

MERCANTILE ABSOLUTE RETURN FUND LLC  
 Form 5  
 August 23, 2006

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
**MERCANTILE BANKSHARES CORP**

2. Issuer Name and Ticker or Trading Symbol  
**MERCANTILE ABSOLUTE RETURN FUND LLC [N/A]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 03/31/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner  
 \_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

2 HOPKINS PLAZA

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

BALTIMORE, MD 21201

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Amount Price			
Limited Liability Company Interest <sup>(1)</sup>	Â	Â	3 <sup>(2)</sup>	Â Â	Â	D	Â
Limited Liability Company Interest <sup>(1)</sup>	03/31/2004	Â	S4 <sup>(4)</sup>	1,250,000 <sup>(1) (4)</sup> D <sup>(4)</sup> \$ 1,250,000 <sup>(1)</sup>	1 <sup>(1) (4) (5)</sup>	D	Â

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Limited Liability Company Interests <sup>(1)</sup>	06/30/2004	Â	S4 <sup>(4)</sup>	2,500,000 <u>(1)</u> <u>(4)</u>	D <u>(4)</u>	\$ 2,500,000 <u>(1)</u>	1 <u>(1)</u> <u>(4)</u> <u>(6)</u>	D	Â
Limited Liability Company Interest <sup>(1)</sup>	12/31/2004	Â	S4 <sup>(4)</sup>	1,200,000 <u>(1)</u> <u>(4)</u>	D <u>(4)</u>	\$ 1,200,000 <u>(1)</u>	1 <u>(1)</u> <u>(4)</u> <u>(7)</u>	D	Â
Limited Liability Company Interest <sup>(1)</sup>	06/30/2005	Â	S4 <sup>(4)</sup>	4,000,000 <u>(1)</u> <u>(4)</u>	D <u>(4)</u>	\$ 4,000,000 <u>(1)</u>	1 <u>(1)</u> <u>(4)</u> <u>(8)</u>	D	Â
Limited Liability Company Interest <sup>(1)</sup>	12/31/2005	Â	S4 <sup>(4)</sup>	1,000,000 <u>(1)</u> <u>(4)</u>	D <u>(4)</u>	\$ 1,000,000 <u>(1)</u>	1 <u>(1)</u> <u>(4)</u> <u>(9)</u>	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. of D Se B O E Is Fi (I
					(A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MERCANTILE BANKSHARES CORP 2 HOPKINS PLAZA BALTIMORE, MD 21201	Â	Â X	Â	Â

## Signatures

Mercantile Bankshares Corporation By: /s/ John L. Unger,  
Secretary

08/22/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Mercantile Absolute Return Fund LLC (the "Company") is a limited liability company organized under the laws of the State of Delaware and registered under the Investment Company Act of 1940, as amended, as a closed-end, non-diversified management investment company. Each Interest is a percentage of ownership interest in the Company. The value of each Interest is the corresponding percentage of the net asset value of the Company (as more fully set forth in the Company documents available with the Securities and Exchange Commission ("SEC")). The percentage interest in the Company held by Mercantile Bankshares Corporation ("MBC") at a given time is related to the investments made by other investors have placed into the Company and is subject to change when they buy or sell Interest.

(2) Filer's Interest has been held directly by MBC since December 30, 2002, which was the effective date of the registration statement filed by the Company with the SEC on November 19, 2002. Filer's Interest was in exchange for the seed capital that MBC placed into the Company.

(3) The Interest held by MBC represented 100% of the Interests outstanding at the conclusion of the transaction. This transaction is the last transaction for the fiscal year.

(4) The transaction was a tender offer.

(5) The Interest held by MBC represented 51% of the Interests outstanding at the conclusion of the transaction. This transaction is the last transaction for the fiscal year.

(6) The Interest held by MBC represented 48% of the Interests outstanding at the conclusion of the transaction. The percentage interest for the fiscal year in which this transaction took place is listed by the last transaction that took place for the fiscal year.

(7) The Interest held by MBC represented 44% of the Interests outstanding at the conclusion of the transaction. This transaction is the last transaction for the fiscal year.

(8) The Interest held by MBC represented 38% of the Interests outstanding at the conclusion of the transaction. The percentage interest for the fiscal year in which this transaction took place is listed by the last transaction that took place for the fiscal year.

(9) The Interest held by MBC represented 37% of the Interests outstanding at the conclusion of the transaction. This transaction is the last transaction for the fiscal year.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.