
BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS)
THROUGH DECEMBER 31, 2014

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONTENTS

Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statement of Financial Condition	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Partners' Capital	4
Consolidated Statement of Cash Flows	5
Consolidated Condensed Schedule of Investments	6 - 26
Notes to Consolidated Financial Statements	27 - 44



KPMG LLP
4 Becker Farm Road
Roseland, NJ 07068

Independent Auditors' Report

To the Partners of Boothbay Absolute Return Strategies, LP:

We have audited the accompanying consolidated financial statements of Boothbay Absolute Return Strategies, LP (the "Fund"), which comprise the consolidated statement of financial condition and consolidated condensed schedule of investments as of December 31, 2014, and the related consolidated statements of operations, changes in partners' capital, and cash flows for the period July 1, 2014 (commencement of operations) through December 31, 2014 and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Boothbay Absolute Return Strategies, LP as of December 31, 2014, and the results of its operations, changes in its partners' capital and its cash flows for the period July 1, 2014 (commencement of operations) through December 31, 2014 in accordance with U.S. generally accepted accounting principles.

KPMG LLP

April 30, 2015

1

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

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BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2014

Assets

Investments in securities, at fair value (cost \$310,595,375)	\$ 313,731,863
Derivative assets, at fair value	2,526,946
Cash and cash equivalents	329,816
Due from brokers	22,882,353
Dividends and interest receivable	1,660,300
Capital contributions receivable	227,496
Capital withdrawals receivable	496,878
Other assets	98,857
Total assets	<u>341,954,509</u>

Liabilities and partners' capital

Securities sold short, at fair value (proceeds \$167,924,773)	167,794,401
Derivative liabilities, at fair value	3,091,060
Due to brokers	51,564,506
Advance capital contributions	839,018
Capital withdrawals payable	1,681,203
Dividends and interest payable	406,876
Accrued expenses and other liabilities	1,374,994
Total liabilities	<u>226,752,058</u>

Partners' capital\$ 115,202,451

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP**CONSOLIDATED STATEMENT OF OPERATIONS****FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH
DECEMBER 31, 2014**

Investment income	
Interest	\$ 1,604,756
Dividends (net of foreign withholding taxes of \$32,800)	1,499,041
Other income	307
Swap	85,028
Total investment income	<u>3,189,132</u>
Expenses	
Interest	1,956,266
Dividends	1,441,782
Management fees	385,473
Administrative fees	220,972
Professional fees	175,950
Clearance and custody fees	344,261
Other expense	1,952,837
Total expenses	<u>6,477,541</u>
Net investment loss	<u>(3,288,409)</u>
Realized and unrealized gain (loss) on investments	
Net realized loss on investments	(274,011)
Net realized gain on derivative contracts	1,202,993
Net realized gain on foreign currency	522,382
Net change in unrealized appreciation on investments	3,266,860
Net change in unrealized depreciation on derivative contracts	(607,472)
Net change in unrealized appreciation on foreign currency	230,177
Net gain on investments	<u>4,340,929</u>
Net income	<u>\$ 1,052,520</u>

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP**CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' CAPITAL**

**FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH
DECEMBER 31, 2014**

	General Partner	Limited Partners	Total Partners' Capital
Capital contributions	\$ 175,192	\$ 118,035,371	\$ 118,210,563
Capital withdrawals	-	(4,060,632)	(4,060,632)
Allocation of net income			
Pro rata allocation	3,918	1,048,602	1,052,520
Reallocation to General Partner	131,510	(131,510)	-
	<u>135,428</u>	<u>917,092</u>	<u>1,052,520</u>
Partners' capital, end of period	<u>\$ 310,620</u>	<u>\$ 114,891,831</u>	<u>\$ 115,202,451</u>

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH
DECEMBER 31, 2014**

Cash flows from operating activities	
Net income	\$ 1,052,520
Adjustments to reconcile Net income from operations to net cash used in operating activities:	
Net realized gain on investments	274,011
Net change in unrealized depreciation on investments	(3,266,860)
Amortization of premiums and discounts on debt securities	378,940
Changes in operating assets and liabilities:	
Purchases of investments in securities	(2,187,567,523)
Payments to cover securities sold short	(1,460,277,974)
Proceeds from sale of investments in securities	1,960,946,018
Proceeds from securities sold short	1,550,822,995
Derivative contracts	564,114
Due from brokers	(22,882,353)
Dividends and interest receivable	(1,660,300)
Capital contributions receivable	(227,496)
Capital withdrawals receivable	(496,878)
Other assets	(98,857)
Due to brokers	51,564,506
Capital withdrawals payable	1,681,203
Dividends and interest payable	406,876
Accrued expenses and other liabilities	1,374,994
Net cash used in operating activities:	<u>(107,412,064)</u>
Cash flows from financing activities	
Capital contributions, net of change in advance capital contributions	111,802,512
Capital withdrawals	(4,060,632)
Net cash provided by financing activities:	<u>107,741,880</u>
Net change in cash and cash equivalents	329,816
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	<u>\$ 329,816</u>
Supplemental disclosure of cash flow information	
Cash paid during the period for interest	<u>\$ 1,750,092</u>
Supplemental disclosure of noncash financing activities	
Contribution of securities, at fair value (cost basis of \$7,247,069)	<u>\$ 7,247,069</u>

See accompanying notes to consolidated financial statements.

5

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BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Investments In Securities, At Fair Value				
American Depositary Receipt				
Argentina				
Consumer Non-cyclical		0.00 %	30	30
Financial		0.00	712	743
		0.00	742	773
Brazil				
Basic Materials		0.00	2,751	2,685
Financial		0.03	32,445	31,495
		0.03	35,196	34,180
China				
Basic Materials		0.04	69,646	46,042
Communications		1.60	1,875,212	1,847,384
Consumer Cyclical		0.27	271,741	309,417
Energy		0.19	232,571	213,693
Financial		0.02	20,465	20,359
Technology		0.00	3,248	3,245
Utilities		0.00	2,620	2,708
		2.12	2,475,503	2,442,848
Denmark				
Consumer Non-cyclical		0.00	4,768	4,749
England				
Consumer Non-cyclical		0.42	457,510	484,307
Energy		0.09	125,124	103,610
		0.51	582,634	587,917
Finland				
Communications		0.07	80,143	79,103
Ireland				
Consumer Cyclical		0.19	168,312	221,865
Consumer Non-cyclical		0.01	7,967	8,282
		0.20	176,279	230,147
Israel				
Communications		0.23	229,057	268,445
Mexico				
Industrial		0.12	144,585	140,638
Panama				
Consumer Cyclical		0.01	7,552	7,883
South Korea				
Communications		0.28	327,120	320,397
Switzerland				
Financial		0.15	174,728	170,545
Industrial		0.06	68,938	69,837
		0.21 %	243,666	240,382

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Taiwan				
Industrial		0.01 %	12,522	12,048
Technology		0.03	35,686	36,738
		0.04	48,208	48,786
Total - American Depositary Receipt		3.82	4,355,453	4,406,248
Closed-End Fund				
United States Of America				
Financial		8.24	9,455,095	9,490,914
Total - Closed-End Fund		8.24	9,455,095	9,490,914
Common Stock				
 Argentina				
Communications		0.05	60,047	56,302
 Australia				
Diversified		0.00	1,343	1,360
Energy		0.07	107,624	75,791
		0.07	108,967	77,151
 Bahamas				
Industrial		0.02	20,924	22,544
 Bermuda				
Consumer Non-cyclical		0.28	277,029	326,746
Energy		0.06	65,089	67,832
Financial		0.15	179,189	178,455
Industrial		0.11	192,060	130,965
Technology		0.06	65,075	73,413
		0.66	778,442	777,411
 Brazil				
Consumer Non-cyclical		0.01	6,671	7,548
 British Virgin Islands				
Diversified		0.00	1,040	1,068
 Canada				
Basic Materials		0.47	553,919	537,220
Communications		0.40	510,096	455,196
Consumer Cyclical		0.65	679,883	753,065
Consumer Non-cyclical		1.02	1,184,587	1,179,366
Diversified		0.00	1,064	1,054
Energy		0.38	857,266	442,024
Financial		0.18	217,340	210,620
Industrial		0.23	291,714	270,037
Materials		0.02	19,995	21,263
Technology		0.12	124,411	141,204
		3.47 %	4,440,275	4,011,049

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION
DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Cayman Islands				
Financial		0.01 %	12,056	11,947
China				
Basic Materials		0.02	19,672	17,955
Communications		0.25	316,165	293,608
Consumer Non-cyclical		0.02	28,437	28,597
Energy		0.03	33,340	34,713
Industrial		0.40	505,177	456,377
Utilities		0.11	137,888	128,960
		0.83	1,040,679	960,210
Cyprus				
Energy		0.00	542	538
Denmark				
Communications		0.15	189,907	172,463
England				
Communications		0.72	804,429	830,423
Consumer Cyclical		0.07	78,853	80,301
Energy		0.05	97,814	61,757
Financial		0.06	75,168	74,265
Industrial		0.37	323,013	421,578
		1.27	1,379,277	1,468,324
France				
Basic Materials		0.12	162,116	137,683
Financial		0.22	188,557	252,107
		0.34	350,673	389,790
Germany				
Consumer Cyclical		0.29	313,355	330,261
Financial		0.16	180,742	180,093
Utilities		0.10	159,536	114,289
		0.55	653,633	624,643
Greece				
Diversified		0.00	5,511	5,507
Industrial		0.00	199	217
		0.00	5,710	5,724
Hong Kong				
Consumer Cyclical		0.26	298,222	298,650
Consumer Non-cyclical		0.00	2,015	2,042
Energy		0.04	40,970	41,665
Financial		0.57	637,408	656,417
Utilities		0.70	778,385	809,262
		1.57	1,757,000	1,808,036
Ireland				
Consumer Non-cyclical		0.43	465,871	500,106
Financial		0.11	124,640	130,228
Industrial		0.00	1,256	1,276
Technology		0.72	832,369	833,320
		1.26 %	1,424,136	1,464,930

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION
DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Isle Of Man Communications		0.13 %	169,692	145,942
Israel				
Communications		0.64	748,816	737,476
Consumer Non-cyclical		0.04	57,250	51,306
Industrial		0.31	372,459	356,485
Technology		0.07	75,643	77,189
		1.06	1,254,168	1,222,456
Italy				
Consumer Cyclical		0.02	23,209	22,123
Consumer Non-cyclical		0.05	70,859	59,820
Industrial		0.01	13,431	12,552
Utilities		0.27	330,783	316,048
		0.35	438,282	410,543
Japan				
Communications		1.42	1,672,467	1,630,364
Consumer Cyclical		2.63	3,016,778	3,025,415
Financial		1.10	1,380,736	1,265,423
Industrial		0.63	747,075	728,259
Technology		0.30	342,928	340,109
		6.08	7,159,984	6,989,570
Luxembourg				
Basic Materials		0.02	21,532	21,560
Communications		0.37	360,784	421,925
Energy		0.00	514	478
Financial		0.38	411,119	436,206
		0.77	793,949	880,169
Malaysia				
Consumer Cyclical		0.37	471,960	427,967
Diversified		0.03	34,966	34,098
Financial		0.41	580,106	467,443
		0.81	1,087,032	929,508
Mexico				
Basic Materials		0.01	8,569	8,637
Monaco				
Industrial		0.00	4,099	4,159
Multinational Materials		0.03 %	38,757	39,639

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Netherlands				
Basic Materials		0.25 %	295,791	291,520
Communications		0.01	14,732	14,835
Consumer Non-cyclical		0.09	96,729	101,466
Energy		0.00	3,332	3,559
Financial		0.12	141,074	134,821
Industrial		0.19	234,965	219,052
Technology		0.29	318,111	337,372
		0.95	1,104,734	1,102,625
Norway				
Industrial		0.00	690	692
Puerto Rico				
Financial		0.04	38,960	42,457
Singapore				
Consumer Cyclical		0.00	5,219	5,434
Technology		0.08	94,467	94,756
		0.08	99,686	100,190
Spain				
Financial		0.05	53,412	54,975
Switzerland				
Energy		0.16	288,635	178,965
Financial		0.10	112,461	113,846
Industrial		0.09	106,732	104,582
		0.35	507,828	397,393
Taiwan				
Technology		0.25	257,381	282,755
Thailand				
Communications		0.50	589,355	572,203
U.S. Virgin Islands				
Financial		0.00	2,719	2,481
United States Of America				
Basic Materials		2.97	3,387,508	3,417,854
Communications		18.40	20,309,094	21,191,931
Consumer Cyclical		17.79	19,133,823	20,493,333
Consumer Non-cyclical		19.05	21,230,900	21,938,911
Diversified		0.31	336,154	360,085
Energy		4.89	5,904,950	5,638,840
Financial		11.65	12,983,573	13,419,314
Industrial		10.26	11,605,446	11,824,939
Technology		13.42	14,378,442	15,461,507
Utilities		4.76	5,336,715	5,487,647
		103.50	114,606,605	119,234,361
Total - Common Stock		125.22 %	140,445,881	144,280,433

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Convertible Bond				
United States Of America				
Energy		0.11 %	238,741	127,920
Consumer Non-cyclical		0.21	137,010	238,590
		0.32	375,751	366,510
Total - Convertible Bond		0.32	375,751	366,510
Corporate Bond				
Canada				
Consumer Cyclical		0.11	157,442	131,013
Energy		0.02	27,073	27,316
		0.13	184,515	158,329
England				
Consumer Cyclical		0.36	412,103	412,591
Financial		0.17	201,500	192,765
		0.53	613,603	605,356
France				
Consumer Non-cyclical		0.95	1,169,300	1,088,820
Energy		0.03	35,663	28,880
Financial		0.73	885,391	837,182
Technology		0.29	361,545	336,854
		2.00	2,451,899	2,291,736
Germany				
Communications		0.70	800,000	807,000
Greece				
Industrial		0.42	513,432	482,650
Guernsey				
Financial		0.46	535,609	532,500
Ireland				
Financial		3.55	4,347,033	4,095,101
Israel				
Communications		0.28	319,500	318,375
Utilities		0.12	138,643	141,919
		0.40	458,143	460,294
Netherlands				
Communications		1.12	1,362,434	1,286,810
Financial		0.64	745,963	735,861
		1.76	2,108,397	2,022,671
Spain				
Financial		0.31	367,569	355,228
Sweden				
Consumer Cyclical		0.82 %	967,750	950,132

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
United States Of America				
Basic Materials		3.77 %	4,645,685	4,347,630
Communications		4.58	5,295,632	5,280,097
Consumer Cyclical		4.44	5,125,011	5,112,753
Consumer Non-cyclical		7.50	8,972,745	8,635,258
Energy		1.49	2,200,256	1,710,915
Financial		5.58	6,512,233	6,427,446
Industrial		2.05	2,426,571	2,366,962
Technology		1.86	2,152,500	2,142,000
Utilities		0.46	524,216	526,503
		<u>31.73</u>	<u>37,854,849</u>	<u>36,549,564</u>
Total - Corporate Bond		42.81	51,202,799	49,310,561
Exchange Traded Fund				
China				
Funds		0.27	281,506	312,404
Japan				
Funds		0.30	347,336	342,622
United States Of America				
Funds		14.12	14,254,835	14,473,461
Vietnam				
Funds		0.05	57,179	52,836
Total - Exchange Traded Fund		14.74	14,940,856.0	15,181,323.0
Global Depositary Receipts				
Argentina				
Financial		0.00	305	307
Total - Global Depositary Receipts		0.00	305	307
Government Bond				
Germany				
Government		0.26	305,189	300,928
Total - Government Bond		0.26	305,189	300,928
Master Limited Partnership				
United States Of America				
Energy		0.34	396,495	388,375
Total - Master Limited Partnership		0.34 %	396,495	388,375

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Municipal Bond				
United States Of America				
Government				
PIERCE CNTY WA SCH DIST #10 TA 5.25% 12/01/2038	10,090,000	10.47 %	11,939,906	12,060,476
TEXAS ST 5% 10/01/2044	7,540,000	7.65	8,685,208	8,811,696
WASHINGTON ST 5% 07/01/2029	6,115,000	6.44	7,264,870	7,416,394
MONTGOMERY CNTY MD 5% 11/01/2024	5,800,000	6.35	7,249,947	7,314,612
MASSACHUSETTS ST 5% 11/01/2024	5,800,000	6.13	6,957,511	7,058,252
MASSACHUSETTS ST 5% 11/01/2025	5,800,000	6.11	7,000,257	7,044,216
NEW YORK ST THRUWAY AUTH 5% 01/01/2028	5,800,000	5.97	6,810,017	6,882,628
Other		23.73	27,112,571	27,329,836
		72.85	83,020,287	83,918,110
Total - Municipal Bond		72.85	83,020,287	83,918,110
Preferred Stock				
United States Of America				
Financial		0.44	497,868	503,957
Government		0.01	27,801	12,455
		0.45	525,669	516,412
Puerto Rico				
Financial		0.01	15,237	14,940
Total - Preferred Stock		0.46	540,906	531,352
Real Estate Investment Trust				
United States Of America				
Consumer Cyclical		0.05	67,748	61,145
Financial		4.54	5,217,030	5,234,870
		4.59	5,284,778	5,296,015
Total - Real Estate Investment Trust		4.59	5,284,778	5,296,015
Unit Investment Trust				
United States Of America				
Consumer Cyclical		0.12	131,488	137,873
Energy		0.03	31,955	35,288
Financial		0.05	70,275	62,383
Utilities		0.02	37,862	25,243
		0.22	271,580	260,787
Total - Unit Investment Trust		0.22	271,580	260,787
Total - Investments In Securities, At Fair Value		273.87 %	310,595,375	313,731,863

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Derivative Assets, At Fair Value				
Commodity Option				
United States Of America				
Crude Oil		0.02 %	3,790	18,920
Natural Gas		0.24	160,200	272,400
Precious Metal		0.03	29,180	32,620
		0.29	193,170	323,940
Total - Commodity Option		0.29	193,170	323,940
Currency Option				
United States Of America				
Currency		0.00	838	75
Total - Currency Option		0.00	838	75
Equity Option				
England				
Communications		0.00	7,796	2,517
Consumer Non-cyclical		0.00	2,013	2,565
Technology		0.00	650	630
		0.00	10,459	5,712
Ireland				
Consumer Non-cyclical		0.01	13,779	5,908
Sweden				
Communications		0.00	2,673	644
United States Of America				
Basic Materials		0.00	978	990
Communications		0.14	148,223	160,037
Consumer Cyclical		0.02	69,923	20,952
Consumer Non-cyclical		0.03	45,286	37,806
Financial		0.01	20,446	13,686
Funds		0.07	89,254	77,945
Industrial		0.02	35,228	27,804
Technology		0.03	44,142	36,280
		0.32	453,480	375,500
Total - Equity Option		0.33	480,391	387,764
Forward Contract				
Currency contracts				
Various currencies		0.03	-	36,013
Total - Forward Contract		0.03 %	-	36,013

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Future Option				
United States Of America Equity Index		0.00 %	15,125	4,900
Precious Metal		0.02	29,805	21,850
			44,930	26,750
Total - Future Option		0.02	44,930	26,750
Interest Rate Swap				
United States Of America Financial		0.06	-	68,357
Total - Interest Rate Swap		0.06	-	68,357
Physical Commodity Future				
United States Of America Livestock		0.01	-	12,230
Natural Gas		0.68	-	782,830
Precious Metal		0.01	-	11,855
Refined Products		0.00	-	4,368
		0.70	-	811,283
Total - Physical Commodity Future		0.70	-	811,283
Physical Index Future				
Germany Equity Index		0.00	-	1,754
United States Of America Equity Index		0.01	-	12,088
Non-equity Index		0.00	-	1,025
		0.01	-	13,113
Total - Physical Index Future		0.01	-	14,867
Right				
European Union Consumer Cyclical		0.00	-	834
Total - Right		0.00	-	834
Total Return Swap				
Multinational Various Industries		0.74	-	857,063
		0.74	-	857,063
Total - Total Return Swap		0.74	-	857,063.00
Total - Derivative Assets, At Fair Value		2.19 %	719,329	2,526,946

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Securities Sold Short, At Fair Value				
American Depositary Receipt				
Argentina				
Communications		0.02 %	11,604	11,030
Energy		0.00	891	900
Financial		0.03	20,977	20,999
		<u>0.05</u>	<u>33,472</u>	<u>32,929</u>
Brazil				
Basic Materials		0.09	53,850	54,816
Energy		0.01	3,946	3,898
Financial		0.00	854	869
Materials		0.01	7,586	7,910
Utilities		0.04	24,951	24,797
		<u>0.15</u>	<u>91,187</u>	<u>92,290</u>
Cayman Islands				
Communications		0.00	504	517
China				
Basic Materials		0.00	2,033	1,343
Communications		0.25	298,847	288,494
Consumer Cyclical		0.05	67,673	62,332
Consumer Non-cyclical		0.04	49,336	48,405
Energy		0.00	0	0
Financial		0.01	12,786	13,047
Technology		0.11	170,090	132,249
		<u>0.46</u>	<u>600,765</u>	<u>545,870</u>
Colombia				
Energy		0.00	1,289	1,233
Financial		0.01	17,356	17,126
		<u>0.01</u>	<u>18,645</u>	<u>18,359</u>
Cyprus				
Communications		0.01	14,280	13,628
England				
Basic Materials		0.00	4,517	4,558
Energy		0.00	1,635	1,566
Technology		0.14	166,900	166,680
		<u>0.14</u>	<u>173,052</u>	<u>172,804</u>
France				
Consumer Non-cyclical		0.02	15,870	19,775
Israel				
Communications		0.01	9,516	9,472
Luxembourg				
Basic Materials		0.00 %	3,136	3,142

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Mexico				
Communications		0.01 %	8,861	8,992
Consumer Non-cyclical		0.02	20,498	20,148
Financial		0.00	4,279	4,310
		0.03	33,638	33,450
Netherlands				
Communications		0.01	10,829	10,529
Norway				
Energy		0.00	5,404	5,389
Peru				
Diversified		0.00	3,095	3,198
Russia				
Communications		0.01	10,362	9,147
South Africa				
Basic Materials		0.01	10,390	10,401
Energy		0.01	7,714	7,632
		0.02	18,104	18,033
South Korea				
Communications		0.00	3,561	3,488
Spain				
Communications		0.00	1,812	1,606
Financial		0.03	39,292	37,377
		0.03	41,104	38,983
Sweden				
Communications		0.14	159,190	156,090
Taiwan				
Technology		0.02	22,712	22,394
Total - American Depositary Receipt		1.11	1,268,426	1,209,487
Closed-End Fund				
United States Of America				
Financial		0.03	32,243	31,186
Total - Closed-End Fund		0.03 %	32,243	31,186

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION
DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Common Stock				
Australia				
Energy		0.10 %	115,321	114,364
Bahamas				
Consumer Non-cyclical		0.02	18,188	22,135
Industrial		0.00	3,448	3,410
		0.02	21,636	25,545
Bermuda				
Consumer Cyclical		0.00	2,117	2,155
Energy		0.02	27,851	24,732
Financial		0.01	9,232	9,359
Industrial		0.07	80,600	75,391
		0.10	119,800	111,637
Brazil				
Consumer Non-cyclical		0.00	1,867	1,930
Canada				
Basic Materials		0.11	129,545	122,965
Communications		0.15	165,930	175,094
Consumer Cyclical		0.26	284,991	296,609
Consumer Non-cyclical		0.00	1,936	2,043
Diversified		0.08	94,668	92,915
Energy		0.27	318,510	315,628
Financial		0.21	275,030	243,711
Industrial		0.20	230,809	234,548
Materials		0.01	10,207	9,149
Technology		0.21	228,652	246,519
Utilities		0.01	15,490	15,234
		1.51	1,755,768	1,754,415
Cayman Islands				
Consumer Non-cyclical		0.00	3,894	3,879
China				
Basic Materials		0.01	10,877	10,469
Communications		0.00	3,412	3,563
Consumer Cyclical		0.02	23,554	23,791
Consumer Non-cyclical		0.07	77,159	76,597
Energy		0.01	7,593	6,654
Industrial		0.01	12,863	12,853
Utilities		0.09	85,787	100,001
		0.21 %	221,245	233,928

See accompanying notes to consolidated financial statements.

18

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BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION
DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Curacao				
Consumer Non-cyclical		0.05 %	62,347	60,511
England				
Communications		0.08	83,941	95,942
Consumer Cyclical		0.01	9,757	9,635
Energy		0.05	66,163	56,804
Financial		0.05	60,802	61,024
Industrial		0.00	3,245	3,854
Utilities		0.07	73,655	75,157
		0.26	297,563	302,416
Finland				
Utilities		0.24	319,481	278,012
France				
Financial		0.19	230,542	214,180
Germany				
Financial		0.24	268,115	281,036
Industrial		0.01	11,017	10,094
Utilities		0.24	278,913	274,512
		0.49	558,045	565,642
Greece				
Consumer Non-cyclical		0.00	3,005	3,309
Industrial		0.01	20,451	17,125
		0.01	23,456	20,434
Hong Kong				
Consumer Cyclical		0.18	209,722	202,953
Financial		0.11	123,557	127,343
Utilities		0.32	370,592	370,861
		0.61	703,871	701,157
India				
Communications		0.00	1,937	1,715
Ireland				
Consumer Non-cyclical		0.34	377,019	392,524
Financial		0.05	51,942	53,686
Technology		0.10	105,320	110,257
		0.49	534,281	556,467
Israel				
Communications		0.08	86,165	97,115
Consumer Non-cyclical		0.01	18,392	14,515
Technology		0.05	61,652	61,177
		0.14 %	166,209	172,807

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Italy				
Consumer Cyclical		0.28 %	322,980	319,768
Multi-Line Insurance		0.10	120,041	117,168
Utilities		0.20	270,685	225,618
		0.58	713,706	662,554
Japan				
Basic Materials		0.14	164,816	159,468
Communications		0.73	1,106,224	839,036
Consumer Cyclical		0.23	273,783	267,960
Consumer Non-cyclical		0.45	556,685	515,371
Financial		0.26	306,495	298,292
Industrial		0.47	523,847	537,008
Technology		0.21	411,714	246,862
		2.49	3,343,564	2,863,997
Luxembourg				
Consumer Non-cyclical		0.03	42,528	40,258
Energy		0.01	7,737	7,317
Financial		0.03	38,106	38,115
		0.07	88,371	85,690
Mexico				
Basic Materials		0.13	143,690	149,076
Monaco				
Industrial		0.04	41,236	41,786
Multinational				
Materials		0.17	305,886	201,316
Netherlands				
Basic Materials		0.01	17,083	16,513
Consumer Non-cyclical		0.08	82,391	92,716
Energy		0.02	20,648	20,097
Industrial		0.05	61,301	59,015
Technology		0.01	14,087	14,058
		0.17	195,510	202,399
Norway				
Industrial		0.00	3,402	3,475
Panama				
Consumer Cyclical		0.01 %	9,427	10,468

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION
DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Peru				
Materials		0.04 %	41,800	41,144
Puerto Rico				
Consumer Non-cyclical		0.02	18,984	19,120
Financial		0.05	72,581	61,867
		0.07	91,565	80,987
Russia				
Communications		0.00	2,424	2,440
Spain				
Financial		0.05	61,684	55,632
Sweden				
Consumer Cyclical		0.01	16,366	16,555
Switzerland				
Energy		0.03	43,440	32,858
Financial		0.05	60,295	57,388
Industrial		0.25	288,079	289,965
		0.33	391,814	380,211
Thailand				
Basic Materials		0.02	26,584	25,386
Communications		0.20	245,470	233,197
Energy		0.05	67,741	62,312
		0.27	339,795	320,895
U.S. Virgin Islands				
Financial		0.12	183,069	139,029
United Arab Emirates				
Consumer Non-cyclical		0.01	8,169	10,189
United States Of America				
Basic Materials		3.12	3,522,703	3,594,159
Communications		8.46	9,657,361	9,743,570
Consumer Cyclical		12.20	13,507,257	14,055,669
Consumer Non-cyclical		12.34	13,770,810	14,209,965
Diversified		0.07	85,106	83,896
Energy		4.43	5,611,948	5,101,573
Financial		8.81	9,941,011	10,153,065
Industrial		8.81	10,040,563	10,151,802
Technology		8.65	9,676,010	9,966,280
Utilities		3.37	3,813,241	3,884,352
		70.26	79,626,010	80,944,331
Total - Common Stock		79.24 %	90,744,751	91,331,213

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Convertible Bond				
United States Of America				
Basic Materials		0.03 %	27,900	30,300
Consumer Cyclical		0.24	283,726	280,988
		0.27	311,626	311,288
Total - Convertible Bond		0.27	311,626	311,288
Corporate Bond				
Canada				
Energy		0.15	175,720	175,720
Denmark				
Financial		0.28	323,429	319,266
England				
Basic Materials		0.54	609,744	626,508
Consumer Non-cyclical		0.23	293,629	270,394
		0.77	903,373	896,902
France				
Communications		0.62	748,765	715,490
Germany				
Financial		0.61	736,190	702,978
Utilities		0.41	494,216	477,720
		1.02	1,230,406	1,180,698
United States Of America				
Basic Materials		0.04	37,388	44,100
Communications		1.48	1,685,260	1,700,195
Consumer Cyclical		0.99	1,144,914	1,145,377
Consumer Non-cyclical		0.22	259,100	258,750
Energy		1.96	2,432,327	2,252,875
Financial		0.12	134,682	133,680
Industrial		0.76	877,597	873,773
Utilities		0.46	525,850	531,700
		6.03	7,097,118	6,940,450
Total - Corporate Bond		8.87 %	10,478,811	10,228,526

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Exchange Traded Fund				
Hong Kong Funds		0.38 %	371,086	431,468
Indonesia Funds		0.24	266,518	274,400
Japan Funds		0.40	468,095	463,372
Mexico Funds		0.23	259,369	259,534
Philippines Funds		0.07	72,903	74,987
Russia Funds		0.10	108,996	113,553
Thailand Funds		0.32	375,312	367,858
Turkey Funds		0.06	72,882	74,405
United States Of America Consumer Non-cyclical Funds		0.49	563,816	567,936
SPDR Trust Series 1	(17,831)	3.18	3,689,148	3,664,271
Other		38.61	44,995,091	44,480,536
		42.28	49,248,055	48,712,743
Total - Exchange Traded Fund		44.08	51,243,216	50,772,320
Government Bond				
England Government		0.31	359,315	357,959
Germany Government		0.37	429,523	425,022
Iraq Government		0.54	683,472	626,250
United States Of America Government		5.78	6,666,757	6,654,520
Total - Government Bond		7.00 %	8,139,067	8,063,751

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Master Limited Partnership				
United States Of America Energy		0.01 %	21,935	16,913
Total - Master Limited Partnership		0.01	21,935	16,913
Real Estate Investment Trust				
United States Of America Basic Materials		0.05	61,635	61,156
Consumer Cyclical		0.18	182,602	205,686
Consumer Non-cyclical		0.18	204,313	210,158
Financial		4.53	5,104,211	5,218,899
		4.94	5,552,761	5,695,899
Total - Real Estate Investment Trust		4.94	5,552,761	5,695,899
Royalty Trust				
United States Of America Energy		0.01	13,064	11,210
Total - Royalty Trust		0.01	13,064	11,210
Unit Investment Trust				
United States Of America Consumer Cyclical		0.08	85,671	89,116
Financial		0.03	29,480	29,854
Utilities		0.00	3,722	3,638
		0.11	118,873	122,608
Total - Unit Investment Trust		0.11	118,873	122,608
Total - Securities Sold Short, At Fair Value			145.67	167,924,773
				167,794,401
Derivative Liabilities, At Fair Value				
Commodity Option				
United States Of America Crude Oil		0.05	15,190	57,700
Natural Gas		0.19	194,400	218,080
		0.24	209,590	275,780
Total - Commodity Option		0.24	209,590	275,780
Credit Default Swap				
United States Of America Consumer Cyclical		0.05	2,860	33,221
Government		0.00	508	132
		0.05	2,352	33,353
Total - Credit Default Swap		0.05 %	2,352	33,353

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Currency Option				
United States Of America Currency		0.00 %	1,175	19
Total - Currency Option			1,175	19
Equity Option				
England				
Communications		0.00	766	663
Consumer Non-cyclical		0.00	1,637	1,852
		0.00	2,403	2,515
Ireland				
Consumer Non-cyclical		0.01	7,598	14,450
Sweden				
Communications		0.00	502	525
United States Of America				
Basic Materials		0.00	664	160
Communications		0.03	75,102	32,910
Consumer Cyclical		0.01	45,544	16,456
Consumer Non-cyclical		0.01	14,052	12,705
Energy		0.00	165	15
Financial		0.00	660	216
Funds		0.13	183,287	145,718
Industrial		0.00	5,543	3,025
Technology		0.01	16,514	8,921
Utilities		0.00	1,599	1,450
		0.19	343,130	221,576
Total - Equity Option		0.20	353,633	239,066
Forward Contract				
Currency contracts Various currencies		0.05	-	56,543
Total - Forward Contract		0.05	-	56,543
Future Option				
United States Of America Equity Index		0.09	106,613	108,625
Total - Future Option		0.09	106,613	108,625
Interest Rate Swap				
United States Of America Financial		0.92	-	1,065,573
Total - Interest Rate Swap		0.92 %	-	1,065,573

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS - CONTINUATION

DECEMBER 31, 2014

Description	Shares, Contracts or Principal Amount	% of Partners' Capital	Cost/ Proceeds From Sales (\$)	Fair Value (\$)
Physical Commodity Future				
United States Of America				
Crude Oil		0.00 %	-	4,000
Natural Gas		0.60	-	694,750
Refined Products		0.00	-	1,331
		0.60	-	700,081
Total - Physical Commodity Future		0.60	-	700,081
Physical Index Future				
United States Of America				
Equity Index		0.01	-	8,888
Total - Physical Index Future		0.01	-	8,888
Right				
United States Of America				
Communications		0.00	1,861	580
Total - Right		0.00	1,861	580
Total Return Swap				
Multinational				
Various Industries		0.52	-	597,258
Total - Total Return Swap		0.52	-	597,258
Warrant				
United States Of America				
Basic Materials		0.00	1,895	752
Financial		0.00	2,750	4,024
Consumer Non-cyclical		0.00	809	518
		0.00	5,454	5,294
Total - Warrant		0.00	5,454	5,294
Total - Derivative Liabilities, At Fair Value		0.03 %	675,973	3,091,060

See accompanying notes to consolidated financial statements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

1. Nature of operations and summary of significant accounting policies

Nature of Operations

Boothbay Absolute Return Strategies, LP (the "Partnership"), a Delaware limited partnership, commenced operations on July 1, 2014. The Partnership was organized to achieve capital appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. The Partnership is managed by Boothbay Hybrid GP, LLC (the "General Partner") and Boothbay Fund Management, LLC (the "Investment Manager"). Refer to the Partnership's offering memorandum for more information. The Investment Manager is registered with the United States Securities and Exchange Commission as a registered investment adviser.

The Partnership's capital generally will be allocated, indirectly through the Partnership's investments in Boothbay Multi-Strategy Fund, LLC ("BMSF") and Ignition Opportunity Fund LLC ("Ignition"), each a Delaware limited liability company that is a wholly-owned subsidiary of the Partnership (together, the "Fund Vehicles"), among a number of third-party managers through collective investment vehicles and managed accounts, including "first loss" accounts (collectively referred to as "Portfolio Managers").

First Loss Platform

Ignition's investment platform is a "first loss" platform, and Portfolio Managers selected to manage Partnership capital through Ignition, are subject to a different compensation structure and business arrangement than other Portfolio Managers (including, generally, those selected to manage Partnership capital through BMSF, although BMSF may enter into one or more "first loss" arrangements with Portfolio Managers as well in the Investment Manager's sole discretion). The Partnership's capital invested through Ignition will generally be allocated to a number of brokerage accounts, opened in the name of Ignition (or the Partnership), that will be managed by a Portfolio Manager. Each such investment account will generally have one investor (each a "Managed Account Limited Partner"), which may or may not be the Portfolio Manager managing such account and which shall make an investment in the Partnership (which is allocated to Ignition) and shall bear the risk of first loss (up to the amount of such Managed Account Limited Partner's investment) in connection with such investment account. Losses in excess of such Managed Account Limited Partner's investment will be allocated among the other Partners participating in such investment account.

Each Portfolio Manager will have discretionary authority to invest and reinvest only that portion of Partnership capital that is allocated to the account managed by it. The interest of each Managed Account Limited Partner in the Partnership will typically constitute 10% of the related investment account, initially, and will vary thereafter. Each Managed Account Limited Partner's interest in the Partnership will be contractually limited to such Managed Account Limited Partner's investment in its related investment account and each Managed Account Limited Partner will participate only in the profits and losses of the Partnership that are attributable to its such investment account.

This arrangement also provides that after a month in which net losses have been allocated to the Managed Account Limited Partner's Capital Account and/or other Partners, net profits will be allocated in subsequent months first to the capital accounts of the Partners (other than the Managed Account Limited Partner) until previously allocated net losses have been recouped, then to the Managed Account Limited Partner's Capital Account until net losses allocated to it have been recouped. This arrangement is also intended to provide the Investment Manager with the option of terminating a relationship with a Portfolio Manager prior to the Partnership incurring losses in excess of losses absorbed solely by such Managed Account Limited Partner's Capital Account, although the Investment Manager may not be able to exercise this option in sufficient time to prevent such excess losses.

Basis of Consolidation and Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

1. Nature of operations and summary of significant accounting policies (continued)

Basis of Consolidation and Presentation (continued)

("FASB") Accounting Standards Codification. The Partnership is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standard Codification 946.

The accompanying consolidated financial statements include the accounts of the Partnership and the Fund Vehicles. Intercompany transactions and balances have been eliminated in consolidation.

These consolidated financial statements were approved by management and available for issuance on April 30, 2015. Subsequent events have been evaluated through this date.

Cash Equivalents

Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash and cash equivalents held in financial institutions, at times, may exceed federal insured limits.

Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Partnership uses various valuation techniques. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Valuation techniques that are consistent with the market or income approach are used to measure fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access.

Level 2 - Valuations based on inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Partnership's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Partnership in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Definition and Hierarchy (continued)

In such cases, the level in the fair value hierarchy which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Fair Value - Valuation Techniques and Inputs

Investments in Securities and Securities Sold Short

Investments in securities and securities sold short that are traded on an exchange are valued at their last reported sales price as of the valuation date.

Many over-the-counter ("OTC") contracts have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. For securities whose inputs are based on bid-ask prices, the Partnership's valuation policies do not require that fair value always be a predetermined point in the bid-ask range. The Partnership's policy for securities traded in the OTC markets and listed securities for which no sale was reported on that date are generally valued at their last reported "bid" price if held long, and last reported "ask" price if sold short.

To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

Derivative Contracts

The Partnership records its derivative activities at fair value. Gains and losses from derivative contracts are included in net realized gain (loss) from derivative contracts and net change in unrealized appreciation or (depreciation) on derivative contracts in the statement of operations.

Option contracts

Options that are traded on an exchange are valued at their last reported sales price as of the valuation date or based on the midpoint of the bid/ask spread at the close of business. Depending on the frequency of trading, options are generally categorized in Level 1 or 2 of the fair value hierarchy.

Futures contracts

Futures contracts that are traded on an exchange are valued at their last reported sales price as of the valuation date. Futures contracts are generally categorized in Level 1 of the fair value hierarchy.

Warrants

Warrants that are traded on an exchange are valued at their last reported sales price as of the valuation date. The fair value of OTC warrants is valued using the Black-Scholes option pricing model, a valuation technique that follows the income approach. This pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including, time value, implied volatility, equity prices, interest rates and currency rates. Warrants are generally categorized in Level 1 or 2 of the fair value hierarchy.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Valuation Techniques and Inputs (continued)

Derivative Contracts (continued)

Forward contracts

Forward contracts are traded on the OTC market. The fair value of forward contracts is valued using observable inputs, such as currency exchange rates or commodity prices, applied to notional amounts stated in the applicable contracts. Forward contracts are generally categorized in Level 2 of the fair value hierarchy.

Interest rate swaps

Interest rate swaps that are traded on an exchange are valued at their last reported sales price as of the valuation date. These listed interest rate swaps are generally categorized in Level 1 or 2 of the fair value hierarchy. Interest rate swaps are also traded on the OTC market. The fair value of OTC interest rate swaps is derived using a pricing model that is widely accepted by marketplace participants. The pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, interest rates, prepayment speeds and currency rates. Many inputs into the model do not require material subjectivity as they are observable in the marketplace. OTC interest rate swaps are generally categorized in Level 2 of the fair value hierarchy.

Total return swaps

Total return swaps are traded on the OTC market. The fair value of total return swaps is recorded at the swap contract's net equity value. Net equity is calculated by determining the notional fair value of the assets or liabilities underlying the swap contracts, which are typically equity securities, and is consistent with the valuation procedures discussed previously. Total return swaps are categorized in Level 2 of the fair value hierarchy.

Credit default swaps

Credit default swaps may be centrally cleared or traded on the OTC market. The fair value of credit default swaps is determined using an income or market approach that considers multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, current credit spreads, and the counterparty's creditworthiness. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is affected by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. If the underlying debt is liquid and the market for the current spread is active, credit default swaps are categorized in Level 2 of the fair value hierarchy. If the underlying debt is illiquid and the market for the current spread is not active, credit default swaps are categorized in Level 3 of the fair value hierarchy. At December 31, 2014, investments in credit default swaps had maturities within a range of December 12, 2019 to March 20, 2020.

Government Bonds

The fair value of sovereign government bonds is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest rate yield curves, cross-currency basis index spreads, and sovereign credit spreads similar to the bond in terms of issuer, maturity and seniority. Sovereign government bonds are generally categorized in Levels 1 of the fair value hierarchy.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Valuation Techniques and Inputs (continued)

Municipal Bonds

The fair value of municipal bonds is estimated using recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, bond or credit default swap spreads, and volatility. Municipal bonds are generally categorized in Level 2 of the fair value hierarchy.

Corporate Bonds

The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads, or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models using yield curves, bond or single name credit default swap spreads, and recovery rates based on collateral values as key inputs. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

Fair Value - Valuation Processes

The Partnership establishes valuation processes and procedures to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable. The Partnership designates a Valuation Committee (the "Committee") to oversee the entire valuation process of the Partnership's Level 3 investments. The Committee is comprised of various Partnership personnel who are separate from the Partnership's portfolio management and trading functions, and reports to the Partnership's Board of Directors. The Committee is responsible for developing the Partnership's written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Committee meets on a monthly basis, or more frequently as needed, to determine the valuations of the Partnership's Level 3 investments. Valuations determined by the Committee are required to be supported by market data, third-party pricing sources, industry accepted pricing models, counterparty prices, or other methods the Committee deems to be appropriate, including the use of internal proprietary pricing models.

Capital Withdrawals Payable

Withdrawals are recognized as liabilities when the amount requested in the withdrawal notice become fixed, which generally occurs on the last day of a fiscal quarter. As a result, withdrawals paid after the end of the year, based on partners' capital balances at year-end, are included in withdrawals payable at December 31, 2014. Withdrawal notices received for which the dollar amount is not fixed remain in partners' capital until the amount is determined.

Translation of Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the period-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the consolidated statement of operations.

The Partnership does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

1. Nature of operations and summary of significant accounting policies (continued)

Translation of Foreign Currency (continued)

held. Such fluctuations are included in net gain (loss) on investments in the consolidated statement of operations.

Investment Transactions and Related Investment Income

Investment transactions are accounted for on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis. Premiums and discounts are amortized over the lives of the respective debt securities. Discounts for high-yield debt securities and other debt securities are not amortized to the extent that interest income is not expected to be realized.

Offsetting of Amounts Related to Certain Contracts

The Partnership has elected not to offset fair value amounts recognized for cash collateral receivables and payables against fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. At December 31, 2014, the Partnership had cash collateral payables of approximately \$4,770,500, with derivative counterparties under the same master netting arrangement.

Income Taxes

The Partnership does not record a provision for U.S. federal, state, or local income taxes because the partners report their share of the Partnership's income or loss on their income tax returns. However, certain non-United States dividend income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Partnership files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states and foreign jurisdictions. Generally, the Partnership is subject to income tax examinations by major taxing authorities during the period since inception.

The Partnership is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Partnership has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2014. The Partnership does not expect that its assessment regarding unrecognized tax benefits will materially change over the next twelve months. However, the Partnership's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal, U.S. state and foreign tax laws, and changes in the administrative practices and precedents of the relevant taxing authorities.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

2. Fair value measurements

The Partnership's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Partnership's significant accounting policies in Note 1. The following table presents information about the Partnership's assets measured at fair value as of December 31, 2014:

Refer to the consolidated condensed schedule of investments for disaggregation of investments in securities and derivative contracts.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets (at fair value)				
Investment in Securities				
American Depositary Receipt	\$ 4,406,248	\$ -	\$ -	\$ 4,406,248
Closed-End Fund	9,490,914	-	-	9,490,914
Common Stock	144,280,433	-	-	144,280,433
Convertible Bond	-	366,510	-	366,510
Corporate Bond	27,316	49,283,245	-	49,310,561
Exchange Traded Fund	15,181,323	-	-	15,181,323
Global Depository Receipts	307	-	-	307
Government Bond	300,928	-	-	300,928
Master Limited Partnership	388,375	-	-	388,375
Municipal Bond	-	83,918,110	-	83,918,110
Preferred Stock	531,352	-	-	531,352
Real Estate Investment Trust	5,296,015	-	-	5,296,015
Unit Investment Trust	260,787	-	-	260,787
Total investment in securities	<u>180,163,998</u>	<u>133,567,865</u>	<u>-</u>	<u>313,731,863</u>
Derivative assets				
Commodity Option	323,940	-	-	323,940
Currency Option	75	-	-	75
Equity Option	387,764	-	-	387,764
Forward	-	36,013	-	36,013
Future Option	26,750	-	-	26,750
Interest Rate Swap	-	68,357	-	68,357
Physical Commodity Future	811,283	-	-	811,283
Physical Index Future	14,867	-	-	14,867
Right	834	-	-	834
Total Return Swap	-	857,063	-	857,063
Total derivative assets	<u>1,565,513</u>	<u>961,433</u>	<u>-</u>	<u>2,526,946</u>
	<u>\$ 181,729,511</u>	<u>\$ 134,529,298</u>	<u>\$ -</u>	<u>\$ 316,258,809</u>

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

2. Fair value measurements (continued)

The following table presents information about the Partnership's liabilities measured at fair value as of December 31, 2014:

Liabilities (at fair value)	Level 1	Level 2	Level 3	Total
Investment in Securities				
American Depository Receipt	\$ 1,209,487	\$ -	\$ -	\$ 1,209,487
Closed-End Fund	31,186	-	-	31,186
Common Stock	91,331,213	-	-	91,331,213
Convertible Bond	-	311,288	-	311,288
Corporate Bond	-	10,228,526	-	10,228,526
Exchange Traded Fund	50,772,320	-	-	50,772,320
Government Bond	8,063,751	-	-	8,063,751
Master Limited Partnership	16,913	-	-	16,913
Real Estate Investment Trust	5,695,899	-	-	5,695,899
Royalty Trust	11,210	-	-	11,210
Unit Investment Trust	122,608	-	-	122,608
Total investment in securities	157,254,587	10,539,814	-	167,794,401
Derivative liabilities				
Commodity Option	275,780	-	-	275,780
Credit Default Swap	-	33,353	-	33,353
Currency Option	19	-	-	19
Equity Option	239,066	-	-	239,066
Forward	-	56,543	-	56,543
Future Option	108,625	-	-	108,625
Interest Rate Swap	-	1,065,573	-	1,065,573
Physical Commodity Future	700,081	-	-	700,081
Physical Index Future	8,888	-	-	8,888
Right	580	-	-	580
Total Return Swap	-	597,258	-	597,258
Warrant	5,294	-	-	5,294
Total derivative liabilities	1,338,333	1,752,727	-	3,091,060
	\$ 158,592,920	\$ 12,292,541	\$ -	\$ 170,885,461

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

3. Due from/to brokers

Due from/to brokers includes cash balances held with brokers, receivables and payables from unsettled trades, margin borrowings, and collateral on derivative transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for certain marketable securities.

At December 31, 2014, due from/to brokers includes receivables of \$117,443,854 and payables of \$110,006,678 related to unsettled trades.

In the normal course of business, substantially all of the Partnership's securities transactions, money balances, and security positions are transacted with the Partnership's brokers: Bank of America Merrill Lynch, UBS Securities LLC, BNP Paribas Securities Corp, Wells Fargo Prime Services, Deutsche Bank, Interactive Brokers Group, Advantage Futures LLC and RJ O'Brien. The Partnership is subject to credit risk to the extent any broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The Partnership's management monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

4. Derivative contracts

In the normal course of business, the Partnership utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Partnership's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, foreign currency exchange rate, commodity price, and equity price. In addition to its primary underlying risks, the Partnership is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

Options

The Partnership is subject to equity and commodity price risk and foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Partnership may enter into options to speculate on the price movements of the financial instrument, commodity, or currency underlying the option, or for use as an economic hedge against certain positions held in the Partnership's portfolio holdings. Options purchased give the Partnership the right, but not the obligation, to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

Options written obligate the Partnership to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. When the Partnership writes an option, an amount equal to the premium received by the Partnership is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Options written by the Partnership may expose the Partnership to market risk of an unfavorable change in the financial instrument underlying the written option.

For some OTC options, the Partnership may be exposed to counterparty risk from the potential that a seller of an option does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Partnership is the fair value of the contracts and the premiums paid to purchase its open options. In these instances, the Partnership considers the credit risk of the intermediary counterparty to its option transactions in evaluating potential credit risk.

Futures Contracts

The Partnership may use futures to gain exposure to, or hedge against, changes in the value of equities and commodities, interest rates or foreign currencies. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

4. Derivative contracts (continued)

Futures Contracts (continued)

The purchase and sale of futures requires margin deposits with a Futures Commission Merchant ("FCM") equal to a certain percentage of the contract amount. Subsequent payments (variation margin) are made or received by the Partnership each day, depending on the daily fluctuations in the value of the contract. The Partnership recognizes a gain or loss equal to the daily variation margin. Futures may reduce the Partnership's exposure to counterparty risk since futures contracts are exchange-traded and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer Partnerships subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Partnership's pro rata share of segregated customer Partnerships available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

Warrants

The Partnership may purchase warrants in the normal course of pursuing its investment objectives or may receive warrants from its portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants provide the Partnership with exposure and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As time to the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Partnership to lose its entire investment in a warrant.

The Partnership is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Partnership is the fair value of the contracts and the purchase price of the warrants. The Partnership considers the effects of counterparty risk when determining the fair value of its investments in warrants.

Forward Contracts

The Partnership enters into forwards to hedge itself against foreign currency exchange rate risk for its foreign currency denominated assets and liabilities due to adverse foreign currency fluctuations against the U.S. dollar, and to manage the price risk associated with its commodity portfolio positions.

Forward currency and commodity transactions are contracts or agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with forward currency and commodity contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

4. Derivative contracts (continued)

Swap Contracts

The Partnership enters into various swaps, including interest rate swaps, total return swaps and credit default swaps as part of its investment strategies, to hedge against unfavorable changes in the value of investments, and to protect against adverse movements in interest rates or credit performance with counterparties. Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

During the term of the swap contract, changes in value are recognized as unrealized gains or losses by marking the contracts at fair value. Additionally, the Partnership records a realized gain (loss) when a swap contract is terminated and when periodic payments are received or made at the end of each measurement period. In addition to realized gains (losses) and the change in unrealized gains (losses), periodic interest expense and/or income is also reflected in net gain (loss) from derivative contracts in the consolidated statement of operations.

The fair value of open swaps reported in the consolidated statement of financial condition may differ from that which would be realized in the event the Partnership terminated its position in the contract. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the aggregate fair value of swap contracts in an unrealized gain position as well as any collateral posted with the counterparty. The risk is mitigated by having a master netting arrangement between the Partnership and the counterparty and by the posting of collateral by the counterparty to the Partnership to cover the Partnership's exposure to the counterparty. Therefore, the Partnership considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in the fair value of the underlying investments.

Interest Rate Swaps

The Partnership is exposed to interest rate risk when there is an unfavorable change in the value of investments as a result of adverse movements in the market interest rates. The Partnership enters into interest rate swaps to protect against such adverse movements in the interest rates.

Interest rate swaps are contracts whereby counterparties exchange different rates of interest on a specified notional amount for a specified period of time. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Partnership's interest rate swap contracts are scheduled to terminate from 2015 through 2045.

Total Return Swaps

The Partnership is subject to equity price risk in the normal course of pursuing its investment objectives. The Partnership may enter into total return swaps either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equities to which it is otherwise not exposed.

Total return swap contracts involve the exchange by the Partnership and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index and a specified notional amount. The Partnership's total return swap contracts are scheduled to terminate from 2015 through 2045.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

4. Derivative contracts (continued)

Credit Default Swaps

The Partnership is subject to credit risk in the normal course of pursuing its investment objectives. The Partnership may enter into credit default swaps to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and sovereign issuers, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed.

Credit default swap contracts involve an arrangement between the Partnership and a counterparty which allows the Partnership to protect against losses incurred as a result of default by a specified reference entity. Generally, the Partnership pays or receives a premium upfront and continues to pay periodic interest payments while the counterparty agrees to make a payment to compensate the Partnership for losses upon the occurrence of a specified credit event.

Credit-Risk-Related Contingent Features

The Partnership's derivative contracts are subject to International Swaps and Derivatives Association ("ISDA") Master Agreements which contain certain covenants and other provisions that may require the Partnership to post collateral on derivatives if the Partnership is in a net liability position with its counterparties exceeding certain amounts.

The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a net liability position at December 31, 2014 is approximately \$1,752,700 for which the Partnership has posted approximately \$4,770,500. If the credit-risk-related contingent features underlying these agreements were triggered as of December 31, 2014, the Partnership would have been required to post additional collateral to its counterparties.

Additionally, counterparties may immediately terminate these agreements and the related derivative contracts if the Partnership fails to maintain sufficient asset coverage for its contracts or its net assets decline by stated percentages or amounts.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

4. Derivative contracts (continued)

Volume of Derivative Activities

The Partnership considers the volume at December 31, 2014 to be an accurate representation of the volume of derivative activities during the period ended December 31, 2014.

At December 31, 2014, the volume of the Partnership's derivative activities based on their notional amounts^(a) and number of contracts, categorized by primary underlying risk, are as follows:

(notional amounts in thousands)

Primary underlying risk	Long exposure		Short exposure	
	Notional amounts	Number of contracts	Notional amounts	Number of contracts
Interest Rate				
Interest Rate Swap	\$ -	-	\$ 28,415	7
	-	-	28,415	7
Foreign Currency Exchange Rate				
Currency Option	104	1	313	1
Forward Contract	11,193	28	37,480	36
	11,297	29	37,793	37
Equity Price				
Equity Option	91,781	7,864	68,657	4,452
Right	63	2,811	3	61
Total Return Swap	15,181	355	8,757	307
Warrant	-	-	7	714
	107,025	11,030	77,424	5,534
Commodity Price				
Commodity Option	4,305	77	1,837	60
Future Option	5,645	106	205	2
Physical Commodity Future	7,249	180	7,584	172
Physical Index Future	18	1	698	3
	17,217	364	10,325	237
Credit Risks				
Credit Default Swap	4,000	3	-	-
	4,000	3	-	-
	\$ 139,539	11,426	\$ 153,957	5,815

(a) Notional amounts presented for options and warrants are based on the fair value of the underlying shares as if the options and warrants were exercised at December 31, 2014.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

4. Derivative contracts (continued)

Impact of Derivatives on the Consolidated Statement of Financial Condition and Consolidated Statement of Operations

The following table identifies the fair value amounts of derivative instruments included in the consolidated statement of financial condition as derivative contracts, categorized by primary underlying risk, at December 31, 2014. Balances are presented on a gross basis, prior to the application of the impact of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of master netting arrangements and have been adjusted by the application of cash collateral receivables and payables with its counterparties. The following table also identifies the net gain and loss amounts included in the consolidated statement of operations as net realized gain (loss) from derivative contracts and net change in unrealized appreciation or (depreciation) on derivative contracts, categorized by primary underlying risk, for the period ended December 31, 2014:

Primary underlying risk	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain (loss)
Interest Rate				
Interest Rate Swap	\$ 68,357	\$ (1,065,573)	\$ 221,826	\$ (997,216)
	68,357	(1,065,573)	221,826	(997,216)
Foreign Currency Exchange Rate				
Currency Future	-	-	175,470	-
Currency Option	75	(19)	1,942	394
Forward Contract	36,013	(56,543)	-	(20,530)
	36,088	(56,562)	177,412	(20,136)
Equity Price				
Equity Option	387,764	(239,066)	(19,872)	21,940
Equity Warrant	-	-	(5,238)	-
Financial Index Future	-	-	51,722	-
Right	834	(580)	(727)	1,990
Total Return Swap	857,063	(597,258)	(54,489)	259,805
Warrant	-	(5,294)	(780)	282
	1,245,661	(842,198)	(29,384)	284,017
Commodity Price				
Commodity Option	323,940	(275,780)	75,962	64,580
Financial Commodity Future	-	-	(2,949)	-
Future Option	26,750	(108,625)	138,401	(20,193)
Index Option	-	-	28,860	-
Physical Commodity Future	811,283	(700,081)	1,002,147	111,202
Physical Index Future	14,867	(8,888)	(367,016)	5,979
	1,176,840	(1,093,374)	875,405	161,568
Credit				
Credit Default Index	-	-	(11,892)	-
Credit Default Swap	-	(33,353)	(30,375)	(35,704)
	-	(33,353)	(42,267)	(35,704)
	\$ 2,526,946	\$ (3,091,060)	\$ 1,202,993	\$ (607,472)

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

5. Offsetting assets and liabilities

The Partnership is required to disclose the impact of offsetting assets and liabilities represented in the consolidated statement of financial condition to enable users of the consolidated financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: the amounts owed by the Partnership to another party are determinable, the Partnership has the right to set off the amounts owed with the amounts owed by the other party, the Partnership intends to set off, and the Partnership's right of setoff is enforceable at law.

As of December 31, 2014, the Partnership holds financial instruments and derivative instruments that are eligible for offset in the Statement of Financial Condition and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Partnership against applicable liabilities or payment obligations of the Partnership to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Partnership against any collateral sent to the Partnership.

The following table provides disclosure regarding the potential effect of offsetting of recognized assets presented in the statement of financial condition had the Partnership elected to offset:

As of December 31, 2014

	Gross Amount of Recognized Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments	Cash Collateral Received	
Counterparty A	68,357	(45,884)	-	22,473
Counterparty B	825,553	(557,540)	-	268,013
Counterparty C	-	-	-	-
Counterparty D	58,938	(58,938)	-	-
Counterparty E	8,585	-	-	8,585
	<u>\$ 961,433</u>	<u>\$ (662,362)</u>	<u>\$ -</u>	<u>\$ 299,071</u>

The amounts of derivative contracts presented in the preceding table differ from the amounts reported in the statement of financial condition as the result of option and right contracts in the amount of \$739,363 and futures contracts of \$826,150, which are not subject to master netting arrangements.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

5. Offsetting assets and liabilities (continued)

The following table provides disclosure regarding the potential effect of offsetting of recognized liabilities presented in the statement of financial condition had the Fund elected to offset:

As of December 31, 2014

	Gross Amount of Recognized Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments	Cash Collateral Paid	
Counterparty A	(45,884)	45,884	-	-
Counterparty B	(557,540)	557,540	-	-
Counterparty C	(1,053,042)	-	1,053,042	-
Counterparty D	(96,261)	58,938	-	(37,323)
Counterparty E	-	-	-	-
	<u>\$ (1,752,727)</u>	<u>\$ 662,362</u>	<u>\$ 1,053,042</u>	<u>\$ (37,323)</u>

The amounts of derivative contracts presented in the preceding table differ from the amounts reported in the statement of financial condition as the result of option and right contracts in the amount of (\$624,820), warrants of (\$4,544) and futures contracts of (\$708,969), which are not subject to master netting arrangements.

6. Securities sold short

The Partnership is subject to certain inherent risks arising from its investing activities of selling securities short. The ultimate cost to the Partnership to acquire these securities may exceed the liability reflected in these consolidated financial statements.

7. Concentration of credit risk

In the normal course of business, the Partnership maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Partnership is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

8. Partners' capital

The Partnership is offering two different classes of limited partnership interests in the Partnership, Founders Class and Class A. Within the Founders Class limited partnership interests, the Partnership is offering Class 1F interests and Class 2F interests (together, the "Founders Class Interests"). Within Class A limited Partnership interests, the Partnership is offering Class 1A interests and Class 2A interests (together, the "Class A Interests"). Founders Class Interests and Class A Interests have the same rights, privileges, preferences and terms, except with respect to the management fees and incentive percentage. Additionally, Class 1F and Class 1A interests are subject to a two year lock-up period, while Class 2F and Class 2A interests are subject to a one year lock-up period.

In accordance with the limited partnership agreement (the "Agreement"), profits and losses of the Partnership are allocated to partners according to their respective interests in the Partnership. Subject to certain limitations, generally 12.5%, 15%, 17.5%, and 20% of the net profits allocated to the limited partners is reallocated to the General Partner, for Class 1F, Class 2F, Class 1A, and Class 2A interests, respectively.

Limited partners have redemption rights which contain certain restrictions with respect to rights of withdrawal from the Partnership as specified in the Agreement.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

8. Partners' capital (continued)

Advance capital contributions represents amounts owed to limited partners for cash received prior to the effective date of such contributions.

Capital withdrawals payable represent amounts due to partners based on withdrawals effective through December 31, 2014.

9. Related party transactions

On July 1, 2013 Boothbay Fund Management was hired by Freestone Capital Management, LLC ("Freestone") as the Investment Manager for its First-Loss platform (re-named Ignition Opportunity Partners LP). On July 1, 2014, Ignition Opportunity Fund, LLC was formed to take over managers on the First-Loss platform previously with Freestone. Each of the accounts was converted over to Boothbay. It was then merged with Boothbay Multi-Strategy Fund, LLC to form the two wholly owned subsidiaries of Boothbay Absolute Return Strategies, LP.

The Partnership pays the Investment Manager a management fee, calculated and payable quarterly in advance, equal to 1% for Founders Class Interests and 1.25% for Class A Interests, of the Partnership's net asset value determined as of the beginning of each calendar quarter.

Certain limited partners are affiliated with the General Partner. The aggregate value of the affiliated limited partners' share of partners' capital at December 31, 2014 is approximately \$17,800,000.

Certain limited partners have special management fee arrangements, performance arrangements, or redemption rights as provided for in the Agreement.

During 2014, the Partnership entered into purchase and sale transactions with an affiliated entity which is also managed by the General Partner. Total purchases and sales at fair value of \$274,908 were made with this related party. Transactions with related parties resulted in net gains (losses) of \$274,908 and are included in net gain (loss) on investments in the consolidated statement of operations. The terms, conditions and execution of each such purchase and sale were on an arm's-length basis.

10. Administrative fee

Kaufman Rossin Fund Services, LLC (the "Administrator") serves as the Partnership's administrator and performs certain administrative and clerical services on behalf of the Partnership.

BOOTHBAY ABSOLUTE RETURN STRATEGIES, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JULY 1, 2014 (COMMENCEMENT OF OPERATIONS) THROUGH DECEMBER 31, 2014

11. Financial highlights

Financial highlights for the period ended December 31, 2014 are as follows:

Total return	
Total return before reallocation to General Partner	0.9 %
Reallocation to General Partner	<u>(0.1)</u>
Total return after reallocation to General Partner	<u>0.8 %</u>
Ratio to average limited partners' capital	
Expenses (including interest and dividends)	10.1 %
Reallocation to General Partner	<u>0.1</u>
Expenses and reallocation to General Partner	<u>10.2 %</u>
Net investment income (loss)	<u>(5.1) %</u>

Financial highlights are calculated for the limited partner class taken as a whole. An individual limited partner's return and ratios may vary based on participation in new issues, private investments, different performance and/or management fee arrangements, and the timing of capital transactions. The net investment income (loss) ratio does not reflect the effects of the reallocation to the General Partner.

The ratios, excluding nonrecurring expenses and the reallocation to the General Partner, have been annualized.

12. Subsequent events

From January 1, 2015 through April 30, 2015, the Partnership accepted additional capital contributions of approximately \$9,400,000 and had additional capital withdrawals of approximately \$6,190,000.