

**Unaudited semi-annual report
as at 30th June 2019**

Absolute Return Strategy SICAV

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

R.C.S. Luxembourg B90086

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Absolute Return Strategy SICAV

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Absolute Return Strategy 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

Managing Director
WALLBERG INVEST S.A.
LUXEMBOURG

Marc Jan BALTUS

CFO
InsingerGilissen Bankiers N.V.,
AMSTERDAM
Director
InsingerGilissen Asset Management 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

Director

Olivier de JAMBLINNE de MEUX

Managing director

Stefan VAN GEYT

Conducting officers

Aurélien BARON
Kristel COOLS
Stefan VAN GEYT

Portfolio Manager

InsingerGilissen 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

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statement of net assets (in EUR)

as at 30th June 2019

<u>Assets</u>	<u>Note</u>	
Investments		
Securities portfolio at market value		51,402,341.16
		<u>51,402,341.16</u>
Cash and cash equivalents		
Cash at banks		19,616,422.67
		<u>19,616,422.67</u>
Receivables		
Unrealised gain on forward foreign exchange contracts	7	190,273.04
Prepaid expenses		945.20
		<u>191,218.24</u>
Other assets		
Advances for purchases of securities		8,903,749.89
		<u>8,903,749.89</u>
Total assets		<u>80,113,731.96</u>
Liabilities		
Payables		
Payable on redemptions of shares		317,087.79
Expenses payable		122,481.68
		<u>439,569.47</u>
Borrowings		
Bank overdrafts		7,783,962.48
		<u>7,783,962.48</u>
Total liabilities		<u>8,223,531.95</u>
Total net assets at the end of the period		<u>71,890,200.01</u>

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
B Share Class	577,044.044	EUR	124.58	71,890,200.01
				<u>71,890,200.01</u>

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

Absolute Return Strategy SICAV - Multi-Manager Hedge

Statement of operations (in EUR)

from 1st January 2019 to 30th June 2019

<u>Income</u>	<u>Note</u>
Realised gain on investments	
- on securities portfolio	936,268.19
- on foreign exchange	2,031.44
	<hr/>
	938,299.63
Appreciation of unrealised results on investments	
- on securities portfolio	3,679,765.68
- on forward foreign exchange contracts	190,273.04
	<hr/>
	3,870,038.72
	<hr/>
Total income	4,808,338.35
	<hr/>
<u>Expenses</u>	
Investment advisory or management fees	
Portfolio management fees	183,929.01
	<hr/>
	183,929.01
Other expenses	
Depository fees	18,475.73
Central administration costs	24,127.61
Professional fees	11,104.94
Other administration costs	10,411.11
Subscription duty ("taxe d'abonnement")	14,550.00
Bank interest paid	19,164.85
Equalisation	6,082.47
	<hr/>
Other fees	13,281.59
	<hr/>
	117,198.30
Realised loss on investments	
- on securities portfolio	256,058.64
- on forward foreign exchange contracts	368,476.74
	<hr/>
	624,535.38
Depreciation of unrealised results on investments	
- on securities portfolio	3,275,800.99
- on forward foreign exchange contracts	20,779.24
	<hr/>
	3,296,580.23
	<hr/>
Total expenses	4,222,242.92
	<hr/>
Net income	586,095.43
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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 2019 to 30th June 2019

Net income	586,095.43
Subscriptions	18,905,867.00
Redemptions	-8,614,206.58
Total changes in net assets	<hr/> 10,877,755.85
Total net assets at the beginning of the period	<hr/> 61,012,444.16
Total net assets at the end of the period	<hr/> <hr/> 71,890,200.01

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 2019

Total net assets	Currency	31.12.2017	31.12.2018	30.06.2019
	EUR	49,555,151.15	61,012,444.16	71,890,200.01

Net asset value per share	Currency	31.12.2017	31.12.2018	30.06.2019
B Share Class	EUR	127.41	123.46	124.58

Number of shares	outstanding at the beginning of the period 01.01.2019	issued	redeemed	outstanding at the end of the period 30.06.2019
B Share Class	494,183.352	151,927.929	-69,067.237	577,044.044

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Other transferable securities</u>					
Closed-ended investment funds					
USD	44.8851	Altima Restructure Fd Ltd Ser 10 B Sub 10	32,798.75	17,961.40	0.03
USD	1,059.8194	Altima Restructure Fd Ltd Ser 11 B Sub 10	774,438.69	100,387.80	0.14
USD	713.0462	Altima Restructure Fd Ltd Ser 6 B Sub 10	521,042.14	4,306.21	0.01
USD	42.2955	Pine River Fd Ltd B Initial Ser 1	110,128.26	158,905.60	0.22
USD	162.1566	Raptor Private Hgs Ltd (The)	94,985.48	43,120.81	0.06
Total closed-ended investment funds			1,533,393.32	324,681.82	0.46
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	23,954.5011	Alken Fd Abs Ret Europe EU1 Cap	3,018,569.25	3,118,876.04	4.34
EUR	9,381.585	Aviva Investors Multi-Strateg Target Return Fd I Cap	1,000,000.00	977,895.14	1.36
EUR	2,062.53	Boussard & Gavaudan SICAV Absolute Return Z EUR Cap	2,249,998.43	2,166,770.27	3.01
EUR	11.2812	H2O Allegro I Cap	1,317,720.09	1,922,095.59	2.67
EUR	21,498.885	InRIS UCITS Plc InRIS CFM Diversified I EUR Cap	2,249,999.89	2,252,223.19	3.13
EUR	2,279,477.0071	Majedie Asset Mgt (Intl) Inv Fd Co Plc Tortoise Z EUR Cap	2,181,327.99	1,978,768.40	2.75
EUR	1,957,263.107	Merian GI Inv Ser Plc Equity Abs Return Fd I Hed EUR Cap	3,082,605.01	2,954,292.93	4.11
EUR	28,611.958	Muzinich Fds LongShortCreditYield Units N Hedged EUR Cap	2,886,846.24	2,991,380.21	4.16
EUR	16,000	Schroder GAIA Sirius US Equity C EUR Hedged Cap	1,982,992.71	2,214,880.00	3.08
EUR	30,986.3942	U Access (I) UCITS Fd Plc Trend Macro B EUR Hedged Cap	3,160,000.00	2,983,444.40	4.15
Total investment funds (UCITS)			23,130,059.61	23,560,626.17	32.76
Investment funds (UCI)					
EUR	42,550.255	Eger L-S Fd (EUR, GBP&NOK) Ltd B1 EUR	1,115,088.81	4,377,928.34	6.09
EUR	14,115.1918	Marshall Wace Fds Plc Market Neutral TOPS A EUR	1,800,000.00	3,142,781.33	4.37
EUR	2,112.15	Northwest Fd Ltd Ser B	3,717,961.04	3,629,497.44	5.05
EUR	1,306.32474	Taconic Opportunity Off Fd Ltd M Ser 92636	2,110,887.00	2,432,317.08	3.38
EUR	11,900	Winton Fd Ltd (The) C EUR Ser 0818	1,190,000.00	1,141,704.42	1.59
EUR	8,985.23509	Winton Fd Ltd (The) C Lead Ser Cap	1,142,814.89	2,522,504.78	3.51
			11,076,751.74	17,246,733.39	23.99
USD	2,816,717.721	AHL Alpha (Cayman) Ltd A USD	3,284,744.81	3,468,765.49	4.83
USD	1,225	David Kempn Dis Opp Intl C Ltd A Tr 2 01 Aug 2018	1,049,565.18	1,072,919.16	1.49
USD	758.1173	David Kempn Dis Opp Intl C Ltd A Tr 2 01 Jan 2019	585,628.36	2,393,250.87	3.33
USD	12,363	Horizon Portfolio I Ltd Fd USD Ser 1 Non voting	3,268,644.71	3,335,364.26	4.64
			8,188,583.06	10,270,299.78	14.29
Total investment funds (UCI)			19,265,334.80	27,517,033.17	38.28
Total investments in securities			43,928,787.73	51,402,341.16	71.50
Cash at banks				19,616,422.67	27.29
Bank overdrafts				-7,783,962.48	-10.83
Other net assets/(liabilities)				8,655,398.66	12.04
Total				71,890,200.01	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 2019

Note 1 - 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 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.

Note 2 - 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.

Absolute Return Strategy SICAV

Notes to the financial statements (continued)

as at 30th June 2019

The net assets as at 30th June 2019 have been calculated for reporting purposes, based on last available prices at the date.

The official NAV as at 28th June 2019 for Absolute Return Strategy SICAV - Multi-Manager Hedge is EUR 124.59

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.

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.

Note 3 - 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 2019 are 0.60% p.a. of the average net assets attributable to Class B.

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 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 as rendered by Kredietrust Luxembourg S.A. the Company will be charged by 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 and split between the Sub-Funds according to asset size, if applicable.

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. The amount paid by the Company to KBL European Private Bankers S.A. will be mentioned in the Annual Report of the Company

Absolute Return Strategy SICAV

Notes to the financial statements (continued)

as at 30th June 2019

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 2019 :

	Fair Value (in EUR)	% net assets
Altima Restructure Fd Ltd Ser 6 B Sub 10	4,306.21	0.01
Altima Restructure Fd Ltd Ser 10 B Sub 10	17,961.40	0.03
Altima Restructure Fd Ltd Ser 11 B Sub 10	100,387.80	0.14
Pine River Fd Ltd B Initial Ser 1	158,905.60	0.22
Raptor Private Hqs Ltd	43,120.81	0.06

The Board of Directors approved to value the positions of Altima each month with a discount which varies from 0% to 90%. The discount is based on the latest available official NAV for the Altima Funds. In respect of the valuation of Pine River and Raptor Private Holdings, no information is known to the Portfolio Manager that the valuation based on the NAV statement received from Administrator of the underlying funds is not fair. Based on this, expectation is that the proceeds of the liquidation is expected to be paid fully.

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 2019, 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	10,500,088.98	USD	11,800,000.00	03.09.2019	190,273.04
					<u>190,273.04</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.

Note 9 - Equalisation factor

It is normal practice, for the Funds in which the Company invests, to apply an "Equalisation factor", whereby the Company may be required to pay an amount in excess of the net asset value representing its part of the performance fee accrual of the underlying Funds within the net asset value. The "Equalisation factor" ensures that the performance fee is charged only to those shares which have increased in value and that all shareholders have the same amount per share at risk.

Absolute Return Strategy SICAV

Notes to the financial statements (continued)

as at 30th June 2019

- As at 30th June 2019, the Equalisation factor in the statement of net assets of the Company relates to AHL Alpha (Cayman) Ltd A USD for the amount EUR 6,082.47 (USD 6,980.85).

This amount is reflected In the caption "Equalisation".

Absolute Return Strategy SICAV

Additional information

as at 30th June 2019

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

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