1,484,398.57

#### Other expenses

Depository fees	81,123.06
Banking charges and other fees	370.13
Transaction fees	5,633.57
Central administration costs	198,937.27
Professional fees	60,669.63
Other administration costs	12,835.30
Subscription duty ("taxe d'abonnement")	38,260.85
Bank interest paid	17,752.53
Other fees	36,877.36
	<hr/>
	452,459.70

#### Realised loss on investments

- on securities portfolio	791,539.99
- on foreign exchange	2,352.19
	<hr/>
	793,892.18

#### Depreciation of unrealised results on investments

- on securities portfolio	7,995,027.18
	<hr/>
	7,995,027.18

#### Total expenses

10,725,777.63

#### Net income

4,904,552.87

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

## INSINGER DE BEAUFORT MANAGER SELECTION SICAV

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

from 1st January 2017 to 31st December 2017

Net income	4,904,552.87
Subscriptions	12,508,479.86
Redemptions	-28,566,249.42
Total changes in net assets	-11,153,216.69
Total net assets at the beginning of the year	119,830,840.94
Revaluation difference	16,617,915.31
<b>Total net assets at the end of the year</b>	<b>125,295,539.56</b>

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

# INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

## Statement of net assets (in EUR)

as at 31st December 2017

### Assets

#### Investments

Securities portfolio at market value

24,277,592.50

24,277,592.50

#### Cash and cash equivalents

Cash at banks

1,189,497.86

1,189,497.86

#### Receivables

Receivable on issues of shares

71,710.11

Income receivable on portfolio

15,661.60

87,371.71

#### Total assets

25,554,462.07

### Liabilities

#### Payables

Payable on redemptions of shares

86,760.90

Expenses payable

53,370.16

140,131.06

#### Total liabilities

140,131.06

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

25,414,331.01

### 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)
EUR Share Class	203,511.309	EUR	124.88	25,414,331.01
				25,414,331.01

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

# INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

## Statement of operations (in EUR)

from 1st January 2017 to 31st December 2017

### Income

#### Investment income

Dividends, net

189,755.35

189,755.35

#### Realised gain on investments

- on securities portfolio

3,175,256.30

3,175,256.30

#### Appreciation of unrealised results on investments

- on securities portfolio

1,097,569.74

1,097,569.74

#### Total income

4,462,581.39

### Expenses

#### Investment advisory or management fees

Portfolio management fees

185,231.68

Performance fees

174,538.67

359,770.35

#### Other expenses

Depositary fees

16,251.95

Banking charges and other fees

241.51

Transaction fees

1,176.84

Central administration costs

39,852.09

Professional fees

12,275.20

Other administration costs

2,958.94

Subscription duty ("taxe d'abonnement")

7,855.80

Bank interest paid

1,980.04

Other fees

7,418.27

90,010.64

#### Realised loss on investments

- on securities portfolio

102,021.53

- on foreign exchange

133.61

102,155.14

#### Depreciation of unrealised results on investments

- on securities portfolio

2,341,112.07

2,341,112.07

#### Total expenses

2,893,048.20

#### Net income

1,569,533.19

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



## INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

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

from 1st January 2017 to 31st December 2017

Net income	1,569,533.19
Subscriptions	4,113,646.14
Redemptions	-7,282,223.95
Total changes in net assets	-1,599,044.62
Total net assets at the beginning of the year	27,013,375.63
<b>Total net assets at the end of the year</b>	<b>25,414,331.01</b>

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

## INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

### Statistical information (in EUR)

as at 31st December 2017

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
	EUR	29,746,186.40	27,013,375.63	25,414,331.01
<b>Net asset value per share</b>	<b>Currency</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
EUR Share Class	EUR	111.87	117.81	124.88
<b>Number of shares</b>	<b>outstanding at the beginning of the year 01.01.2017</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year 31.12.2017</b>
EUR Share Class	229,288.537	33,581.312	-59,358.540	203,511.309

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

# INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

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

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Open-ended investment funds</b>					
<b>Investment funds (UCITS)</b>					
EUR	456.134	Allianz GI Investors Fd Europe Equity Growth WT EUR Cap	992,993.10	1,135,495.42	4.47
EUR	2,370.705	Aviva Investors Multi-Strateg Target Return Fd I Cap	254,901.25	251,106.50	0.99
EUR	4,985.853	DNCA Invest Value EUR I Cap	890,124.33	950,054.29	3.74
EUR	300,197.828	J O Hambro Cap Mgt Umbr Fd Plc Continental Eur A EUR Dist	929,067.78	1,092,720.09	4.30
EUR	6,252.1086	Robeco Capital Gh Fds Emerging Cons Equities F EUR Cap	806,792.60	831,467.92	3.27
			<u>3,873,879.06</u>	<u>4,260,844.22</u>	<u>16.77</u>
GBP	131,135.885	First State Inv ICVC Stewart GI Em Markets Leaders Fd B Cap	839,931.92	1,037,998.79	4.09
GBP	40,619.758	First State Inv ICVC Stewart Inv Asia Pacific Fd B GBP Cap	417,286.81	717,445.53	2.82
			<u>1,257,218.73</u>	<u>1,755,444.32</u>	<u>6.91</u>
USD	12,521.116	AB FCP I FCP American Growth Ptf I Cap	859,621.59	1,037,370.05	4.08
USD	6,159	Robeco Capital Gh Fds BP US Large Cap Eq I USD Cap	1,202,210.69	1,290,422.95	5.08
USD	4,424	Schroder Intl Sel Fd US Sm & Mid Cap Equity Z Cap	1,052,799.24	1,156,875.35	4.55
USD	121,242.85	Threadneedle (Lux) US Contrarian Core Equities ZU USD Cap	1,131,626.88	1,357,968.38	5.34
USD	16,124.442	Wellington Management Fds Lux US Research Eq Units S Cap	782,908.06	1,250,224.66	4.92
			<u>5,029,166.46</u>	<u>6,092,861.39</u>	<u>23.97</u>
<b>Total investment funds (UCITS)</b>			<u>10,160,264.25</u>	<u>12,109,149.93</u>	<u>47.65</u>
<b>Tracker funds (UCITS)</b>					
EUR	7,999	UBS ETF SICAV MSCI EMU UCITS A EUR Dist	858,503.19	996,755.39	3.92
EUR	25,932	Vanguard Fds Plc FTSE Japan UCITS ETF EUR Dist	672,924.21	690,569.16	2.72
			<u>1,531,427.40</u>	<u>1,687,324.55</u>	<u>6.64</u>
USD	42,548	Vanguard Fds Plc FTSE Japan UCITS ETF USD Dist	1,042,944.75	1,135,227.48	4.47
			<u>2,574,372.15</u>	<u>2,822,552.03</u>	<u>11.11</u>
<b>Investment funds (UCI)</b>					
EUR	7,443.372	Absolute Return Str SICAV Multi-Manager Hedge B EUR Cap *	899,512.92	950,518.60	3.74
EUR	34,535	Insinger de B Umb Fd NV Equity Income (D) Dist *	1,580,755.44	1,748,852.40	6.88
EUR	20,473	Insinger de B Umb Fd NV European Mid Cap (F) Dist *	684,300.29	1,326,650.40	5.22
EUR	4,536	Insinger de B Umb Fd NV Real Estate Equity (C) *	705,717.45	732,473.28	2.88
<b>Total investment funds (UCI)</b>			<u>3,870,286.10</u>	<u>4,758,494.68</u>	<u>18.72</u>
<b>Tracker funds (UCI)</b>					
USD	6,232	iShares Core S&P500 ETF	1,060,879.41	1,395,239.37	5.49
USD	3,962	SPDR Gold Trust	424,930.78	407,962.11	1.61
USD	6,259	SPDR S&P 500 ETF Trust Ser 1 Dist	1,028,874.72	1,390,912.05	5.47
USD	6,821	Vanguard 500 Index Fd	1,064,128.45	1,393,282.33	5.48
			<u>3,578,813.36</u>	<u>4,587,395.86</u>	<u>18.05</u>
<b>Total tracker funds (UCI)</b>			<u>3,578,813.36</u>	<u>4,587,395.86</u>	<u>18.05</u>
Total investments in securities			<u>20,183,735.86</u>	<u>24,277,592.50</u>	<u>95.53</u>
Cash at banks				1,189,497.86	4.68
Other net assets/(liabilities)				-52,759.35	-0.21
<b>Total</b>				<u><u>25,414,331.01</u></u>	<u><u>100.00</u></u>

\* Related party investments

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

# INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

## Statement of net assets (in EUR)

as at 31st December 2017

### Assets

#### Investments

Securities portfolio at market value	56,138,357.84
	<u>56,138,357.84</u>

#### Cash and cash equivalents

Cash at banks	3,044,357.23
	<u>3,044,357.23</u>

#### Receivables

Receivable on issues of shares	33,350.86
Income receivable on portfolio	63,504.72
	<u>96,855.58</u>

#### Total assets

59,279,570.65

### Liabilities

#### Payables

Payable on redemptions of shares	149,274.23
Expenses payable	105,283.59
	<u>254,557.82</u>

#### Total liabilities

254,557.82

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

59,025,012.83

### 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)
EUR Share Class	472,332.325	EUR	124.97	59,025,012.83
				<u>59,025,012.83</u>

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

# INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

## Statement of operations (in EUR)

from 1st January 2017 to 31st December 2017

### Income

#### Investment income

Dividends, net	471,256.10
	<hr/> 471,256.10

#### Realised gain on investments

- on securities portfolio	4,589,785.03
	<hr/> 4,589,785.03

#### Appreciation of unrealised results on investments

- on securities portfolio	2,029,856.52
	<hr/> 2,029,856.52

#### Total income

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7,090,897.65

### Expenses

#### Investment advisory or management fees

Portfolio management fees	436,487.72
Performance fees	256,135.42
	<hr/> 692,623.14

#### Other expenses

Depositary fees	38,304.56
Banking charges and other fees	36.08
Transaction fees	2,209.80
Central administration costs	93,940.08
Professional fees	28,699.15
Other administration costs	5,007.11
Subscription duty ("taxe d'abonnement")	17,412.03
Bank interest paid	10,923.09
Other fees	17,433.34
	<hr/> 213,965.24

#### Realised loss on investments

- on securities portfolio	407,476.42
- on foreign exchange	514.91
	<hr/> 407,991.33

#### Depreciation of unrealised results on investments

- on securities portfolio	3,505,085.46
	<hr/> 3,505,085.46

#### Total expenses

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4,819,665.17

#### Net income

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2,271,232.48

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

## INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

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

from 1st January 2017 to 31st December 2017

Net income	2,271,232.48
Subscriptions	4,147,379.50
Redemptions	-11,461,638.71
Total changes in net assets	-5,043,026.73
Total net assets at the beginning of the year	64,068,039.56
<b>Total net assets at the end of the year</b>	<b>59,025,012.83</b>

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

## INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

### Statistical information (in EUR) as at 31st December 2017

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
	EUR	62,222,827.00	64,068,039.56	59,025,012.83
<b>Net asset value per share</b>	<b>Currency</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
EUR Share Class	EUR	115.81	120.54	124.97
<b>Number of shares</b>	<b>outstanding at the beginning of the year 01.01.2017</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year 31.12.2017</b>
EUR Share Class	531,525.060	33,767.735	-92,960.470	472,332.325

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

# INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

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

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Open-ended investment funds</b>					
<b>Investment funds (UCITS)</b>					
EUR	599.453	Allianz GI Investors Fd Europe Equity Growth WT EUR Cap	1,275,123.59	1,492,272.30	2.53
EUR	9,141.505	Aviva Investors Multi-Strateg Target Return Fd I Cap	978,005.29	968,273.69	1.64
EUR	14,397.989	BlueBay Fds Inv Grade Bond S EUR Cap	1,533,320.03	1,654,616.90	2.80
EUR	10,752.061	BNP Paribas Flexi I US Mortgage IH EUR Cap	1,076,901.15	1,084,990.48	1.84
EUR	6,715.5967	DNCA Invest Value EUR I Cap	1,198,935.48	1,279,656.95	2.17
EUR	581,896.6183	Hermes Inv Fds Plc Multi Strategy Cred F Hedged EUR Cap	1,247,298.06	1,306,183.34	2.21
EUR	403,636.437	J O Hambro Cap Mgt Umbr Fd Plc Continental Eur A EUR Dist	1,232,958.98	1,469,236.63	2.49
EUR	119,628	Neuberger Berman Inv Fds Plc Sho Dur Em Mks Debt I5 EUR Cap	1,306,001.50	1,307,534.04	2.22
EUR	160,247.311	PIMCO Fds GI Investors Ser Plc Low Average Dur I Hgd EUR Cap	1,701,308.70	1,689,006.66	2.86
EUR	8,798.434	Robeco Capital Gh Fds Emerging Cons Equities F EUR Cap	1,135,495.88	1,170,103.74	1.98
EUR	4,521	Robeco Capital Gh Fds Fin Institutions Bonds IH Cap	731,678.64	748,270.71	1.27
EUR	16,490.9437	Robeco Capital Gh Fds Global Cred IH EUR Cap	1,878,615.87	1,885,244.68	3.19
EUR	136,314.85	Schroder Intl Sel Fd EUR Corp Bond Z Dist	2,669,035.57	2,689,791.88	4.56
			17,964,678.74	18,745,182.00	31.76
GBP	230,277.291	First State Inv ICVC Stewart GI Em Markets Leaders Fd B Cap	1,454,307.57	1,822,747.06	3.09
GBP	37,086.722	First State Inv ICVC Stewart Inv Asia Pacific Fd B GBP Cap	380,991.92	655,043.37	1.11
			1,835,299.49	2,477,790.43	4.20
USD	17,935.848	AB FCP I FCP American Growth Ptf I Cap	1,210,388.13	1,485,978.70	2.52
USD	8,163	Robeco Capital Gh Fds BP US Large Cap Eq I USD Cap	1,593,382.99	1,710,297.54	2.90
USD	6,508	Schroder Intl Sel Fd US Sm & Mid Cap Equity Z Cap	1,548,738.12	1,701,841.05	2.88
USD	152,312.216	Threadneedle (Lux) US Contrarian Core Equities ZU USD Cap	1,421,505.21	1,705,957.70	2.89
USD	21,844.218	Wellington Management Fds Lux US Research Eq Units S Cap	1,138,031.94	1,693,713.19	2.87
			6,912,046.39	8,297,788.18	14.06
<b>Total investment funds (UCITS)</b>			26,712,024.62	29,520,760.61	50.02
<b>Tracker funds (UCITS)</b>					
EUR	20,279	iShares eb.rexx Govt Germany 5.5-10.5 UCITS ETF (DE)	2,894,184.36	2,846,360.44	4.82
EUR	14,612	UBS ETF SICAV MSCI EMU UCITS A EUR Dist	1,681,164.64	1,820,801.32	3.09
EUR	38,771	Vanguard Fds Plc FTSE Japan UCITS ETF EUR Dist	1,006,851.85	1,032,471.73	1.75
			5,582,200.85	5,699,633.49	9.66
USD	6,008	iShares VII Plc USD T Bond 3-7 UCITS ETF Cap	668,198.35	618,260.90	1.05
USD	58,268	Vanguard Fds Plc FTSE Japan UCITS ETF USD Dist	1,421,817.81	1,554,654.39	2.63
			2,090,016.16	2,172,915.29	3.68
<b>Total tracker funds (UCITS)</b>			7,672,217.01	7,872,548.78	13.34
<b>Investment funds (UCI)</b>					
EUR	24,354.31	Absolute Return Str SICAV Multi-Manager Hedge B EUR Cap *	2,877,244.82	3,110,045.39	5.27
EUR	6,748.526	BlueOrchard Microfinance Fd D EUR Cap	686,999.95	692,263.80	1.17
EUR	48,500	Insinger de B Umb Fd NV Equity Income (D) Dist *	2,340,966.39	2,456,040.00	4.16
EUR	26,510	Insinger de B Umb Fd NV European Mid Cap (F) Dist *	926,022.13	1,717,848.00	2.91
EUR	17,341	Insinger de B Umb Fd NV Real Estate Equity (C) *	2,430,838.72	2,800,224.68	4.74
<b>Total investment funds (UCI)</b>			9,262,072.01	10,776,421.87	18.25

\* Related party investments

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



## INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

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

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Tracker funds (UCI)</b>					
USD	9,233	iShares Core S&P500 ETF	1,606,819.06	2,067,112.50	3.50
USD	15,213	iShares Trust Floating Rate Bond ETF USD Dist	733,801.89	644,701.31	1.09
USD	10,890	SPDR Gold Trust	1,190,706.61	1,121,329.47	1.90
USD	9,300	SPDR S&P 500 ETF Trust Ser 1 Dist	1,556,251.72	2,066,701.09	3.50
USD	10,128	Vanguard 500 Index Fd	1,575,574.48	2,068,782.21	3.51
<b>Total tracker funds (UCI)</b>			<b>6,663,153.76</b>	<b>7,968,626.58</b>	<b>13.50</b>
Total investments in securities			50,309,467.40	56,138,357.84	95.11
Cash at banks				3,044,357.23	5.16
Other net assets/(liabilities)				-157,702.24	-0.27
<b>Total</b>				<b>59,025,012.83</b>	<b>100.00</b>

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

# INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED

## Statement of net assets (in EUR)

as at 31st December 2017

### Assets

#### Investments

Securities portfolio at market value	14,088,161.32
	<u>14,088,161.32</u>

#### Cash and cash equivalents

Cash at banks	829,958.67
	<u>829,958.67</u>

#### Receivables

Receivable on issues of shares	23,154.66
Income receivable on portfolio	23,664.38
	<u>46,819.04</u>

#### Total assets

14,964,939.03

### Liabilities

#### Payables

Payable on redemptions of shares	86,641.76
Expenses payable	27,462.24
	<u>114,104.00</u>

#### Total liabilities

114,104.00

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

14,850,835.03

### 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)
EUR Share Class	113,753.733	EUR	130.55	14,850,835.03
				<u>14,850,835.03</u>

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

# INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED

## Statement of operations (in EUR)

from 1st January 2017 to 31st December 2017

### Income

#### Investment income

Dividends, net

125,453.57

125,453.57

#### Realised gain on investments

- on securities portfolio

822,083.71

822,083.71

#### Appreciation of unrealised results on investments

- on securities portfolio

370,690.45

370,690.45

#### Total income

1,318,227.73

### Expenses

#### Investment advisory or management fees

Portfolio management fees

108,825.70

Performance fees

36,509.10

145,334.80

#### Other expenses

Depositary fees

9,584.53

Banking charges and other fees

14.66

Transaction fees

969.63

Central administration costs

23,501.64

Professional fees

7,185.70

Other administration costs

2,275.26

Subscription duty ("taxe d'abonnement")

3,929.08

Bank interest paid

1,870.01

Other fees

4,323.25

53,653.76

#### Realised loss on investments

- on securities portfolio

131,278.55

- on foreign exchange

496.56

131,775.11

#### Depreciation of unrealised results on investments

- on securities portfolio

691,781.90

691,781.90

#### Total expenses

1,022,545.57

#### Net income

295,682.16

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

## INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED

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

from 1st January 2017 to 31st December 2017

Net income	295,682.16
Subscriptions	1,952,510.51
Redemptions	-3,743,189.43
Total changes in net assets	-1,494,996.76
Total net assets at the beginning of the year	16,345,831.79
<b>Total net assets at the end of the year</b>	<b>14,850,835.03</b>

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

## INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED

### Statistical information (in EUR)

as at 31st December 2017

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
	EUR	15,729,337.03	16,345,831.79	14,850,835.03
<b>Net asset value per share</b>	<b>Currency</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
EUR Share Class	EUR	124.36	128.14	130.55
<b>Number of shares</b>	<b>outstanding at the beginning of the year 01.01.2017</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year 31.12.2017</b>
EUR Share Class	127,560.728	15,055.601	-28,862.596	113,753.733

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

# INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED

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

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
EUR	82,855	Allianz GI Investors Fd Europe Equity Growth WT EUR Cap	181,974.93	206,258.41	1.39
EUR	643	Aviva Investors Multi-Strateg Target Return Fd I Cap	68,791.51	68,106.95	0.46
EUR	7,103,398	BlueBay Fds Inv Grade Bond S EUR Cap	749,811.68	816,322.50	5.50
EUR	8,294	BNP Paribas Flexi I US Mortgage IH EUR Cap	830,861.44	836,947.54	5.63
EUR	890	DNCA Invest Value EUR I Cap	159,795.00	169,589.50	1.14
EUR	232,909.2365	Hermes Inv Fds Plc Multi Strategy Cred F Hedged EUR Cap	511,713.34	522,811.36	3.52
EUR	52,093.214	J O Hambro Cap Mgt Umbr Fd Plc Continental Eur A EUR Dist	165,566.16	189,619.30	1.28
EUR	47,464	Neuberger Berman Inv Fds Plc Sho Dur Em Mks Debt I5 EUR Cap	518,164.02	518,781.52	3.49
EUR	70,306	PIMCO Fds GI Investors Ser Plc Low Average Dur I Hgd EUR Cap	746,581.52	741,025.24	4.99
EUR	1,472.2843	Robeco Capital Gh Fds Emerging Cons Equities F EUR Cap	189,950.91	195,799.09	1.32
EUR	2,260	Robeco Capital Gh Fds Fin Institutions Bonds IH Cap	365,758.40	374,052.60	2.52
EUR	8,170.2597	Robeco Capital Gh Fds Global Cred IH EUR Cap	930,833.03	934,024.09	6.29
EUR	67,787.25	Schroder Intl Sel Fd EUR Corp Bond Z Dist	1,328,425.19	1,337,591.57	9.01
			6,748,227.13	6,910,929.67	46.54
GBP	52,456	First State Inv ICVC Stewart GI Em Markets Leaders Fd B Cap	319,204.65	415,212.54	2.80
USD	2,649.332	AB FCP I FCP American Growth Ptf I Cap	178,925.56	219,496.22	1.48
USD	1,114	Robeco Capital Gh Fds BP US Large Cap Eq I USD Cap	217,485.26	233,403.34	1.57
USD	889	Schroder Intl Sel Fd US Sm & Mid Cap Equity Z Cap	211,630.09	232,473.37	1.56
USD	29,628.822	Threadneedle (Lux) US Contrarian Core Equities ZU USD Cap	274,273.13	331,854.65	2.23
USD	3,817.485	Wellington Management Fds Lux US Research Eq Units S Cap	173,260.48	295,992.50	1.99
			1,055,574.52	1,313,220.08	8.83
		<b>Total investment funds (UCITS)</b>	8,123,006.30	8,639,362.29	58.17
<b>Tracker funds (UCITS)</b>					
EUR	8,845	iShares eb.rexx Govt Germany 5.5-10.5 UCITS ETF (DE)	1,261,210.53	1,241,484.20	8.36
EUR	2,184	UBS ETF SICAV MSCI EMU UCITS A EUR Dist	242,424.13	272,148.24	1.83
EUR	5,319	Vanguard Fds Plc FTSE Japan UCITS ETF EUR Dist	138,130.18	141,644.97	0.95
			1,641,764.84	1,655,277.41	11.14
USD	2,813	iShares VII Plc USD T Bond 3-7 UCITS ETF Cap	311,358.82	289,475.35	1.95
USD	8,233	Vanguard Fds Plc FTSE Japan UCITS ETF USD Dist	200,691.52	219,665.50	1.48
			512,050.34	509,140.85	3.43
		<b>Total tracker funds (UCITS)</b>	2,153,815.18	2,164,418.26	14.57
<b>Investment funds (UCI)</b>					
EUR	4,275.559	Absolute Return Str SICAV Multi-Manager Hedge B EUR Cap *	460,004.13	545,988.88	3.68
EUR	3,271.119	BlueOrchard Microfinance Fd D EUR Cap	332,999.91	335,551.39	2.26
EUR	6,914	Insinger de B Umb Fd NV Equity Income (D) Dist *	319,148.88	350,124.96	2.36
EUR	5,323	Insinger de B Umb Fd NV European Mid Cap (F) Dist *	207,143.60	344,930.40	2.32
EUR	1,811	Insinger de B Umb Fd NV Real Estate Equity (C) *	245,301.72	292,440.28	1.97
		<b>Total investment funds (UCI)</b>	1,564,598.24	1,869,035.91	12.59
<b>Tracker funds (UCI)</b>					
USD	1,086	iShares Core S&P500 ETF	201,571.68	243,137.03	1.64
USD	6,809	iShares Trust Floating Rate Bond ETF USD Dist	328,467.56	288,553.95	1.94
USD	1,928	SPDR Gold Trust	210,806.46	198,523.71	1.34
USD	1,480	SPDR S&P 500 ETF Trust Ser 1 Dist	255,305.49	328,894.37	2.21
USD	1,744	Vanguard 500 Index Fd	284,718.75	356,235.80	2.40
		<b>Total tracker funds (UCI)</b>	1,280,869.94	1,415,344.86	9.53
		Total investments in securities	13,122,289.66	14,088,161.32	94.86
		Cash at banks		829,958.67	5.59
		Other net assets/(liabilities)		-67,284.96	-0.45
		<b>Total</b>		<b>14,850,835.03</b>	<b>100.00</b>

\* Related party investments

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

# INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

## Statement of net assets (in EUR)

as at 31st December 2017

### Assets

#### Investments

Securities portfolio at market value	4,804,146.76
	<u>4,804,146.76</u>

#### Cash and cash equivalents

Cash at banks	198,828.71
	<u>198,828.71</u>

#### Receivables

Income receivable on portfolio	68,348.51
	<u>68,348.51</u>

#### Total assets

5,071,323.98

### Liabilities

#### Payables

Payable on redemptions of shares	11,893.35
Expenses payable	10,563.35
	<u>22,456.70</u>

#### Total liabilities

22,456.70

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

5,048,867.28

### 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)
EUR Share Class	51,307.891	EUR	98.40	<u>5,048,867.28</u>
				<u>5,048,867.28</u>

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

# INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

## Statement of operations (in EUR)

from 1st January 2017 to 31st December 2017

### Income

#### Investment income

Interest on bonds and other debt securities, net

130,507.83

130,507.83

#### Realised gain on investments

- on securities portfolio

3,694.95

3,694.95

#### Appreciation of unrealised results on investments

- on securities portfolio

10,146.57

10,146.57

#### Total income

144,349.35

### Expenses

#### Investment advisory or management fees

Portfolio management fees

38,394.97

38,394.97

#### Other expenses

Depository fees

3,413.66

Banking charges and other fees

15.97

Transaction fees

335.05

Central administration costs

8,369.91

Professional fees

2,362.19

Other administration costs

447.20

Subscription duty ("taxe d'abonnement")

2,664.56

Bank interest paid

10.16

Other fees

1,534.52

19,153.22

#### Realised loss on investments

- on securities portfolio

18,373.28

- on foreign exchange

813.69

19,186.97

#### Depreciation of unrealised results on investments

- on securities portfolio

119,827.49

119,827.49

#### Total expenses

196,562.65

#### Net expenditure

-52,213.30

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



## INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

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

from 1st January 2017 to 31st December 2017

Net expenditure	-52,213.30
Subscriptions	202,819.15
Redemptions	-1,301,306.43
Total changes in net assets	-1,150,700.58
Total net assets at the beginning of the year	6,199,567.86
<b>Total net assets at the end of the year</b>	<b>5,048,867.28</b>

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

## INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

### Statistical information (in EUR)

as at 31st December 2017

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
	EUR	6,199,567.86	5,048,867.28

  

<b>Net asset value per share</b>	<b>Currency</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
EUR Share Class	EUR	99.38	98.40

  

<b>Number of shares</b>	<b>outstanding at the beginning of the year 01.01.2017</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year 31.12.2017</b>
EUR Share Class	62,383.727	2,050.251	-13,126.087	51,307.891

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

# INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

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

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
EUR	100,000	Allianz SE VAR Sub 12/17.10.42	118,990.00	121,990.00	2.42
EUR	100,000	Apple Inc 1% EMTN 14/10.11.22	105,190.00	103,781.00	2.06
EUR	600,000	Belgium 2.25% OLO Reg S Ser 68 13/22.06.23	702,288.00	675,435.00	13.38
EUR	105,000	Daimler AG 1.75% EMTN Sen 12/21.01.20	111,125.70	108,875.55	2.16
EUR	200,000	Deutsche Bank AG 1.25% EMTN Sen 14/08.09.21	200,330.00	205,300.00	4.07
EUR	437,000	European Economic Community 3.375% 10/10.05.19	480,590.75	460,215.63	9.11
EUR	40,900	France 0.5% OAT Sen 14/25.05.25	42,470.56	41,568.10	0.82
EUR	100,000	ING Bank NV 0.75% EMTN Reg S Sen 16/22.02.21	102,381.00	102,108.50	2.02
EUR	300,000	Koninklijke KPN NV 4.25% EMTN Reg S Ser 25 12/01.03.22	362,241.00	348,042.00	6.89
EUR	367,000	Netherlands 2.25% 12/15.07.22	422,967.50	408,463.66	8.09
EUR	400,000	Netherlands 3.25 11/15.07.21	472,408.00	452,120.00	8.95
EUR	323,000	Oesterreich 1.2% Reg S Ser 144A 15/20.10.25	357,351.05	345,131.96	6.84
EUR	34,000	Oesterreich 1.65% Ser 1 14/21.10.24	38,821.20	37,434.00	0.74
EUR	300,000	Sanofi SA 1.875% EMTN Reg S Ser 15 13/04.09.20	321,606.00	314,164.50	6.22
EUR	200,000	Telefonica Emisiones SA 2.242% EMTN Sen 14/27.05.22	219,940.00	216,030.00	4.28
EUR	128,000	Volkswagen Intl Finance NV 2% EMTN Sen 13/26.03.21	137,638.40	135,350.40	2.68
			4,196,339.16	4,076,010.30	80.73
GBP	250,000	Tesco Plc 5% EMTN Ser 49 06/24.03.23	310,906.43	317,613.48	6.29
NOK	3,681,000	Norway 3.75% 10/25.05.21	461,382.93	410,522.98	8.13
Total investments in securities			4,968,628.52	4,804,146.76	95.15
Cash at banks				198,828.71	3.94
Other net assets/(liabilities)				45,891.81	0.91
Total				5,048,867.28	100.00

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

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Notes to the financial statements

as at 31st December 2017

### 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-Funds is determined and as approved by the Central Administration of the Company. Valuation of ETFs is done following the rules applicable to transferable securities as described below.

Transferable securities which are admitted to an official exchange listing or dealt in on another regulated market are valued on the basis of the last available price prevailing on the valuation date, and where appropriate at the middle market price. If securities are listed on several stock exchanges or markets, the price on the principal market will be applied.

Transferable securities not admitted to an official exchange listing or dealt in on another regulated market and transferable securities admitted to an official exchange listing or dealt in on another regulated market for which the available price is not representative of the fair market value are valued on the basis of their reasonably foreseeable sales price determined with prudence and good faith by the Board of Directors.

If, since the last 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.

The net assets as at 31<sup>st</sup> December 2017 have been calculated for reporting purposes, based on last available prices at the date.

c) Acquisition cost of securities in the portfolio

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

d) Realised gain /(loss) on sales of securities portfolio

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

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) 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-Funds are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Sub-Funds are converted into this currency at the exchange rate prevailing on the date of the transaction. Foreign exchange gains or losses are disclosed in the statement of operations. At the date of the financial statements, the exchange rates used are as follow:

1	EUR	=	0.8878087	GBP	Pound Sterling
			9.8228329	NOK	Norwegian Krona
			1.2008500	USD	US Dollar

g) Combined financial statements

The combined financial statements of the SICAV are expressed in USD and are equal to the sum of the corresponding items in the financial statements of each sub-fund.

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Notes to the financial statements (continued)

as at 31st December 2017

### h) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statements of operations are mainly composed of broker fees incurred by the Company and of fees relating to transactions processed by the depositary. In accordance with the practices of the bond markets, a bid-offer spread is applied to purchase or sales transactions on bonds.

### 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 0.70% on the average net assets of the Sub-Funds.

The actual management fees charged during the year ended 31st December 2017 are 0.70% p.a. of the average net assets attributable to EUR Share Class accrued daily and payable monthly.

### Note 3 - Performance fee

In addition to the portfolio management fee, the Sub-Funds also pays the Portfolio Manager a performance fee of 10% on the absolute positive return yielded by the Sub-Fund (based on the Net Asset Value per Share including dividend).

The performance fee is calculated daily as a percentage of the Net Asset Value per Share that exceeds the so-called "high water mark" which is determined on the first trading day of each month. The high water mark is the highest Net Asset Value per Share on which the performance fee is calculated.

The performance fee is calculated on each Valuation Day and included in the calculation of the Sub-Fund's Net Asset Value.

If a performance fee is positive at the end of the calendar month (i.e. the high water mark has been exceeded), it is then payable to the Portfolio Manager on the last day of a calendar month. In case of a negative performance fee at the end of the calendar month no performance fee is payable. The Portfolio Manager is required to recoup the negative accrual until such time that there is positive performance fee. Any negative accrual is not reset to zero at the end of a financial year.

No performance fee is applicable to the Sub-Fund INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE.

At the date of the financial statements, the performance fee was recorded for the following Sub-Funds and amounted to:

			% of average NAV
- INSINGER DE BEAUFORT MULTI-MANAGER EQUITY	EUR	174,538.67	0.66%
- INSINGER DE BEAUFORT MULTI-MANAGER BALANCED	EUR	256,135.42	0.41%
- INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED	EUR	36,509.10	0.23%

### Note 4 - Management fees and performance fees of the target funds

If the portfolio of the Company or Sub-Fund includes Related Party Investments, the Portfolio Manager will charge (portfolio) management fees at both levels of investing but at no time will the combined fees exceed the maximum portfolio management fees set out in note 2 plus 0.05%.

There is no waiver of fees in respect of performance fees earned in the Related Party Investments by the Portfolio Manager or an affiliate of the Portfolio Manager.

### Note 5 - Depositary, AIFM, Domiciliary Agent, Administrative Agent and Registrar and Transfer Agent

As remuneration for the services of Depositary and Paying Agent as rendered by KBL EUROPEAN PRIVATE BANKERS S.A., the Company will be charged an all-in fee of 0.06% per annum of the total net assets of the Company.

As remuneration for the services of AIFM, Domiciliary Agent, Administrative Agent and Registrar and Transfer Agent rendered by KREDIETRUST LUXEMBOURG S.A., the Company is charged by KREDIETRUST LUXEMBOURG S.A. an all-in fee of 0.15% per annum of the total net assets of the Company. The total amount fees to the Depositary and Paying Agent, the AIFM, Domiciliary Agent, Administrative Agent and Registrar and Transfer Agent is subject to a minimum of

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Notes to the financial statements (continued)

as at 31st December 2017

EUR 150,000 per annum should the total net assets of the Company be below EUR 100 million and split between the Sub-Funds according to asset size.

This fee is reflected in the "Statement of operations" in the caption "Central administration costs".

The Depositary, Domiciliary Agent, Administrative Agent as well as the Registrar and Transfer 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 6 - 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 each 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 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.

### Note 8 - Events

KBL EUROPEAN PRIVATE BANKERS S.A. has acquired INSINGERGILISSEN BANKIERS N.V. (previously called BANK INSINGER DE BEAUFORT N.V.) on 1st January 2017. This acquisition has no impact on the content of this annual report.

TG FUND MANAGEMENT B.V. ('disappearing entity') merged with INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. ('surviving entity') on 1st January 2018 and where the surviving entity changed its name to INSINGERGILISSEN ASSET MANAGEMENT N.V.

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Additional information (unaudited)

as at 31st December 2017

### 1 - Liquidity

The investors may subscribe or redeem shares in the Sub-Fund(s) of the SICAV every business day in Luxembourg ("T"). The settlement period of these transactions is T + 5. We refer to the prospectus of the SICAV for more information related to the subscription and the redemption procedures and the applicable notice period of the Sub-Funds of this SICAV.

The below table shows the period required to redeem the total investment portfolio and where the period is based on the redemption frequency of the securities as held on 31 December 2017 by the Sub-Funds of the SICAV:

	Investor Liquidity						
	1 day	2-7 days	8-30 days	31-90 days	91-180 days	181-365 days	Total
INSINGER DE BEAUFORT MULTI-MANAGER EQUITY	34%	62.3%		3.7%			100.0%
INSINGER DE BEAUFORT MULTI-MANAGER BALANCED	32%	61,6%	1.2%	5.2%			100.0%
INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED	29.8%	64.3%	2.2%	3.7%			100.0%
INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE	60.5%	39.5%					100.0%

### 2 - Risks

The risk profile for each Sub-Fund is given in the KIID available on the site [www.insingerqilissen.nl](http://www.insingerqilissen.nl).

There were no active breaches in INSINGER DE BEAUFORT MANAGER SELECTION SICAV in 2017.

### 3 - Leverage

The level of leverage, calculated in accordance with the AIFM law, which each Sub-Fund can employ and its real exposure at the end of December 2017 is as follows:

	Commitment method		Gross method	
	Exposure	Max	Exposure	Max
INSINGER DE BEAUFORT MULTI-MANAGER EQUITY	100%	105%	95.1%	105%
INSINGER DE BEAUFORT MULTI-MANAGER BALANCED	100%	105%	94.8%	105%
INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED	100%	105%	94.2%	105%
INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE	100%	105%	96%	105%

### 4 - Remuneration

<p><b>- Art.20 (2) e) of the Law of 12th July 2013</b> The total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF.</p>	<p>Fixed remuneration: 2,662,422.94 EUR Variable remuneration: 120,900.00 EUR Number of the beneficiaries : 26</p>
<p><b>- Art.20 (2) f) of the Law of 12th July 2013</b> The aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF.</p>	<p>Remuneration of the senior management: 731,065.92 EUR</p>

# INSINGER DE BEAUFORT MANAGER SELECTION SICAV

## Additional information (unaudited) (continued)

as at 31st December 2017

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

At the date of the financial statements, the SICAV is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period.

### 6 - 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 31st December 2017 is calculated by averaging the Net Assets Value of each Valuation of the Sub-Fund in the year of 2017.

Below ongoing charges figures exclude any performance fees (also see above note 3), transaction costs/fees and bank interest paid. The calculation of the ongoing charges figure of the underlying funds is based on available information of these underlying funds.

#### Insinger de Beaufort Multi-Manager Equity

The average Net Asset Value for the year ended 31st December 2017 is EUR 26,461,365.

The Ongoing Charges Figure ("OCF") based on the information of the 2017 annual report is as follows:

- excluding the OCF of the underlying funds is 1.03% per annum
- including the OCF of the underlying funds is 1.73% per annum

#### Insinger de Beaufort Multi-Manager Balanced

The average Net Asset Value for the year ended 31st December 2017 is EUR 62,362,545.

The Ongoing Charges Figure ("OCF") based on the information of the 2017 annual report is as follows:

- excluding the OCF of the underlying funds is 1.02% per annum
- including the OCF of the underlying funds is 1.71% per annum

#### Insinger de Beaufort Multi-Manager Defensive Balanced

The average Net Asset Value for the year ended 31st December 2017 is EUR 15,555,934.

The Ongoing Charges Figure ("OCF") based on the information of the annual report for the period ended 31st December 2017 is as follows:

- excluding the OCF of the underlying funds is 1.02% per annum
- including the OCF of the underlying funds is 1.63% per annum

#### Insinger de Beaufort Multi-Manager Defensive

The average Net Asset Value for the year ended 31st December 2017 is EUR 5,491,519.

The Ongoing Charges Figure ("OCF") based on the information of the annual report for the period ended 31st December 2017 is 1.04% per annum.