

## Monthly commentary

- The **Fund** gained 0.6% in April amid mixed results from the strategy groups.<sup>[1]</sup>
- **Relative value** was down 0.2%. The relative value equity component was slightly down overall, although manager results varied dramatically. From a sector standpoint, gains stemmed from the financials and consumer staples areas, while losses were sustained in the communications, media and entertainment, and healthcare segments. Quantitative relative value books, namely US statistical arbitrage, navigated the intra-month volatility and posted gains on contributions from technical factors. Multi-strategy manager results varied as sub-strategy attribution showed wide disparity. In addition to the aforementioned results from equity long/short efforts, managers sustained losses in convertible arbitrage, global rates (e.g. developed markets fixed income), and to a lesser extent US structured credit trading, specifically relative value mortgage trading.
- **Event-driven** group<sup>[4]</sup> was up 0.7% against a favorable backdrop. Although high yield spreads were unchanged on the month, the rally in Treasuries lifted all yielding products higher. There were significant winners from the distressed sector, as Capmark presented its plan of reorganization and European bank paper rallied on investors' increased risk appetite. Credit-sensitive monoline wrapped mortgage paper soared when Assured Guaranty reached a \$1.1B settlement with Bank of America relating to soured mortgages originated by the bank's Countrywide unit. The main detractors in the credit portfolio were index hedges and European sovereign bond shorts. In the equity sector, managers continued to benefit from the rally in healthcare, strength in the post-reorg equity space, and corporate merger activity. Chemical companies, along with Delphi and GM were the biggest equity winners. Delphi rallied sharply after it repurchased shares from GM and PBGC, and set the stage for a 2011 IPO. While not a major source of attribution, managers were encouraged by the topping bid for Equinox Minerals by Barrick Gold, as well as the competitive bidding situation for NYSE Euronext.
- **Equity hedge** funds added 1.8% as strong first quarter earnings results lifted global stocks (MSCI ACWI: +2.1%). Results across the US (S&P 500: +3.0%), Europe (MSCI: +3.3%) and EM (MSCI: +3.1%) were similar, while Asia (MSCI: -0.7%) lagged. Sector returns demonstrated some rotation within the markets, as defensive segments such as healthcare (+6.5%) and consumer staples (+5.3%) led on the upside, while financials (0.0%) and energy (+1.5%) trailed. The group posted solid gains against this backdrop as the flow of earnings news provided stock-specific volatility during the month. Telecom/media stocks (internet services) were among the top contributors, as were certain names in consumer (specialty retail) and technology (telecom equipment). Positioning in industrials (aerospace) and healthcare (specialty pharma) was mixed, while the financial sector (banks) detracted overall.
- **Global asset allocators** gained 0.7%. Equity exposure was the largest contributor, with profits garnered from single-name exposure to Asia (China and HK) and Eastern Europe, in addition to long/short positioning in select indices and sectors (primarily financials and technology) in developed European and US markets. Foreign exchange trading was also profitable as managers maintained short US dollar positioning against a handful of emerging and developed market currency pairs. However, losses from short exposure toward the Japanese yen versus the US dollar modestly offset such gains. Fixed income exposure was profitable due to sovereign and corporate credit exposure to peripheral European countries, Argentina, and US high yield and investment grade index exposure. Commodity exposure was advantageous in the month; a directional long exposure to gold, crude oil and gas benefited from a surge in prices, while relative value positioning across segments (primarily base metals) proved additive.
- **Short sellers** dropped 3.0% as names in healthcare (devices), industrials (shipping) and consumer (specialty retail) were the main detractors.

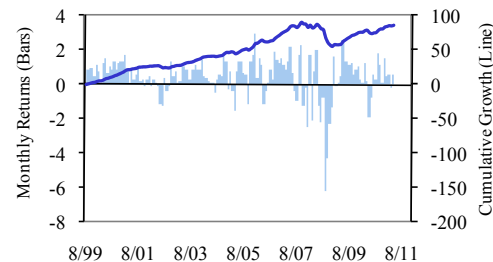
## Performance results<sup>[1]</sup>

	Current month	Year to Date	Since inception (annualized)
<b>The Fund</b>	<b>0.6%</b>	<b>1.4%</b>	<b>5.4%</b>
LIBOR (US\$)	0.0	0.1	3.0
BC Aggregate	1.3	1.7	6.2
S&P 500	3.0	9.1	2.0

## Performance statistics<sup>[2]</sup>

Annualized standard deviation	4.1
Sharpe ratio	0.6
Maximum drawdown	-18.3
% of positive months	80.1

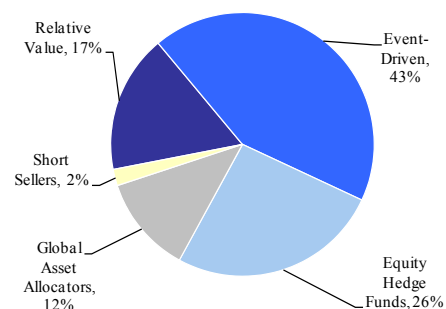
## Cumulative and Monthly Returns<sup>[1]</sup>



## Portfolio characteristics<sup>[3]</sup>

Assets under management	\$213 Mil
Underlying managers	35

### Strategy Allocation



[1] All Fund returns are presented net of all fees and expenses, and are based in part on preliminary, unaudited figures. For the period August 1, 1999 through June 30, 2009 results reflect total fund assets under management. For the period July 1, 2009 through April 30, 2011 results reflect Series 100 shares. An investor's actual returns for such periods depicted may differ from the figures shown above. Past performance is not indicative of future results. See important information on the back page for further details. [2] Based on monthly net rates of return since inception (August 1, 1999 – April 30, 2011). [3] Assets under management, number of underlying managers and strategy allocations (excluding cash reserve of approximately 8%) are as of April 30, 2011 and represented by Series 100 shares. All strategy and investment manager allocations are subject to change, without notice, at the discretion of the investment manager and EACM Advisors LLC. [4] References to specific securities in the event-driven analysis do not necessarily correlate to purchase and sale activity of the underlying event-driven managers.

# Alternative Strategies Fund Ltd.

## Historical fund performance (%) <sup>[1]</sup>

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	0.51	0.57	-0.23	0.55									1.41
2010	0.31	0.09	1.24	0.23	-1.94	-0.74	0.60	0.31	1.77	1.13	0.06	1.49	4.59
2009	1.63	-0.13	0.05	0.47	2.53	1.36	1.30	1.18	1.28	0.57	0.84	1.07	12.82
2008	-2.43	1.68	-2.10	0.79	2.00	-1.20	-2.23	-0.78	-6.19	-4.28	-2.26	-1.31	-17.11
2007	1.53	1.15	0.89	1.34	2.16	0.66	-0.38	-0.97	1.71	2.31	-1.21	-0.21	9.28
2006	2.97	0.38	1.56	1.19	-1.18	-0.41	0.14	0.81	0.33	1.89	1.47	1.24	10.83
2005	-0.26	0.76	-0.34	-1.52	0.77	1.38	1.36	0.65	0.59	-1.12	1.36	1.75	5.45
2004	1.42	0.52	0.41	0.15	0.07	0.08	-0.45	0.27	0.54	0.46	1.73	1.33	6.71
2003	0.80	0.12	0.18	1.00	1.07	0.88	0.30	0.30	0.87	1.14	0.82	0.82	8.61
2002	0.49	0.01	0.30	0.14	0.04	-1.19	-1.22	0.42	-0.41	0.01	1.32	0.50	0.38
2001	1.30	1.74	0.97	0.08	0.84	0.33	0.60	1.05	0.15	0.32	-0.02	0.29	7.91
2000	1.18	0.80	0.12	1.28	1.49	0.67	1.02	0.88	1.33	0.89	1.21	1.36	12.93
1999								0.08	0.81	0.91	0.92	0.51	3.27

[1] All Fund return figures are presented net of all fees and expenses, and are based in part on preliminary, unaudited figures. For the period August 1, 1999 through June 30, 2009 results reflect total fund assets under management. For the period July 1, 2009 through April 30, 2011 results reflect Series 100 shares. An investor's actual returns for such periods depicted may differ from the figures shown above. **Past performance is not indicative of future results.**

## Investment objective

- The Fund is a portfolio of hedge funds that is diversified across a broad mix of styles and strategies that seek to generate long-term capital appreciation while maintaining a low correlation with traditional global financial markets.
- Return objective: LIBOR plus 3% to 5%.
- Risk objective: less volatile than traditional equity investments, emphasizing preservation of capital in down markets.
- Relative value and event-driven are core strategies, representing approximately one-half to two-thirds of assets.
- Monthly performance reporting, quarterly access to capital.

## Fund characteristics

<b>The fund</b>	<b>Alternative Strategies Fund Limited</b> , a Cayman Islands exempted company. Incorporated July 13, 1999. Launched August 2, 1999.		
<b>Financial year</b>	December 31 of each year		
<b>Base currency</b>	US dollars		
<b>Investment advisor</b>	GIC Management, a wholly-owned subsidiary of Gulf Investment Corporation, registered as a Mutual Fund Administrator in the Cayman Islands.		
<b>Sub-advisor</b>	EACM Advisors LLC, U.S. SEC-registered investment adviser. (Prior to August 1, 2004 the sub-adviser was Evaluation Associates Capital Markets, L.L.C.)		
<b>Administrator and custodian</b>	HSBC Alternative Fund Services (Cayman)		
<b>Auditor</b>	KPMG (Cayman)		
<b>Subscriptions</b>	Monthly, in series, at US\$1000 per share – 15 day notice		
<b>Minimum subscription</b>	US\$1 million		
<b>Open for investment</b>	Yes		
<b>Redemption</b>	Quarterly upon 65 days notice.		
<b>NAV</b>	Monthly		
<b>Management fee</b>	1% per annum		
<b>Performance fee</b>	10% per annum of the total return above 30-day Libor US\$, with high-watermark		
<b>Subscription fees</b>	US\$ 1 million to 2.75 million	2.0%	
	US\$ 3 million to 4.75 million	1.0%	
	US\$ 5 million or more	0.5%	
<b>Eligible investors</b>	Non-US Persons only		

**Important Information:** Nothing herein constitutes an offer to sell, or a solicitation of an offer to purchase shares in the Alternative Strategies Fund Limited or any other securities. Prospective investors should consult with their financial, legal and tax advisors before making an investment in the Alternative Strategies Fund Limited. EACM Advisors LLC, a registered investment adviser with the U.S. Securities and Exchange Commission, serves solely as sub-adviser to the Fund and is not offering or selling shares therein. Prior to August 1, 2004, EACM Advisors' predecessor firm, Evaluation Associates Capital Markets, LLC, served as the Fund's sub-advisor. Shares in the Fund are offered solely by means of the Fund's Private Placement Memorandum. **Past performance is not indicative of future results.**