

## Monthly commentary

- The **Fund** was down 0.5% in June, with most strategies experiencing losses.<sup>[1]</sup>
- **Relative value** group was up 0.3% as manager returns varied in a somewhat challenging environment. Relative value equity commitments, particularly those pursuing fundamental market neutral disciplines, generated mixed results, while statistical arbitrage efforts were profitable amid the volatility across global equities. Convertible arbitrage also lost money as the broad-based shift away from risk assets weighed on secondary valuations as well as the level of new issue opportunities. Although both credit and equity hedges helped mitigate the weakness in convertibles, interest rate hedges also detracted as US treasuries were sought by investors. Credit strategies were mixed as structured credit trading benefited from contributions from CMBX hedges against RMBS positions, while tranche and CDS long/short trading generated losses. Fundamental credit also generated mixed results as corporate credit positions generally lost ground, with the exception of Lehman claims which benefited from a favorable development in the bankruptcy proceedings.
- **Event-driven** group<sup>[4]</sup> lost 1.1% as June proved challenging as it was the first month of 2011 where all risk assets traded down. In general, the riskier an asset was perceived to be, the more it declined in price. This was particularly apparent in the high yield sector, where non-distressed credit suffered considerably smaller losses than distressed names. Despite the passage of the Greek austerity and bailout package, and a big rally in equities in the final five days of the month, names with significant hedge fund ownership tended to lag in the rebound. European credits such as the Icelandic banks, banks' preferreds, and National Grid Wireless all suffered from this dynamic, along with increased risk aversion in Europe. Against a falling equity backdrop, equity-oriented managers struggled to preserve capital. While equity hedges limited losses, managers generally did not benefit from put option protection. The time decay in these positions offset the positive impact of their delta. The automotive sector proved costly, as post-reorg equities like Delphi, Cooper Standard and GM were all under significant pressure.
- **Equity hedge** funds fell 1.0% as concerns over European sovereign debt again weighed on markets (MSCI ACWI: -1.6%). Each geographic region closed lower with the US (S&P 500: -1.7%), Europe (MSCI: -1.6%) and emerging markets (MSCI: -1.5%) posting similar results; Asia (MSCI: -0.3%) fared slightly better. Sector returns were broadly negative as well, led by financials (-2.8%), technology (-2.6%) and consumer staples (-2.4%)—all of which are perceived to have considerable exposure to Europe. The group again posted a loss in June as net long positioning and long-side losses negatively impacted results. Names in industrials (machinery, aerospace) and telecom/media (internet services) were the primary detractors in the long book, while smaller losses accrued in energy (oil & gas), financials (banks) and consumer/retail (apparel). These were only partly offset by gains in technology (long software, short telecom equipment) and materials (short mining).
- **Global asset allocators** were down 1.9%. Fixed income exposure hurt due to losses accumulated across market segments such as developed market rates positions, corporate credit in Europe and the US, exposure to RMBS/CMBS, and emerging markets rates and credit. Some tactical exposure to the US yield curve served to modestly offset losses. Within commodities, long exposure to energy (crude oil), precious metals (gold) and grains, as well as relative value positioning within segments (primarily base metals and natural gas), hurt results as most commodities ratcheted lower due to the aforementioned growth concerns and a pullback in risk appetite. Results from equities exposure was mixed as gains from short exposure in a variety of markets were essentially offset by long-leaning positioning toward single name stocks in the US and emerging markets. Lastly, in foreign exchange trading, gains from tactical trading in the US dollar were offset by losses incurred from long exposure toward select Asian currencies and a euro/yen pair trade.
- **Short sellers** rose 1.6%. Gains accrued broadly in industrials (shipping), healthcare (services) and technology (semiconductors, software).

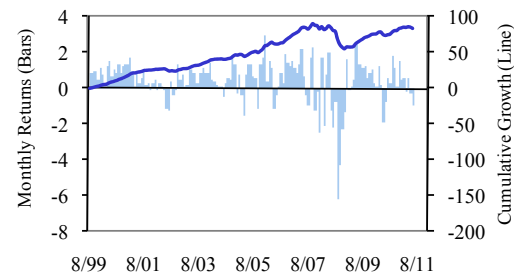
## Performance results<sup>[1]</sup>

	Current month	Year to Date	Since inception (annualized)
<b>The Fund</b>	<b>-0.5%</b>	<b>0.2%</b>	<b>5.2%</b>
LIBOR (US\$)	0.0	0.1	2.9
BC Aggregate	-0.3	2.7	6.2
S&P 500	-1.7	6.0	1.8

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

Annualized standard deviation	4.1
Sharpe ratio	0.6
Maximum drawdown	-18.3
% of positive months	79.0

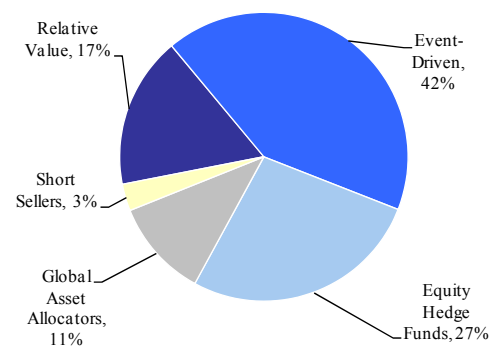
## Cumulative and Monthly Returns<sup>[1]</sup>



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

Assets under management	\$209 Mil
Underlying managers	37

## 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 June 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 – June 30, 2011). [3] Assets under management, number of underlying managers and strategy allocations (excluding cash reserve of approximately 5%) are as of June 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	0.54	-0.31	-0.91							0.16
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 June 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.**

