

INSINGER DE BEAUFORT

**Unaudited semi-annual report
as at 30th June 2017**

Absolute Return Strategy SICAV

Société d'Investissement à Capital Variable
Luxembourg

R.C.S. Luxembourg B 90 086

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest annual report and the most recent semi-annual report, if published thereafter.

Absolute Return Strategy SICAV

Contents

Organisation 2

General information 4

Combined statement of net assets 5

Combined statement of operations..... 6

Combined statement of changes in net assets 7

Absolute Return Strategy SICAV - Multi-Manager Hedge 8

 Statement of net assets..... 8

 Statement of operations 9

 Statement of changes in net assets..... 10

 Statistical information 11

 Statement of investments and other net assets..... 12

Notes to the financial statements 13

Additional information 16

Absolute Return Strategy SICAV

Organisation

Registered Office	11, rue Aldringen L-1118 LUXEMBOURG
Board of Directors	
Chairman	
Peter George SIERADZKI	CEO BANK INSINGER DE BEAUFORT N.V. AMSTERDAM
Directors	
Steve GEORGALA	Managing Director MAITLAND ADVISORY LLP LONDON
Marcel ERNZER	Director WALLBERG INVEST S.A. LUXEMBOURG
Marc Jan BALTUS	CFO BANK INSINGER DE BEAUFORT 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	INSINGER DE BEAUFORT ASSET MANAGEMENT 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
Depository and Paying Agent	KBL EUROPEAN PRIVATE BANKERS S.A. 43, boulevard Royal L-2955 LUXEMBOURG

Absolute Return Strategy SICAV

Organisation (continued)

Auditor

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

Distributor

BANK INSINGER DE BEAUFORT N.V.
Herengracht 537
NL-1017 BV AMSTERDAM

Absolute Return Strategy SICAV

General information

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

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

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

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

Absolute Return Strategy SICAV - Multi-Manager Hedge in EUR

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

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

Absolute Return Strategy SICAV

Combined statement of net assets (in USD)

as at 30th June 2017

Assets

Investments

Securities portfolio at market value	56,055,491.16
	<hr/>
	56,055,491.16

Cash and cash equivalents

Cash at banks	1,948,218.40
	<hr/>
	1,948,218.40

Receivables

Unrealised gain on forward foreign exchange contracts	283,803.66
Prepaid expenses	3,449.32
	<hr/>
	287,252.98
	<hr/>

Total assets

58,290,962.54

Liabilities

Payables

Expenses payable	94,645.83
	<hr/>
	94,645.83

Other liabilities

Prepaid subscriptions	1,315,144.64
	<hr/>
	1,315,144.64
	<hr/>

Total liabilities

1,409,790.47

Total net assets at the end of the period

56,881,172.07

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

Absolute Return Strategy SICAV

Combined statement of operations (in USD)

from 1st January 2017 to 30th June 2017

Income

Realised gain on investments

- on securities portfolio	69,404.17
- on forward foreign exchange contracts	724,770.72
	<hr/>
	794,174.89

Appreciation of unrealised results on investments

- on securities portfolio	5,405,939.02
- on forward foreign exchange contracts	390,942.76
	<hr/>
	5,796,881.78

Total income

6,591,056.67

Expenses

Investment advisory or management fees

Portfolio management fees	172,104.81
	<hr/>
	172,104.81

Other expenses

Depositary fees	17,773.76
Banking charges and other fees	66.68
Central administration costs	23,362.38
Professional fees	15,233.70
Other administration costs	3,666.48
Subscription duty ("taxe d'abonnement")	10,361.02
Bank interest paid	1,944.99
Other fees	12,094.14
	<hr/>
	84,503.15

Realised loss on investments

- on securities portfolio	77,210.09
- on forward foreign exchange contracts	136,527.46
- on foreign exchange	37,313.58
	<hr/>
	251,051.13

Depreciation of unrealised results on investments

- on securities portfolio	4,919,722.03
	<hr/>
	4,919,722.03

Total expenses

5,427,381.12

Net income

1,163,675.55

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

Absolute Return Strategy SICAV

Combined statement of changes in net assets (in USD)

from 1st January 2017 to 30th June 2017

Net income	1,163,675.55
Subscriptions	2,453,187.49
Redemptions	-6,621,494.51
Total changes in net assets	-3,004,631.47
Total net assets at the beginning of the period	55,380,190.48
Revaluation difference	4,505,613.06
Total net assets at the end of the period	56,881,172.07

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statement of net assets (in EUR)

as at 30th June 2017

Assets

Investments

Securities portfolio at market value	49,154,236.18
	<hr/> 49,154,236.18

Cash and cash equivalents

Cash at banks	1,708,364.08
	<hr/> 1,708,364.08

Receivables

Unrealised gain on forward foreign exchange contracts	248,863.26
Prepaid expenses	3,024.66
	<hr/> 251,887.92

Total assets

51,114,488.18

Liabilities

Payables

Expenses payable	82,993.54
	<hr/> 82,993.54

Other liabilities

Prepaid subscriptions	1,153,231.00
	<hr/> 1,153,231.00

Total liabilities

1,236,224.54

Total net assets at the end of the period

49,878,263.64

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
B	398,204.359	EUR	125.26	49,878,263.64
				<hr/> 49,878,263.64

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statement of operations (in EUR)

from 1st January 2017 to 30th June 2017

Income

Realised gain on investments

- on securities portfolio	60,859.50
- on forward foreign exchange contracts	635,540.79
	<hr/>
	696,400.29

Appreciation of unrealised results on investments

- on securities portfolio	4,740,388.46
- on forward foreign exchange contracts	342,811.96
	<hr/>
	5,083,200.42

Total income

5,779,600.71

Expenses

Investment advisory or management fees

Portfolio management fees	150,916.18
	<hr/>
	150,916.18

Other expenses

Depositary fees	15,585.55
Banking charges and other fees	58.47
Central administration costs	20,486.13
Professional fees	13,358.21
Other administration costs	3,215.08
Subscription duty ("taxe d'abonnement")	9,085.43
Bank interest paid	1,705.53
Other fees	10,605.17
	<hr/>
	74,099.57

Realised loss on investments

- on securities portfolio	67,704.39
- on forward foreign exchange contracts	119,718.92
- on foreign exchange	32,719.73
	<hr/>
	220,143.04

Depreciation of unrealised results on investments

- on securities portfolio	4,314,031.93
	<hr/>
	4,314,031.93

Total expenses

4,759,190.72

Net income

1,020,409.99

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statement of changes in net assets (in EUR)

from 1st January 2017 to 30th June 2017

Net income	1,020,409.99
Subscriptions	2,151,164.05
Redemptions	-5,806,291.20
Total changes in net assets	-2,634,717.16
Total net assets at the beginning of the period	52,512,980.80
Total net assets at the end of the period	49,878,263.64

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statistical information (in EUR)

as at 30th June 2017

Total net assets	Currency	31.12.2015	31.12.2016	30.06.2017
	EUR	49,692,388.92	52,512,980.80	49,878,263.64

Net asset value per share	Currency	31.12.2015	31.12.2016	30.06.2017
B Share Class	EUR	123.34	122.77	125.26

Number of shares	outstanding at the beginning of the period 01.01.17	issued	redeemed	outstanding at the end of the period 30.06.17
B Share Class	427,732.456	17,261.548	-46,789.645	398,204.359

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statement of investments and other net assets (in EUR)

as at 30th June 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Investments in securities					
Other transferable securities					
Closed-ended investment funds					
USD	6,854.671384	Advent Enh Phoeni Fd Off (the) Ser 1	0.00	0.00	0.00
USD	332.4649	Altima Restructure Fd Ltd Ser 10 B Sub 10	242,941.07	224,107.02	0.45
USD	1,059.8194	Altima Restructure Fd Ltd Ser 11 B Sub 10	774,438.69	150,412.48	0.30
USD	35.5526	Altima Restructure Fd Ltd Ser 18 B Sub 10	26,028.34	27,081.56	0.05
USD	451.0617	Altima Restructure Fd Ltd Ser 4 B Sub 10	329,603.00	331,428.74	0.67
USD	44.6135	Altima Restructure Fd Ltd Ser 5 B Sub 10	32,600.29	46,195.07	0.09
USD	713.0462	Altima Restructure Fd Ltd Ser 6 B Sub 10	521,042.14	15,054.31	0.03
USD	1.76	Amaranth Int Ltd D1 Ser 9264	1,143.54	3,923.56	0.01
USD	176.2564	Raptor Private Hgs Ltd (The)	103,244.63	61,618.63	0.12
Total closed-ended investment funds			2,031,041.70	859,821.37	1.72
Open-ended investment funds					
Investment funds (UCITS)					
EUR	18,373.88303	Alken Fd Abs Ret Europe EU1 Cap	2,190,000.00	2,364,718.75	4.74
EUR	9,381.585	Aviva Investors Multi-Strateg Target Return Fd I Cap	1,000,000.00	1,011,172.56	2.03
EUR	196,210.31	GAM Star Fd Plc Global Rates Intl EUR Cap	2,340,000.00	2,343,791.02	4.70
EUR	20.4562	H2O Allegro I Cap	2,000,006.04	2,424,011.42	4.86
EUR	9,257.185	InRIS UCITS Plc R CFM Diversified Fd I EUR Cap	999,999.90	983,853.62	1.97
EUR	22,180.184	Muzinich Fds LongShortCreditYield Units N Hedged EUR Cap	2,225,726.53	2,285,224.36	4.58
EUR	1,498,114.682	Old Mutual GI Inv Ser Plc Equity Abs Return I Hedg EUR Cap	2,300,000.00	2,369,717.80	4.75
EUR	17,912.32	Schroder GAIA Sirios US Equity C EUR Hedged Cap	2,220,000.00	2,358,515.17	4.73
EUR	256,081.71	Standard Life Inv GI SICAV Absolute Return Str Fd D Cap	2,970,547.84	3,234,977.81	6.49
EUR	19,541.326	U Access (I) UCITS Fd Plc Trend Macro B EUR Hedged Cap	2,000,000.00	2,041,732.46	4.09
Total investment funds (UCITS)			20,246,280.31	21,417,714.97	42.94
Investment funds (UCI)					
EUR	12,778.2287	Arrowgrass Intl Fd Ltd B EUR NNI S0308	1,876,595.20	2,211,673.71	4.43
EUR	42,550.255	Eger L-S Fd (EUR, GBP&NOK) Ltd B1 EUR	1,115,088.81	3,878,971.67	7.78
EUR	14,115.1918	Marshall Wace Fds Plc Market Neutral TOPS A EUR	1,800,000.00	3,159,231.18	6.33
EUR	1,458.04	Northwest Fd Ltd Ser B	2,502,961.04	2,694,764.11	5.40
EUR	906.1598	Taconic Opportunity Off Fd Ltd M Ser 1	1,395,887.00	1,515,047.25	3.04
EUR	8,985.23509	Winton Futures Fd Ltd C EUR - Lead Series	1,142,814.89	2,463,360.62	4.94
			9,833,346.94	15,923,048.54	31.92
USD	1,959,995.586	AHL Alpha (Cayman) Ltd A USD	2,319,012.88	2,137,192.66	4.29
USD	758.1173	David Kempn Dis Opp Intl C Ltd A Tr 2 01 Jan 2017	585,628.36	2,163,591.23	4.34
USD	10,504.97	Horizon Portfolio I Ltd Fd USD Non voting	2,778,205.44	2,703,422.79	5.42
USD	1,490.868	Hutchin Hill Cap Offsho Fd Ltd C-Init Ser Restricted	1,657,232.52	1,706,212.68	3.42
USD	705.3861	Pine River Fd Ltd B Initial Ser 1	1,836,671.80	2,243,231.94	4.50
			9,176,751.00	10,953,651.30	21.97
Total investment funds (UCI)			19,010,097.94	26,876,699.84	53.89
Total investments in securities			41,287,419.95	49,154,236.18	98.55
Cash at banks				1,708,364.08	3.43
Other net assets/(liabilities)				-984,336.62	-1.98
Total				49,878,263.64	100.00

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

Absolute Return Strategy SICAV

Notes to the financial statements

as at 30th June 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-Fund is determined and as approved by the Central Administration of the Company.

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

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

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

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

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

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

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

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

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

c) Acquisition cost of securities in the portfolio

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

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

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

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.

Absolute Return Strategy SICAV

Notes to the financial statements (continued)

as at 30th June 2017

f) Valuation of forward foreign exchange contracts

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

g) Conversion of foreign currencies

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

h) Combined financial statements

The combined financial statements of the Company are expressed in USD and are equal to the corresponding items in the financial statements of the Sub-Fund converted into this currency at the exchange rate prevailing at the date of the report.

At the date of the financial statements, the exchange rate used for the combined financial statements is the following:

1	USD	=	0.8768853	EUR
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Note 2 - Portfolio management fee

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

The actual management fees charged during the period ended 30th June 2017 are 0.60% p.a. of the average net assets attributable to Class B.

Note 3 - Performance fees

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

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

At the date of the financial statements, there were no performance fee for the Sub-Fund.

Note 4 - Depositary, AIFM, Domiciliary Agent, administrative Agent and Registrar and Transfer Agent

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

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

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

Absolute Return Strategy SICAV

Notes to the financial statements (continued)

as at 30th June 2017

Note 5 - Valuation of illiquid securities

The following underlying funds as held by Absolute Return Strategy SICAV - Multi-Manager Hedge were gated as at 30th June 2017

	Fair Value (in EUR)	% net assets
Advent Enh Phoeni Fd Off(the) Ser 1 *	0.00	0.00
Amaranth Int Ltd - D1 Ser 9264 *	3,923.56	0.01
Altima Restructure Fd Ltd Ser 4 B Sub 10	331,428.74	0.67
Altima Restructure Fd Ltd Ser 5 B Sub 10	46,195.07	0.09
Altima Restructure Fd Ltd Ser 6 B Sub 10	15,054.31	0.03
Altima Restructure Fd Ltd Ser10 B Sub 10	224,107.02	0.45
Altima Restructure Fd Ltd Ser 11 B Sub 10	150,412.48	0.30
Altima Restructure Fd Ltd Ser 18 B Sub 10	27,081.56	0.05
Raptor Private Hgs Ltd (The)*	61,618.63	0.12

* These funds are in liquidation.

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

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 the Sub-Fund on the last day of each quarter.

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

Note 7 - Forward foreign exchange contracts

As at 30th June 2017, the following Sub-Fund has entered in the following forward foreign exchange contract with KBL EUROPEAN PRIVATE BANKERS S.A. :

Absolute Return Strategy SICAV - Multi-Manager Hedge					
Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
EUR	11,962,683.57	USD	13,400,000.00	01.09.2017	248,863.26
					<u>248,863.26</u>

Note 8 - Changes in investments

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

Absolute Return Strategy SICAV

Additional information

as at 30th June 2017

1 - 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 Company is not in the scope of the publication requirements of SFTR. No transactions were carried out during the reporting period.