



INSINGER DE BEAUFORT
BNP PARIBAS WEALTH MANAGEMENT

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

Annual Report and Audited Financial Statements
For the year ended December 31, 2009

R.C.S. Luxembourg : B- 900 86



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INDEPENDENT AUDITOR

Ernst & Young S.A.
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General Information

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

Notices of all general meetings will be published in the "Mémorial, Recueil des Sociétés et Associations" of Luxembourg (the "Mémorial") and in at least one Luxembourg newspaper (to the extent required by Luxembourg law) and will be sent by mail to the holders of registered Shares at least 8 days prior to the meeting at their addresses according to the register of Shareholders.

Such notices will include the agenda and specify the time and place of the meeting, the conditions of admission, and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

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

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

The Annual Report and Audited Financial Statements will be published within 4 months after the end of the financial year and the unaudited semi-annual reports will be published within 2 months at the end of the relevant period. The reports include separate information on each of the Sub-Funds as well as combined information on all Sub-Funds. The reports are available at the registered office of the Company during normal business hours. The financial year end of the Company is December 31 of each year.

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

The Net Asset Values, Subscription and Redemption Prices of the Sub-Funds and Classes are available at the registered office of the Company. Shares of all the Sub-Funds, as and when issued, shall be listed on the Luxembourg Stock Exchange.

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

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

The EU Savings Directive does not apply to Absolute Return Strategy SICAV. This fund is out of scope.

These annual accounts can be obtained, free of charge, at the offices of the Investment Manager or can be downloaded, free of charge, from the website of the Investment Manager under the link:

<http://www.insinger.com/nl/beleggingsfondsen/page00215-ldB-Multi-Manager-fondsen.html>



General Information (continued)

Expense ratio

The expense ratio of each Sub-Fund is calculated by dividing the total expenses by the average Net Asset Value of each Sub-Fund. The average Net Asset Value for the year ended December 31, 2009 is calculated by averaging the Net Asset Value of each Valuation of each Sub-Fund during 2009. The calculation of the expense ratio of the underlying funds is based on available information of the funds.

Absolute Return Strategy sicav - Market Neutral

The average Net Asset Value for the year ended December 31, 2009 is USD 52,051,681. The expense ratios as at December 31, 2009 are as follows (percentages are expressed per annum) :

- excluding performance fees and the expense ratios of the underlying funds: 2.02 %
- including the expense ratios of the underlying funds: 3.97 %

All above expense ratios exclude the performance fees in the underlying funds as these are not yet known and difficult to estimate. There were no performance fees for Absolute Return Strategy SICAV.

Absolute Return Strategy sicav - Directional Managers

The average Net Asset Value for the year ended December 31, 2009 is USD 85,645,145. The expense ratios as at December 31, 2009 are as follows (percentages are expressed per annum) :

- excluding performance fees and the expense ratios of the underlying funds: 1.88 %
- including the expense ratios of the underlying funds: 3.30 %

All above expense ratios exclude the performance fees in the underlying funds as these are not yet known and difficult to estimate. There were no performance fees for Absolute Return Strategy SICAV.



Market Synopsis

Macro Review

After a fluctuating start, during the fourth quarter of 2009, equity markets managed to reach new annual peaks towards the end of the year. This had all the earmarks of being a traditional 'January rally', since this usually starts (other than the name would indicate) during the second half of December. Ultimately, 2009 thus still turned out to be an excellent year for equities, in spite of an unusually poor start. The strong end to 2009 was still unable to prevent the first decade of the new century from being the worst decade for equity investments in the past two centuries!

On 1 November 2009, the economist Nouriel Roubini (famous for his prediction of the credit crisis) published an article entitled 'Mother of all carry trades faces an inevitable bust'. In his view, the strong rally seen in risky investments (equities, oil, raw materials, high-yield bonds and everything involving emerging countries) is the 'mother of all carry trades', and can't possibly end well at all. A 'carry trade' is an investment construction that is applied by professional speculators, such as some hedge funds or bank traders who act on behalf of their own bank. The speculator borrows an amount in a currency with a low interest rate, and then invests these funds in another investment which he expects to yield a higher return. These loans used to be taken out primarily in Japanese yen, but in the past year, the U.S. dollar was more popular due to the Fed's extremely low interest rates. This is seen as an important cause of the decreases in the value of the dollar. With carry trades, an extremely high return may be earned on a minimum amount of equity capital, provided of course all goes well. There are no concrete figures on the size of the carry trade segment; the larger investment banks are the only ones who would be able to create a reliable estimate, and they are not broadcasting this information since their own interests in this area are too substantial.

In Roubini's opinion, the prices of investments involving emerging countries and raw materials have already increased too much. The well-known raw materials devotee Jim Rogers (who once managed funds for the renowned George Soros) however does not believe that there is a speculative hype occurring in raw materials and emerging countries. He rebukes this theory, saying instead that the increases seen in 2009 are the result of major corrections occurring in 2008, and as such, 2009 was merely a good recovery year, not one characterised by speculative hype. Even more important is the observation that these increases in price are actually based on something. It cannot be denied that emerging countries are working hard to secure a position for themselves in the world in a way that we have not witnessed before. The share of emerging countries rose from 21% of the global GDP in 1998 to 31% in 2008, which means that, as a group, it had surpassed the U.S. (with 25% of global GDP in 2008). For years now, these countries have seen the occurrence of a structural bull market, whereas the stock markets in the developed part of the world (the West and Japan) are characterised by a structural bear market.

In our opinion, the market developments in 2009 may therefore not be attributed to carry trades, although these undoubtedly played a role in events. We feel it is vastly more interesting that the 'speculation' is occurring in tangible goods, such as raw materials and gold. When someone buys a share, they are actually also buying something tangible: not only part of that company's assets, but also part of the profits and the dividend. It does not appear strange to us that investors are willing to sell paper currency such as the dollar in order to invest in something tangible such as raw materials, gold or shares in a company. In order to combat the effects of the credit crisis, governments in the West have overloaded themselves with debt, the interest on which they are only capable of paying if it remains low. Investors are justified in worrying about the creditworthiness of governments and this is why buying tangible goods that have as little as possible to do with the government is rational, be these raw materials, gold or shares. After all, Iceland has actually already fallen, Dubai had to be rescued by Abu Dhabi and the creditworthiness of Greece is now being called into serious doubt. Which country is next?

It seems as though the gigantic injections of financial support from governments and central banks are yielding results: the West is showing tentative signs of economic recovery. Even American consumers, who are still weighed down heavily by the housing crisis, are starting to show signs of life. Not only have consumers succeeded in starting to save again (currently about 4% of GDP, a figure which was approaching zero for many years), retail sales are also beginning to show careful annual growth. However, the question remains what will happen to all this growth and savings when the government support evaporates. This support cannot actually be withdrawn until unemployment decreases, and this appears to have only just reached its peak. Many companies reported encouraging profit figures for the third quarter of 2009. The reason for these 'pleasant surprises' however seems to lie mostly in cost savings (read: dismissals); very few are due to a growth in sales. Although claims are being made left and right that the recession is over, in scientific terms, this is not yet the case. Most of the Western economies are still showing negative growth rates on an annual basis.

Bonds

Given the enormous government deficits and sharply rising government debt, interest rates will have to remain low for quite some time yet. The most important central banks are fully aware of this. This means that we can expect very little change in short-term interest rates during the coming year. The European (German) interest on 10-year government bonds once again cautiously declined over the last few months, and is currently hovering at just over 3%. In other words, this rate is barely above the crisis-level rate of one year ago. When examined over a longer timeframe, long-term interest rates still demonstrate a decreasing trend. It is however true that long rates are currently at the bottom of the trend channel, meaning that a substantial increase is possible without breaking the down trend. The improvement in the global economy combined with the deterioration of the creditworthiness of governments gives us cause to become 'bearish' enough on government bonds to advise clients to shorten the duration of their bond portfolios in order to limit any possible price decreases resulting from rising interest rates. The best corporate bonds enjoy a higher credit rating than the government debt of a country such as Greece, and thus also trade at a lower effective rate of return. Under the present circumstances however, our preference continues to lie with good corporate bonds above government bonds.



Market Synopsis (continued)

Equities

The most prominent feature of the year 2009 was the cyclical rally which occurred following the bottom reached in early March. This rally appears to continue for the short term, however the normal progression in this type of situation is that the rally will lose steam, and the market will slowly start focusing more on less cyclical shares with stable cash flow development. The recovery in the markets has already led to a considerable rise in valuations. If the markets continue to increase further, it is not unlikely that a major correction will occur during the coming year in which primarily those investments which have increased the most will be hit the hardest. However, under the equity markets lies a fortification in the form of extremely low global interest rates, whereby investors will often earn higher income from equity dividends that they would from bond coupons.

Should a considerable correction occur in the markets for raw materials and in emerging countries, this presents a potential opportunity to expand interests in these types of investments. The bull market in emerging countries and in raw materials appears to be intact, which means that these markets will most likely be the fastest to recover. In addition, the technology sector continues to do well, and there are good reasons for this. Technology companies generally carry very little debt, they sell a great deal in emerging countries where growth is still high, and profit from the low dollar. Additionally, the sector had already suffered for an entire decade from low investment levels, yet these now appear to be improving. Insider buying is also reviving in this sector.

Commodities

As was the case three months ago, gold was the most talked-about investment within the Alternatives category. The gold price naturally benefited from the exchange rate of the dollar, which had been falling until mid-December. After all, the prices of all raw materials are quoted in dollars. However, during the last three months of the year, investors in Euros also profited from their investment in gold. As was mentioned previously, gold benefits from its tangible nature and the fact that it is the only real money in a world dominated by paper currency, the interest rates for which governments and central banks try to keep as low as possible, with all of the dangers of future inflation this entails. Gold is difficult to value since it does not pay out an interest coupon or dividend. This makes it impossible to say where the current gold rally will end. However, when corrected for inflation, gold has not yet reached the peaks it experienced around 1980. What applies to gold also applies to most raw materials, although agricultural products are lagging behind metals.



Review of the Sub-funds

Absolute Return Strategy SICAV – Market Neutral

2009 was a reversal year for many hedge fund strategies. Strategies that were hardest hit in 2008 were some of the best performing in 2009, and some strategies that held up well in 2008 delivered less impressive results in 2009. The CS Tremont Blue Chip Convertible Arbitrage Index, for example, was one of the poorest performing strategies in 2008, losing over 50% of its value as liquidity disappeared from the convertible bond market. Yet in 2009 it returned almost 50%, providing the strongest strategy return for the year. On the other side of the spectrum, the CS Tremont Blue Chip Managed Futures Index, which was one of the few strategies to not only preserve capital in 2008, but to actually generate positive returns of over 20%, did less well in 2009, declining by almost 4%.

Parts of the fund of hedge fund industry also struggled in 2009 to recover from the continuing redemptions of private and institutional clients, many of whom were disappointed by 2009 events, especially when the funds of hedge funds in which they were invested had exposure to the Madoff pyramid scheme or other controversial investments.

The Absolute Return Strategy SICAV - Market Neutral (the "Fund") was fortunate to have no exposure to any fraudulent underlying funds, and did not suffer from the mass redemptions that affected some other funds of hedge funds. At the end of 2008, as the extent of the financial crisis became clear, the managers of the Fund in fact raised significant liquidity through redeeming from a number of underlying funds, in order to ensure that the Fund would have the liquidity to meet any client redemption without having to impose a gate or close the fund. The managers also saw liquidity rising further in 2009 with some funds returning capital to investors (e.g. OCIM Market Neutral) over the course of the year, and the managers of the Fund reduced positions in some other holdings (e.g. Castlerigg, Davidson Kempner).

Clients did not in the end redeem large amounts, yet the managers maintained their high liquidity position over the course of most of 2009, reflecting a defensive stance. In November and December this liquidity position was reduced as visibility over likely client redemptions improved and it appeared increasingly likely that such redemptions were not going to be a risk for the Fund and its shareholders.

Three new funds were purchased in November and December. The first was AlphaGen Capella, a well-known European long/short fund managed by Roger Guy at Gartmore. The fund was closing to new investments, and we took the opportunity to allocate to this high quality manager before the fund closed. In addition to this traditional hedge fund, the Fund also purchased two UCITS III funds. UCITS III strategies have proliferated over the past year as a more liquid way to invest in certain alternative strategies. As the UCITS III universe has matured and as track records have developed we have become more comfortable with certain of these UCITS III funds, and we added both the JP Morgan Highbridge Statistical Market Neutral Fund as well as the WestLB Goodheart Target Return Fund.

For the year as a whole, this defensive positioning, both in terms of liquidity management and the actual underlying investments, resulted in the following performances for the Fund :

The NAV of Absolute Return Strategy SICAV – Market Neutral Class A (USD) increased from USD 101.02 to USD 107.32, Class B (EUR) increased from EUR 89.75 to EUR 95 and Class D (GBP) from GBP 90.02 to GBP 105.44. This translates in a return of 6.24% for class A, 5.85% for Class B and 17.13% for Class D for the year 2009.

This performance reflected the Fund's more conservative risk profile resulting from its conservative liquidity position, yet was still relatively close to a number of other conservative funds of hedge funds with a similar risk profile, as well as falling between the 3.45% return of the HFRI Market Defensive Fund of Fund Index and the 9.64% of the HFRI Conservative Fund of Fund Index.

Outlook

In 2010 the managers expect the Fund to be more fully invested, making use, when appropriate, of investment holdings with higher levels of liquidity, such as the increasingly large range of UCITS III hedge fund vehicles. 2010 is also likely to be a more volatile market and hedge fund environment than 2009. In such an environment, the managers will also further diversify ARS Market Neutral by strategy and manager during the course of the year.



Review of the Sub-funds (continued)

Absolute Return Strategy SICAV – Directional Managers

2009 was a reversal year for many hedge fund strategies. Strategies that were hardest hit in 2008 were some of the best performing in 2009, and some strategies that held up well in 2008 delivered less impressive results in 2009. The CS Tremont Blue Chip Convertible Arbitrage Index, for example, was one of the poorest performing strategies in 2008, losing over 50% of its value as liquidity disappeared from the convertible bond market. Yet in 2009 it returned almost 50%, providing the strongest strategy return for the year. On the other side of the spectrum, the CS Tremont Blue Chip Managed Futures Index, which was one of the few strategies to not only preserve capital in 2008, but to actually generate positive returns of over 20%, did less well in 2009, declining by almost 4%.

Parts of the fund of hedge fund industry also struggled in 2009 to recover from the continuing redemptions of private and institutional clients, many of whom were disappointed by 2009 events, especially when the funds of hedge funds in which they were invested had exposure to the Madoff pyramid scheme or other controversial investments.

The Absolute Return Strategy SICAV - Directional Managers (the "Fund") was fortunate to have no exposure to any fraudulent underlying funds, and did not suffer from the mass redemptions that affected some other funds of hedge funds. At the end of 2008, as the extent of the financial crisis became clear, the managers of the Fund in fact raised significant liquidity in the Fund through redeeming from a number of underlying funds, in order to ensure that the Fund would have the liquidity to meet any client redemption without having to impose a gate or close the fund. The managers also saw liquidity rising further in 2009, with a number of funds returning capital to investors (e.g. Genus 15 Fund Limited, OCIM Market Neutral and Bristol Overseas) over the course of the year, and the managers of the "Fund" reducing positions in some other holdings (e.g. Rodinia, Winton).

Clients did not in the end redeem large amounts, yet the managers maintained their high liquidity position over the course of most of 2009, reflecting a defensive stance. In November and December this liquidity position was reduced as visibility over likely client redemptions improved and it appeared increasingly likely that such redemptions were not going to be a risk for the Fund and its shareholders.

Three new funds were purchased in November and December. The first was AlphaGen Capella, a well know European long/short fund managed by Roger Guy at Gartmore. The fund was closing to new investments, and we took the opportunity to allocate to this high quality manager before the fund closed. In addition to this traditional hedge fund, the Fund also purchased two UCITS III funds. UCITS III strategies have proliferated over the past year as a more liquid way to invest in certain alternative strategies. As the UCITS III universe has matured and as track records have developed we have become more comfortable with certain of these UCITS III funds, and we added both the JP Morgan Highbridge Statistical Market Neutral Fund as well as the WestLB Goodheart Target Return Fund.

The NAV of Absolute Return Strategy SICAV – Directional Managers Class A (USD) increased from USD 110.09 to USD 115.52, Class B (EUR) increased from EUR 99.36 to EUR 104.05 and Class D (GBP) from GBP 97.50 to GBP 103.90. This translates in a return of 4.93% for class A, 4.72% for Class B and 6.56% for Class D for the year 2009.

This performance reflected the Fund's more conservative risk profile resulting from its conservative liquidity position, and was somewhat disappointing when compared to the HFRI Fund of Fund Diversified Index which returned 11.46% for the year.

Outlook

In 2010 the managers expect the Fund to be more fully invested, making use, when appropriate, of investment holdings with higher levels of liquidity, such as the increasingly large range of UCITS III hedge fund vehicles. 2010 is also likely to be a more volatile market and hedge fund environment than 2009. In such an environment, the managers will also further diversify ARS Directional by strategy and manager during the course of the year.



Independent Auditor's Report

To the Shareholders of
Absolute Return Strategy SICAV
69, route d'Esch
L-1470 Luxembourg

Following our appointment by the Annual General Meeting of the Shareholders dated April 29, 2009 we have audited the accompanying financial statements of Absolute Return Strategy SICAV (the "SICAV") and of each of its Sub-Funds, which comprise the statement of net assets and the schedule of investments as at December 31, 2009 and the statement of changes in net assets for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the "Réviseur d'Entreprises"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises." Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Absolute Return Strategy SICAV and of each of its Sub-Funds as at December 31, 2009 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.

Without qualifying our opinion, we draw attention to Notes 2 and 8 of the financial statements. As explained therein, the financial statements include investments in underlying investment funds which are valued at USD 32,686,000 (representing 63.97% of net assets) in Absolute Return Strategy SICAV – Market Neutral and USD 57,444,861 (representing 69.32% of net assets) in Absolute Return Strategy SICAV – Directional Managers, whose fair values have been derived from unaudited net asset values provided by such funds or their agents in accordance with the prospectus. The value attributed to the underlying investment funds may differ from the value that would have been used had the underlying audited financial statements of such investments been available and such differences could be material. In addition, investor Funds representing 18.27% of the NAV in Absolute Return Strategy SICAV - Market Neutral and 14.92% of the NAV in Absolute Return Strategy SICAV - Directional Managers have raised gates potentially impacting the liquidity of the respective Sub-Funds.



Independent Auditor's Report (continued)

Other Matter

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

Ernst & Young S.A.
Société Anonyme
Réviseur d'entreprises

Kerry NICHOL
Luxembourg, April 28, 2010



Statement of Net Assets
as at December 31, 2009

	Note	Market Neutral USD	Directional Managers USD	Total USD
ASSETS				
Investments in securities at market value	(2)	39,877,535	63,680,893	103,558,428
Cash at bank		7,570,435	11,139,396	18,709,831
Amounts receivable on sale of investments		493,731	883,034	1,376,765
Investments paid in advance		5,518,030	9,027,045	14,545,075
Other assets		327,250	-	327,250
TOTAL ASSETS		53,786,981	84,730,368	138,517,349
LIABILITIES				
Subscriptions received in advance		221,457	253,317	474,774
Unrealised loss on forward foreign exchange contracts	(6)	1,328,439	1,401,781	2,730,220
Management commission payable	(3)	65,644	107,618	173,262
Advance on redemption from investment		1,011,813	-	1,011,813
Taxes and expenses payable	(5)	64,773	101,539	166,312
TOTAL LIABILITIES		2,692,126	1,864,255	4,556,381
TOTAL NET ASSETS		51,094,855	82,866,113	133,960,968
Net asset value per share				
"A" Shares (USD)		107.32	115.52	
"B" Shares (EUR)		95.00	104.05	
"D" Shares (GBP)		105.44	103.90	
Number of shares outstanding				
"A" Shares (USD)		16,223.535	23,752.382	
"B" Shares (EUR)		348,031.742	519,777.664	
"D" Shares (GBP)		9,953.788	12,881.345	

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


 Statement of Changes in Net Assets
 for the year ended December 31, 2009

	Note	Market Neutral USD	Directional Managers USD	Total USD
NET ASSETS AT THE BEGINNING OF THE YEAR		62,577,416	109,173,151	171,750,567
INCOME				
Dividends		12,338	65,041	77,379
Bank interest	(2)	194	2,656	2,850
Other income		-	78,704	78,704
TOTAL INCOME		12,532	146,401	158,933
EXPENSES				
Management commission	(3)	(768,406)	(1,301,663)	(2,070,069)
Depositary bank commission		(42,106)	(73,436)	(115,542)
Domiciliation, administration and transfer agent fees		(109,600)	(90,854)	(200,454)
Audit fees, printing and publishing expenses		(38,729)	(47,933)	(86,662)
Taxe d'abonnement	(4)	(26,929)	(46,873)	(73,802)
Bank charges		(6,356)	(14,393)	(20,749)
Bank interest		(19,426)	(36,705)	(56,131)
Other charges		(46,499)	(51,074)	(97,573)
TOTAL EXPENSES		(1,058,051)	(1,662,931)	(2,720,982)
NET INCOME / (LOSS) FROM INVESTMENTS		(1,045,519)	(1,516,530)	(2,562,049)
Net realised profit / (loss) on sale of investments	(2)	9,975,530	12,189,076	22,164,606
Net realised profit / (loss) on forward foreign exchange contracts	(2)	6,670,340	3,298,517	9,968,857
Net realised profit / (loss) on foreign exchange	(2)	(375,696)	(2,334,319)	(2,710,015)
NET REALISED PROFIT / (LOSS)		15,224,655	11,636,744	26,861,399
Change in net unrealised appreciation / (depreciation) on:				
- investments		(5,867,665)	(4,826,497)	(10,694,162)
- forward foreign exchange contracts		(5,639,618)	(3,097,703)	(8,737,321)
NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		3,717,372	3,712,544	7,429,916
EVOLUTION OF THE CAPITAL				
Issue of shares		897,391	1,274,123	2,171,514
Redemption of shares		(16,097,324)	(31,293,705)	(47,391,029)
NET ASSETS AT THE END OF THE YEAR		51,094,855	82,866,113	133,960,968

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



Changes in the Number of Shares
for the year ended December 31, 2009

	Market Neutral	Directional Managers
USD		
"A" Shares		
Number of shares outstanding at the beginning of the year	36,189.309	54,905.600
Number of shares issued	139.479	245.863
Number of shares redeemed	(20,105.253)	(31,399.081)
Number of shares outstanding at the end of the year	16,223.535	23,752.382
EUR		
"B" Shares		
Number of shares outstanding at the beginning of the year	438,789.705	708,300.333
Number of shares issued	6,078.732	5,874.855
Number of shares redeemed	(96,836.695)	(194,397.524)
Number of shares outstanding at the end of the year	348,031.742	519,777.664
GBP		
"D" Shares		
Number of shares outstanding at the beginning of the year	26,198.624	27,815.459
Number of shares issued	355.452	2,198.960
Number of shares redeemed	(16,600.288)	(17,133.074)
Number of shares outstanding at the end of the year	9,953.788	12,881.345

Statistics

	Market Neutral USD	Directional Managers USD
Total Net Asset Value		
December 31, 2009	51,094,855	82,866,113
December 31, 2008	62,577,416	109,173,151
December 31, 2007	111,738,732	200,689,930
Net asset value per share of the end of the year		
December 31, 2009		
"A" Shares (USD)	107.32	115.52
"B" Shares (EUR)	95.00	104.05
"D" Shares (GBP)	105.44	103.90
December 31, 2008		
"A" Shares (USD)	101.02	110.09
"B" Shares (EUR)	89.75	99.36
"D" Shares (GBP)	90.02	97.50
December 31, 2007		
"A" Shares (USD)	132.58	151.37
"B" Shares (EUR)	121.66	139.19
"D" Shares (GBP)	119.59	136.23



Market Neutral

Schedule of Investments
as at December 31, 2009

(expressed in USD)

Description	Quantity	Currency	Average Cost	Fair Value (note 2)	% net assets
Transferable securities admitted to an official stock exchange listing					
Investment funds					
Europe Equity Long Short					
Alphagen Capella Fund Ltd -B-	4,676	EUR	2,559,605 2,559,605	2,480,516 2,480,516	4.86 4.86
Multi-Strategy Event					
Trafalgar Catalyst Fund - Class A Series 1	16,848	USD	2,428,410 2,428,410	3,496,455 3,496,455	6.84 6.84
Others					
JP Morgan Highbridge Stat. Market Neutral - B	15,362	EUR	2,553,740 2,553,740	2,432,085 2,432,085	4.76 4.76
Total - Investment funds			7,541,755	8,409,056	16.46
Total - Transferable securities admitted to an official stock exchange listing			7,541,755	8,409,056	16.46
Other transferable securities					
Investment funds					
Convertible					
Advent Enhanced Phoenix Offshore - Series 1	6,855	USD	6,290,403 6,290,403	- -	- -
Convertible Arbitrage					
Advent Convertible Arbitrage - Class B Series 1	9,378	USD	1,059,915	1,486,932	2.91
Advent Convertible Arbitrage - Class B Series 2	71	USD	-	8,933	0.02
Advent Convertible Arbitrage - Class B1 Series 1	9,835	USD	1,000,000 2,059,915	1,342,201 2,838,066	2.62 5.55
Distressed					
Orn European Distressed Debt Fund Ltd Series 1	267	USD	3,246,771 3,246,771	3,207,403 3,207,403	6.28 6.28
Event Driven					
Trafalgar Recovery -Cr- Nv/12	6,269	USD	835,793	731,444	1.43
Trafalgar Recovery CI Usd D/1	6,072	USD	810,954	408,969	0.80
Trafalgar Recovery Usd -Cr- Nv/1	18,525	USD	3,291,871	3,742,853	7.33
Trafalgar Recovery USD -E- S.1	2,476	USD	-	239,606	0.47
			4,938,618	5,122,872	10.03
Multi-Strategy					
Advent GI Opportunity S.1b	8,000	USD	6,734,969	11,042,745	21.61
Amaranth International Ltd - Class D1 Series 9264	166	USD	144,193	166,750	0.33
Davidson Kempner-S(B)-Full Red	3,816	USD	329,022	487,677	0.95
Westlb Horizon Mm Target-A-Cap	147,237	EUR	2,559,690 9,767,874	2,475,933 14,173,105	4.85 27.74
Multi-Strategy Event					
Castlerigg Intl -G- S.1 0109	41,701	USD	4,234,576	4,533,038	8.87
Castlerigg Intl -L- S.01 0109	4,030	USD	402,981	409,378	0.80
Castlerigg Intl -Sc- S.1 0109	7,688	USD	768,853	694,957	1.36



Market Neutral

Schedule of Investments (continued)
as at December 31, 2009

(expressed in USD)

Description	Quantity	Currency	Average Cost	Fair Value (note 2)	% net assets
Castlerigg Intl -Sr- S.1 0109 USD	5,451	USD	545,075 5,951,485	489,660 6,127,033	0.96 11.99
Total - Investment funds			32,255,066	31,468,479	61.59
Total - Other transferable securities			32,255,066	31,468,479	61.59
Total Investment Portfolio			39,796,821	39,877,535	78.05



Directional Managers

Schedule of Investments
as at December 31, 2009

(expressed in USD)

Description	Quantity	Currency	Average Cost	Fair Value (note 2)	% net assets
Transferable securities admitted to an official stock exchange listing					
Investment funds					
CTA					
Winton Futures Fund Ltd	8,724	USD	3,858,895 3,858,895	6,101,793 6,101,793	7.36 7.36
Europe Equity Long Short					
Alphagen Capella Fund Ltd -B-	4,676	EUR	2,559,605 2,559,605	2,480,516 2,480,516	2.99 2.99
Macro					
The Tell Fund	25,283	EUR	4,339,478 4,339,478	13,398,259 13,398,259	16.17 16.17
Others					
JP Morgan Highbridge Stat. Market Neutral - B	15,362	EUR	2,553,740 2,553,740	2,432,085 2,432,085	2.94 2.94
Total - Investment funds			13,311,718	24,412,653	29.46
Total - Transferable securities admitted to an official stock exchange listing			13,311,718	24,412,653	29.46
Other transferable securities					
Investment funds					
Distressed					
Davidson Kempner Dis Opp -S-	190	USD	162,947	134,239	0.16
Davidson Kempner Distressed Intl Ltd Fund	4,765	USD	4,837,053 5,000,000	8,403,492 8,537,731	10.14 10.30
Europe Equity Long Short					
Abchurch Europe Fund -B- Cap (Long/Short)	42,519	USD	4,695,168	2,331,341	2.81
Egerton European Equity Class B	94,952	EUR	3,682,379 8,377,547	6,683,282 9,014,623	8.07 10.88
Global Equity Long Short					
Altima GI Sp S B Eur 17a-2 S20	38	EUR	37,182	54,433	0.07
Altima GI Sp S B Eur 18a-2 S20	172	EUR	167,896	267,556	0.32
Altima Global Special Situation Fund - Class B Series 02-17	688	EUR	718,557	933,747	1.13
Altima Global Special Situation Fund - Class B Series 12-17	144	EUR	136,227	202,617	0.24
Altima Global Special Situation Fund - Class B Series 12-20	209	EUR	186,806	296,867	0.36
Altima Global Special Situation Fund - Class B Series 14-17	32	EUR	24,554	45,813	0.05
Altima Global Special Situation Fund - Class B Series 14-20	32	EUR	24,574	46,133	0.06
Altima Global Special Situation Fund - Class B Series 15-17	166	EUR	122,639	240,500	0.29
Altima Global Special Situation Fund - Class B Series 16-17	552	EUR	819,146	784,311	0.95
Altima Global Special Situation Fund - Class B Series 16-20	550	EUR	816,668	789,802	0.95



Directional Managers

Schedule of Investments (continued)
as at December 31, 2009

(expressed in USD)

Description	Quantity	Currency	Average Cost	Fair Value (note 2)	% net assets
Altima Global Special Situation Fund - Class B Series 2-20	686	EUR	731,470	940,284	1.13
Altima Global Special Situation Fund - Class B Series 3-17	179	EUR	167,892	247,598	0.30
Altima Global Special Situation Fund - Class B Series 3-20	178	EUR	186,781	249,332	0.30
Altima Global Special Situation Fund - Class B Series 4-17	41	EUR	38,102	10,654	0.01
Altima Global Special Situation Fund - Class B Series 4-20	50	EUR	41,402	13,136	0.02
Altima Global Special Situation Fund - Class B Series 5-17	247	EUR	251,898	345,946	0.42
Altima Global Special Situation Fund - Class B Series 5-20	386	EUR	362,959	546,800	0.66
Altima Global Special Situation Fund - Class B Series 7-17	156	EUR	179,785	188,128	0.23
Altima Global Special Situation Fund - Class B Series 7-20	174	EUR	195,697	212,008	0.26
Altima Global Special Situation Fund - Class B Series 8-17	34	EUR	37,651	1,595	-
Altima Global Special Situation Fund - Class B Series 8-20	34	EUR	37,591	1,605	-
Altima Global Special Situation Fund - Class B Series 9-17	53	EUR	73,074	76,699	0.09
Altima Global Special Situation Fund - Class B Series 9-20	142	EUR	143,660	206,188	0.25
Altima Global Special Situation Fund - Class B Series 15-20	166	EUR	122,741	242,185	0.29
			5,624,952	6,943,937	8.38
Global Equity Long Short Ex US					
Rodinia Fund Ltd - USD Class A Series 1	41,715	USD	4,877,980	3,813,166	4.60
			4,877,980	3,813,166	4.60
Multi-Strategy					
Westlb Horizon Mm Target-A-Cap	147,237	EUR	2,559,690	2,475,933	2.99
			2,559,690	2,475,933	2.99
Multi-Strategy Event					
Castlerigg Intl -F- S.2 0109	21,452	USD	2,182,071	2,332,074	2.82
Castlerigg Intl -Sc- S.2 0109	3,955	USD	391,230	357,497	0.43
			2,573,301	2,689,571	3.25
PIPE Fund					
Bristol International Fund Ltd - Class A	739	USD	1,758,701	2,728,112	3.29
			1,758,701	2,728,112	3.29
US Equity					
Cambrian Fund - Class B Series 1	14,592	USD	1,876,230	2,269,393	2.74
			1,876,230	2,269,393	2.74



Directional Managers

Schedule of Investments (continued)
as at December 31, 2009

(expressed in USD)

Description	Quantity	Currency	Average Cost	Fair Value (note 2)	% net assets
US Equity Long Short					
The Raptor Private Holdings	1,614	USD	1,263,381	795,774	0.96
			1,263,381	795,774	0.96
Total - Investment funds			33,911,782	39,268,240	47.39
Total - Other transferable securities			33,911,782	39,268,240	47.39
Total Investment Portfolio			47,223,500	63,680,893	76.85

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



Notes to the Financial Statements for the year ended December 31, 2009

Note 1 – Organisation

ABSOLUTE RETURN STRATEGY SICAV (the "Company") is an open-ended investment company with variable capital, incorporated in the Grand Duchy of Luxembourg as a "société anonyme" on the basis of the law of August 10, 1915 on Commercial Companies (the "law of 1915") as amended and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV") on the basis of part II of the law of December 20, 2002 on Collective Investment Undertakings (the "law of 2002"). Accordingly, the Company does not comply with the European Community Council Directive on Undertakings for Collective Investment in Transferable Securities.

The Company was incorporated in Luxembourg on November 29, 2002 for an unlimited period. The Articles of Incorporation of the Company were published in the "Mémorial, Recueil des Sociétés et Associations" of Luxembourg on December 28, 2002. The Company is registered with the "Registre de Commerce et des Sociétés", Luxembourg, under number B-90086.

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

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

Absolute Return Strategy SICAV - Market Neutral (Reference Currency : USD)

The Investment Manager allocates the assets of this Sub-Fund in order to minimise the correlation in investment performance between the Sub-Fund and the MSCI World Index (USD basis). The Investment Manager will try to achieve this objective by investing the assets of the Sub-Fund in Alternative UCIs that seek to minimise the beta of such Alternative UCI with the local market. Such Alternative UCIs will typically fall into the category of risk arbitrage, distressed securities, equity long/short market neutral and convertible arbitrage.

The following Classes of Shares are offered in this Sub-Fund:

- A-Shares: denominated in USD and fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested. A-Shares are available for any type of investor.
- B and C-Shares: denominated in EUR for Euro-based investors wishing to invest in a USD-based portfolio, whilst having their exchange rate risk actively managed. It should be noted that there can be no guarantee that the B and C-Shares would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the Sub-Fund. B-Shares are available for any type of investor. C-Shares are available to Institutional Investors only.
- D-Shares: denominated in GBP for GBP-based investors wishing to invest in a USD-based portfolio, whilst having their exchange rate risk actively managed. It should be noted that there can be no guarantee that the D-Shares would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the Sub-Fund. D-Shares are available for any type of investor.

Absolute Return Strategy SICAV - Directional Managers (Reference Currency : USD)

This Sub-Fund will invest in Investment Funds which aim to achieve very high returns through investments in global security and currency markets. Such Investment Funds will try to achieve these high levels of return by identifying mis-pricings in the market and subsequently taking large positions to benefit from this. The increased level of risk is expected to be more than offset by the higher level of returns achieved.

The following Classes of Shares are offered in this Sub-Fund:

- A-Shares: denominated in USD and fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested. A-Shares are available for any type of investor.
- B and C-Shares: denominated in EUR for Euro-based investors wishing to invest in a USD-based portfolio, whilst having their exchange rate risk actively managed. It should be noted that there can be no guarantee that the B and C-Shares would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the Sub-Fund. B-Shares are available for any type of investor. C-Shares are available to Institutional Investors only.



Notes to the Financial Statements (continued) for the year ended December 31, 2009

Note 1 – Organisation (continued)

- D-Shares: denominated in GBP for GBP-based investors wishing to invest in a USD-based portfolio, whilst having their exchange rate risk actively managed. It should be noted that there can be no guarantee that the D-Shares would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the Sub-Fund. D-Shares are available for any type of investor.

The Directors may at any time create additional Sub-Funds and/or Classes.

The Company operates as a fund-of-funds, the investment objective of each Sub-Fund being the investment of at least 50% of its net assets in other open-ended undertakings for collective investment ("UCIs") using alternative management strategies, generally also known as "hedge funds" or as "alternative UCIs" (hereinafter defined as the "Alternative UCIs"). On an ancillary basis, each Sub-Fund may also invest in closed-ended Alternative UCIs.

Note 2 – Significant accounting policies

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

a) Investments

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

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

The financial statements include investments in underlying investment funds which are valued at USD 32,686,000 (representing 63.97% of net assets) in Absolute Return Strategy SICAV – Market Neutral and USD 57,444,861 (representing 69.32% of net assets) in Absolute Return Strategy SICAV – Directional Managers, whose fair values have been derived from unaudited net asset values provided by such funds or their agents in accordance with the prospectus. The value attributed to the underlying investment funds may differ from the value that would have been used had the underlying audited financial statements of such investments been available and such differences could be material.

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's 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 publicised 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 to that 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.



Notes to the Financial Statements (continued) for the year ended December 31, 2009

Note 2 – Significant accounting policies (continued)

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

The valuations for all investments were made using the latest prices available on December 31, 2009.

The Board of Directors has decided to value the investment "Advent Enhanced Phoenix Offshore - Series 1" of the Sub-Fund Absolute Return Strategy SICAV - Market Neutral to zero as Lehman Brothers, the prime broker of Advent Enhanced Phoenix Fund, went into administratorship on September 15, 2008, the Advent fund has been suspended since then (both NAV calculation and/or any redemptions in this fund).

b) Net realised profit (loss) on sales of investments

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

c) Transactions in foreign currencies

Principal closing exchange rates used as of December 31, 2009 are:

1 GBP = 1.613551 USD

1 EUR = 1.441451 USD

1 EUR = 0.893340 GBP

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

d) Combined financial statements of the Company

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

e) Cost of investment securities

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

f) Forward foreign exchange contracts

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

g) Advance on investments

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

h) Subscriptions in advance

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



Notes to the Financial Statements (continued) for the year ended December 31, 2009

Note 2 – Significant accounting policies (continued)

i) Income

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

Note 3 – Management and performance fees

Management fees

As remuneration for its services, the Investment Manager receives from the SICAV a annual fee at the maximum annual rate of 1.75% on both sub-funds applicable on the average net assets of these sub-funds.

The actual management fees charged during the year ended 31 December 2009 are:

- (a) 1.50% p.a. of the average net assets attributable to Class A, Class B and Class D.
- (b) 0.60% p.a. of the average net assets attributable to Class C.

Performance fees

In addition to the management fee, the Investment Manager receives a performance fee of the absolute performance (high water mark) of the Sub-Funds' net assets during a month, at the following rate:

- (a) 10% p.a. of the net assets attributable to Class A, Class B and Class D.
- (b) no performance fee will be calculated for Class C.

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 Investment 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.

Rebates

The Investment Manager has not received rebates from the underlying funds in which the Sub-Funds invest during the year ended December 31, 2009.

Note 4 – Taxation

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

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

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



Notes to the Financial Statements (continued)
for the year ended December 31, 2009

Note 5 – Taxes and expenses payable

	Market Neutral USD	Directional Managers USD
Taxe d'abonnement (note 4)	6,564	10,762
Depository bank commission, domiciliation, administration and transfer agent fees	19,095	20,540
Audit fees, printing and publication expenses	39,114	70,237
	64,773	101,539

Note 6 – Forward foreign exchange contracts

As at December 31, 2009, Market Neutral had entered into the following outstanding forward foreign exchange contracts:

	Purchase		Sale	Maturity date	Unrealised gain / (loss) (in USD)
EUR	32,829,809	USD	48,900,000	01/03/2010	(1,577,472)
GBP	1,037,218	USD	1,700,000	01/03/2010	(26,746)
USD	12,041,630	EUR	8,162,510	01/03/2010	275,779
					(1,328,439)

As at December 31, 2009, Directional Managers had entered into the following outstanding forward foreign exchange contracts:

	Purchase		Sale	Maturity date	Unrealised gain / (loss) (in USD)
EUR	52,903,659	USD	78,800,000	01/03/2010	(2,542,021)
GBP	1,281,269	USD	2,100,000	01/03/2010	(33,039)
USD	1,600,000	GBP	1,001,314	01/03/2010	(15,337)
USD	40,962,890	EUR	27,593,239	01/03/2010	1,188,616
					(1,401,781)

Note 7 – Dividends

The Company does not distribute dividends.



Notes to the Financial Statements (continued)
for the year ended December 31, 2009

Note 8 – Liquidity

The following underlying funds as held by Absolute Return Strategy SICAV were gated as at December 31, 2009:

	Market Value (in USD)	% net assets
- Market Neutral		
Castlerigg Intl -G-S.1 0109	4,533,038	8.87
Castlerigg Intl -L-S.01 0109	409,379	0.80
Castlerigg Intl -Sc-S.1 0109	694,957	1.36
Castlerigg Intl -Sr-S.1 0109 USD	489,660	0.96
Orn European Distressed Debt Fund Ltd Series 1	3,207,403	6.28
	9,334,437	18.27
- Directional Managers		
Altima GI Sp S B Eur 17a-2 S20	54,433	0.07
Altima GI Sp S B Eur 18a-2 S20	267,556	0.32
Altima Global Special Situation Fund -Class B Series 02-17	933,747	1.13
Altima Global Special Situation Fund -Class B Series 12-17	202,617	0.24
Altima Global Special Situation Fund -Class B Series 12-20	296,867	0.36
Altima Global Special Situation Fund -Class B Series 14-17	45,813	0.06
Altima Global Special Situation Fund -Class B Series 14-20	46,133	0.06
Altima Global Special Situation Fund -Class B Series 15-17	240,500	0.29
Altima Global Special Situation Fund -Class B Series 16-17	784,311	0.95
Altima Global Special Situation Fund -Class B Series 16-20	789,802	0.95
Altima Global Special Situation Fund -Class B Series 2-20	940,284	1.13
Altima Global Special Situation Fund -Class B Series 3-17	247,598	0.30
Altima Global Special Situation Fund -Class B Series 3-20	249,332	0.30
Altima Global Special Situation Fund -Class B Series 4-17	10,654	0.01
Altima Global Special Situation Fund -Class B Series 4-20	13,136	0.02
Altima Global Special Situation Fund -Class B Series 5-17	345,946	0.42
Altima Global Special Situation Fund -Class B Series 5-20	546,800	0.66
Altima Global Special Situation Fund -Class B Series 7-17	188,128	0.23
Altima Global Special Situation Fund -Class B Series 7-20	212,008	0.26
Altima Global Special Situation Fund -Class B Series 8-17	1,595	-
Altima Global Special Situation Fund -Class B Series 8-20	1,605	-
Altima Global Special Situation Fund -Class B Series 9-17	76,699	0.09
Altima Global Special Situation Fund -Class B Series 9-20	206,188	0.25
Altima Global Special Situation Fund -Class B Series 15-20	242,185	0.29
Bristol International Fund Ltd -Class A	2,728,112	3.29
Castlerigg Intl -F-S.2 0109	2,332,074	2.81
Castlerigg Intl -Sc-S.2 0109	357,497	0.43
	12,361,620	14.92



Notes to the Financial Statements (continued)
for the year ended December 31, 2009

Note 9 - Subsequent Events

As at March 31, 2010, the following redemption gates are applicable:

	Market Value at December 31, 2009 (in USD)	% net assets
- Market Neutral		
Castlerigg Intl -G-S.1 0109 *	4,533,038	8.87
Castlerigg Intl -L-S.01 0109 *	409,379	0.80
Castlerigg Intl -Sc-S.1 0109 *	694,957	1.36
Castlerigg Intl -Sr-S.1 0109 USD *	489,660	0.96
Orn European Distressed Debt Fund Ltd Series 1	3,207,403	6.28
	9,334,437	18.27
- Directional Managers		
Altima GI Sp S B Eur 17a-2 S20	54,433	0.07
Altima GI Sp S B Eur 18a-2 S20	267,556	0.32
Altima Global Special Situation Fund -Class B Series 02-17	933,747	1.13
Altima Global Special Situation Fund -Class B Series 12-17	202,617	0.24
Altima Global Special Situation Fund -Class B Series 12-20	296,867	0.36
Altima Global Special Situation Fund -Class B Series 14-17	45,813	0.06
Altima Global Special Situation Fund -Class B Series 14-20 -Class B	46,133	0.06
Altima Global Special Situation Fund -Class B Series 15-17	240,500	0.29
Altima Global Special Situation Fund -Class B Series 16-17	784,311	0.95
Altima Global Special Situation Fund -Class B Series 16-20	789,802	0.95
Altima Global Special Situation Fund -Class B Series 2-20	940,284	1.13
Altima Global Special Situation Fund -Class B Series 3-17	247,598	0.30
Altima Global Special Situation Fund -Class B Series 3-20	249,332	0.30
Altima Global Special Situation Fund -Class B Series 4-17	10,654	0.01
Altima Global Special Situation Fund -Class B Series 4-20	13,136	0.02
Altima Global Special Situation Fund -Class B Series 5-17	345,946	0.42
Altima Global Special Situation Fund -Class B Series 5-20	546,800	0.66
Altima Global Special Situation Fund -Class B Series 7-17	188,128	0.23
Altima Global Special Situation Fund -Class B Series 7-20	212,008	0.26
Altima Global Special Situation Fund -Class B Series 8-17	1,595	-
Altima Global Special Situation Fund -Class B Series 8-20	1,605	-
Altima Global Special Situation Fund -Class B Series 9-17	76,699	0.09
Altima Global Special Situation Fund -Class B Series 9-20	206,188	0.25
Altima Global Special Situation Fund -Class B Series 15-20	242,185	0.29
Bristol International Fund Ltd -Class A	2,728,112	3.29
Castlerigg Intl -F-S.2 0109 *	2,332,074	2.81
Castlerigg Intl -Sc-S.2 0109 *	357,497	0.43
The Raptor Private Holdings *	795,774	0.96
	13,157,394	15.88

* These underlying funds have issued side pockets which can also not be redeemed.