

AIP Multi-Strategy Fund P  
Form N-CSRS  
September 08, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM N-CSR  
CERTIFIED SHAREHOLDER REPORT

OF  
REGISTERED MANAGEMENT  
INVESTMENT COMPANIES  
Investment Company Act file number: 811-22193

**AIP MULTI-STRATEGY FUND P**

(Exact name of Registrant as specified in Charter)

100 Front Street, Suite 400

West Conshohocken, Pennsylvania 19428-2881

(Address of principal executive offices)

Registrant's Telephone Number, including Area Code: (610) 260-7600

Joseph Benedetti, Esq.

Morgan Stanley Investment Management Inc.

522 Fifth Avenue

New York, New York 10036

(Name and address of agent for service)

COPY TO:

Richard Horowitz, Esq.

DECHERT LLP

1095 Avenue of the Americas

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New York, NY 10036-6797

(212) 698-3500

Date of fiscal year end: December 31

Date of reporting period: June 30, 2016

ITEM 1. REPORTS TO STOCKHOLDERS. The Registrant's semi-annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

AIP MULTI-STRATEGY FUND P

Financial Statements (Unaudited)

For the Period from January 1, 2016 to June 30, 2016

**AIP Multi-Strategy Fund P**

**Financial Statements (Unaudited)**

**For the Period from January 1, 2016 to June 30, 2016**

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*Unaudited financial statements for AIP Multi-Strategy Fund A for the period from January 1, 2016 to June 30, 2016 are attached to these financial statements and are an integral part thereof.*

**AIP Multi-Strategy Fund P****Statement of Assets and Liabilities (Unaudited)****June 30, 2016****Assets**

Investment in AIP Multi-Strategy Fund A, at fair value (cost \$30,627,577)	\$ 28,991,410
Cash	119,287
Prepaid investment in AIP Multi-Strategy Fund A	460,000
Repurchases receivable from AIP Multi-Strategy Fund A	1,046,215
Due from adviser	296,707
Other assets	1,238
<b>Total assets</b>	<b>30,914,857</b>

**Liabilities**

Payable for share repurchases	1,046,215
Subscriptions received in advance	460,000
Shareholder servicing fee payable	73,104
Accrued expenses and other liabilities	79,436

<b>Total liabilities</b>	<b>1,658,755</b>
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<b>Net assets</b>	<b>\$ 29,256,102</b>
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Net assets consist of:

Net capital	\$ 32,645,265
Accumulated undistributed net investment income (loss)	(279,037)
Accumulated net realized loss from investments	(1,473,959)
Net unrealized depreciation on investments	(1,636,167)

<b>Net assets</b>	<b>\$ 29,256,102</b>
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Net asset value per share:

30,934.221 shares issued and outstanding, no par value, 3,000,000 registered shares	\$ 945.75
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Maximum offering price per share

(\$945.75 plus sales load of 3% of net asset value per share)	\$ 974.12
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*See accompanying notes and attached unaudited financial statements for AIP Multi-Strategy Fund A.*



**AIP Multi-Strategy Fund P**

**Statement of Operations (Unaudited)**

**For the Period from January 1, 2016 to June 30, 2016**

<b>Expenses</b>	
Shareholder servicing fees	\$ 127,164
Professional fees	53,000
Transfer agent fees	26,500
Registration fees	22,153
Trustees fees	137
Other	24,186
Total fund expenses	253,140
Expense reimbursements	(165,074)
Net expenses	88,066
Net investment income (loss)	(88,066)
<b>Realized and unrealized gain (loss) from investments in AIP Multi-Strategy Fund A</b>	
Net realized gain (loss) from investments	(1,367,386)
Net change in unrealized appreciation/depreciation on investments	184,126
Net realized and unrealized gain (loss) from investments in AIP Multi-Strategy Fund A	(1,183,260)
Net increase (decrease) in net assets resulting from operations	\$ (1,271,326)

*See accompanying notes and attached unaudited financial statements for AIP Multi-Strategy Fund A.*



**AIP Multi-Strategy Fund P****Statements of Changes in Net Assets (Unaudited)****For the year ended December 31, 2015****Net increase (decrease) in net assets resulting from operations:**

Net investment income (loss)	\$ 1,560,131
Net realized gain (loss) from investments	137,773
Net change in unrealized appreciation/depreciation on investments	(933,407)
Net increase (decrease) in net assets resulting from operations	764,497

**Distributions to shareholders from:**

Net investment income	(1,574,118)
Total distributions	(1,574,118)

**Shareholder transactions**

Subscriptions (representing 7,583.556 shares)	7,633,000
Distributions reinvested (representing 1,603.026 shares)	1,553,971
Repurchases (representing 6,725.032 shares)	(6,740,328)
Net increase (decrease) in net assets from shareholder transactions	2,446,643
Total increase (decrease) in net assets	1,637,022
Net assets, beginning of year (representing 55,374.605 shares)	54,569,735
Net assets, end of year (representing 57,836.155 shares)	\$ 56,206,757

**For the period from January 1, 2016 to June 30, 2016****Net increase (decrease) in net assets resulting from operations:**

Net investment income (loss)	\$ (88,066)
Net realized gain (loss) from investments	(1,367,386)
Net change in unrealized appreciation/depreciation on investments	184,126
Net increase (decrease) in net assets resulting from operations	(1,271,326)

**Shareholder transactions**

Subscriptions (representing 2,394.352 shares)	2,275,000
Repurchases (representing 29,296.286 shares)	(27,954,329)

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Net increase (decrease) in net assets from shareholder transactions	(25,679,329)
Total increase (decrease) in net assets	(26,950,655)
Net assets, beginning of period (representing 57,836.155 shares)	56,206,757
Net assets, end of period (representing 30,934.221 shares)	\$ 29,256,102

*See accompanying notes and attached unaudited financial statements for AIP Multi-Strategy Fund A.*

**AIP Multi-Strategy Fund P****Statement of Cash Flow (Unaudited)****For the Period from January 1, 2016 to June 30, 2016****Cash flows from operating activities**

Net increase (decrease) in net assets resulting from operations	\$ (1,271,326)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:	
Net realized (gain) loss from investments in AIP Multi-Strategy Fund A	1,367,386
Net change in unrealized appreciation/depreciation on investments in AIP Multi-Strategy Fund A	(184,126)
Purchase of investments in AIP Multi-Strategy Fund A	(1,975,000)
Proceeds from sales of investments in AIP Multi-Strategy Fund A	27,954,328
(Increase) decrease in prepaid investment in AIP Multi-Strategy Fund A	(235,000)
(Increase) decrease in repurchases receivable from AIP Multi-Strategy Fund A	398,397
(Increase) decrease in due from adviser	(165,074)
(Increase) decrease in other assets	560
Increase (decrease) in shareholder servicing fee payable	2,758
Increase (decrease) in accrued expenses and other liabilities	28,668
Net cash provided by (used in) operating activities	25,921,571

**Cash flows from financing activities**

Subscriptions	2,410,000
Repurchases	(28,352,726)
Net cash provided by (used in) financing activities	(25,942,726)

Net change in cash	(21,155)
Cash at beginning of period	140,442
Cash at end of period	\$ 119,287

**Supplemental disclosure of cash flow information:**

Conversion to shareholder subscriptions in 2016 of subscriptions received in advance during 2015	\$ 325,000
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*See accompanying notes and attached unaudited financial statements for AIP Multi-Strategy Fund A.*



## AIP Multi-Strategy Fund P

### Notes to Financial Statements (Unaudited)

June 30, 2016

#### 1. Organization

AIP Multi-Strategy Fund P (the Fund) was organized under the laws of the State of Delaware as a statutory trust on February 27, 2008. The Fund commenced operations on May 1, 2010 and operates pursuant to an Agreement and Declaration of Trust (the Trust Deed). The Fund is registered under the U.S. Investment Company Act of 1940, as amended (the 1940 Act), as a closed-end, non-diversified management investment company. While non-diversified for 1940 Act purposes, the Fund intends to comply with the diversification requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the Code), as such requirements are described in more detail below. The Fund has no fixed termination date and will continue unless the Fund is otherwise terminated under the terms of the Trust Deed or unless and until required by law.

The Fund is a Feeder fund in a Master-Feeder structure whereby the Fund invests substantially all of its assets in AIP Multi-Strategy Fund A (the Master Fund). The Master Fund is a statutory trust organized under the laws of the State of Delaware and is registered under the 1940 Act as a closed-end, non-diversified, management investment company (although it also intends to comply with Subchapter M diversification requirements, as described in more detail below). Morgan Stanley AIP GP LP serves as the Master Fund's investment adviser (the Investment Adviser) and Morgan Stanley Investment Management Limited serves as the Master Fund's sub-adviser (the Sub-Adviser) (collectively with the Investment Adviser, the Adviser). Each of the Investment Adviser and Sub-Adviser is an affiliate of Morgan Stanley and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the Advisers Act). The Master Fund has the same investment objective as the Fund. The Master Fund's investment objective is to seek long-term capital appreciation principally through investing in investment funds (Investment Funds) managed by third party investment managers who primarily employ a variety of investment strategies in pursuit of attractive risk-adjusted returns consistent with the preservation of capital. These investment strategies allow investment managers the flexibility to use leveraged or short-sale positions to take advantage of perceived inefficiencies across the global capital markets. The Master Fund may seek to gain investment exposure to certain Investment Funds or to adjust market or risk exposure by entering into derivative transactions such as total return swaps, options and futures. As of June 30, 2016, the Fund had a 40.75% ownership interest in the Master Fund. The financial statements of the Master Fund, including the Schedule of Investments, are attached to this report and should be read in conjunction with the Fund's financial statements.

The Fund has a Board of Trustees (the Board) that has overall responsibility for monitoring and overseeing the Fund's investment program and its management and operations. A majority of the members of the Board (the Trustees) are not interested persons (as defined by the 1940 Act) of the Fund, the Investment Adviser or the Sub-Adviser. The same Trustees also serve as the Master Fund's Board of Trustees.

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*



**AIP Multi-Strategy Fund P****Notes to Financial Statements (Unaudited) (continued)****2. Significant Accounting Policies**

The following significant accounting policies are in conformity with U.S. generally accepted accounting principles ( US GAAP ). Such policies are consistently followed by the Fund in preparation of its financial statements. Management has determined that the Fund is an investment company in accordance with the Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) Topic 946, Financial Services Investment Companies, for the purpose of financial reporting. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**Investment in the Fund**

The Fund offers on a continuous basis through Morgan Stanley Distribution, Inc. (the Distributor ), an affiliate of Morgan Stanley, up to 3,000,000 shares of beneficial interest ( Shares ). The initial closing date ( Initial Closing Date ) for the public offering of Shares was May 3, 2010. Shares were offered at an initial offering price of \$1,000 per Share, plus any applicable sales load, and have been offered in a continuous offering thereafter at the Fund 's then current net asset value per Share, plus any applicable sales load. The Distributor may enter into selected dealer arrangements with various brokers and dealers ( Selling Agents ), some of which may be affiliates of the Fund, that have agreed to participate in the distribution of the Fund 's Shares.

Shares are to be sold only to investors ( Shareholders ) that represent that they are accredited investors within the meaning of Rule 501(a) of Regulation D promulgated under the U.S. Securities Act of 1933, as amended. The Distributor or any Selling Agent may impose additional eligibility requirements for Shareholders who purchase shares through the Distributor or such Selling Agent. The minimum initial investment in the Fund by any Shareholder is \$50,000. The minimum additional investment in the Fund by any Shareholder is \$25,000. The minimum initial and additional investments may be reduced by the Fund with respect to certain Shareholders. Shareholders may only purchase their Shares through the Distributor or through a Selling Agent.

The Fund may from time to time offer to repurchase Shares (or portions of them) at net asset value pursuant to written tenders by Shareholders. Any offer to repurchase Shares by the Fund will only be made to Shareholders at the same times as, and in parallel with, each repurchase offer made by the Master Fund to its investors, including the Fund. Each such parallel repurchase offer made by the Master Fund will generally apply to up to 15% of the net assets of the Master Fund. Repurchases will be made at such times, in such amounts and on such terms as may be determined by the Board, in its sole discretion. In determining whether the Fund should offer to repurchase Shares (or portions of them) from Shareholders, the Board will consider the recommendations of the Adviser as to the timing of such an offer, as well as a variety of operational, business and economic factors. The Adviser expects that, generally, it will recommend to the Board that the Fund offer to repurchase Shares (or portions of them) from Shareholders quarterly, on each March 31, June 30, September 30 and December 31. In general, the Fund will initially pay at least 90% of the estimated value of the repurchased Shares to Shareholders as of the later of: (1) a

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*



## **AIP Multi-Strategy Fund P**

### **Notes to Financial Statements (Unaudited) (continued)**

#### **2. Significant Accounting Policies (continued)**

##### **Investment in the Fund (continued)**

period of within 30 days after the value of the Shares to be repurchased is determined, or (2) if the Master Fund has requested withdrawals of its capital from any Investment Funds in order to fund the repurchase of Shares, within ten business days after the Master Fund has received at least 90% of the aggregate amount withdrawn by the Master Fund from such Investment Funds. The remaining amount (the Holdback Amount ) will be paid promptly after the completion of the annual audit of the Fund and preparation of the Fund's audited financial statements. As of June 30, 2016, the Holdback Amount was \$86,404, which includes any Holdback Amount for repurchases as of June 30, 2016, and is included in payable for share repurchases in the Statement of Assets and Liabilities.

##### **Investment in the Master Fund**

The Fund records its investment in the Master Fund at fair value which is represented by the Fund's proportionate interest in the net assets of the Master Fund as of June 30, 2016. Valuation of Investment Funds and other investments held by the Master Fund, including the Master Fund's disclosure of investments under the three-tier hierarchy, is discussed in the notes to the Master Fund's financial statements. The performance of the Fund is directly affected by the performance of the Master Fund. The financial statements of the Master Fund, which are attached, are an integral part of these financial statements. Please refer to the accounting policies disclosed in the financial statements of the Master Fund for additional information regarding significant accounting policies that affect the Fund.

##### **Income Recognition and Expenses**

The Fund recognizes income and records expenses on an accrual basis. Income, expenses and realized and unrealized gains and losses are recorded monthly. The changes in fair value of the investment in the Master Fund are included in net change in unrealized appreciation/depreciation on investments in the Statement of Operations. Realized gain (loss) from investment in the Master Fund is calculated using specific identification.

##### **Income Taxes**

The Fund intends to comply with the requirements of Subchapter M of the Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its Shareholders. Therefore, no provision for federal income taxes is required. The Fund files tax returns with the U.S. Internal Revenue Service and various states. The Fund may be subject to taxes imposed by countries which it invests. Such taxes are generally based on income earned or gains realized or repatriated. Taxes are accrued and applied to net investment income, net realized capital gains and net realized appreciation, as applicable, as the income is earned or capital gains are recorded. The Fund has concluded there are no significant uncertain tax positions that would require recognition in the financial statements as

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of June 30, 2016. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in other expenses in the Statement of Operations.

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*

**AIP Multi-Strategy Fund P****Notes to Financial Statements (Unaudited) (continued)****2. Significant Accounting Policies (continued)****Income Taxes (continued)**

Generally, open tax years under potential examination vary by jurisdiction, but at least each of the tax years in the four-year period ended December 31, 2015, remains subject to examination by major taxing authorities.

At June 30, 2016, the cost and related gross unrealized appreciation and depreciation for tax purposes were as follows:

Cost of investments for tax purposes	\$ 30,814,220
Gross tax unrealized appreciation	-
Gross tax unrealized depreciation	\$ 1,822,810
Net tax unrealized appreciation/depreciation on investments	\$ (1,822,810)

**Distribution of Income and Gains**

The Fund declares and pays dividends annually from net investment income. Net realized gains, if any, are distributed at least annually. Distributions from net realized gains for book purposes may include short-term capital gains, which are included as ordinary income for tax purposes.

In order to satisfy the diversification requirements under Subchapter M of the Code, the Fund generally invests its assets in the Master Fund, which generally invests its assets in Investment Funds organized outside the United States that are treated as corporations for U.S. tax purposes and are expected to be classified as passive foreign investment companies. As such, the Fund expects that its distributions generally will be taxable as ordinary income to the Shareholders.

Pursuant to the dividend reinvestment plan established by the Fund (the "DRIP"), each Shareholder whose Shares are registered in its own name will automatically be a participant under the DRIP and have all income, dividends and capital gains distributions automatically reinvested in additional Shares unless such Shareholder specifically elects to receive all income, dividends and capital gain distributions in cash.

The tax character of distributions paid may differ from the character of distributions shown in the Statements of Changes in Net Assets due to short-term capital gains being treated as ordinary income for tax purposes. There were no distributions for the period from January 1, 2016 to June 30, 2016.

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*

**AIP Multi-Strategy Fund P****Notes to Financial Statements (Unaudited) (continued)****2. Significant Accounting Policies (continued)****Distribution of Income and Gains (continued)**

The tax character of distributions paid during the tax years ended December 31, 2015 was as follows:

	<b>December 31, 2015</b>	
Distributions paid from:		
Ordinary income	\$	1,539,616
Capital gain		34,502
Total	\$	1,574,118

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from US GAAP. These book/tax differences are considered either temporary or permanent in nature.

Temporary differences are primarily due to differing book and tax treatments in the timing of the recognition of gains (losses) on certain investment transactions and the timing of the deductibility of certain expenses.

As of December 31, 2015, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$	-
Undistributed capital gain	\$	80,070

**3. Management Fee, Related Party Transactions and Other**

The Fund bears all expenses incurred in the business of the Fund, including, but not limited to, expenses borne indirectly through the Fund's investment in the Master Fund. The Fund does not pay the Adviser a management fee; however, as a holder of shares of the Master Fund, the Fund and its Shareholders are indirectly subject to the management fees charged to the Master Fund by the Investment Adviser. Please refer to the attached financial statements of the Master Fund for a discussion of the computation of the management fee.

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*

## AIP Multi-Strategy Fund P

### Notes to Financial Statements (Unaudited) (continued)

#### 3. Management Fee, Related Party Transactions and Other (continued)

The Investment Adviser has contractually agreed to waive or reimburse the Master Fund for expenses (other than extraordinary expenses and certain investment related expenses, such as foreign country tax expense and interest expense on amounts borrowed by the Master Fund) to the extent necessary in order to cap the Master Fund's total annual operating expenses at 1.75% until the termination of the Master Fund's investment advisory agreement. The Investment Adviser has voluntarily agreed to further reimburse the Fund for expenses (other than extraordinary expenses) to the extent necessary in order to cap the Fund's total annual operating expenses (including Master Fund operating expenses) at 2.00% of the Fund's net assets until the termination of the Master Fund's investment advisory agreement. For the period from January 1, 2016 to June 30, 2016, the Adviser paid \$165,074 of expenses on behalf of the Fund. For the period from January 1, 2016 to June 30, 2016, the Fund has a receivable of \$296,707 due from the Adviser.

The Distributor and Selling Agents may charge Shareholders a sales load of up to 3% of the Shareholders' purchase. The Distributor or a Selling Agent may, in its discretion, waive the sales load for certain investors. The Fund pays the Distributor, and the Distributor pays each Service Agent (which may include financial institutions and other industry professionals in addition to broker-dealers) that enters into a Distribution and Shareholder Servicing Agreement with the Distributor, a monthly distribution and shareholder servicing fee of up to 0.0625% (0.75% on an annualized basis) of the net asset value of the outstanding Shares attributable to the clients of the Service Agent who are invested in the Fund through the Service Agent. In exchange for this fee, the Service Agent provides distribution, marketing and/or sales support services, including making the Fund available as an investment option to the Service Agent's clients, offering the Fund as an option on any distribution platform the Service Agent administers, making information about the Fund available to clients, including the Fund's Prospectus, statement of additional information and sales literature, engaging in education or marketing activities about the Fund and its characteristics and retaining or utilizing the services of sales professionals, consultants and other personnel to assist in marketing shares of the Fund to clients. For the period from January 1, 2016 to June 30, 2016, the Fund incurred shareholder servicing fees of \$127,164, of which \$73,104 was payable at June 30, 2016.

State Street Bank and Trust Company (State Street) provides accounting and administrative services to the Fund. State Street also serves as the Fund's custodian.

UMB Fund Services, Inc. serves as the Fund's transfer agent. Transfer agent fees are payable monthly based on an annual Fund base fee, annual per Shareholder account charges, and out-of-pocket expenses incurred by the transfer agent on the Fund's behalf.

#### 4. Contractual Obligations

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and

expects the risk of loss to be remote.

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*



**AIP Multi-Strategy Fund P****Notes to Financial Statements (Unaudited) (continued)****5. Financial Highlights**

The following represents per Share data, ratios to average net assets and other financial highlights information for Shareholders. The calculations below are not annualized for periods less than one year.

	For the Period From January 1, 2016 to June 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012	For the Year Ended December 31, 2011
For a Share outstanding throughout the period:						
Net asset value, beginning of period	\$ 971.83	\$ 985.46	\$ 1,006.23	\$ 1,008.46	\$ 990.69	\$ 1,023.47
Net investment income (loss) <sup>(a)</sup>	(2.44)	27.30	48.68	112.01	82.08	52.43
Net realized and unrealized gain (loss) from investments	(23.64)	(13.53)	(3.19)	(16.22)	21.01	(34.36)
Net increase (decrease) resulting from operations	(26.08)	13.77	45.49	95.79	103.09	18.07
Distributions paid						
Net investment income	-	(27.40)	(66.26)	(98.02)	(85.32)	(50.85)
Net realized gain	-	-	-	-	-	-
Net asset value, end of period	\$ 945.75	\$ 971.83	\$ 985.46	\$ 1,006.23	\$ 1,008.46	\$ 990.69
Total return <sup>(b)</sup>	(2.68%)	1.40%	4.54%	9.64%	10.54%	1.78%
Ratio of total expenses before expense	1.62%	3.27%	2.90%	2.51%	2.36%	3.82%

reimbursements <sup>(c)</sup>						
Ratio of total expenses after expense						
reimbursements <sup>(c)</sup>	1.13%	2.45%	2.27%	2.17%	2.00%	2.22%
Ratio of net investment income (loss) <sup>(d)</sup>	1.13%	0.72%	2.73%	8.86%	6.21%	3.32%
Portfolio turnover <sup>(e)</sup>	9%	24%	19%	14%	14%	21%
Net assets, end of period (000s)	\$ 29,256	\$ 56,207	\$ 54,570	\$ 50,529	\$ 43,263	\$ 38,446

(a) Calculated based on the average shares outstanding methodology, and excludes net investment income allocated from the Master Fund.

(b) Total return assumes a subscription of a Share to the Fund at the beginning of the period indicated and a repurchase of the Share on the last day of the period, assumes reinvestment of all distributions for the period, and does not reflect the impact of the sales load, if any, incurred when subscribing to the Fund.

(c) Includes net expenses of the Master Fund.

(d) Includes income and expenses of the Master Fund.

(e) The portfolio turnover rate reflects investment activity of the Master Fund.

The above ratios and total returns have been calculated for the Shareholders taken as a whole. An individual Shareholder's return and ratios may vary from these returns and ratios due to the timing of Share transactions.

## 6. Subsequent Events

Unless otherwise stated throughout the Notes to Financial Statements, the Fund noted no subsequent events that require disclosure in or adjustment to the financial statements.

*See attached unaudited financial statements for AIP Multi-Strategy Fund A.*

## **AIP Multi-Strategy Fund P**

### **Proxy Voting Policies and Procedures and Proxy Voting Record (Unaudited)**

A copy of (1) the Master Fund's policies and procedures with respect to the voting of proxies relating to the Investment Funds; and (2) how the Master Fund voted proxies relating to Investment Funds during the most recent 12-month period ended June 30, is available without charge, upon request, by calling the Master Fund at 1-888-322-4675. This information is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

### **Quarterly Portfolio Schedule (Unaudited)**

The Fund also files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the Fund's first and third fiscal quarters on Form N-Q. The Fund's Forms N-Q are available on the Securities and Exchange Commission's website at <http://www.sec.gov>. The Fund's Forms N-Q may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Once filed, the most recent Form N-Q will be available without charge, upon request, by calling the Fund at 1-888-322-4675.

**AIP Multi-Strategy Fund P**

100 Front Street, Suite 400  
West Conshohocken, PA 19428

**Trustees**

Michael Nugent, Chairperson of the Board and Trustee

Frank L. Bowman

Kathleen A. Dennis

Nancy C. Everett

Jakki L. Haussler

James F. Higgins

Dr. Manuel H. Johnson

Joseph J. Kearns

Michael F. Klein

W. Allen Reed

Fergus Reid

**Legal Counsel**

Dechert LLP

1095 Avenue of the Americas

New York, NY 10036

Kramer Levin Naftalis & Frankel

LLP

1177 Avenue of the Americas

New York, NY 10036

**Officers**

John H. Gernon, President and Principal Executive Officer

Stefanie V. Chang Yu, Chief Compliance Officer

Joseph C. Benedetti, Vice President

Matthew Graver, Vice President

Noel Langlois, Treasurer and Principal Financial Officer

Mary E. Mullin, Secretary

**Master Fund s Investment Adviser**

Morgan Stanley AIP GP LP

100 Front Street, Suite 400

West Conshohocken, PA 19428

**Master Fund s Sub-Adviser**

Morgan Stanley Investment Management Limited

25 Cabot Square

Canary Wharf

London E14-4QA, England

**Administrator, Custodian, Fund Accounting Agent and Escrow Agent**

State Street Bank and Trust Company

One Lincoln Street

Boston, MA 02111

**Transfer Agent**

UMB Fund Services, Inc.

803 W. Michigan Street

Milwaukee, WI 53233

**Independent Registered Public Accounting Firm**

Ernst & Young LLP

One Commerce Square

2005 Market Street, Suite 700

Philadelphia, PA 19103



AIP MULTI-STRATEGY FUND A

Financial Statements (Unaudited)

For the Period from January 1, 2016 to June 30, 2016

**AIP Multi-Strategy Fund A**

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**AIP Multi-Strategy Fund A****Statement of Assets and Liabilities (Unaudited)****June 30, 2016**

<b>Assets</b>	
Investments in investment funds, at fair value (cost \$70,672,691)	\$ 82,795,665
Short-term investments (cost \$177,591)	177,591
Cash	735,751
Receivable for investments sold	2,448,752
Other assets	2,359
<b>Total assets</b>	<b>86,160,118</b>
<b>Liabilities</b>	
Line of credit payable	12,320,000
Payable for share repurchases	1,740,010
Subscriptions received in advance	615,000
Management fee payable	183,377
Accrued expenses and other liabilities	158,264
<b>Total liabilities</b>	<b>15,016,651</b>
<b>Net assets</b>	<b>\$ 71,143,467</b>
Net assets consist of:	
Net capital	\$ 74,824,285
Accumulated undistributed net investment income (loss)	(14,687,008)
Accumulated net realized gain (loss) from investments	(1,116,784)
Net unrealized appreciation on investments	12,122,974
<b>Net assets</b>	<b>\$ 71,143,467</b>
Net asset value per share:	
74,042.533 shares issued and outstanding, no par value, 3,000,000 registered shares	\$ 960.85

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*



**AIP Multi-Strategy Fund A****Statement of Operations (Unaudited)****For the Period from January 1, 2016 to June 30, 2016**

<b>Expenses</b>	
Management fees	\$ 360,946
Interest expense	144,464
Professional fees	74,776
Registration fees	25,653
Accounting and administration fees	22,602
Custody fees	15,594
Transfer agent fees	12,500
Trustees fees	4,350
Other	19,949
<b>Total expenses</b>	<b>680,834</b>
Management fee waivers	(53,167)
<b>Net Expenses</b>	<b>627,667</b>
Net investment income (loss)	(627,667)
<b>Realized and unrealized gain (loss) from investments</b>	
Net realized gain (loss) from investments in investment funds	1,168,424
<b>Net realized gain (loss) from investments</b>	<b>1,168,424</b>
Net change in unrealized appreciation/depreciation on investments in investment funds	(2,327,046)
<b>Net change in unrealized appreciation/depreciation on investments</b>	<b>(2,327,046)</b>
Net realized and unrealized gain (loss) from investments	(1,158,622)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ (1,786,289)</b>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*



**AIP Multi-Strategy Fund A****Statements of Changes in Net Assets (Unaudited)****For the year end December 31, 2015****Net increase (decrease) in net assets resulting from operations:**

Net investment income (loss)	\$ (1,419,165)
Net realized gain (loss) from investments	2,806,995
Net change in unrealized appreciation/depreciation on investments	(201,514)

Net increase (decrease) in net assets resulting from operations	1,186,316
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**Distributions to shareholders from:**

Net investment income	(2,298,853)
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**Shareholder transactions**

Subscriptions (representing 13,032.355 shares)	13,295,000
Distributions reinvested (representing 2,327.334 shares)	2,285,772
Repurchases (representing 7,344.477 shares)	(7,464,822)

Net increase (decrease) in net assets from shareholder transactions	8,115,950
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Total increase (decrease) in net assets	7,003,413
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Net assets, beginning of year (representing 65,315.399 shares)	65,219,630
--	------------

Net assets, end of year (representing 73,330.611 shares)	\$ 72,223,043
--	---------------

**For the period from January 1, 2016 to June 30, 2016****Net increase (decrease) in net assets resulting from operations:**

Net investment income (loss)	\$ (627,667)
Net realized gain (loss) from investments	1,168,424
Net change in unrealized appreciation/depreciation on investments	(2,327,046)

Net increase (decrease) in net assets resulting from operations	(1,786,289)
---	-------------

**Shareholder transactions**

Subscriptions (representing 31,188.405 shares)	30,177,267
Repurchases (representing 30,476.483 shares)	(29,470,554)

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Net increase (decrease) in net assets from shareholder transactions	706,713
<b>Total increase (decrease) in net assets</b>	<b>(1,079,576)</b>
Net assets, beginning of period (representing 73,330.611 shares)	72,223,043
<b>Net assets, end of period (representing 74,042.533 shares)</b>	<b>\$ 71,143,467</b>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

**AIP Multi-Strategy Fund A****Statement of Cash Flows (Unaudited)****For the Period from January 1, 2016 to June 30, 2016****Cash flows from operating activities**

Net increase (decrease) in net assets resulting from operations	\$ (1,786,289)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:	
Net realized (gain) loss from investments in investment funds	(1,168,424)
Net change in unrealized appreciation/depreciation on investments in investment funds	2,327,046
Purchase of investments in investment funds	(15,170,227)
Proceeds from sales of investments in investment funds	7,638,187
Net (purchase) sales/maturities of short-term investments	(177,591)
(Increase) decrease in prepaid investments in investment funds	5,000,000
(Increase) decrease in receivable for investments sold	5,807,541
(Increase) decrease in other assets	(406)
Increase (decrease) in management fee payable	8,098
Increase (decrease) in accrued expenses and other liabilities	22,706
Net cash provided by (used in) operating activities	2,500,641

**Cash flows from financing activities**

Proceeds from advances on line of credit	11,000,000
Repayments of advances on line of credit	(14,600,000)
Subscriptions	30,220,267
Repurchases	(29,210,372)
Net cash provided by (used in) financing activities	(2,590,105)

Net change in cash	(89,464)
Cash at beginning of period	825,215
Cash at end of period	\$ 735,751

**Supplemental disclosure of cash flow information:**

Cash paid during the period for interest	\$ 142,867
Conversion to shareholder subscriptions in 2016 of subscriptions received in advance during 2015	\$ 572,000

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*



**AIP Multi-Strategy Fund A****Schedule of Investments (Unaudited)****June 30, 2016**

<b>Description</b>	<b>First Acquisition Date</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>	<b>Next Available Redemption Date*</b>	<b>Liquidity**</b>
<b>Investment Funds</b>						
Commodity Trading Advisors - Managed Futures						
Teza Offshore Fund V, Ltd.	2/1/2016	\$ 1,725,000	\$ 1,609,784	2.26 %	7/31/2016	Monthly
Two Sigma Absolute Return Macro Cayman Fund, Ltd.	7/1/2014	2,057,493	2,197,453	3.09	7/31/2016	Monthly
<b>Total Commodity Trading Advisors - Managed Futures</b>		<b>3,782,493</b>	<b>3,807,237</b>	<b>5.35</b>		
<b>Distressed</b>						
York Credit Opportunities Unit Trust	5/1/2010	1,900,000	2,198,161	3.09	12/31/2016	Annually
<b>Total Distressed</b>		<b>1,900,000</b>	<b>2,198,161</b>	<b>3.09</b>		
<b>Equity Long/Short - High Hedge</b>						
Citadel Tactical Trading Ltd.	7/1/2010	508,306	1,233,934	1.74	9/30/2016	Quarterly
Millennium International, Ltd.	5/1/2010	2,225,534	3,508,198	4.93	9/30/2016	Quarterly
Visium Balanced Offshore Fund, Ltd.	3/1/2011	55,000	71,414	0.10	(a)	(a)
		<b>2,788,840</b>	<b>4,813,546</b>	<b>6.77</b>		

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Total Equity Long/Short - High Hedge						
Equity Long/Short - Opportunistic						
Anchor Bolt Offshore Fund, Ltd.	1/1/2014	2,500,000	2,896,189	4.07	9/30/2016	Quarterly
Doonbeg Fund, Ltd.	6/1/2013	2,300,000	2,323,458	3.27	9/30/2016	Quarterly
Pelham Long/Short Small Cap Fund Ltd	7/1/2015	1,975,000	1,950,110	2.74	9/30/2016	Quarterly
Pennant Windward Fund, Ltd.	12/1/2015	3,117,222	2,871,467	4.04	9/30/2016	Quarterly
Pleiad Asia Offshore Feeder Fund	8/1/2015	2,400,000	2,408,153	3.38	9/30/2016	Quarterly
Quentec Fund, Ltd.	11/1/2012	1,550,000	2,285,787	3.21	9/30/2016	Quarterly
Scopus Partners II, L.P.	4/1/2015	2,500,000	2,612,086	3.67	9/30/2016	Quarterly
Total Equity Long/Short - Opportunistic		16,342,222	17,347,250	24.38		
Event Driven Equity						
Ionic Event Driven Fund Ltd.	8/1/2013	137,802	116,461	0.16	9/30/2016	Quarterly
Sachem Head Offshore Ltd.	11/1/2014	2,250,000	2,489,834	3.50	9/30/2016	Quarterly
Total Event Driven Equity		2,387,802	2,606,295	3.66		

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

**AIP Multi-Strategy Fund A****Schedule of Investments (Unaudited) (continued)****June 30, 2016**

<b>Description</b>	<b>First Acquisition Date</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>	<b>Next Available Redemption Date*</b>	<b>Liquidity**</b>
Investment Funds (continued)						
Macro						
Autonomy Global Macro Fund Limited	11/1/2014	\$ 1,900,000	\$ 2,120,685	2.98 %	8/31/2016	Monthly
D.E. Shaw Oculus International Fund	5/1/2010	1,550,000	2,366,122	3.32	9/30/2016	Quarterly
Discovery Global Opportunity Fund, Ltd.	5/1/2010	1,250,000	1,802,253	2.53	12/31/2016	Semi-Annually
Key Square International Fund Ltd	4/1/2016	2,500,000	2,481,580	3.49	9/30/2016	Quarterly
Rokos Global Macro Fund Limited	2/1/2016	825,000	859,243	1.21	9/30/2016	Monthly
Stone Milliner Macro Fund Inc.	12/1/2013	2,550,000	3,071,441	4.32	8/31/2016	Monthly
<b>Total Macro</b>		<b>10,575,000</b>	<b>12,701,324</b>	<b>17.85</b>		
Merger/Risk Arbitrage						
Magnetar Global Event Driven Fund Ltd	7/1/2011	1,195,567	1,089,206	1.53	9/30/2016	Quarterly

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Total Merger/Risk Arbitrage		1,195,567	1,089,206	1.53		
Mortgage Arbitrage						
Cerberus CMBS Opportunities Feeder Fund, Ltd.	6/1/2015	2,475,000	2,407,834	3.38	9/30/2016	Quarterly
Cerberus Global Residential Mortgage Opportunity Feeder Fund, Ltd.						
	1/1/2012	1,515,094	2,080,296	2.92	9/30/2016	Quarterly
Midway Market Neutral Institutional Fund LLC						
	4/1/2013	1,587,270	1,869,932	2.63	9/30/2016	Monthly
Rimrock Structured Product (Cayman) Fund, Ltd.						
	5/1/2015	2,500,000	2,564,510	3.61	9/30/2016	Quarterly & Annually
Shelter Growth Opportunities Fund Ltd.						
	10/1/2015	2,475,000	2,674,979	3.76	9/30/2016	Quarterly
Tilden Park Offshore Investment Fund Ltd.						
	3/1/2012	1,659,317	2,664,540	3.75	9/30/2016	Quarterly
Total Mortgage Arbitrage		12,211,681	14,262,091	20.05		
Multi-Strategy						
Citadel Kensington Global Strategies Fund Ltd.	11/1/2011	2,300,000	3,961,735	5.57	9/30/2016	Quarterly & 18 Months
HBK Multi-Strategy Offshore Fund Ltd.						
	5/1/2010	2,000,000	2,575,164	3.62	9/30/2016	Quarterly

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QVT Offshore Ltd.	1/1/2014	2,153,552	2,454,239	3.45	9/30/2016	Quarterly
Total Multi-Strategy		6,453,552	8,991,138	12.64		

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

**AIP Multi-Strategy Fund A****Schedule of Investments (Unaudited) (continued)****June 30, 2016**

<b>Description</b>	<b>First Acquisition Date</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>	<b>Next Available Redemption Date*</b>	<b>Liquidity**</b>
Investment Funds (continued)						
Private Placements						
QVT Roiv Hldgs						
Offshore Ltd.	1/1/2016	\$ 246,448	\$ 228,820	0.32 %	(a)	(a)
Total Private Placements		246,448	228,820	0.32		
Statistical Arbitrage						
D.E. Shaw Valence International Fund, L.P.	1/1/2016	5,000,000	5,253,668	7.39	9/30/2016	Quarterly
GSA International Fund Limited	2/1/2011	1,113,539	1,687,838	2.37	9/30/2016	Quarterly
GSA QMS Fund Limited	2/1/2016	1,595,228	1,507,990	2.12	8/31/2016	Monthly & Quarterly
OxAm Quant Fund (International) Limited	3/1/2015	2,400,000	2,212,577	3.11	7/31/2016	Monthly
Two Sigma Eclipse Cayman Fund, Ltd.	4/1/2011	643,446	1,154,341	1.62	9/30/2016	Quarterly
Two Sigma Spectrum	5/1/2010	2,036,873	2,934,183	4.13	9/30/2016	Quarterly

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Cayman Fund,  
Ltd.

Total Statistical Arbitrage	12,789,086	14,750,597	20.74
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Total Investments in Investment Funds	70,672,691	82,795,665	116.38
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Short-Term Investments State Street Institutional Liquid Reserves Fund - Institutional Class 0.48%	177,591	177,591	0.25
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Total Short-Term Investments	177,591	177,591	0.25
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Total Investments in Investment Funds and Short-Term Investments	\$ 70,850,282	82,973,256	116.63
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Liabilities in excess of Other Assets		(11,829,789)	(16.63)
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Total Net Assets	\$	71,143,467	100.00 %
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Detailed information about all of the Investment Funds portfolios is not available. Investment Funds are non-income producing.

\* Investments in Investment Funds may be composed of multiple tranches. The Next Available Redemption Date relates to the earliest date after June 30, 2016 that redemption from a tranche is available. Other tranches may have an available redemption date that is after the Next Available Redemption Date. Redemptions from Investment Funds may be subject to fees.

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- \*\* Available frequency of redemptions after initial lock-up period, if any. Different tranches may have different liquidity terms.
- (a) A portion or all of the Fund's interests in the Investment Fund have restricted liquidity. In addition to any redemption proceeds that may have already been received, the Fund will continue to receive proceeds periodically as the Investment Fund is able to liquidate underlying investments.

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*



**AIP Multi-Strategy Fund A****Schedule of Investments (Unaudited) (continued)****June 30, 2016**

<b>Strategy Allocation</b>	<b>Percent of Net Assets</b>
Equity Long/Short - Opportunistic	24.38 %
Statistical Arbitrage	20.74
Mortgage Arbitrage	20.05
Macro	17.85
Multi-Strategy	12.64
Equity Long/Short - High Hedge	6.77
Commodity Trading Advisors - Managed Futures	5.35
Event Driven Equity	3.66
Distressed	3.09
Merger/Risk Arbitrage	1.53
Private Placements	0.32
Short-Term Investments	0.25
<b>Total Investments in Investment Funds and Short-Term Investments</b>	<b>116.63 %</b>

*The accompanying notes are an integral part of these financial statements and should be read in conjunction therewith.*

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (Unaudited)

June 30, 2016

#### 1. Organization

AIP Multi-Strategy Fund A (the Fund) was organized under the laws of the State of Delaware as a statutory trust on February 27, 2008. The Fund commenced operations on May 1, 2010 and operates pursuant to an Agreement and Declaration of Trust (the Trust Deed). The Fund is registered under the U.S. Investment Company Act of 1940, as amended (the 1940 Act), as a closed-end, non-diversified management investment company. While non-diversified for 1940 Act purposes, the Fund intends to comply with the diversification requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the Code), as such requirements are described in more detail below. The Fund's investment objective is to seek long-term capital appreciation principally through investing in investment funds (Investment Funds) managed by third party investment managers who primarily employ a variety of investment strategies in pursuit of attractive risk-adjusted returns consistent with the preservation of capital. These investment strategies allow investment managers the flexibility to use leveraged or short-sale positions to take advantage of perceived inefficiencies across the global capital markets. The Fund may seek to gain investment exposure to certain Investment Funds or to adjust market or risk exposure by entering into derivative transactions, such as total return swaps, options and futures.

Morgan Stanley AIP GP LP serves as the Fund's investment adviser (the Investment Adviser) and Morgan Stanley Investment Management Limited serves as the Fund's sub-adviser (the Sub-Adviser) (collectively with the Investment Adviser, the Adviser). The Adviser is responsible for providing day-to-day investment management services to the Fund, subject to the supervision of the Fund's Board of Trustees (the Board). Each of the Investment Adviser and Sub-Adviser is an affiliate of Morgan Stanley and is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the Advisers Act). The Fund has no fixed termination date and will continue unless the Fund is otherwise terminated under the terms of the Trust Deed or unless and until required by law.

The Fund is a Master fund in a Master-Feeder structure whereby the feeder fund invests substantially all of its assets in the Fund. As of June 30, 2016, AIP Multi-Strategy Fund P, a feeder fund to the Fund, represented 40.75% of the Fund's net assets.

The Board has overall responsibility for monitoring and overseeing the Fund's investment program and its management and operations. A majority of the members of the Board are not interested persons (as defined by the 1940 Act) of the Fund, the Investment Adviser or the Sub-Adviser.

The Fund offers on a continuous basis through Morgan Stanley Distribution, Inc. (the Distributor), an affiliate of Morgan Stanley, up to 3,000,000 shares of beneficial interest (Shares). The initial closing date (Initial Closing Date) for the public offering of Shares was May 3, 2010. Shares were offered during an initial public offering period which ended on the Initial Closing Date at an initial offering price of \$1,000 per Share and have been offered in a continuous offering thereafter at the Fund's then current net asset value per Share. Investors purchasing Shares in the Fund (Shareholders) will not be charged a sales load. Shares may be purchased as of the first day of each month from the Distributor at the Fund's then current net asset value per Share or through any registered investment adviser (a RIA) that has entered into an arrangement with the Distributor for such RIA to recommend Shares to its clients in

conjunction with a wrap fee, asset allocation or other managed asset program sponsored by such RIA.

## **AIP Multi-Strategy Fund A**

### **Notes to Financial Statements (Unaudited) (continued)**

#### **1. Organization (continued)**

Shares are to be sold only to Shareholders that represent that they are accredited investors within the meaning of Rule 501(a) of Regulation D promulgated under the U.S. Securities Act of 1933, as amended. The minimum initial investment in the Fund by any Shareholder is \$50,000. The minimum additional investment in the Fund by any Shareholder is \$25,000. The minimum initial and additional investments may be reduced by the Fund with respect to certain Shareholders. Shareholders may only purchase their Shares through the Distributor or a RIA. Any RIA who recommends Shares to its clients may impose additional eligibility requirements on investors who purchase Shares through such RIA.

The Fund may from time to time offer to repurchase Shares (or portions of them) at net asset value pursuant to written tenders by Shareholders, and each such repurchase offer will generally apply to up to 15% of the net assets of the Fund. Repurchases will be made at such times, in such amounts and on such terms as may be determined by the Board, in its sole discretion. In determining whether the Fund should offer to repurchase Shares (or portions of them) from Shareholders, the Board will consider the recommendations of the Adviser as to the timing of such offer, as well as a variety of operational, business and economic factors. The Adviser expects that, generally, it will recommend to the Board that the Fund offer to repurchase Shares (or portions of them) from Shareholders quarterly, on each March 31, June 30, September 30 and December 31. In general, the Fund will initially pay at least 90% of the estimated value of the repurchased Shares to Shareholders as of the later of: (1) a period of within 30 days after the value of the Shares to be repurchased is determined, or (2) if the Fund has requested withdrawals of its capital from any Investment Funds in order to fund the repurchase of Shares, within ten business days after the Fund has received at least 90% of the aggregate amount withdrawn by the Fund from such Investment Funds. The remaining amount (the Holdback Amount) will be paid promptly after completion of the annual audit of the Fund and preparation of the Fund's audited financial statements. As of June 30, 2016, the Holdback Amount was \$158,965, which includes any Holdback Amount for repurchases as of June 30, 2016, and is included in payable for share repurchases in the Statement of Assets and Liabilities.

#### **2. Significant Accounting Policies**

The following significant accounting policies are in conformity with U.S. generally accepted accounting principles (US GAAP). Such policies are consistently followed by the Fund in preparation of its financial statements. Management has determined that the Fund is an investment company in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946, Financial Services - Investment Companies, for the purpose of financial reporting. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.



## **AIP Multi-Strategy Fund A**

### **Notes to Financial Statements (Unaudited) (continued)**

#### **2. Significant Accounting Policies (continued)**

##### **Portfolio Valuation**

The net asset value of the Fund is determined as of the close of business at the end of any fiscal period, generally monthly, in accordance with the valuation principles set forth below or as may be determined from time to time pursuant to policies established by the Board.

As of June 30, 2016, 99.79% of the Fund's portfolio was comprised of investments in Investment Funds. The remainder of the portfolio was invested in the short-term investments.

The Board has approved procedures pursuant to which the Fund values its investments in Investment Funds at fair value, which ordinarily will be the amount equal to the Fund's pro rata interest in the net asset value of each such Investment Fund (NAV), as such value is supplied by, or on behalf of, the Investment Fund's investment manager from time to time, usually monthly. Values received from, or on behalf of, the Investment Funds' respective investment managers are typically estimates only, subject to subsequent revision by such investment managers. Such values are generally net of management fees and performance incentive fees or allocations payable to the Investment Funds' managers or general partners pursuant to the Investment Funds' operating agreements. The Investment Funds value their underlying investments in accordance with policies established by each Investment Fund, as described in each of their financial statements or offering memoranda. The Fund's investments in Investment Funds are subject to the terms and conditions of the respective operating agreements and offering memoranda, as appropriate.

Some of the Investment Funds may hold a portion of their assets in side pockets, which are sub-funds within the Investment Funds that have restricted liquidity, potentially extending over a much longer period than the typical liquidity an investment in the Investment Funds may provide. Should the Fund seek to liquidate its investment in an Investment Fund that maintains these side pockets, the Fund might not be able to fully liquidate its investment without delay, which could be considerable. In such cases, until the Fund is permitted to fully liquidate its interest in the Investment Fund, the fair value of its investment could fluctuate based on adjustments to the value of the side pocket as reported by the Investment Fund's investment manager. At June 30, 2016, \$228,820 of the Fund's net assets were invested in side pockets maintained by the Investment Funds.

The Adviser has designed ongoing due diligence processes with respect to Investment Funds and their investment managers, which assist the Adviser in assessing the quality of information provided by, or on behalf of, each Investment Fund and in determining whether such information continues to be reliable or whether further investigation is necessary. Such investigation, as applicable, may or may not require the Adviser to forego its normal reliance on the value supplied by, or on behalf of, such Investment Fund and to determine independently the fair value of the Fund's interest in such Investment Fund, consistent with the Fund's fair valuation procedures.



## **AIP Multi-Strategy Fund A**

### **Notes to Financial Statements (Unaudited) (continued)**

#### **2. Significant Accounting Policies (continued)**

##### **Portfolio Valuation (continued)**

Where no value is readily available from an Investment Fund or where a value supplied by an Investment Fund is deemed by the Adviser not to be indicative of its fair value, the Adviser will determine the fair value of the Investment Fund. In order to determine the fair value of these Investment Funds, the Adviser has established the Fund of Hedge Funds Valuation Committee (the Valuation Committee). The Valuation Committee is responsible for determining and implementing the Fund's valuation policies and procedures, which have been adopted by the Board, and are subject to Board supervision. The Valuation Committee consists of voting members from Morgan Stanley's accounting, financial reporting and risk management groups, and non-voting members from portfolio management, legal and compliance groups. A member of the portfolio management team may attend each Valuation Committee meeting to provide knowledge, insight, and recommendations on valuation issues. The portfolio management team will recommend to the Valuation Committee a fair value for an investment using valuation techniques such as a market approach or income approach. In applying these valuation techniques, the portfolio management team uses their knowledge of the Investment Fund, industry expertise, information obtained through communication with the Investment Fund's investment manager, and available relevant information as it considers material. After consideration of the portfolio management team's recommendation, the Valuation Committee will determine, in good faith, the fair value of the Investment Fund. The Valuation Committee shall meet at least annually to analyze changes in fair value measurements. Because of the inherent uncertainty of valuation, the fair values of the Fund's investments may differ significantly from the values that would have been used had a ready market for these Investment Funds held by the Fund been available.

##### **Short-Term Investments**

Short-term investments are invested in a money market fund. Investments in money market funds are valued at net asset value. Money market funds are considered to be Level 1 investments as described in Note 4.

##### **Income Recognition and Expenses**

The Fund recognizes income and records expenses on an accrual basis. Income, expenses and realized and unrealized gains and losses are recorded monthly. The changes in Investment Funds' fair values are included in net change in unrealized appreciation/depreciation on investments in Investment Funds in the Statement of Operations. Realized gain (loss) from investments in Investment Funds is calculated using specific identification.



**AIP Multi-Strategy Fund A****Notes to Financial Statements (Unaudited) (continued)****2. Significant Accounting Policies (continued)****Income Taxes**

The Fund intends to comply with the requirements of Subchapter M of the Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its Shareholders. Therefore, no provision for federal income taxes is required. The Fund files tax returns with the U.S. Internal Revenue Service and various states. The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income earned or gains realized or repatriated. Taxes are accrued and applied to net investment income, net realized capital gains and net unrealized appreciation, as applicable, as the income is earned or capital gains are recorded. The Fund has concluded there are no significant uncertain tax positions that would require recognition in the financial statements as of June 30, 2016. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in other expenses in the Statement of Operations. Generally, open tax years under potential examination vary by jurisdiction, but at least each of the tax years in the four-year period ended December 31, 2015 remains subject to examination by major taxing authorities.

At December 31, 2015, the Fund had available for Federal income tax purposes capital loss carryforwards which will expire on the indicated dates:

<b>Expiration</b>	<b>Amount</b>
December 31, 2018	\$ 8,261

At December 31, 2015, the Fund had available for Federal income tax purposes unused short-term and long-term capital losses that will not expire:

Short-term losses (no expiration)	\$ 657,698
Long-term losses (no expiration)	\$ 1,619,249

To the extent that capital loss carryforwards are used to offset any future capital gains realized during the carryover period as provided by U.S. Federal income tax regulations, no capital gains tax liability will be incurred by a fund for gains realized and not distributed. To the extent that capital gains are offset, such gains will not be distributed to the Shareholders.



**AIP Multi-Strategy Fund A****Notes to Financial Statements (Unaudited) (continued)****2. Significant Accounting Policies (continued)****Income Taxes (continued)**

At June 30, 2016, the cost and related gross unrealized appreciation and depreciation for tax purposes were as follows:

Cost of investments for tax purposes	\$	85,202,358
Gross tax unrealized appreciation	\$	-
Gross tax unrealized depreciation		2,406,693
Net tax unrealized appreciation/depreciation on investments	\$	(2,406,693)

**Distribution of Income and Gains**

The Fund declares and pays dividends annually from net investment income. Net realized gains, if any, are distributed at least annually. Distributions from net realized gains for book purposes may include short-term capital gains, which are included as ordinary income for tax purposes.

In order to satisfy the diversification requirements under Subchapter M of the Code, the Fund generally invests its assets in Investment Funds organized outside the United States that are treated as corporations for U.S. tax purposes and are expected to be classified as passive foreign investment companies ( PFICs ). As such, the Fund expects that distributions generally will be taxable as ordinary income to the Shareholders.

Pursuant to the dividend reinvestment plan established by the Fund (the DRIP ), each Shareholder whose Shares are registered in its own name will automatically be a participant under the DRIP and have all income, dividends and capital gains distributions automatically reinvested in additional Shares unless such Shareholder specifically elects to receive all income, dividends and capital gain distributions in cash.

The tax character of distributions paid may differ from character of distributions shown in the Statements of Changes in Net Assets due to short-term capital gains being treated as ordinary income for tax purposes. There were no distributions paid during the period from January 1, 2016 to June 30, 2016.

The tax character of distributions paid during the year ended December 31, 2015 was as follows:

**December 31, 2015**

Distributions paid from:		
Ordinary income	\$	2,298,853

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from US GAAP. These book/tax differences are considered either temporary or permanent in nature.

**AIP Multi-Strategy Fund A****Notes to Financial Statements (Unaudited) (continued)****2. Significant Accounting Policies (continued)****Distribution of Income and Gains (continued)**

Temporary differences are primarily due to differing book and tax treatments in the timing of the recognition of gains (losses) on certain investment transactions and the timing of the deductibility of certain expenses.

As of December 31, 2015, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$	664,968
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**3. Financial Instruments with Off-Balance Sheet Risk**

In the normal course of business, the Investment Funds in which the Fund invests may trade various financial instruments and enter into various investment activities with off-balance sheet risk. These include, but are not limited to, short selling activities, written option contracts, and swaps. The Fund's risk of loss in each Investment Fund is limited to the value of the Fund's interest in each Investment Fund as reported by the Fund.

**4. Fair Value of Financial Instruments**

The fair value of the Fund's assets and liabilities that qualify as financial instruments approximates the carrying amounts presented in the Statement of Assets and Liabilities. Fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. The Fund uses a three-tier hierarchy to distinguish between (a) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (b) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the fair value of the Fund's investments.

The inputs are summarized in the three broad levels listed below:

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Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments), or short-term investments that are valued at amortized cost

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

**AIP Multi-Strategy Fund A****Notes to Financial Statements (Unaudited) (continued)****4. Fair Value of Financial Instruments (continued)**

The units of account that are valued by the Fund are its interests in the Investment Funds or other financial instruments and not the underlying holdings of such Investment Funds or other financial instruments. Thus, the inputs used by the Fund to value its investments in each of the Investment Funds or other financial instruments may differ from the inputs used to value the underlying holdings of such Investment Funds or other financial instruments.

The Fund's policy is to recognize transfers between Levels 1, 2, or 3 and transfers due to strategy reclassification, if any, as if they occurred as of the beginning of the reporting period. For the period from January 1, 2016 to June 30, 2016, the Fund did not have any transfers between Levels 1, 2, or 3.

As of June 30, 2016, all of the investments in Investment Funds are fair valued using the NAV as practical expedient and are therefore excluded from the fair value hierarchy.

**5. Investments in Investment Funds**

The following table summarizes the fair value and liquidity terms of the Investment Funds as of June 30, 2016, aggregated by investment strategy:

<b>Investment Funds</b>	<b>Fair Value</b>	<b>Redemption Frequency (if applicable)</b>	<b>Redemption Notice Period (if applicable)</b>
Commodity Trading Advisors			
- Managed Futures <sup>(a)</sup>	\$ 3,807,237	Monthly	15-30 days
Distressed <sup>(b)</sup>	2,198,161	Annually	60 days
Equity Long/Short - High Hedge <sup>(c)</sup>	4,813,546	Quarterly	45-90 days
Equity Long/Short - Opportunistic <sup>(d)</sup>	17,347,250	Quarterly	45-90 days
Event Driven Equity <sup>(e)</sup>	2,606,295	Quarterly	45-65 days
Macro <sup>(f)</sup>	12,701,324	Monthly to Semi-annually	60-90 days
Merger/Risk Arbitrage <sup>(g)</sup>	1,089,206	Quarterly	90 days
Mortgage Arbitrage <sup>(h)</sup>	14,262,091	Monthly to Annually	45-120 days
Multi-Strategy <sup>(i)</sup>	8,991,138	Quarterly to 18 months	45-90 days
Private Placements <sup>(j)</sup>	228,820	Not Applicable	Not Applicable
Statistical Arbitrage <sup>(k)</sup>	14,750,597	Monthly to Quarterly	30-90 days
<b>Total Investment Funds</b>	<b>\$ 82,795,665</b>		

*(a) An Investment Fund in this strategy invests in a variety of futures contracts, including currencies, interest rates, stocks, stock market indexes, derivatives, and commodities. These Investment Funds build quantitative models to price futures and then take long and short positions in the futures.*

*(b) An Investment Fund in this strategy invests in, and may sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation such as a bankruptcy or corporate restructuring.*



**AIP Multi-Strategy Fund A**

**Notes to Financial Statements (Unaudited) (continued)**

**5. Investments in Investment Funds (continued)**

- (c) *Investment Funds in this strategy seek to profit by exploiting pricing inefficiencies between related equity securities, neutralizing exposure to market risk by combining long and short positions. Investment Fund tranches representing 0.10% of the Fund's net assets have restricted liquidity. The Fund estimates the remaining restriction period for such Investment Fund tranches to be up to 1 year.*
- (d) *Investment Funds in this strategy consist of a core holding of long equities hedged at all times with short sales of stocks or stock index options. Some of the Investment Funds' respective investment managers maintain a substantial portion of assets within a hedged structure and commonly employ leverage.*
- (e) *Investment Funds in this strategy invest in restructuring companies that are undergoing significant corporate events such as spin-offs, recapitalizations, litigation events, strategic realignment, and other major changes. It also includes value investments in securities that are believed to be underpriced relative to their intrinsic or fundamental value or which are expected to appreciate in value if circumstances change or an anticipated event occurs.*
- (f) *Investment Funds in this strategy invest by making leveraged bets on anticipated price movements of stock markets, interest rates, foreign exchange and physical commodities.*
- (g) *An Investment Fund in this strategy invests in securities of companies that are the subject of some form of extraordinary corporate transaction, including acquisition or merger proposals, exchange offers, cash tender offers and leveraged buy-outs.*
- (h) *Investment Funds in this strategy seek to exploit pricing differentials between various issues of mortgage-related bonds.*
- (i) *Investment Funds in this strategy tactically allocate capital to various hedge fund strategies based on their perceived risk and return profiles.*
- (j) *Investment Funds in this strategy invest primarily in private (non-public) securities with limited liquidity. Investment Fund tranches representing 0.32% of the Fund's net assets have restricted liquidity. The Fund estimates the remaining restriction period for such Investment Fund tranches to be 2 years.*

*(k) Investment Funds in this strategy profit from temporary pricing discrepancies between related securities. This irregularity offers an opportunity to go long the cheaper security and to short the more expensive one in an attempt to profit as the prices of the two revert to their norm, or mean.*

As of June 30, 2016, 0.42% of the Fund's net assets were invested in Investment Funds with restricted liquidity or with the next available redemption date extending beyond one year from June 30, 2016.

For the period from January 1, 2016 to June 30, 2016, aggregate purchases and proceeds from sales of investments in Investment Funds were \$15,170,227 and \$7,638,188, respectively.

#### **6. Investment Receivables and Prepaids**

As of June 30, 2016, \$2,448,752 was due to the Fund from Investment Funds. The receivable amount represents the fair value of certain Investment Fund tranches, net of management fees and incentive fees/allocations, that were redeemed by the Fund at period-end or holdback amounts that will be received from certain Investment Funds. Substantially all of the receivable balance was collected subsequent to the balance sheet date.

#### **7. Management Fee, Related Party Transactions and Other**

The Fund bears all expenses related to its investment program, including, but not limited to, expenses borne indirectly through the Fund's investments in the underlying Investment Funds.

## AIP Multi-Strategy Fund A

### Notes to Financial Statements (Unaudited) (continued)

#### 7. Management Fee, Related Party Transactions and Other (continued)

In consideration of the advisory and other services provided by the Investment Adviser to the Fund, the Fund pays the Investment Adviser a monthly management fee of 0.083% (1.00% on an annualized basis) of the Fund's month end net asset value. The management fee is an expense paid out of the Fund's assets and is computed based on the value of the net assets of the Fund as of the close of business on the last business day of each month, before adjustments for any repurchases effective on that day. The management fee is in addition to the asset-based fees and incentive fees or allocations charged by the underlying Investment Funds and indirectly borne by Shareholders in the Fund. The Investment Adviser pays the Sub-Adviser a portion of the net management fees the Investment Adviser receives from the Fund on a monthly basis. For the period from January 1, 2016 to June 30, 2016, the Fund incurred management fees of \$360,946, of which \$183,377 was payable to the Investment Adviser at June 30, 2016.

The Investment Adviser has contractually agreed to waive or reimburse the Fund for expenses (other than extraordinary expenses and certain investment related expenses, such as foreign country tax expense and interest expense on amounts borrowed by the Fund) to the extent necessary in order to cap the Fund's total annual operating expenses at 1.75% until the termination of the Fund's investment advisory agreement. For the period from January 1, 2016 to June 30, 2016, management fee waivers was \$53,167, none of which was receivable from the Adviser at June 30, 2016.

State Street Bank and Trust Company ( State Street ) provides accounting and administrative services to the Fund. Under an administrative services agreement, State Street is paid an administrative fee, computed and payable monthly at an annual rate ranging from 0.045% to 0.075%, based on the aggregate monthly net assets of certain Morgan Stanley products, including the Fund, for which State Street serves as the administrator.

State Street also serves as the Fund's custodian. Under a custody services agreement, State Street is paid a custody fee monthly at an annual rate of 0.020%, based on (1) the aggregate monthly net assets of certain Morgan Stanley products, including the Fund, for which State Street serves as the custodian, and (2) investment purchases and sales activity related to the Fund.

The Fund is charged directly for certain reasonable out-of-pocket expenses related to the accounting, administrative and custodial services provided by State Street to the Fund.

**AIP Multi-Strategy Fund A****Notes to Financial Statements (Unaudited) (continued)****7. Management Fee, Related Party Transactions and Other (continued)**

The Fund has a deferred compensation plan (the DC Plan) that allows each member of the Board that is not an affiliate of Morgan Stanley to defer payment of all, or a portion, of the fees he or she receives for serving on the Board throughout the year. Each eligible member of the Board generally may elect to have the deferred amounts invested in the DC Plan in order to earn a return equal to the total return on one or more of the Morgan Stanley products that are offered as investment options under the DC Plan. Investments in the DC Plan, unrealized appreciation/depreciation on such investments and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Fund. At June 30, 2016, the Fund's proportionate share of assets attributable to the DC Plan was \$1,074, which is included in the Statement of Assets and Liabilities under other assets and the deferred compensation obligation under accrued expenses and other liabilities.

UMB Fund Services, Inc. serves as the Fund's transfer agent. Transfer agent fees were payable monthly based on an annual Fund base fee, annual per Shareholder account charges, and out-of-pocket expenses incurred by the transfer agent on the Fund's behalf.

**8. Line of Credit**

Effective May 24, 2013, the Fund entered into a secured credit agreement with State Street for a revolving line of credit (the Facility). The maximum availability under the Facility is the lesser of \$17,000,000 or 25% of the Fund's adjusted net assets, as defined in the credit agreement, subject to specific asset-based covenants. The Fund paid an annual administration fee related to the Facility of 0.35% of the unused commitment and the annual interest rate on borrowings is the greater of the Federal Funds Rate plus 1.75% or the overnight USD LIBOR plus 1.75%. Under the terms of the Facility, borrowings are repayable no later than May 19, 2017, the termination date of the Facility. At June 30, 2016, there was \$31,320,000 outstanding against the Facility. For the period from January 1, 2016 to June 30, 2016, the Fund incurred interest expense of \$144,464 in connection with the Facility. Borrowings are secured by the Fund's investments in Investment Funds. Detailed below is summary information concerning the borrowings:

# of Days Outstanding	Average Daily Balance	Annualized Weighted Average Rate
182	\$13,385,385	2.13%

**9. Contractual Obligations**

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.



**AIP Multi-Strategy Fund A****Notes to Financial Statements (Unaudited) (continued)****10. Financial Highlights**

The following represents per Share data, ratios to average net assets and other financial highlights information for Shareholders. The calculations below are not annualized for the periods less than one year.

	For the Period From January 1, 2016 to June 30, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012	For the Year Ended December 31, 2011
For a Share outstanding throughout the period:						
Net asset value, beginning of period	\$ 984.90	\$ 998.53	\$ 1,002.40	\$ 1,017.12	\$ 996.48	\$ 1,027.49
Net investment income (loss) <sup>(a)</sup>	(8.37)	(20.51)	(20.77)	(20.15)	(18.18)	(18.17)
Net realized and unrealized gain (loss) from investments	(15.68)	38.94	68.77	120.16	124.95	41.12
Net increase (decrease) resulting from operations	(24.05)	18.43	48.00	100.01	106.77	22.95
Distributions paid						
Net investment income	-	(32.06)	(51.87)	(114.73)	(86.13)	(53.96)
Net realized gain	-	-	-	-	-	-
Net asset value, end of period	\$ 960.85	\$ 984.90	\$ 998.53	\$ 1,002.40	\$ 1,017.12	\$ 996.48

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Total return <sup>(b)</sup>	(2.44%)	1.85%	4.81%	10.00%	10.84%	2.25%
Ratio of total expenses before expense waivers and reimbursements <sup>(c)</sup>	0.94%	2.02%	2.35%	2.24%	2.01%	2.72%
Ratio of total expenses after expense waivers and reimbursements <sup>(c)</sup>	0.87%	2.02%	2.03%	1.92%	1.75%	1.75%
Ratio of net investment income (loss) <sup>(d)</sup>	(0.87%)	(2.02%)	(2.03%)	(1.92%)	(1.75%)	(1.75%)
Portfolio turnover	9%	24%	19%	14%	14%	21%
Net assets, end of period (000s)	\$ 71,143	\$ 72,223	\$ 65,220	\$ 58,638	\$ 48,140	\$ 39,915

(a) Calculated based on the average shares outstanding methodology.

(b) Total return assumes a subscription of a Share in the Fund at the beginning of the period indicated and a repurchase of the Share on the last day of the period, and assumes reinvestment of all distributions during the period.

(c) Ratio does not reflect the Fund's proportionate share of the expenses of the Investment Funds.

(d) Ratio does not reflect the Fund's proportionate share of the income and expenses of the Investment Funds.

The above ratios and total returns have been calculated for the Shareholders taken as a whole. An individual Shareholder's return and ratios may vary from these returns and ratios due to the timing of Share transactions.

## 11. Subsequent Events

Unless otherwise stated throughout the Notes to Financial Statements, the Fund noted no subsequent events that require disclosure in or adjustment to the financial statements.

## **AIP Multi-Strategy Fund A**

### **Investment Advisory Agreement Approval (Unaudited)**

#### **Nature, Extent and Quality of Services**

The Board reviewed and considered the nature and extent of the investment advisory services provided by the Adviser under the Fund's investment advisory agreement, including selection of Investment Funds for investment of the Fund's assets, allocation of the Fund's assets among, and monitoring performance of, Investment Funds, evaluation of risk exposure of Investment Funds and reputation, experience and training of investment managers, management of short-term cash and operations of the Fund, day-to-day portfolio management and general due diligence examination of Investment Funds before and after committing assets of the Fund for investment. The Board reviewed similar information and factors regarding the Sub-Adviser (as defined herein), to the extent applicable. The Board also considered the Adviser's investment in personnel and infrastructure that benefits the Fund. (The investment advisory and sub-advisory agreements together are referred to as the Advisory Agreement.) The Board also reviewed and considered the nature and extent of the non-advisory, administrative services that the Adviser provides, or arranges at its expense, under the Advisory Agreement, including among other things, providing to the Fund office facilities, equipment and personnel. The Board also considered that the Adviser serves a variety of other investment advisory clients and has experience overseeing service providers.

The Board reviewed and considered the qualifications of the portfolio managers, the senior administrative managers and other key personnel of the Adviser who provide the advisory and administrative services to the Fund. The Board determined that the Adviser's portfolio managers and key personnel are well qualified by education and/or training and experience to perform the services in an efficient and professional manner. The Board concluded that the nature and extent of the advisory and administrative services were necessary and appropriate for the conduct of the business and investment activities of the Fund and supported its decision to approve the Advisory Agreement.

#### **Performance, Fees and Expenses of the Fund**

The Board reviewed the performance of the Fund compared to an appropriate benchmark and its peers, as determined by the Adviser. The Board also reviewed the fees and expenses of the Fund compared to its peers, as determined by Broadridge Financial Solutions, Inc. (Broadridge). The Board discussed with the Adviser the performance goals and the actual results achieved in managing the Fund. When considering a fund's performance, the Board and the Adviser place emphasis on trends and longer-term returns (focusing on one-year, three-year and five-year performance, as of December 31, 2015, or since inception, as applicable). When a fund underperforms its benchmark and/or its peer group, the Board and the Adviser discuss the causes of such underperformance and, where necessary, they discuss specific changes to investment strategy or investment personnel. The Board noted that the performance of the Fund was better than its benchmark for the one-, three- and five-year periods. The Board discussed with the Adviser the level of the advisory fee for the Fund relative to comparable funds and/or other accounts advised by the Adviser and/or compared to its peers as determined by Broadridge. In addition to the advisory fee, the Board also reviewed the Fund's total expense ratio. When a fund's management fee and/or its total expense ratio are higher than its peers, the Board and the Adviser discuss the reasons for this and, where appropriate, they discuss possible waivers and/or caps. The Board noted that while the Fund's contractual advisory fee was lower than its peer group average, the actual advisory fee was higher than its peer group average and total expense ratio was higher than but close to its peer group average.





## **AIP Multi-Strategy Fund A**

### **Investment Advisory Agreement Approval (Unaudited) (continued)**

#### **Performance, Fees and Expenses of the Fund (continued)**

After discussion, the Board concluded that the Fund's (i) performance was competitive; (ii) advisory fee was acceptable; and (iii) total expense ratio was competitive with its peer group average.

#### **Economies of Scale**

The Board considered the size and growth prospects of the Fund and how that relates to the Fund's total expense ratio and particularly the Fund's advisory fee rate, which does not include breakpoints. In conjunction with its review of the Adviser's profitability, the Board discussed with the Adviser how a change in assets can affect the efficiency or effectiveness of managing the Fund and whether the advisory fee level is appropriate relative to current and projected asset levels and/or whether the advisory fee structure reflects economies of scale as asset levels change. The Board concluded that economies of scale for the Fund were not a factor that needed to be considered at the present time.

#### **Profitability of the Adviser and Affiliates**

The Board considered information concerning the costs incurred and profits realized by the Adviser and its affiliates during the last year from their relationship with the Fund and during the last two years from their relationship with the Morgan Stanley Fund Complex and reviewed with the Adviser the cost allocation methodology used to determine the profitability of the Adviser and affiliates. The Board has determined that its review of the analysis of the Adviser's expenses and profitability supports its decision to approve the Advisory Agreement.

#### **Other Benefits of the Relationship**

The Board considered other direct and indirect benefits to the Adviser and/or its affiliates derived from their relationship with the Fund and other funds advised by the Adviser. These benefits may include, among other things, fees for trading, distribution and/or shareholder servicing and for transaction processing and reporting platforms used by securities lending agents, and research received by the Adviser generated from commission dollars spent on funds portfolio trading. The Board considered sales charges on shares of the Fund's feeder fund, AIP Multi-Strategy Fund P, charged by a broker-dealer affiliate of the Adviser. The Board reviewed with the Adviser these arrangements and the reasonableness of the Adviser's costs relative to the services performed. The Board has determined that its review of the other benefits received by the Adviser or its affiliates supports its decision to approve the Advisory Agreement.

## **AIP Multi-Strategy Fund A**

### **Investment Advisory Agreement Approval (Unaudited) (continued)**

#### **Resources of the Adviser and Historical Relationship Between the Fund and the Adviser**

The Board considered whether the Adviser is financially sound and has the resources necessary to perform its obligations under the Advisory Agreement. The Board also reviewed and considered the historical relationship between the Fund and the Adviser, including the organizational structure of the Adviser, the policies and procedures formulated and adopted by the Adviser for managing the Fund's operations and the Board's confidence in the competence and integrity of the senior managers and key personnel of the Adviser. The Board concluded that the Adviser has the financial resources necessary to fulfill its obligations under the Advisory Agreement and that it is beneficial for the Fund to continue its relationship with the Adviser.

#### **Other Factors and Current Trends**

The Board considered the controls and procedures adopted and implemented by the Adviser and monitored by the Fund's Chief Compliance Officer and concluded that the conduct of business by the Adviser indicates a good faith effort on its part to adhere to high ethical standards in the conduct of the Fund's business.

#### **General Conclusion**

After considering and weighing all of the above factors, with various written materials and verbal information presented by the Adviser, the Board concluded that it would be in the best interest of the Fund and its Shareholders to approve renewal of the Advisory Agreement for another year. In reaching this conclusion the Board did not give particular weight to any single piece of information or factor referenced above. The Board considered these factors and information over the course of the year and in numerous meetings, some of which were in executive session with only the independent Board members and their counsel present. It is possible that individual Board members may have weighed these factors, and the information presented, differently in reaching their individual decisions to approve the Advisory Agreement.

## **AIP Multi-Strategy Fund A**

### **Proxy Voting Policies and Procedures and Proxy Voting Record (Unaudited)**

A copy of (1) the Fund's policies and procedures with respect to the voting of proxies relating to the Investment Funds; and (2) how the Fund voted proxies relating to Investment Funds during the most recent 12-month period ended June 30, is available without charge, upon request, by calling the Fund at 1-888-322-4675. This information is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

### **Quarterly Portfolio Schedule (Unaudited)**

The Fund also files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the Fund's first and third fiscal quarters on Form N-Q. The Fund's Forms N-Q are available on the Securities and Exchange Commission's website at <http://www.sec.gov>. The Fund's Forms N-Q may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Once filed, the most recent Form N-Q will be available without charge, upon request, by calling the Fund at 1-888-322-4675.

**AIP Multi-Strategy Fund A**

100 Front Street, Suite 400  
West Conshohocken, PA 19428

**Trustees**

Michael Nugent, Chairperson of the Board and Trustee

Frank L. Bowman

Kathleen A. Dennis

Nancy C. Everett

Jakki L. Haussler

James F. Higgins

Dr. Manuel H. Johnson

Joseph J. Kearns

Michael F. Klein

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John H. Gernon, President and Principal Executive Officer

Stefanie V. Chang Yu, Chief Compliance Officer

Joseph C. Benedetti, Vice President

Matthew Graver, Vice President

Noel Langlois, Treasurer and Chief Financial Officer

Mary E. Mullin, Secretary

**Investment Adviser**

Morgan Stanley AIP GP LP

100 Front Street, Suite 400

West Conshohocken, PA 19428

**Sub-Adviser**

Morgan Stanley Investment Management Limited

25 Cabot Square

Canary Wharf

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**Administrator, Custodian, Fund Accounting Agent and Escrow Agent**

State Street Bank and Trust Company

One Lincoln Street

Boston, MA 02111

**Transfer Agent**

UMB Fund Services, Inc.

803 W. Michigan Street

Milwaukee, WI 53233

**Independent Registered Public Accounting Firm**

Ernst & Young LLP

One Commerce Square

2005 Market Street, Suite 700

Philadelphia, PA 19103



ITEM 2. CODE OF ETHICS. Not applicable to a semi-annual report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. Not applicable to a semi-annual report.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. Not applicable to a semi-annual report.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. Not applicable to the Registrant.

ITEM 6. INVESTMENTS.

(a) Schedule of Investments. Refer to Item 1.

(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to a semi-annual report.

ITEM 8. PORTFOLIO MANAGERS.

Effective July 20, 2016, Mustafa Jama is no longer a Portfolio Manager of the Registrant.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable to the Registrant.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The Registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the



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Registrant in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

- (b) There were no changes in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a)

- (1) Code of Ethics. Not applicable to a semi-annual report.
- (2) Certifications of Principal Executive Officer and Principal Financial Officer are attached to this report as part of EX-99.CERT.

**SIGNATURES**

Pursuant to the requirements of the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AIP MULTI-STRATEGY FUND P

By: /s/ John H. Gernon  
Name: John H. Gernon  
Title: President  
Date: September 8, 2016

Pursuant to the requirements of the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ John H. Gernon  
Name: John H. Gernon  
Title: Principal Executive Officer  
Date: September 8, 2016

By: /s/ Noel Langlois  
Name: Noel Langlois  
Title: Principal Financial Officer  
Date: September 8, 2016