



Item 1 – Cover Page

Absolute Return Strategies Ltd.

Attn: Corporate Filing Services

**4th Floor, Harbor Centre PO Box 613, George
Town, Cayman Islands KY-1107**

(345) 949-4244

www.ars-alpha.com

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Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the SEC under the Investment Advisers Act of 1940 (“Advisers Act”) is a very important document between Clients (“you”, “your”) and Absolute Return Strategies Ltd. (“ARS”, “us”, “we”, “our”). ARS’ IARD firm number is 153202.

This Brochure provides information about the qualifications and business practices of ARS. If you have any questions about the contents of this brochure, please contact us at (345) 949-4244. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about ARS also is available on the SEC’s website at www.adviserinfo.sec.gov (click on the link, select “Investment Adviser Search” and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

There have been no material changes to report since the last filing of our Form ADV Part 2 or “Disclosure Brochure” dated April, 2012. However, we have made non-material changes throughout this Brochure in order to highlight our Management of the Alpha Blend FX Index.

1. For future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.
2. We may, at any time, update this Disclosure Brochure and send to you including a summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].
3. If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our Director & Chief Operating and Compliance Officer, Allen G. Zaring IV, at (513) 362-4343.

Item 3 – Table of Contents

Item 1 – Cover Page	
Item 2 – Material Changes	i
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts.....	12
Item 14 – Client Referrals and Other Compensation.....	13
Item 15 – Custody	14
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities (i.e., Proxy Voting)	16
Item 18 – Financial Information	17

Item 4 – Advisory Business

ARS is a Limited Company organized in the Cayman Islands in 2008. We are registered as an investment adviser with the U. S. Securities and Exchange Commission since May 5, 2010. ARS serves as the manager and sponsor of the Alpha Blend FX indices which are offered by Citibank on its Macro Access platform. In this capacity, ARS does not have any direct assets under management, but rather the index's aggregate assets under its advisory purview. John Dean is the majority owner of ARS and acts as its Managing Director and Chief Investment Officer.

This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Allen G. Zaring IV, Director & Chief Operating and Compliance Officer, if you have any questions about this Brochure.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs).

Investment Advisory Services

ARS has developed and manages a suite of multi-strategy FX indices for Citibank, N.A., London Branch ("CBNA"). These indices, the Alpha Blend FX Indices, are offered through the CBNA's product platform, Citi Macro Access.

ARS focuses on investments in the foreign exchange market and has the objective through its Alpha Blend FX Indices to identify and allocate to the world's top performing managers in FX Alpha.

ARS does not participate in wrap fee programs at this time.

Item 5 – Fees and Compensation

ARS's only clients are or will be is a qualified purchasers as defined in the Investment Company Act. Fee structures are variable depending on the terms of each end investors' investment.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance fee or incentive fee is a fee paid to an investment manager based on the performance of your portfolio. If the value of your portfolio declines during a year, no performance fee will be payable to the investment manager.

We may charge on the basis of a share of capital gains or capital appreciation of the funds or any portion of funds of an advisory client must comply with SEC Rule 205-3 (17 Code of Federal Regulations §275.205-3), which prohibits the use of such fee unless the client is a "qualified client." In general, a qualified client may include:

- (1) a natural person or company who at the time of entering into such agreement has at least \$750,000 under the management of the investment adviser;
- (2) a natural person or company who the adviser reasonably believes at the time of entering into the contract:
 - (A) has a net worth of jointly with his or her spouse of more than \$1,500,000; or
 - (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- (3) a natural person who at the time of entering into the contract is:
 - (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or
 - (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

All material information concerning the proposed advisory arrangement is made to you prior to entering into an advisory contract including the following:

1. That the fee arrangement may create an incentive for the advisor to make investments that are riskier or more speculative than would be the case in the absence of a performance fee;

2. Where relevant, that the advisor may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account;
3. The time period which will be used to measure investment performance throughout the term of the contract and its significance in the computation of the fee;
4. The nature of any index which will be used as a comparative measure of investment performance, the significance of the index, and the reason the advisor believes the index is appropriate; and
5. Where an advisor's compensation is based on the unrealized appreciation of securities for which market quotations are not readily available, how such securities will be valued and the extent to which the valuation will be independently determined.

Our compensation structure is disclosed in detail in Item 5 above.

Item 7 – Types of Clients

ARS offers investment advisory services to banks, and investment companies. ARS currently has only one client, CBNA.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Alpha Blend FX Index

ARS is responsible for selecting and monitoring the strategy providers (other 3rd party managers) for the Index and determining the allocation of assets to such providers. ARS monitors over forty (40) global FX managers daily, and employs a proprietary ranking and weighting system to select and monitor each's performance and holdings. . ARS' proprietary ranking and weighting system takes into account both quantitative and qualitative reviews in order to identify a diverse "best of breed" manager selection with low or negative correlated styles.

The primary objective of the Alpha Blend FX Index is to deliver strong excess returns while maintaining an attractive risk/return profile.

Risks

General

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in foreign exchange involves risk of loss which you should be prepared to bear.

General Investment Risk

All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments for investment.

Loss of Value

There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Foreign Exchange Risk

Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the U.S. dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

Item 10 – Other Financial Industry Activities and Affiliations

Neither ARS nor any of our management persons are registered (except as stated below), or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither ARS nor any of our management persons have any relationship or arrangement that is material to its advisory business or to our clients with an affiliated person that is a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer or
- Sponsor or syndicator of limited partnerships.

The Managing Director of ARS also serves as the Managing Director of Currency Insight Ltd., a federally registered investment advisor.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ARS has adopted a Code of Ethics for the purpose of instructing all our employees, officers, and directors in their ethical obligations and to provide rules for their personal securities transactions. All such persons owe a fiduciary duty to you. A fiduciary duty means a duty of loyalty, fairness and good faith towards you, and the obligation to adhere not only to the specific provisions of this Code but to the general principles that guide the Code. These general principles are:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in a manner consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of any individual's position of trust and responsibility; and
- The fundamental standard that such employees, officers, and directors should not take inappropriate advantage of their positions or of our relationship with you.

It is imperative that the personal trading activities of our employees, officers, and directors is conducted with the highest regard for these general principles in order to avoid any possible conflict of interest, any appearance of a conflict, or activities that could lead to disciplinary action. This includes executing transactions through or for the benefit of a third party when the transaction is not in keeping with the general principles of this Code.

A copy of our full Code is available to you or any prospective client upon request.

We do not, nor does a related person, recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account.

We do not execute transactions on a principal or agency cross basis.

Item 12 – Brokerage Practices

We do not select or recommend broker-dealers for client transactions, nor receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”). Therefore, we do not consider whether we or a related person receive client referrals from a broker-dealer or third party. However, CBNA is currently the exclusive broker-dealer for ARS’s Alpha Blend Index product. Investors in them are CBNA clients not ARS clients. Additionally, we do not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer, nor aggregate the purchase or sale of securities for various client accounts.

Item 13 – Review of Accounts

Reviews and Reviewers

All accounts holding assets managed by us are reviewed daily by your custodian. ARS' authority is restricted to the purchase and sale of pre-agreed asset classes. We never hold your funds or give instructions to move funds.

Custodian banks typically provide either online account reporting in real time or daily reporting. You typically make specific arrangements on a case by case basis with the custodian bank. You are encouraged to review these reports.

Item 14 – Client Referrals and Other Compensation

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients. However, ARS may pay introducing intermediaries and may pay third party research providers for buy and sell recommendations. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Advisers Act and any applicable corresponding state securities law requirements. Such compensation will not result in any additional charge to you greater than the fees or costs we charge to our advisory clients.

Item 15 – Custody

We do not have custody of your funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

Item 16 – Investment Discretion

Through its investment management agreements, ARS is given complete responsibility for its investment services, which allows us to make investment decisions without prior consultation with you. Such discretion would involve determinations regarding which securities and the total amount of the securities to be bought and sold for the account. However, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client. You will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to us.

Selections of brokerage and custody firms are at your discretion.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

We do not have, nor will we accept authorization to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

Item 18 – Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or we do not require prepayment of fees in any amount per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.