

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

INVESTMENT COMPANY ACT FILE NUMBER 811-21061

AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC
(Exact name of registrant as specified in charter)

c/o Aetos Capital, LLC
875 Third Avenue
New York, NY 10022
(Address of principal executive offices) (Zip code)

James M. Allwin
Aetos Capital, LLC
New York, NY 10022
(Name and address of agent for service)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 1-212-201-2500

DATE OF FISCAL YEAR END: JANUARY 31, 2007

DATE OF REPORTING PERIOD: JULY 31, 2007

ITEM 1. REPORTS TO STOCKHOLDERS.

AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC

AETOS CAPITAL DISTRESSED INVESTMENT STRATEGIES FUND, LLC

AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC

AETOS CAPITAL MARKET NEUTRAL STRATEGIES FUND, LLC

AETOS CAPITAL OPPORTUNITIES FUND, LLC

Financial Statements (unaudited)

July 31, 2007

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The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q within sixty days after the end of each period. The Funds' Forms N-Q are available on the Commission's web site at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities, as well as information relating to how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-212-201-2500; and (ii) on the Commission's website at

Aetos Capital Multi-Strategy Arbitrage Fund, LLC
 Schedule of Investments (Unaudited)
 July 31, 2007

INVESTMENT STRATEGY AS A PERCENTAGE OF INVESTMENTS

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

Convertible Arbitrage	7.09%
Credit Strategies	13.06%
Fixed Income Arbitrage	22.10%
Multi-Strategy/Event Arbitrage	57.75%

PORTFOLIO FUND NAME	COST	VALUE	% OF MEMBERS' CAPITAL*
Davidson Kempner Partners	\$ 50,000,000	\$ 65,609,087	12.29%
Farallon Capital Offshore Investors, Inc.	69,000,000	77,470,116	14.51
FFIP, L.P.	46,630,000	54,960,337	10.30
HBK Fund L.P.	60,000,000	61,337,000	11.49
Ishin Fund, LLC	33,000,000	37,503,016	7.03
Lazard Emerging Income, L.P.	25,000,000	27,983,230	5.24
Oceanwood Global Opportunities Fund L.P.	35,000,000	33,634,475	6.30
Parsec Trading Corp.	16,600,000	18,545,170	3.47
Pequot Credit Opportunities Fund, L.P.	35,000,000	38,320,052	7.18
Pequot Short Credit Fund, L.P.	27,000,000	30,715,457	5.75
Perry Partners, L.P.	7,045,298	8,311,513	1.56
Satellite Fund II, L.P.	25,850,000	36,127,564	6.77
South Hill Trading Corp.	12,899,450	15,374,801	2.88
Sowood Alpha Fund, L.P.	42,000,000	22,841,435	4.28
Total	\$ 485,024,748	\$ 528,733,253	99.05%

* Percentages are based on Members' Capital of \$533,789,137.

The aggregate cost of investments for tax purposes was \$530,489,512. Net unrealized depreciation on investments for tax purposes was \$1,756,259 consisting of \$34,529,335 of gross unrealized appreciation and \$36,285,594 of gross unrealized depreciation.

The investments in Portfolio Funds shown above, representing 99.05% of Members' Capital, have been fair valued.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

1

Aetos Capital Distressed Investment Strategies Fund, LLC
 Schedule of Investments (Unaudited)
 July 31, 2007

INVESTMENT STRATEGY AS A PERCENTAGE OF INVESTMENTS

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

Distressed Investments	100.00%
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PORTFOLIO FUND NAME	COST	VALUE	% OF MEMBERS' CAPITAL*
Aurelius Capital Partners, L.P.	\$ 27,500,000	\$ 31,256,739	21.58%
King Street Capital, L.P.	24,050,000	33,191,850	22.92
One East Partners, L.P.	27,500,000	28,715,282	19.82
Silver Point Capital Fund, L.P.	24,100,000	32,870,519	22.69
Watershed Capital Partners, L.P.	11,050,000	14,719,803	10.16
Total	\$ 114,200,000	\$ 140,754,193	97.17%

* Percentages are based on Members' Capital of \$144,854,375.

The aggregate cost of investments for tax purposes was \$124,503,713. Net unrealized appreciation on investments for tax purposes was \$16,250,480 consisting of \$16,250,480 of gross unrealized appreciation and \$0 of gross unrealized depreciation.

The investments in Portfolio Funds shown above, representing 97.17% of Members' Capital, have been fair valued.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

2

Aetos Capital Long/Short Strategies Fund, LLC
Schedule of Investments (Unaudited)
July 31, 2007

INVESTMENT STRATEGY AS A PERCENTAGE OF INVESTMENTS

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

Short Equity Investments	3.66%
Long/Short Equity Investments	96.34%

PORTFOLIO FUND NAME	COST	VALUE	% OF MEMBERS' CAPITAL*

Bay Pond Partners, L.P.	\$ 32,000,000	\$ 57,814,969	6.20%
Bay Resource Partners, L.P.	35,000,000	54,159,575	5.81
Cadmus Capital Partners (QP), L.P.	64,330,248	77,863,506	8.35
Cantillon Pacific, L.P.	13,000,000	17,468,083	1.87
Cantillon U.S., L.P.	12,699,464	14,733,314	1.58
Cavalry Technology, L.P.	58,750,000	72,225,534	7.75
Copper River Partners, L.P.	10,000,000	9,896,154	1.06
The Elkhorn Fund, LLC	55,854,685	64,004,005	6.87
Highside Capital Partners, L.P.	60,000,000	83,660,663	8.98
Icarus Qualified Partners, L.P.	21,000,000	24,117,314	2.59
JL Partners, L.P.	57,820,000	83,400,663	8.95
Millgate Partners II, L.P.	22,000,000	21,562,453	2.31
North River Partners, L.P.	45,650,000	52,547,182	5.64
Standard Global Equity Partners SA, L.P.	58,700,000	76,056,924	8.16
UC Financials Fund Limited	33,000,000	32,303,532	3.46
ValueAct Capital Partners III, L.P.	75,000,000	82,109,187	8.81
Viking Global Equities, L.P.	50,000,000	71,987,532	7.72
Woodbourne Daybreak Global Fund L.P.	32,000,000	32,966,113	3.54

Total	\$ 736,804,397	\$ 928,876,703	99.65%
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* Percentages are based on Members' Capital of \$932,105,318.

The aggregate cost of investments for tax purposes was \$786,988,116. Net unrealized appreciation on investments for tax purposes was \$141,888,587 consisting of \$143,126,448 of gross unrealized appreciation and \$1,237,861 of gross unrealized depreciation.

The investments in Portfolio Funds shown above, representing 99.65% of Members' Capital, have been fair valued.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

3

Aetos Capital Market Neutral Strategies Fund, LLC
Schedule of Investments (Unaudited)
July 31, 2007

INVESTMENT STRATEGY AS A PERCENTAGE OF INVESTMENTS

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

Multi-Strategy	25.62%
Low Beta/Market Neutral/Long Short	56.03%
Quantitative Asset Allocation	18.35%

PORTFOLIO FUND NAME	COST	VALUE	% OF MEMBERS' CAPITAL*
AQR Absolute Return Institutional Fund, L.P.	\$ 26,187,363	\$ 30,233,799	23.49%
Bravura 99 Fund, L.P.	30,682,132	34,508,124	26.80
Cantillon U.S. Low Volatility, L.P.	27,500,000	31,623,642	24.56
GMO Mean Reversion Fund	16,000,000	21,653,483	16.82
Total	\$ 100,369,495	\$ 118,019,048	91.67%

* Percentages are based on Members' Capital of \$128,750,270.

The aggregate cost of investments for tax purposes was \$103,330,410. Net unrealized appreciation on investments for tax purposes was \$14,688,638 consisting of \$14,688,638 of gross unrealized appreciation and \$0 of gross unrealized depreciation.

The investments in Portfolio Funds shown above, representing 91.67% of Members' Capital, have been fair valued.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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Aetos Capital Opportunities Fund, LLC
Schedule of Investments (Unaudited)
July 31, 2007

INVESTMENT STRATEGY AS A PERCENTAGE OF INVESTMENTS

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

Credit Related	8.40%
Event-Driven	18.63%
Long/Short Equity Investments	58.13%
Real Assets	14.84%

PORTFOLIO FUND NAME	COST	VALUE	% OF MEMBERS' CAPITAL*
Davidson Kempner Healthcare Fund L.P.	\$ 5,000,000	\$ 4,485,111	2.59%
GMO U.S. Tactical Opportunities Fund (Onshore), L.P.	14,500,000	14,109,412	8.14
Joho Partners, L.P.	19,000,000	25,761,103	14.86
Pequot Short Credit Fund, L.P.	8,000,000	8,670,109	5.00
Sansar Capital, L.P.	15,000,000	18,096,702	10.44
Saras Capital Partners, L.P.	19,000,000	22,657,133	13.07
Scopia PX, LLC	14,000,000	17,695,894	10.21
Sheffield Institutional Partners, L.P.	8,500,000	9,584,276	5.53
Spindrift Partners, L.P.	18,000,000	21,717,450	12.53
Standard Pacific Asymmetric Opportunities Fund, L.P.	3,000,000	3,630,064	2.10
Total	\$ 124,000,000	\$ 146,407,254	84.47%

* Percentages are based on Members' Capital of \$173,327,059.

The aggregate cost of investments for tax purposes was \$125,521,509. Net unrealized appreciation on investments for tax purposes was \$20,885,745 consisting of \$21,400,634 of gross unrealized appreciation and \$514,889 of gross unrealized depreciation.

The investments in Portfolio Funds shown above, representing 84.47% of Members' Capital, have been fair valued.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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Statements of Assets and Liabilities

July 31, 2007
(Unaudited)

	AETOS CAPITAL AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC	DISTRESSED INVESTMENT STRATEGIES FUND, LLC	AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC	AETOS CAPITAL NEUTRAL STRATEGIES FUND, LLC	AETOS CAPITAL MARKET OPPORTUNITIES FUND, LLC
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ASSETS					
Investments in Portfolio Funds, at cost	\$ 485,024,748	\$ 114,200,000	\$ 736,804,397	\$ 100,369,495	\$ 124,000,000
Investments in Portfolio Funds, at value	\$ 528,733,253	\$ 140,754,193	\$ 928,876,703	\$ 118,019,048	\$ 146,407,254
Cash and cash equivalents	23,784,573	3,663,476	8,476,172	12,320,320	28,636,881
Prepaid investments	10,000,000	11,000,000	52,000,000	7,000,000	6,000,000
Receivable for sale of investments	--	326,152	--	--	735,575
Accrued income	37,027	19,903	45,044	50,557	95,304
Prepaid tax withholding	27,744	425,297	90,649	71,258	5,932
Total assets	562,582,597	156,189,021	989,488,568	137,461,183	181,880,946
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LIABILITIES					
Sales of Interests received in advance	28,117,500	11,095,000	56,317,500	8,497,500	8,287,500
Investment management fees payable	340,236	92,330	594,134	82,067	110,481
Administration fees payable	198,083	52,296	317,042	47,895	59,255
Board of Managers' fees payable	6,297	6,297	6,297	6,297	6,297
Other accrued expenses	131,344	88,723	148,277	77,154	90,354
Total liabilities	28,793,460	11,334,646	57,383,250	8,710,913	8,553,887
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NET MEMBERS' CAPITAL	\$ 533,789,137	\$ 144,854,375	\$ 932,105,318	\$ 128,750,270	\$ 173,327,059
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MEMBERS' CAPITAL					
Net capital	\$ 490,080,632	\$ 118,300,182	\$ 740,033,012	\$ 111,100,717	\$ 150,919,805
Net unrealized appreciation on investments in Portfolio Funds	43,708,505	26,554,193	192,072,306	17,649,553	22,407,254
Members' Capital	\$ 533,789,137	\$ 144,854,375	\$ 932,105,318	\$ 128,750,270	\$ 173,327,059
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statements of Operations

For the six-month period ended July 31, 2007
(Unaudited)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statements of Operations

For the six-month period ended July 31, 2007
(Unaudited)

	AETOS CAPITAL AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC	DISTRESSED INVESTMENT STRATEGIES FUND, LLC	AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC	AETOS CAPITAL MARKET NEUTRAL STRATEGIES FUND, LLC	AETOS CAPITAL OPPORTUNITIES FUND, LLC
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Investment income:					
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Interest	\$ 663,962	\$ 180,741	\$ 663,938	\$ 225,636	\$ 278,876
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Expenses:					
Investment management fees	1,971,759	510,582	3,225,477	463,335	594,186
Administration fees	231,971	60,956	372,749	57,292	69,950
Board of Managers' fees	13,142	13,142	13,142	13,142	13,142
Professional fees	86,508	66,308	97,333	62,433	64,550
Custodian fees	27,969	8,348	44,786	7,725	9,475
Printing fees	4,000	4,000	4,000	4,000	4,000
Registration fees	3,231	3,239	5,101	3,619	3,000
Other expenses	11,835	9,298	11,570	9,108	5,364
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Total expenses	2,350,415	675,873	3,774,158	620,654	763,667
Fund expenses reimbursed	--	(5,547)	--	(6,639)	--
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Net expenses	2,350,415	670,326	3,774,158	614,015	763,667
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Net investment loss	(1,686,453)	(489,585)	(3,110,220)	(388,379)	(484,791)
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Net gain on Portfolio Funds sold	7,972,902	--	--	--	214,449
Net change in unrealized appreciation/(depreciation) on investments in Portfolio Funds	(19,990,365)	7,187,722	70,237,569	5,860,564	13,733,557
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Net increase/(decrease) in Members' Capital derived from investment activities	\$ (13,703,916)	\$ 6,698,137	\$ 67,127,349	\$ 5,472,185	\$ 13,463,215
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statements of Changes in Members' Capital

For the six-month period ended July 31, 2007 and the year ended January 31, 2007

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statements of Changes in Members' Capital

For the six-month period ended July 31, 2007 and the year ended January 31, 2007

	AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC	AETOS CAPITAL DISTRESSED INVESTMENT STRATEGIES FUND, LLC
	2/1/07 - 7/31/07 (UNAUDITED)	2/1/07 - 7/31/07 (UNAUDITED)
	2/1/06 - 1/31/07	2/1/06 - 1/31/07
From investment activities:		
Net investment loss	\$ (1,686,453)	\$ (2,877,831)
Net gain on Portfolio Funds sold	7,972,902	5,872,811
Net change in unrealized appreciation/(depreciation) on investments in Portfolio Funds	(19,990,365)	35,987,994
Net increase/(decrease) in Members' Capital derived from investment activities	(13,703,916)	38,982,974
Distributions:		
Tax withholding on behalf of foreign investors	--	(148,370)
Total distributions	--	(148,370)
Members' Capital transactions:		
Proceeds from sales of Interests	132,326,407	98,597,798
Redemptions of Interests	(48,130,643)	(14,826,540)
Transfers of Interests	15,665,220	4,759,000
Net increase in Members' Capital derived from capital transactions	99,860,984	88,530,258
Net increase in Members' Capital	86,157,068	127,364,862
Members' Capital at beginning of period	447,632,069	320,267,207
Members' Capital at end of period	\$ 533,789,137	\$ 447,632,069

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statements of Changes in Members' Capital (continued)

For the six-month period ended July 31, 2007 and the year ended January 31, 2007

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statements of Changes in Members' Capital (continued)

For the six-month period ended July 31, 2007 and the year ended January 31, 2007

	AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC	AETOS CAPITAL MARKET NEUTRAL STRATEGIES FUND, LLC
	2/1/07 - 7/31/07 (UNAUDITED)	2/1/07 - 7/31/07 (UNAUDITED)
	2/1/06 - 1/31/07	2/1/06 - 1/31/07
From investment activities:		
Net investment loss	\$ (3,110,220)	\$ (3,946,968)
Net gain on Portfolio Funds sold	--	3,884,397
Net change in unrealized appreciation on investments in Portfolio funds	70,237,569	60,092,379
Net increase in Members' Capital derived from investment activities	67,127,349	60,029,808
Distributions:		
Tax withholding on behalf of foreign investors	--	(170,544)
Total distributions	--	(170,544)
Members' Capital transactions:		
Proceeds from sales of Interests	239,937,828	232,971,335
Redemptions of Interests	(108,311,413)	(24,776,905)
Transfers of Interests	(4,858,400)	(1,659,000)
Net increase in Members' Capital derived from capital transactions	126,768,015	206,535,430
Net increase in Members' Capital	193,895,364	266,394,694
Members' Capital at beginning of period	738,209,954	471,815,260
Members' Capital at end of period	\$ 932,105,318	\$ 738,209,954

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Statement of Changes in Members' Capital (concluded)

For the six-month period ended July 31, 2007 and the year ended January 31, 2007

	AETOS CAPITAL OPPORTUNITIES FUND, LLC
	2/1/07 - 7/31/07 (UNAUDITED)
	2/1/06 - 1/31/07
From investment activities:	
Net investment loss	\$ (484,791)
Net gain/(loss) on Portfolio Funds sold	\$ 214,449
Net change in unrealized appreciation on investments in Portfolio Funds	13,733,557
Net increase in Members' Capital derived from investment activities	13,463,215
Distributions:	
Tax withholding on behalf of foreign investors	--
Total distributions	--

Members' Capital transactions:				
Proceeds from sales of Interests	46,641,234	65,538,828		
Redemptions of Interests	(26,685,919)	(2,028,981)		
Transfers of Interests	--	22,000		
Net increase in Members' Capital derived from capital transactions	19,955,315	63,531,847		
Net increase in Members' Capital	33,418,530	67,052,341		
Members' Capital at beginning of period	139,908,529	72,856,188		
Members' Capital at end of period	\$ 173,327,059	\$ 139,908,529		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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Statements of Cash Flows

For the six-month period ended July 31, 2007
(Unaudited)

	AETOS CAPITAL	AETOS CAPITAL	AETOS CAPITAL	MULTI-STRATEGY	INVESTMENT	LONG/SHORT	NEUTRAL	AETOS CAPITAL	OPPORTUNITIES	FUND, LLC				
CASH FLOWS USED IN OPERATING ACTIVITIES														
Purchases of Portfolio Funds														
Purchases of Portfolio Funds	\$ (186,500,000)	\$ (31,000,000)	\$ (126,000,000)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (22,000,000)
Sales of Portfolio Funds	29,896,598	--	--											14,714,449
Net investment loss	(1,686,453)	(489,585)	(3,110,220)											(484,791)
Adjustments to reconcile net investment loss to net cash used in operating activities:														
Decrease/(increase) in prepaid investments	50,000,000	(4,000,000)	(42,000,000)											7,000,000
Decrease/(increase) in accrued income	128,239	10,586	(2,444)											(62,232)
Increase in prepaid tax withholding	(27,744)	(420,091)	(90,649)											(5,932)
Decrease in receivable for sale of investments	5,331,897	--	--											722,436
Decrease in due from investment manager	--	489	--											--
Increase in investment management fees payable	54,916	22,237	123,588											21,301
Increase in administration fees payable	132,324	35,747	210,258											39,044
Increase in Board of Managers' fees payable	822	822	822											822
Increase/(decrease) in other accrued expenses	2,046	8,070	(1,675)											11,744
Net cash used in operating activities	(102,667,355)	(35,831,725)	(170,870,320)											(43,159)
DISTRIBUTIONS														
Tax withholding on behalf of foreign investors	(4,272)	--	(26,587)											(3,792)
Total distributions	(4,272)	--	(26,587)											(3,792)
CASH FLOWS FROM FINANCING ACTIVITIES														
Increase in sales of Interests received in advance	24,067,805	10,389,595	50,656,265											8,183,775
Proceeds from sales of Interests	132,326,407	43,589,401	239,937,828											46,641,234
Redemptions of Interests	(48,130,643)	(21,255,760)	(108,311,413)											(26,685,919)
Transfers of Interests	15,665,220	5,855,692	(4,858,400)											--
Net cash provided by financing activities	123,928,789	38,578,928	177,424,280											28,139,090
Net increase in cash and cash equivalents	21,257,162	2,747,203	6,527,373											28,092,139
Cash and cash equivalents, beginning of period	2,527,411	916,273	1,948,799											544,742
Cash and cash equivalents, end of period	\$ 23,784,573	\$ 3,663,476	\$ 8,476,172											\$ 28,636,881

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

11

Financial Highlights

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

11

Financial Highlights

AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC

	2/1/07 - 7/31/07 (UNAUDITED)	2/1/06 - 1/31/07	2/1/05 - 1/31/06	2/1/04 - 1/31/05	2/1/03 - 1/31/04	8/21/02* - 1/31/03
Total return(1)	(2.32)%	10.36%	6.48%	2.98%	13.17%	4.44%
Net assets, end of period (000's)	\$ 533,789	\$ 447,632	\$ 320,267	\$ 245,964	\$ 35,075	\$ 1,092
Ratios to average net assets:						
Expenses, before waivers and reimbursements (2)(4)	0.89% (3)	0.95%	0.95%	1.07%	5.04%	43.96% (3)
Expenses, net of waivers and reimbursements (2)(4)	0.89% (3)	0.95%	0.95%	1.00%	1.13%	1.25% (3)
Net investment loss, before waivers and reimbursements	(0.64)% (3)	(0.75)%	(0.77)%	(0.96)%	(4.87)%	(43.95)% (3)
Net investment loss, net of waivers and reimbursements	(0.64)% (3)	(0.75)%	(0.77)%	(0.89)%	(0.96)%	(1.24)% (3)
Portfolio turnover rate (5)	6.15%	16.80%	6.24%	0.00%	0.00%	0.00%

* Commencement of operations.

(1) Total return for periods less than one year have not been annualized. Tax withholding on behalf of certain investors is treated as a reinvested distribution.

(2) Expense ratios do not reflect the Fund's proportionate share of expenses of the Portfolio Funds.

(3) Annualized.

(4) The expense ratios do not include the Program fees charged separately to investors as described in Note 3 in the Notes to Financial Statements.

(5) Portfolio turnover rate for periods less than one year have not been annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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Financial Highlights (continued)

AETOS CAPITAL DISTRESSED INVESTMENT STRATEGIES FUND, LLC

	2/1/07 - 7/31/07 (UNAUDITED)	2/1/06 - 1/31/07	2/1/05 - 1/31/06	2/1/04 - 1/31/05	2/1/03 - 1/31/04	8/21/02* - 1/31/03
Total return(1)	5.25%	12.95%	8.46%	10.24%	22.13%	5.38%
Net assets, end of period (000's)	\$ 144,854	\$ 109,967	\$ 66,508	\$ 45,254	\$ 14,179	\$ 2,355
Ratios to average net assets:						
Expenses, before waivers and reimbursements (2)(4)	1.00% (3)	1.08%	1.24%	1.55%	7.72%	22.93% (3)
Expenses, net of waivers and reimbursements (2)(4)	0.99% (3)	1.00%	1.00%	1.00%	1.18%	1.25% (3)
Net investment loss, before waivers and reimbursements	(0.73)% (3)	(0.76)%	(0.88)%	(1.50)%	(7.65)%	(22.92)% (3)
Net investment loss, net of waivers and reimbursements	(0.72)% (3)	(0.68)%	(0.64)%	(0.95)%	(1.11)%	(1.24)% (3)

Portfolio turnover rate (5)	0.00%	13.69%	0.00%	0.00%	16.94%	0.00%
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* Commencement of operations.

(1) Total return for periods less than one year have not been annualized. Tax withholding on behalf of certain investors is treated as a reinvested distribution.

(2) Expense ratios do not reflect the Fund's proportionate share of expenses of the Portfolio Funds.

(3) Annualized.

(4) The expense ratios do not include the Program fees charged separately to investors as described in Note 3 in the Notes to Financial Statements.

(5) Portfolio turnover rate for periods less than one year have not been annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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Financial Highlights (continued)

AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC

	2/1/07 - 7/31/07 (UNAUDITED)	2/1/06 - 1/31/07	2/1/05 - 1/31/06	2/1/04 - 1/31/05	2/1/03 - 1/31/04	8/21/02* - 1/31/03
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Total return(1)	8.04%	9.61%	11.66%	3.90%	12.88%	(0.89)%
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Net assets, end of period (000's)	\$ 932,105	\$ 738,210	\$ 471,815	\$ 325,337	\$ 57,668	\$ 3,562
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Ratios to average net assets:

Expenses, before waivers and reimbursements (2)(4)	0.88% (3)	0.92%	0.94%	1.05%	4.09%	18.87% (3)
Expenses, net of waivers and reimbursements (2)(4)	0.88% (3)	0.92%	0.94%	1.00%	1.14%	1.25% (3)
Net investment loss, before waivers and reimbursements	(0.73)% (3)	(0.65)%	(0.78)%	(0.95)%	(3.96)%	(18.86)% (3)
Net investment loss, net of waivers and reimbursements	(0.73)% (3)	(0.65)%	(0.78)%	(0.90)%	(1.01)%	(1.24)% (3)
Portfolio turnover rate (5)	0.00%	6.13%	9.65%	4.06%	0.00%	20.87%

* Commencement of operations.

(1) Total return for periods less than one year have not been annualized. Tax withholding on behalf of certain investors is treated as a reinvested distribution.

(2) Expense ratios do not reflect the Fund's proportionate share of expenses of the Portfolio Funds.

(3) Annualized.

(4) The expense ratios do not include the Program fees charged separately to investors as described in Note 3 in the Notes to Financial Statements.

(5) Portfolio turnover rate for periods less than one year have not been annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Financial Highlights (continued)

AETOS CAPITAL MARKET NEUTRAL STRATEGIES FUND, LLC

	2/1/07 - 7/31/07 (UNAUDITED)	2/1/06 - 1/31/07	2/1/05 - 1/31/06	2/1/04 - 1/31/05	2/1/03 - 1/31/04	8/21/02* - 1/31/03
Total return(1)	4.57%	3.68%	4.19%	1.84%	2.81%	0.13%
Net assets, end of period (000's)	\$ 128,750	\$ 114,537	\$ 95,585	\$ 82,230	\$ 14,120	\$ 1,526
Ratios to average net assets:						
Expenses, before waivers and reimbursements (2)(4)	1.01% (3)	1.02%	1.09%	1.33%	8.79%	31.67% (3)
Expenses, net of waivers and reimbursements (2)(4)	1.00% (3)	1.00%	1.00%	1.00%	1.15%	1.25% (3)
Net investment loss, before waivers and reimbursements	(0.64)% (3)	(0.71)%	(0.74)%	(1.28)%	(8.69)%	(31.65)% (3)
Net investment loss, net of waivers and reimbursements	(0.63)% (3)	(0.69)%	(0.65)%	(0.95)%	(1.05)%	(1.23)% (3)
Portfolio turnover rate (5)	0.00%	10.29%	0.00%	45.70%	0.00%	0.00%

* Commencement of operations.

- (1) Total return for periods less than one year have not been annualized. Tax withholding on behalf of certain investors is treated as a reinvested distribution.
- (2) Expense ratios do not reflect the Fund's proportionate share of expenses of the Portfolio Funds.
- (3) Annualized.
- (4) The expense ratios do not include the Program fees charged separately to investors as described in Note 3 in the Notes to Financial Statements.
- (5) Portfolio turnover rate for periods less than one year have not been annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

Financial Highlights (concluded)

AETOS CAPITAL OPPORTUNITIES FUND, LLC

	2/1/07 - 7/31/07 (UNAUDITED)	2/1/06 - 1/31/07	5/27/05* - 1/31/06
Total return(1)	8.85%	2.41%	4.94%
Net assets, end of period (000's)	\$ 173,327	\$ 139,909	\$ 72,856
Ratios to average net assets:			
Expenses, before waivers and reimbursements (2)(4)	0.97% (3)	1.05%	1.44% (3)
Expenses, net of waivers and reimbursements (2)(4)	0.97% (3)	1.04%	1.07% (3)
Net investment loss, before waivers and reimbursements	(0.62)% (3)	(0.57)%	(1.11)% (3)
Net investment loss, net of waivers and reimbursements	(0.62)% (3)	(0.56)%	(0.74)% (3)
Portfolio turnover rate (5)	10.16%	24.26%	0.00%

* Commencement of operations.

- (1) Total return for periods less than one year have not been annualized. Tax withholding on behalf of certain investors is treated as a reinvested

distribution.

- (2) Expense ratios do not reflect the Fund's proportionate share of expenses of the Portfolio Funds.
- (3) Annualized.
- (4) The expense ratios do not include the Program fees charged separately to investors as described in Note 3 in the Notes to Financial Statements.
- (5) Portfolio turnover rate for periods less than one year have not been annualized.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

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Notes to Financial Statements

July 31, 2007
(Unaudited)

1. ORGANIZATION

The Aetos Capital Multi-Strategy Arbitrage Fund, LLC, the Aetos Capital Distressed Investment Strategies Fund, LLC, the Aetos Capital Long/Short Strategies Fund, LLC, the Aetos Capital Market Neutral Strategies Fund, LLC and the Aetos Capital Opportunities Fund, LLC (collectively the "Funds" and individually a "Fund") were formed in the state of Delaware as limited liability companies. The Funds are registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as closed-end, non-diversified, management investment companies. Each of the Funds is a fund-of-funds. The Funds seek capital appreciation by allocating their assets among a select group of private investment funds (commonly known as hedge funds) ("Portfolio Funds") that utilize a variety of alternative investment strategies specific for each Fund to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes. Aetos Alternatives Management, LLC serves as the Investment Manager to the Funds.

The Funds operate under a master fund/feeder fund structure. Feeder Funds invest substantially all of their investable assets in the Funds. As of July 31, 2007 the Feeder Funds' beneficial ownership of their corresponding Master Funds' members' capital are 67%, 61%, 67%, 72% and 76% for the Aetos Capital Multi-Strategy Arbitrage Cayman Fund, Aetos Capital Distressed Investment Strategies Cayman Fund, Aetos Capital Long/Short Strategies Cayman Fund, Aetos Capital Market Neutral Strategies Cayman Fund and Aetos Capital Opportunities Cayman Fund, respectively.

The principal investment objective of each Fund is as follows:

Aetos Capital Multi-Strategy Arbitrage Fund, LLC seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets among a select group of portfolio managers that utilize a variety of arbitrage strategies.

Aetos Capital Distressed Investment Strategies Fund, LLC seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets among a select group of portfolio managers across a variety of distressed investment strategies.

Aetos Capital Long/Short Strategies Fund, LLC seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets among a select group of portfolio managers across a variety of long/short strategies.

Aetos Capital Market Neutral Strategies Fund, LLC seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets among a select group of portfolio managers across a variety of market neutral strategies.

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1. ORGANIZATION (CONTINUED)

Aetos Capital Opportunities Fund, LLC (the "Opportunities Fund") seeks capital appreciation by investing its assets among a select group of alternative asset managers employing different absolute return investment strategies in pursuit of attractive risk-adjusted returns consistent with the preservation of capital.

The Funds may offer, from time to time, to repurchase outstanding members' interests ("Interests") pursuant to written tenders by members. Repurchase offers will be made at such times and on such terms as may be determined by the Funds' Board of Managers (the "Board") in its sole discretion. The Funds may offer to repurchase Interests four times each year, as of the last business day of March, June, September and December.

2. SIGNIFICANT ACCOUNTING POLICIES

The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting policies followed by the Funds:

A. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Investment Manager to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

B. Portfolio Valuation and Security Transactions

The net asset values of the Funds are determined as of the close of business at the end of each month 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.

Investments in Portfolio Funds are presented in the accompanying financial statements at fair value, as determined by the Funds' Investment Manager under the general supervision of the Board. Such fair value generally represents a Fund's pro-rata interest in the net assets of a Portfolio Fund as provided by the Portfolio Funds. The Investment Manager considers information provided by the Portfolio Funds regarding the methods they use to value underlying investments in the Portfolio Funds in determining fair value.

Considerable judgment is required to interpret the factors used to develop estimates of fair value. Accordingly, the estimates may not be indicative of the amounts the Fund could realize in a current

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Portfolio Valuation and Security Transactions (continued)

market exchange and the differences could be material to the financial statements. The use of different factors or estimation methodologies could have a significant effect on the estimated fair value.

Realized gains and losses from Portfolio Fund transactions are calculated on the identified cost basis. Investments are recorded on the effective date of the subscription in the Portfolio Fund.

C. Fund Income and Expenses

Each Fund bears its own expenses including, but not limited to: any taxes; organizational expenses; offering costs; investment-related expenses incurred by the Funds (e.g., fees and expenses charged by the Portfolio Managers and Portfolio Funds, placement fees, professional fees, custody and administrative fees). Most expenses of the Funds can be directly attributed to a particular Fund. Expenses which cannot be directly attributed are apportioned among the Funds based upon relative net assets or on another reasonable basis.

Interest income is recorded on an accrual basis and consists of interest earned on cash and cash equivalents.

D. Income Taxes

Each Fund intends to continue to be treated as a partnership for Federal income tax purposes. Each Member is responsible for the tax liability or benefit relating to the Member's distributive share of taxable income or loss. Accordingly, no provision for Federal income taxes is reflected in the accompanying financial statements. The Funds withhold and pay taxes on U.S. source income and U.S. effectively connected income, if any, allocated from Portfolio Funds to the extent such income is not exempted from withholding under the Internal Revenue Code and Regulations thereunder. The actual amount of such taxes is not known until all Form K-1s from Portfolio Funds are received, usually in the following tax year. Prior to the final determination the amount of tax is estimated based on information available. The final tax could be different from the estimated tax and the difference could be significant. Such withholdings are listed as distributions in the Statements of Changes in Members' Capital, and are allocated to the individual Members' Capital accounts to which they apply.

E. Distribution Policy

The Funds have no present intention of making periodic distributions of their net investment income or capital gains, if any, to Members. The amount and frequency of distributions, if any, will be determined in the sole discretion of the Board.

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Notes to Financial Statements (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Distributions from Portfolio Funds

Distributions from Portfolio Funds will be classified as investment income or realized gains in the Statements of Operations, or alternatively, as a decrease to the cost of the investments based on the U.S. income tax characteristics of the distribution if such information is available. In cases where the tax characteristics are not available, such distribution will be classified as investment income.

G. Cash and Cash Equivalents

The Funds treat all highly liquid financial instruments that mature within three months as cash equivalents.

3. INVESTMENT MANAGER FEE, RELATED PARTY TRANSACTIONS AND OTHER

The Funds pay the Investment Manager a monthly management fee (the "Management Fee") at the annual rate of 0.75% of the net asset value of each Fund as of the last day of the month (before any repurchases of Interests). The Investment Manager is responsible for providing day-to-day investment management services to the Funds, and for providing various administrative services to the Funds.

The Investment Manager contractually agreed to reimburse the Funds in order to limit the Funds' other expenses (defined as total operating expenses excluding the Management Fee) at 0.25% (0.35% in the case of the Opportunities Fund) of each Fund's average monthly net assets, at least until May 31, 2008.

The Investment Manager may also be paid a Program fee outside of the Funds for services rendered to investors. The Program fee is paid directly by the investors at an annual rate of up to 0.50% of an investor's assets in the Funds. The Investment Manager may also be paid an annual performance-based incentive fee outside of the Funds based on the return of an investor's account with the Investment Manager.

SEI Investments Global Funds Services (the "Administrator") provides certain administration, accounting and investor services for the Funds. In consideration for such services, each Fund pays the Administrator a monthly fee based on month-end net assets at an annual rate of 0.12% on the first \$250 million of net assets, 0.10% on net assets between \$250 million and \$500 million and 0.08% on net assets over \$500 million, and will reimburse the Administrator for certain out-of-pocket expenses.

SEI Private Trust Company acts as custodian (the "Custodian") for the Funds' assets. In consideration for such services, each Fund pays the Custodian a monthly fee, based on month-end net assets, at an annual rate of up to 0.01%.

Each Fund also pays the Custodian \$3,000 annually to act as qualified Custodian for its Cayman feeder fund.

Notes to Financial Statements (continued)

3. INVESTMENT MANAGER FEE, RELATED PARTY TRANSACTIONS AND OTHER (CONTINUED)

Each Member of the Board who is not an "interested person" of the Funds as defined by the 1940 Act receives an annual retainer of \$32,000 and regular quarterly meeting fees of \$3,250 per meeting (additional meeting fees are \$500 per meeting). The Chairman of the audit committee receives an additional annual retainer of \$1,900. Any Manager who is an "interested person" does not receive any annual or other fee from the Funds. All Managers are reimbursed by the Funds for reasonable out-of-pocket expenses.

Net profits or net losses of the Funds for each fiscal period are allocated among and credited to or debited against the capital accounts of Members as of the last day of each fiscal period in accordance with each Member's respective investment percentage for each Fund. Net profits or net losses are measured as the net change in the value of the net assets of a Fund during a fiscal period, before giving effect to any repurchases of Interests in the Fund, and excluding the amount of any items to be allocated among the capital accounts of the Members of the Fund, other than in accordance with the Members' respective investment percentages.

4. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business, the Portfolio Funds in which the Funds invest 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, writing option contracts, and equity swaps. The Funds' risk of loss in these Portfolio Funds is limited to the value of these investments reported by the Portfolio Funds.

5. CONCENTRATION OF RISK

The Funds invest primarily in Portfolio Funds that are not registered under the 1940 Act and invest in and actively trade securities and other financial instruments using different strategies and investment techniques, including leverage, that may involve significant risks. These Portfolio Funds may invest a high percentage of their assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the Portfolio Funds may be more susceptible to economic, political, and regulatory developments in a particular sector of the market, positive or negative, and may experience increased volatility of the Portfolio Funds' net asset value. The Funds invest in a limited number of Portfolio Funds. Such concentration may result in additional risk.

Various risks are also associated with an investment in the Funds, including risks relating to the multi-manager structure of the Funds, risks relating to compensation arrangements and risks relating to the limited liquidity of Interests.

In the normal course of business, the Funds enter into contracts that contain a variety of representations which provide general indemnifications. Each Fund's maximum exposure under these arrangements is

Notes to Financial Statements (continued)

5. CONCENTRATION OF RISK (CONTINUED)

unknown as this would involve future claims that may be made against each Fund that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

6. INVESTMENT TRANSACTIONS

For the six-month period ended July 31, 2007, purchases and sales of investments were as follows:

FUND	PURCHASES	SALES
Aetos Capital Multi-Strategy Arbitrage Fund, LLC	\$186,500,000	\$29,896,598
Aetos Capital Distressed Investment Strategies Fund, LLC	31,000,000	--
Aetos Capital Long/Short Strategies Fund, LLC	126,000,000	--
Aetos Capital Market Neutral Strategies Fund, LLC	--	--
Aetos Capital Opportunities Fund, LLC	22,000,000	14,714,449

7. INVESTMENTS

As of July 31, 2007, collectively the Funds had investments in fifty Portfolio Funds, none of which were related parties. The following table lists the Funds' investments in Portfolio Funds as of July 31, 2007. The agreements related to investments in Portfolio Funds provide for compensation to the general partners/managers in the form of management fees of 1.0% to 2.0% (per annum) of the net assets and incentive fees or allocations of 10% to 20% of net profits earned. The Portfolio Funds provide for periodic redemptions, with lock-up provisions ranging from 3 months to 3 years from initial investment. The liquidity provisions shown in the table apply after any applicable lock-up provisions.

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Notes to Financial Statements (continued)

7. INVESTMENTS (CONTINUED)

AETOS CAPITAL MULTI-STRATEGY ARBITRAGE FUND, LLC

PORTFOLIO FUND NAME	STRATEGY	FAIR VALUE 7/31/2007	% OF MEMBERS' CAPITAL	LIQUIDITY*
Davidson Kempner Partners	Multi-Strategy/Event Arbitrage	\$ 65,609,087	12.29%	Quarterly
Farallon Capital Offshore Investors, Inc. FFIP, L.P.	Multi-Strategy/Event Arbitrage Fixed Income Arbitrage	77,470,116 54,960,337	14.51 10.30	Annual Annual
HBK Fund L.P.	Multi-Strategy/Event Arbitrage	61,337,000	11.49	Quarterly
Ishin Fund, LLC	Convertible Arbitrage	37,503,016	7.03	Annual
Lazard Emerging Income, L.P.	Fixed Income Arbitrage	27,983,230	5.24	Monthly
Oceanwood Global Opportunities Fund L.P.	Multi-Strategy/Event Arbitrage Fixed Income Arbitrage	33,634,475 18,545,170	6.30 3.47	Annual Monthly
Parsec Trading Corp.	Credit Strategies	38,320,052	7.18	Annual
Pequot Credit Opportunities Fund, L.P.	Credit Strategies	30,715,457	5.75	Quarterly
Pequot Short Credit Fund, L.P.	Multi-Strategy/Event Arbitrage	8,311,513	1.56	Annual
Perry Partners, L.P.	Multi-Strategy/Event Arbitrage	36,127,564	6.77	Annual
Satellite Fund II, L.P.	Fixed Income Arbitrage	15,374,801	2.88	Monthly
South Hill Trading Corp.	Multi-Strategy/Event Arbitrage	22,841,435	4.28	Annual
Sowood Alpha Fund, L.P.				
		\$528,733,253	99.05%	

AETOS CAPITAL DISTRESSED INVESTMENT STRATEGIES FUND, LLC

AETOS CAPITAL DISTRESSED INVESTMENT STRATEGIES FUND, LLC

PORTFOLIO FUND NAME	STRATEGY	FAIR VALUE 7/31/2007	% OF MEMBERS' CAPITAL	LIQUIDITY*
Aurelius Capital Partners, L.P.	Distressed Investments	\$ 31,256,739	21.58%	Semi-Annual
King Street Capital, L.P.	Distressed Investments	33,191,850	22.92	Quarterly
One East Partners, L.P.	Distressed Investments	28,715,282	19.82	Quarterly
Silver Point Capital Fund, L.P.	Distressed Investments	32,870,519	22.69	Annual
Watershed Capital Partners, L.P.	Distressed Investments	14,719,803	10.16	Quarterly
		\$140,754,193	97.17%	

* The liquidity of the Portfolio Funds may be further restricted due to withdrawal limitations.

Notes to Financial Statements (continued)

7. INVESTMENTS (CONTINUED)

AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC

* The liquidity of the Portfolio Funds may be further restricted due to withdrawal limitations.

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Notes to Financial Statements (continued)

7. INVESTMENTS (CONTINUED)

AETOS CAPITAL LONG/SHORT STRATEGIES FUND, LLC

PORTFOLIO FUND NAME	STRATEGY	FAIR VALUE 7/31/2007	% OF MEMBERS' CAPITAL	LIQUIDITY*
Bay Pond Partners, L.P.	Long/Short Equity Investments	\$ 57,814,969	6.20%	Semi-Annual
Bay Resource Partners, L.P.	Long/Short Equity Investments	54,159,575	5.81	Annual
Cadmus Capital Partners (QP), L.P.	Long/Short Equity Investments	77,863,506	8.35	Quarterly
Cantillon Pacific, L.P.	Long/Short Equity Investments	17,468,083	1.87	Quarterly
Cantillon U.S., L.P.	Long/Short Equity Investments	14,733,314	1.58	Quarterly
Cavalry Technology, L.P.	Long/Short Equity Investments	72,225,534	7.75	Annual
Copper River Partners, L.P.	Short Equity Investments	9,896,154	1.06	Annual
The Elkhorn Fund, LLC	Long/Short Equity Investments	64,004,005	6.87	Quarterly
Highside Capital Partners, L.P.	Long/Short Equity Investments	83,660,663	8.98	Annual
Icarus Qualified Partners, L.P.	Short Equity Investments	24,117,314	2.59	Annual
JL Partners, L.P.	Long/Short Equity Investments	83,400,663	8.95	Quarterly
Millgate Partners II, L.P.	Long/Short Equity Investments	21,562,453	2.31	Quarterly
North River Partners, L.P.	Long/Short Equity Investments	52,547,182	5.64	Quarterly
Standard Global Equity Partners SA, L.P.	Long/Short Equity Investments	76,056,924	8.16	Annual
UC Financials Fund Limited	Long/Short Equity Investments	32,303,532	3.46	Monthly
ValueAct Capital Partners III, L.P.	Long/Short Equity Investments	82,109,187	8.81	Annual
Viking Global Equities, L.P.	Long/Short Equity Investments	71,987,532	7.72	Annual
Woodbourne Daybreak Global Fund L.P.	Long/Short Equity Investments	32,966,113	3.54	Quarterly
		\$928,876,703	99.65%	

AETOS CAPITAL MARKET NEUTRAL STRATEGIES FUND, LLC

AETOS CAPITAL MARKET NEUTRAL STRATEGIES FUND, LLC

PORTFOLIO FUND NAME	STRATEGY	FAIR VALUE 7/31/2007	% OF MEMBERS' CAPITAL	LIQUIDITY*
AQR Absolute Return Institutional Fund, L.P.	Multi-Strategy	\$ 30,233,799	23.49%	Quarterly
Bravura 99 Fund, L.P.	Low Beta/Market Neutral/Long Short	34,508,124	26.80	Quarterly
Cantillon U.S. Low Volatility L.P.	Low Beta/Market Neutral/Long Short	31,623,642	24.56	Quarterly
GMO Mean Reversion Fund	Quantitative Asset Allocation	21,653,483	16.82	Quarterly
		\$118,019,048	91.67%	

* The liquidity of the Portfolio Funds may be further restricted due to withdrawal limitations.

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Notes to Financial Statements (continued)

7. INVESTMENTS (CONTINUED)

AETOS CAPITAL OPPORTUNITIES FUND, LLC

* The liquidity of the Portfolio Funds may be further restricted due to withdrawal limitations.

Notes to Financial Statements (continued)

7. INVESTMENTS (CONTINUED)

AETOS CAPITAL OPPORTUNITIES FUND, LLC

PORTFOLIO FUND NAME	STRATEGY	FAIR VALUE 7/31/2007	% OF MEMBERS' CAPITAL	LIQUIDITY*
Davidson Kempner Healthcare Fund L.P.	Long/Short Equity Investments	\$ 4,485,111	2.59%	Semi-Annual
GMO U.S. Tactical Opportunities Fund (Onshore), L.P.	Long/Short Equity Investments	14,109,412	8.14	Monthly
Joho Partners, L.P.	Long/Short Equity Investments	25,761,103	14.86	Semi-Annual
Pequot Short Credit Fund, L.P.	Credit Related	8,670,109	5.00	Quarterly
Sansar Capital, L.P.	Long/Short Equity Investments	18,096,702	10.44	Quarterly
Saras Capital Partners, L.P.	Long/Short Equity Investments	22,657,133	13.07	Annual
Scopia PX, LLC	Event-Driven	17,695,894	10.21	Quarterly
Sheffield Institutional Partners, L.P.	Event-Driven	9,584,276	5.53	Annual
Spindrift Partners, L.P.	Real Assets	21,717,450	12.53	Semi-Annual
Standard Pacific Asymmetric Opportunities Fund, L.P.	Credit Related	3,630,064	2.10	Annual
		\$146,407,254	84.47%	

* The liquidity of the Portfolio Funds may be further restricted due to withdrawal limitations.

8. SUBSEQUENT EVENTS

Through September 1, 2007, the Funds received the following contributions:

FUND	AMOUNT
Aetos Capital Multi-Strategy Arbitrage Fund, LLC	\$30,261,595
Aetos Capital Distressed Investment Strategies Fund, LLC	11,836,595
Aetos Capital Long/Short Strategies Fund, LLC	61,349,095
Aetos Capital Market Neutral Strategies Fund, LLC	9,215,845
Aetos Capital Opportunities Fund, LLC	8,732,845

recorded the following transfers:

FUND	AMOUNT
Aetos Capital Multi-Strategy Arbitrage Fund, LLC	\$ (73,000)
Aetos Capital Distressed Investment Strategies Fund, LLC	99,900
Aetos Capital Long/Short Strategies Fund, LLC	176,603
Aetos Capital Market Neutral Strategies Fund, LLC	(150,403)
Aetos Capital Opportunities Fund, LLC	(53,100)

and paid no redemptions.

Notes to Financial Statements (continued)

9. RECENT ACCOUNTING PRONOUNCEMENTS

The Funds adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48 "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, AN INTERPRETATION OF FASB STATEMENT NO. 109" ("FIN 48"), as required, on February 1, 2007. FIN 48 requires the Investment Manager to determine whether a tax position of a Fund is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement which could result in the Fund recording a tax liability that would reduce net assets. FIN 48 must be applied

to all existing tax positions upon initial adoption and the cumulative effect, if any, is to be reported as an adjustment to net assets as of February 1, 2007.

Based on its analysis, the Investment Manager has determined that the adoption of FIN 48 did not have a material impact on the Funds' financial statements upon adoption. However, the Investment Manager's conclusions regarding FIN 48 may be subject to review and adjustment at a later date based on factors including, but not limited to, further implementation guidance expected from the FASB, and on-going analyses of tax laws, regulations and interpretations thereof.

In September 2006, the FASB issued Statement on Financial Accounting Standards ("SFAS") No. 157, "FAIR VALUE MEASUREMENTS." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS No. 157 will have on the Funds' financial statement disclosures.

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Notes to Financial Statements (concluded)

10. COMMITMENTS

At July 31, 2007, the Funds had made commitments to purchase underlying funds as follows:

FUND	AMOUNT
Aetos Capital Multi-Strategy Arbitrage Fund, LLC	
Ishin Fund, LLC	\$ 5,000,000
Pequot Short Credit Fund, L.P.	5,000,000

	10,000,000
Aetos Capital Distressed Investment Strategies Fund, LLC	
Aurelius Capital Partners, L.P.	3,000,000
King Street Capital, L.P.	2,000,000
One East Partners, L.P.	4,000,000
Silver Point Capital Fund, L.P.	2,000,000

	11,000,000
Aetos Capital Long/Short Strategies Fund, LLC	
Cantillon U.S., L.P.	10,000,000
Copper River Partners, L.P.	5,000,000
The Elkhorn Fund, LLC	7,000,000
UC Financials Fund Limited	10,000,000
Woodbourne Daybreak Global Fund L.P.	20,000,000

	52,000,000
Aetos Capital Market Neutral Strategies Fund, LLC	
GMO Mean Reversion Fund	7,000,000

	7,000,000
Aetos Capital Opportunities Fund, LLC	
Pequot Short Credit Fund, L.P.	6,000,000

	6,000,000

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Approval of Investment Advisory Agreements (unaudited)

At a meeting held in person on July 12, 2007, the Board of Managers of each Fund, including the independent board members (the "Boards"), discussed the materials previously provided to them and reviewed the nature, quality and scope

of the services provided to the Funds by Aetos. The Boards also considered the proposed fees to be charged under the advisory agreements, as well as each Fund's performance, and reviewed the comparative fee and performance data previously provided by Aetos. The Independent Board Members reviewed reports from third parties and management about the foregoing factors. The Board members gave particular consideration to the following factors:

NATURE, EXTENT AND QUALITY OF SERVICES

The Boards reviewed and considered the nature and extent of the investment advisory services provided by Aetos to each Fund under the Investment Advisory Agreements (the "Advisory Agreement"), including the selection of underlying hedge funds ("Portfolio Funds"), allocation of each Fund's assets among, and monitoring performance of, Portfolio Funds, evaluation of risk exposure of Portfolio Funds and reputation, experience and training of Portfolio Funds' investment managers ("Portfolio Managers"), management of short-term cash and operations of each Portfolio Fund, and day-to-day portfolio management and general due diligence examination of Portfolio Funds before and after committing assets of each Fund for investment. The Boards also reviewed and considered the nature and extent of the non-advisory, administrative services provided by Aetos under the Advisory Agreement, including, among other things, providing to each Fund office facilities, equipment, and personnel. The Boards also reviewed and considered the qualifications of the portfolio managers, the senior administrative managers and other key personnel of Aetos who provide the investment advisory and administrative services to each Fund. The Boards determined that Aetos' 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 Boards concluded that the overall quality of the advisory and administrative services was satisfactory.

PERFORMANCE RELATIVE TO COMPARABLE FUNDS MANAGED BY OTHER ADVISERS

The Boards reviewed the performance of each Fund based on information provided by Aetos that showed (i) each Fund's historical performance as of May 2007 compared to various diversified hedge fund indices, and (ii) each Fund's return for its most recent fiscal year as compared to the return of other comparable registered funds-of-hedge-funds for their most recent fiscal years. The Boards considered each Fund's positive performance since inception and the relative lack of correlation of such performance to fixed income or equity indices generally or to any one Portfolio Fund, and the relatively low level of performance volatility of the Funds. The Boards concluded that each Fund's performance was satisfactory.

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Approval of Investment Advisory Agreements (continued) (unaudited)

FEES AND EXPENSES RELATIVE TO COMPARABLE FUNDS MANAGED BY OTHER ADVISERS

The Boards reviewed the advisory fee rate and total expense ratio of each Fund. The Boards also reviewed the annual 0.50% separate program (the "Program") fee and the performance fee of 10% of aggregate Program net profits (the "Incentive Fee") payable to Aetos by investors in the Funds. The Boards noted that Aetos had contractually agreed to cap "other expenses," other than extraordinary or non-recurring expenses, at 0.25% (0.35% with respect to the Aetos Capital Opportunities Fund) at least until May 31, 2008, so that the net expenses (excluding the Incentive Fee) do not exceed (a) 1.50% (1.60% with respect to an investor in the Aetos Capital Opportunities Fund) of an investor's average monthly Program assets (assuming that the maximum Program fee applies), with respect to investors participating in the Program or (b) 1.00% (1.10% with respect to an investor in the Aetos Capital Opportunities Fund) of an investor's average monthly Fund assets, with respect to investors investing directly in the Funds. The Boards also reviewed a report prepared by Aetos comparing the fees payable by each Fund to those payable by other comparable registered funds-of-hedge-funds. The Boards noted that the fees payable to Aetos, including the Program fee and the Incentive Fee, were lower than or comparable to the fees payable to the advisers of most comparable registered funds-of-hedge-funds. The Board concluded that each Fund's advisory fee, Program fee, Incentive Fee and total expense ratio were reasonable and satisfactory in light of the services provided.

BREAKPOINTS AND ECONOMIES OF SCALE

The Boards reviewed the structure of each Fund's management fee schedule under the Advisory Agreement and noted that it does not include any breakpoints. The Boards considered that each Fund's advisory fee was 0.75% and concluded that the fee was sufficiently low that the Boards did not need to consider adding

breakpoints at this time. The Boards also determined that, given the relative size of each Fund, economies of scale were not a factor that needed to be considered at this time.

PROFITABILITY OF ADVISER AND AFFILIATES

The Boards considered and reviewed information concerning the costs incurred and profits realized by Aetos and its affiliates during the previous year from Aetos' relationship with each Fund. The Boards noted that the Funds' investor base consists of sophisticated investors that are capable of evaluating whether the fees charged and the services provided by Aetos are appropriate. The Boards noted that Aetos had only become profitable in 2005, and that its profit margins had not been substantial since that time. Based on their review of the information they received, the Boards concluded that the profits earned by Aetos and its affiliates were not excessive in light of the advisory, administrative and other services provided to each Fund.

GENERAL CONCLUSION

After considering and weighing all of the above factors, the Boards concluded it would be in the best interest of each Fund and its members to approve renewal of the Advisory Agreement for an additional annual term.

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ITEM 2. CODE OF ETHICS.

Not applicable for semi-annual report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for semi-annual report.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for semi-annual report.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for semi-annual report.

ITEM 6. SCHEDULE OF INVESTMENTS.

Included as part of the report to shareholders filed under Item 1 of this Form.

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

Not applicable for semi-annual report.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for semi-annual report.

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

Not applicable as Interests of the Fund are not registered pursuant to Section 12 of the Exchange Act.

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

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors since the registrant's last proxy solicitation.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The certifying officers, whose certifications are included herewith, have evaluated the registrant's disclosure controls and procedures within 90 days of the filing date of this report. In their opinion, based on their evaluation, the registrant's disclosure controls and procedures are adequately designed, and are operating effectively to ensure, that information required to be disclosed by the registrant in the reports it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There were no significant changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal half-year that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEMS 12. EXHIBITS.

(a) (1) Not applicable for semi-annual report.

(a) (2) A separate certification for the principal executive officer and the principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(a)), are filed herewith.

(b) Officer certifications as required by Rule 30a-2(b) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(b)) also accompany this filing as an Exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and 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.

(Registrant) Aetos Capital Multi-Strategy Arbitrage Fund, LLC

By (Signature and Title)* /s/ Michael F. Klein

Michael F. Klein, President

Date: 10/4/07

Pursuant to the requirements of the Securities Exchange Act of 1934 and 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 (Signature and Title)* /s/ Michael F. Klein

Michael F. Klein, President

Date: 10/4/07

By (Signature and Title)* /s/ Scott D. Sawyer

Scott D. Sawyer, Treasurer

Date: 10/4/07

* Print the name and title of each signing officer under his or her signature.

DOCUMENT TYPE: EX-99.CERT

CERTIFICATION
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael F. Klein, certify that:

1. I have reviewed this report on Form N-CSR of Aetos Capital Multi-Strategy Arbitrage Fund, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - (d) Disclosed in this report any change 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; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 4, 2007

/s/ Michael F. Klein

Michael F. Klein
President

DOCUMENT TYPE: EX-99.CERT

CERTIFICATION
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Scott D. Sawyer, certify that:

1. I have reviewed this report on Form N-CSR of Aetos Capital Multi-Strategy Arbitrage Fund, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
 - (d) Disclosed in this report any change 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; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 4, 2007

/s/ Scott D. Sawyer

Scott D. Sawyer
Treasurer

DOCUMENT TYPE: EX-99.906CERT

CERTIFICATION

Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

The undersigned, the President of Aetos Capital Multi-Strategy Arbitrage Fund, LLC (the "Fund"), with respect to the Fund's Form N-CSR for the period ended July 31, 2007 as filed with the Securities and Exchange Commission, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. such Form N-CSR fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in such Form N-CSR fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: October 4, 2007

/s/ Michael F. Klein

Michael F. Klein

DOCUMENT TYPE: EX-99.906CERT

CERTIFICATION
Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

The undersigned, the Treasurer of Aetos Capital Multi-Strategy Arbitrage Fund, LLC (the "Fund"), with respect to the Fund's Form N-CSR for the period ended July 31, 2007 as filed with the Securities and Exchange Commission, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. such Form N-CSR fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in such Form N-CSR fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: October 4, 2007

/s/ Scott D. Sawyer

Scott D. Sawyer