Ermitage Asset Selection Fund Class K (SEK)
May 2010

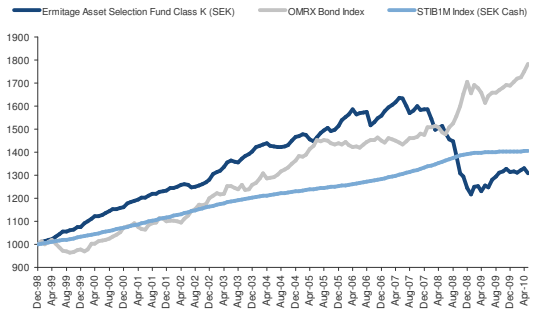
ERMITAGE
ABSOLUTE INVESTMENT TALENT

NAV	One Month Return	YTD	Since Inception	Standard Deviation	Overall Fund Size
SEK 129.24	**-1.68%**	**-0.51%**	**30.71%**	**4.30%**	**$ 133,976,223**

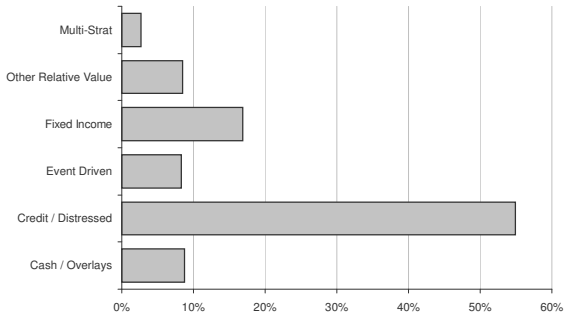
Investment Objective

To seek consistent annual returns over a period of three years or more representing a meaningful premium over the risk-free rate, accompanied by low levels of volatility, through investments in funds investing primarily in relative value and arbitrage strategies. The Company will invest principally in investment funds or managed accounts with investment managers whose methodology aims to provide absolute rather than relative returns. The Company will seek to achieve lower risk and volatility than the global bond markets through a broad diversification of style and asset class.

Cumulative Performance of SEK1,000



Strategy Breakdown as at May 2010



Investment allocations may be changed or modified at any time without notice to you at the sole discretion of the Investment Manager.

Monthly Commentary

In a very difficult month for the markets, the Asset Selection Fund lost 1.6%, versus -2.91% for the HFRX Relative Value Arbitrage Index. Under the circumstances, these numbers hold up well and show the benefit of diversification and the inclusion of hedging strategies. Specifically, our mortgage/ABS managers continue to perform very well in this market, due to significant positive carry from continued cheapness in the space and from very significant portfolio hedges. Directional/portfolio hedge managers were on average profitable for the month. Indeed, our strategic exposure to discretionary macro trading proved extremely valuable during the month, helped largely by one manager's trading flexibility around a central tenet that we are still in a structural bear market. Equity event exposure was mixed. Managers with a global relative value arbitrage approach benefited from portfolio construction, combining short spread risk and long spread risk for an overall stance that is largely neutral to the de-risking trade. The portfolio result was generally flat, and accomplished the objective of capital preservation.

Quantitative Analysis

Risk	Fund	OMRX	Cash
Sharpe Ratio	(0.14)	0.57	-
Standard Deviation	4.30	3.79	0.36
Sortino Ratio	(0.19)	1.09	-
Downside-Deviation (below 0%)	3.41	1.99	-
Maximum Drawdown	(25.56)	(5.61)	-
Months In Maximum Drawdown	20.00	5.00	-
Months To Recover	-	11.00	-
Correlation	-	(0.20)	(0.16)

Return	Fund	OMRX	Cash
Average Annual Return	2.37	5.19	3.01
Average Monthly Return	0.20	0.43	0.25
Largest Monthly Return	2.73	3.29	0.43
Largest Monthly Loss	(5.60)	(2.87)	-
Compounded Return	30.71	78.15	40.36
% Of Positive Months	72.26	67.15	100.00

Monthly Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.22	(0.39)	0.71	0.65	(1.68)								**(0.51)**
2009	(2.03)	2.67	0.28	(1.77)	1.84	(0.55)	2.73	0.96	1.34	0.39	0.80	(0.98)	**5.68**
2008	0.12	(2.62)	(3.17)	0.56	0.66	(2.04)	(1.87)	(0.59)	(4.25)	(5.60)	(1.06)	(3.96)	**(21.56)**
2007	1.24	1.06	0.68	0.71	1.17	(0.14)	(2.07)	(1.91)	0.65	1.26	(1.10)	0.17	**1.65**
2006	1.63	0.88	0.81	1.38	(1.36)	0.33	0.06	0.25	(3.66)	0.84	1.03	0.87	**2.99**
2005	0.13	0.64	(0.21)	(1.27)	(0.56)	1.00	1.43	0.70	0.81	(0.90)	0.36	1.09	**3.23**
2004	1.37	0.51	0.44	0.22	(0.64)	(0.19)	(0.26)	0.02	0.18	0.36	1.37	1.18	**4.63**
2003	1.77	0.75	0.42	1.35	1.34	0.56	(0.44)	(0.13)	1.23	0.85	0.55	0.77	**9.38**

Individual monthly performance figures from 2003 are shown in the table above. The Quantitative Analysis figures include all performance since inception.

Performance figures prior to September 2002 reflect the performance of the Class A shares adjusted for the effect of currency exchange rates and different management, administration fees and performance fee. Performance figures from September 2002 to September 2006 reflect the actual performance of the Class F shares adjusted for the effect of different administration and performance fees.

The bond and cash benchmarks used for the Quantitative Analysis and Cumulative Performance chart are for illustrative purposes only and are intended as a comparative measure against the investment objectives of the Ermitage Asset Selection Fund. It should not be assumed that the Fund will invest in any specific investments that comprise the index nor should it be understood to mean there is a correlation between the Fund's returns and the index.

Past performance is not indicative nor a guarantee of future returns. Returns indicated are net of all fees and expenses and include the reinvestment of all dividends, income and profits.

Share Class Characteristics

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Dealing Information

Dealing Day:	First business day of each month
Subscription:	Monthly, by 4pm (Jersey time) on the day prior to the Dealing Day
Redemption:	Monthly, by 4pm (Jersey time), 3 calendar months before the Dealing Day
Redemption Payment:	Normally within 30 business days
Valuation:	Monthly
Minimum Subscription:	SEK Equivalent of $100,000

Fees & Expenses

Front End Load:	None
Initial Sales Charge:	Maximum 5% where applicable
Performance Fee:	10% on gains above STIBOR with a high watermark
Management Fee:	1.5% per annum
Administration Fee:	0.15% per annum
Annual Registration Fee:	US$ 7,500
Custody Fee:	Maximum 0.08% per annum plus transaction fees

Summary & Key Information

Launch Date:	May 2005
Year End:	31 December
Non-Eligible Investors:	US Investors
Legal Structure:	The Company is an open-ended limited liability investment company of unlimited duration incorporated under the laws of Bermuda on 27 October 2000 and was discontinued from Bermuda and continued as a company incorporated under the laws of Jersey, Channel Islands on 31 August, 2005 The shares of the Fund have been admitted to the official list of the Irish Stock Exchange
ISIN:	GB00B075QR66
Sedol:	B075QR6
Manager:	Ermitage Management (Bermuda) Limited
Investment Manager:	Ermitage Asset Management Jersey Limited
Administrative Agent:	Bank of America Fund Services (Ireland) Limited
Custodian Bank:	HSBC Securities Services (Luxembourg) S.A.
Publication of Information:	Financial Times Managed Funds Services and www.ermitagegroup.com

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Source: Ermitage Group and Bloomberg