

# Ermitage Asset Selection Fund Class L (NOK) July 2010



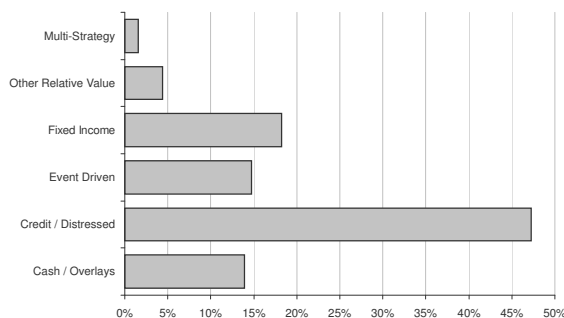
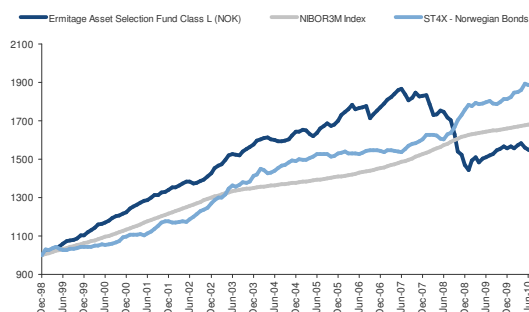
NAV	One Month Return	YTD	Since Inception	Standard Deviation	Overall Fund Size
<b>NOK 141.68</b>	<b>-0.58%</b>	<b>-1.04%</b>	<b>53.95%</b>	<b>4.22%</b>	<b>\$ 130,956,135</b>

## 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 NOK1,000

## Strategy Breakdown as at July 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

For July, the Asset Selection Fund declined by circa 80bps. During the course of the month, markets flipped the switch from "risk off" to "risk on". The VIX declined 32% from 34 to 24 as risk assets appreciated. The Dow Jones and FTSE 100 each rallied 7% in a synchronized fashion. The current tension between ultra-low rates and potential deflation versus governments printing their way out of debt seems to make everyone buy or sell everything at the same time based on the "headline" of the day. Clearly, it is not feasible for us to try to time the risk-on/risk-off trade and as a result we have maintained focus on the themes that have been core investments for the past several months namely, credit and distressed strategies where managers invest based on well informed macro views, equity event strategies that focus on hard catalysts, mortgage and other structurally complex trades as well as maintaining macro and tail hedges. These four core strategies are designed to generate stable returns despite market volatility by focusing on liquidity and nimble trading.

## Quantitative Analysis

Risk	Fund	NIBOR	ST4X	Return	Fund	NIBOR	ST4X
Sharpe Ratio	0.20	-	0.37	Average Annual Return	3.80	4.60	5.64
Standard Deviation	4.22	0.57	2.58	Average Monthly Return	0.32	0.38	0.46
Sortino Ratio	0.25	-	1.24	Largest Monthly Return	3.38	0.62	3.03
Downside-Deviation (below 0%)	3.20	-	0.84	Largest Monthly Loss	(5.56)	-	(1.21)
Maximum Drawdown	(22.64)	-	(1.80)	Compounded Return	53.95	68.31	88.81
Months In Maximum Drawdown	19.00	-	3.00	% Of Positive Months	76.98	100.00	72.66
Months To Recover	-	-	5.00				
Correlation	-	(0.01)	(0.21)				

## Monthly Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2010</b>	0.67	(0.56)	0.97	0.79	(1.61)	(0.70)	(0.58)						<b>(1.04)</b>
<b>2009</b>	(1.75)	3.38	1.24	(1.85)	1.41	0.44	0.61	0.56	1.26	0.41	0.81	(0.66)	<b>5.90</b>
<b>2008</b>	0.18	(2.54)	(3.15)	0.11	1.16	(0.40)	(1.71)	(0.70)	(4.30)	(5.56)	(1.05)	(3.64)	<b>(19.77)</b>
<b>2007</b>	1.10	1.25	0.71	0.79	1.26	0.23	(1.52)	(1.70)	0.70	1.44	(0.97)	0.22	<b>3.50</b>
<b>2006</b>	1.76	0.91	0.82	1.39	(1.32)	0.37	0.11	0.33	(3.42)	1.06	1.10	0.99	<b>4.07</b>
<b>2005</b>	0.10	0.62	(0.24)	(1.26)	(0.52)	0.96	1.30	0.81	0.87	(0.82)	0.45	1.20	<b>3.48</b>
<b>2004</b>	1.31	0.56	0.35	0.16	(0.66)	(0.22)	(0.28)	(0.01)	0.16	0.32	1.37	1.17	<b>4.29</b>
<b>2003</b>	1.89	0.93	0.59	1.53	1.49	0.61	(0.41)	(0.06)	1.34	0.86	0.56	0.77	<b>10.57</b>

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

Performance figures from January 1999 to October 2003 reflect the actual performance of the Class A shares adjusted for the effect of currency exchange rates and different management and administration fees and performance fee. Performance figures from November 2003 to April 2005 reflect the actual performance of the Class G shares adjusted for the effect of different management and administration fees and performance fee.

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



### Dealing Information

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

### Fees & Expenses

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

### Summary & Key Information

<b>Launch Date:</b>	May 2005
<b>Year End:</b>	31 December
<b>Non-Eligible Investors:</b>	US Investors 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
<b>Legal Structure:</b>	The shares of the Fund have been admitted to the official list of the Irish Stock Exchange
<b>ISIN:</b>	GB00B075QS73
<b>Sedol:</b>	B075QS7
<b>Manager:</b>	Ermitage Management (Bermuda) Limited
<b>Investment Manager:</b>	Ermitage Asset Management Jersey Limited
<b>Administrative Agent:</b>	Bank of America Fund Services (Ireland) Limited
<b>Custodian Bank:</b>	HSBC Securities Services (Luxembourg) S.A.
<b>Publication of Information:</b>	Financial Times Managed Funds Services and <a href="http://www.ermitagegroup.com">www.ermitagegroup.com</a>

### Contact Details

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Source: Ermitage Group and Bloomberg