

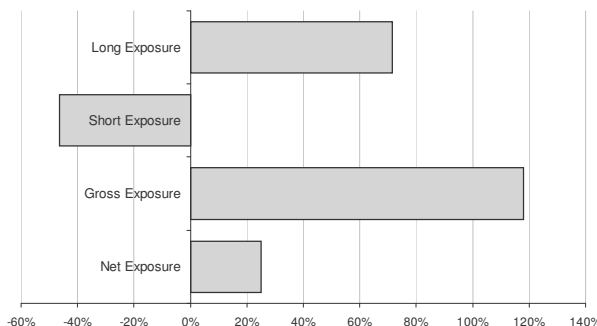
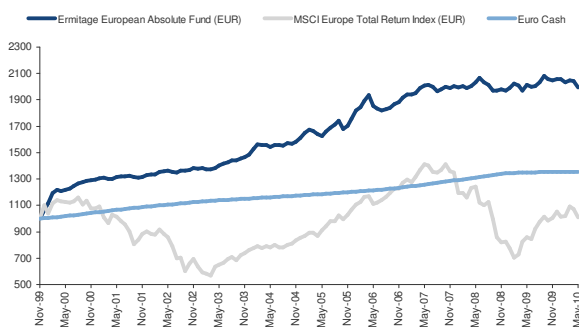
NAV	One Month Return	YTD	Since Inception	Standard Deviation	Overall Fund Size
€ 29.91	-2.35%	-3.05%	99.40%	5.24%	€ 71,480,183

Investment Objective

To seek long term capital appreciation by investing in a diversified portfolio of European focused hedge funds. The Fund's methodology is geared towards achieving superior risk adjusted returns, as measured by Sharpe Ratio, when compared to European equity markets. Risk is reduced through limiting net equity exposure, hedging currency risk and through diversification of strategy and style.

Cumulative Performance of €1,000

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

Markets experienced a very difficult month in May with the MSCI Europe Total Return Index falling 5.84% and the Ermitage European Absolute Fund down over 2%. Overall the Fund underperformed its beta exposure slightly over the month, with a net long position of 30% proving a significant drag. We also had a couple of disappointing individual manager performances but most performed in line with expectations given the nature of the trading environment. Net and gross exposure has reduced over the month and we do not feel compelled to make any major changes at this point. Clearly the outlook remains quite uncertain but we feel we have a good balance of styles within the portfolio to cope with a variety of possible scenarios. As discussed previously, we do not feel any need to take a strong directional view on the market at this stage. Markets are likely to gyrate between fear and greed for some time and as such we think adaptive nimble hedge funds are best placed to preserve capital and capture the anomalies in the market.

Quantitative Analysis

Risk	Fund	MSCI	Cash	Return	Fund	MSCI	Cash
Sharpe Ratio	0.73	(0.08)	-	Average Annual Return	6.79	0.08	2.95
Standard Deviation	5.24	17.17	0.36	Average Monthly Return	0.56	0.13	0.24
Sortino Ratio	1.57	(0.22)	-	Largest Monthly Return	7.36	12.75	0.41
Downside-Deviation (below 0%)	2.49	12.86	-	Largest Monthly Loss	(4.07)	(14.24)	-
Maximum Drawdown	(5.89)	(50.90)	-	Cumulative Return	99.40	0.80	35.68
Months In Maximum Drawdown	3.00	31.00	-	% Of Positive Months	65.87	54.76	100.00
Months To Recover	6.00	36.00	-				
Correlation	-	0.36	0.01				

Monthly Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	(0.03)	(1.04)	0.62	(0.26)	(2.35)								(3.05)
2009	1.19	1.64	(0.69)	(1.89)	2.13	(0.83)	0.30	1.46	2.33	(1.12)	(0.45)	0.49	4.54
2008	(0.66)	0.54	(0.63)	0.74	1.43	1.54	(1.45)	(0.95)	(2.22)	0.00	0.34	(0.51)	(1.89)
2007	1.18	(0.10)	0.58	1.98	0.97	0.20	(0.63)	(1.63)	0.64	0.91	(0.33)	0.74	4.55
2006	3.61	1.43	2.68	2.18	(4.07)	(1.15)	(0.76)	0.44	0.47	1.67	0.71	1.99	9.35
2005	2.15	1.54	(0.48)	(1.56)	(0.69)	1.88	1.85	1.42	1.71	(3.67)	1.43	3.06	8.76
2004	2.83	2.49	(0.34)	(0.04)	(0.98)	0.78	0.04	(0.21)	1.12	(0.17)	0.94	1.94	8.62
2003	0.34	(0.87)	0.19	0.53	1.45	1.00	0.80	1.03	0.05	0.97	0.78	1.14	7.64

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

The benchmark used for the Quantitative Analysis and Cumulative Performance Chart is for illustrative purposes only and is intended as a comparative measure against the investment objectives of the Ermitage European Absolute Fund.

It should not be assumed that the Fund will invest in any specific investments that comprise of the index nor should it be understood to mean that 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.



Dealing Information

Dealing Day:	The first business day of each month
Subscription:	Monthly subscription. By 10am CET, on Dealing Day
Redemption:	Monthly - subject to one calendar month's notice before Dealing Day
Redemption Payment:	Normally within 30 days of the applicable Dealing Day
Valuation:	Monthly
Minimum Subscription:	€15,000

Fees & Expenses

Front End Load:	None
Initial Sales Charge:	Maximum 5% where applicable
Management Fee:	1.5% per annum
Administration Fee:	0.375% per annum
Custody Fee:	Maximum 0.08% per annum plus transaction fees
Performance Fee:	None

Summary & Key Information

Launch Date:	December 1999
Year End:	31 December
Non-Eligible Investors:	US Investors
Legal Structure:	The Fund is a Part II S.I.C.A.V. Shares in the company are listed on the Luxembourg Stock Exchange
ISIN:	LU0103900790
Sedol:	7042384
Bloomberg Ticker:	ERMEURE
Manager:	Ermitage Management (Bermuda) Limited
Investment Adviser:	Ermitage Asset Management Jersey Limited
Administrative Agent:	HSBC Securities Services (Luxembourg) S.A
Custodian Bank:	HSBC Securities Services (Luxembourg) SA
Publication of Information:	Financial Times Managed Funds Services and www.ermitagegroup.com

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