

November 04, 2015

Dear Investor,

For the third quarter of 2015, **Boothbay Absolute Return Strategies, LP** (the "Fund") posted net returns of approximately **+2.0%**^{1,2} versus -4.3% for the HFR Global Hedge Fund Index, +3.7% for the HFRX Index Market Neutral Index, and -6.9% for the S&P 500. For the year the Fund is up **8.4%**^{1,2} versus -3.1% for the HFR Global Hedge Fund Index, +4.5% for the HFRX Index Market Neutral Index, and -6.7% for the S&P 500.

The fund posted three positive months this quarter bringing the Fund's consecutive streak of positive months to 11. Our goal is to generate returns that are positive regardless of overall market activity and direction. However, having a down month is not something we are expecting to avoid. The third quarter was one of the most challenging in recent memory for both markets and hedge funds. Seemingly every day another article in the main stream press noted big name hedge fund manager's having historically bad performance.

While the Fund's overall performance was positive each month, without much daily volatility, (average daily absolute movement of 0.18% versus average daily S&P500 movement of 0.93%), underneath the surface there was a lot of individual manager volatility and dispersion. Plummeting oil prices gave energy focused investors their own 'mini' crisis, while a single tweet from presidential candidate Hilary Clinton about drug prices caused a similar effect in the healthcare / biotech sectors. Those sectors hurt as well. On the other hand, the extreme volatility created opportunities for some of our 'Other' portfolio managers that thrive on just such events. One example is a portfolio manager who was able to take advantage of the well-publicized problems ETFs experienced in late August (where ETFs drifted away from the values implied by their underlying components). Another manager was long volatility and profited handsomely in the depths of August. This quarter is a prime example of why we believe in

¹ For Class 1F which pays 1% management fee and 12.5% incentive fee and is eligible for new issue income. Other classes will have slightly different returns.

² Performance figures (which include the reinvestment of dividends, capital gains and other earnings) included herein are based on unaudited information, may be subject to adjustment and are shown net of fees/allocations and expenses. Results for individual investors may vary based on, among other things, the timing of capital contributions and withdrawals.

having a very diverse group of managers who strive to achieve their returns in genuinely idiosyncratic ways.

Our Quant category was the biggest contributor generating positive returns each month and was our overall top category in both July and September. The category of Other, took top performance honors in August with notably strong results. We ran the table in September with every category being profitable and for the overall quarter 56% of managers were profitable. For third quarter returns in aggregate, Quant contributed 55%, Other contributed 21%, Fundamental L/S contributed -11% and First Loss contributed 36%.

At quarter-end, the Multi-Strategy platform had 27 Fundamental Long/Short Equity managers, 21 Quant managers and 14 'Other' managers (these figures include 9 Hybrids³). We also had 22 First Loss managers (including Hybrids). Allocated buying power was approximately \$295 million for First Loss (with an additional \$59 million of Multi-Strategy for Hybrid) and \$458 million for Multi-Strategy.

We averaged approximately 0.53% daily VaR in for the quarter versus a target of approximately 0.80% VaR (95% Confidence Interval - which excludes First Loss managers). While on a net basis we added 13 managers over the quarter, the covariant nature of most of our managers has kept volatility and risk muted. We remain committed to increasing risk and adding new and talented managers. We are happy to note our positive returns during negative market days. We had positive performance on 53% of the days the S&P500 was down and 49% of the days the Russell 2000 was down during the 3rd quarter.

The quarter did have an unfortunate first for the Fund. The Fund experienced a loss on a First-Loss manager during the perfect storm that hit in late August, where a late Friday afternoon risk breach turned into a forced liquidation on the morning of August 24th (with the Dow Jones Index down an extreme 1000+ points). This event caused us to review and tighten some of our procedures surrounding monitoring of the First-Loss risk. In all, it cost the Fund approximately 31 basis points (but the fund still was profitable for the month on its First Loss managers).

Manager sourcing over the summer period was slower but we onboarded 15 managers from Q2 meetings. We are now up to 75 managers (up from 62 at quarter-end and 50 at the start of the year).

³ By Hybrid, we are referring to accounts for which we have both a First-Loss allocation as well as a direct investment.

During September and October we attended many conferences and have met with many talented managers through our growing network. We will be onboarding a number more over the next couple of months, including four first loss accounts.

Last quarter we reported that we were finally slowly approaching our desired risk target. This led us to announce that we would cautiously and slowly grow our capital base. We offered first opportunity to the founders share class partners to add to their current investment at initial terms, and are pleased to announce that all of the capacity was committed to. This includes capital that will allow us to launch the offshore fund on January 1. Since additional capital now is helpful in getting our account sizes large enough to get managed accounts from certain portfolio manager talent, we believe it's helpful to all investors. As such we will be adding a new share class –the Accelerators share class- that will have terms in between the current founders share class and the ultimate share classes.

As always we are available to answer all investment and business inquiries or offer any other transparency.

Sincerely,

Ari Glass



Managing Member, Boothbay Fund Management, LLC

IMPORTANT DISCLOSURES

The information presented herein is confidential and proprietary, and may not be (i) used by, or on behalf of, you for any purpose other than evaluating an initial or continued investment in Boothbay Absolute Return Strategies, LP (the "Fund"), or (ii) disclosed by, or on behalf of, you to any third party, in each case except with the prior written consent of Boothbay Fund Management, LLC ("Boothbay").

This letter includes forward-looking statements. Although Boothbay believes that the expectations and views reflected in such statements are reasonable, such statements are subject to a number of assumptions, risks and uncertainties which may cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, and the expectations and views reflected therein, expressed in this letter may change at any time, without notice. Prospective investors are cautioned not to invest based on these forward-looking statements.

Performance figures (which include the reinvestment of dividends, capital gains and other earnings) included herein are based on unaudited information, may be subject to adjustment and are shown net of fees/allocations and expenses. Results for individual investors may vary based on, among other things, the timing of capital contributions and withdrawals.

An investment in the Fund is speculative and involves a high degree of risk. Past performance is not necessarily indicative of future results. There can be no assurances that the Fund will continue to have a similar return on invested capital because, among other reasons, there may be differences in economic and market conditions, regulatory and political climate, portfolio size, investment opportunities, expenses and structure. Accordingly, when deciding to make an investment, potential investors are urged to review carefully all disclosure documentation, including the Fund's confidential private offering memorandum, and consult with their counsel and advisers.

Nothing herein should be interpreted to represent concentration limits, exit strategies or sector allocation guidelines, all of which are subject to change without notice.

References to the S&P500 and any other benchmark(s) referred to herein are for illustrative purposes only. Any such benchmarks are included merely to show general trends in the markets in the periods indicated and are not intended to imply that the Fund's portfolio is similar to any such benchmarks either in composition or risk. Comparisons to benchmarks have limitations because natural characteristics of such benchmarks, such as volatility, among other things, are likely to differ from those of the Fund. Boothbay does not attempt to track a benchmark and there is no guarantee that the Fund will meet or exceed any such benchmark.