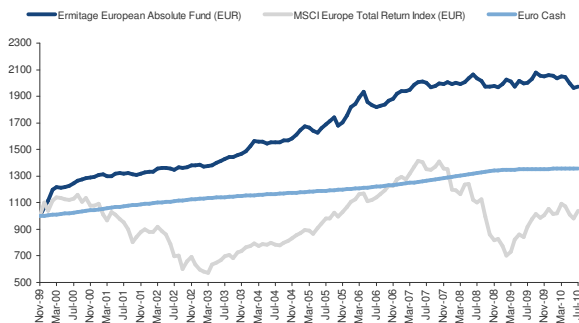


NAV	One Month Return	YTD	Since Inception	Standard Deviation	Overall Fund Size
€ 29.55	0.31%	-4.21%	97.00%	5.24%	€ 76,608,469

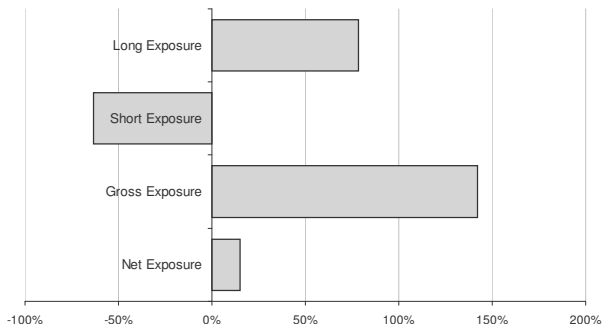
Investment Objective

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 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

The European Absolute Fund gained circa 0.30% for the month of July. Performance was disappointing in July given the positive equity backdrop. We saw a wide range of returns in our long/short holdings from circa +10% to -4%. Traditional stock pickers were the best performers over the month, especially those with a net long disposition. A number of managers benefited from the pick-up in M&A in the UK. SSL was finally formally approached by Reckitt Benckiser, Tomkins received a bid from a Canadian consortium and PartyGaming announced a merger. A drag on performance came from managers with more cautious outlooks on the economy, who were thus badly positioned for the risk led rally. This skew manifests into their books via a long defensives versus short cyclicals tilt. The hedging side of our own portfolio was also increased at the start of July which was a major drag on performance and clearly the timing was not perfect. However, we believe this adjustment should prove prudent across the course of the year.

Quantitative Analysis

Risk	Fund	MSCI	Cash	Return	Fund	MSCI	Cash
Sharpe Ratio	0.71	(0.06)	0.33	Average Annual Return	6.56	0.37	2.91
Standard Deviation	5.24	17.15	0.37	Average Monthly Return	0.54	0.15	0.24
Sortino Ratio	1.48	(0.19)	-	Largest Monthly Return	7.36	12.75	0.41
Downside-Deviation (below 0%)	2.52	12.79	-	Largest Monthly Loss	(4.07)	(14.24)	-
Maximum Drawdown	(5.89)	(50.90)	-	Cumulative Return	97.00	4.06	35.80
Months In Maximum Drawdown	3.00	31.00	-	% Of Positive Months	65.63	54.69	100.00
Months To Recover	6.00	36.00	-				
Correlation	-	0.36	0.04				

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)	(1.50)	0.31						(4.21)
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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