

ABSOLUTE RETURN STRATEGY SICAV

Société d'Investissement à Capital Variable
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Notice to the Shareholders of the sub-fund Long-Short

25 April 2007

Dear Shareholder,

We are writing to you as a shareholder of ABSOLUTE RETURN STRATEGY SICAV – Long/Short (the “Absorbed Sub-Fund”). The purpose of this letter is to advise you of the merger of the Absorbed Sub-Fund into the “Directional Managers” sub-fund of ABSOLUTE RETURN STRATEGY SICAV (the “Absorbing Sub-Fund”) as of 31 July 2007, whereafter the Absorbed Sub-Fund will cease to exist.

It would be more efficient and cost-effective to have only two kinds of sub-funds depending on the managers of the Alternative UCIs invested in: those with a typically directional bias to the market (such as for the sub-fund “Directional Managers”) and those with a non-directional bias to the market (such as for the sub-fund “Market Neutral”).

As such the Board of Directors decides to split the portfolio of the Absorbed Sub-Fund by :

- a) selling, for fair value, the non-directional Alternative UCIs in the portfolio of the Absorbed Sub-Fund; and then
- b) merging the Absorbed Sub-Fund, with its portfolio of the remaining directional managers, into the Absorbing Sub-Fund.

The Absorbing Sub-Fund will invest in Alternative UCIs which aim to achieve very high returns through investments in global security and currency markets. Such UCIs 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.

You are hereby informed of the merger as follows:

1. The last subscriptions and redemptions in the Absorbed Sub-Fund will take place on the Valuation Day dated 29 June 2007, meaning that the last cut-off time for subscription is on 28 June 2007 and for redemptions on 25 May 2007.
2. The final net asset value per Share of each class of Shares within the Absorbed Sub-Fund will be last calculated on 31 July 2007, in order to calculate the number of Shares of the corresponding class of Shares of the Absorbing Sub-Fund to be issued on 31 July 2007, i.e. date of the contribution, in exchange for the Shares contributed by the Absorbed Sub-Fund.
3. Shareholders of Class A, Class B, Class C and Class D Shares in the Absorbed Sub-Fund shall receive respectively in exchange of their Shares a number of Class A, Class B, Class C and Class D Shares in the Absorbing Sub-Fund equal to the number of Shares held in the Absorbed Sub-Fund times the exchange ratio. The exchange ratio will be calculated by dividing the net asset value of the Class A, Class B, Class C and Class D Shares of the Absorbed Sub-Fund as calculated on 31 July 2007 by the net asset value of the Class A, Class B, Class C and Class D Shares of the Absorbing Sub-Fund as calculated on 31 July 2007.
4. Shareholders of the Absorbed Sub-Fund who do not agree with the merger, may ask for the redemption of their Shares, free of charge, until 25 May 2007 as stated in point 2 above.
5. Shareholders of the Absorbed Sub-Fund who do not wish to redeem, will receive Shares of the Absorbing Sub-Fund as described above.

Costs and expenses

All the costs and expenses of the merger will be borne by the Absorbed Sub-Fund.

Contact

Should you have any questions regarding this notice then please contact the Investment Manager at + 31 (0)20 5215 450.

The Board of Directors