

# Ermitage Japan Absolute Fund Class B (USD) May 2009



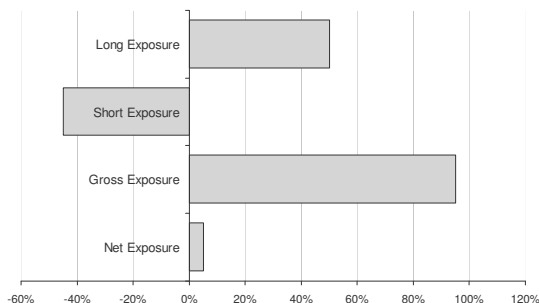
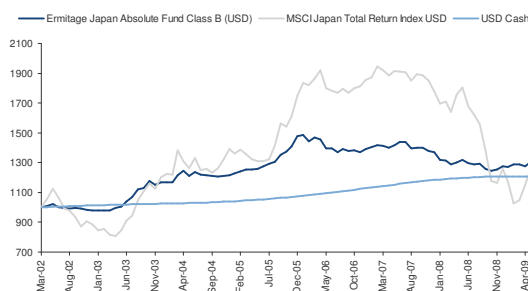
NAV	One Month Return	YTD	Since Inception	Standard Deviation	Overall Fund Size
<b>\$ 19.58</b>	<b>2.25%</b>	<b>2.25%</b>	<b>30.54%</b>	<b>6.12%</b>	<b>\$ 10,010,983</b>

## Investment Objective

To seek long term capital appreciation through investments in open-ended investment funds which focus primarily in the Japanese market. The Company will seek to achieve lower risk and volatility than the Japanese equity market through a broad diversification of style and geographic region and through the management of portfolio risk exposures.

## Cumulative Performance of \$1,000

## Strategy Breakdown as at May 2009



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

## Monthly Commentary

May was an excellent month for the Hedge Fund industry and the Fund, the latter up over 2% in May - a very satisfactory return considering our balanced, cautious positioning. Equity markets continued to power upwards in May, with the MSCI Japan index posting gains of 10.3%, whilst volatility across many markets continues to drop. Again, cyclicals and other higher-beta equities led the rally, although consumer discretionary and financials stocks were relative laggards across the month. The latter aspect is interesting, since those sectors were key in driving this rally in its outset. All underlying strategies within the Fund contributed positively to performance, so it was a case of a diverse range of styles working. All managers recorded a positive performance whilst the basket of aggressive directional traders was the most significant contributor to returns.

## Quantitative Analysis

Risk	Fund	MSCI	Cash	Return	Fund	MSCI	Cash
Sharpe Ratio	0.22	0.13	-	Average Annual Return	3.79	3.38	2.66
Standard Deviation	6.12	18.20	0.48	Average Monthly Return	0.33	0.41	0.22
Sortino Ratio	0.31	0.06	-	Largest Monthly Return	5.12	13.43	0.44
Downside-Deviation (below 0%)	3.64	12.08	-	Largest Monthly Loss	(4.08)	(14.78)	-
Maximum Drawdown	(16.37)	(47.23)	-	Compounded Return	30.54	26.86	20.69
Months In Maximum Drawdown	33.00	24.00	-	% Of Positive Months	59.30	48.84	100.00
Months To Recover	-	-	-				
Correlation	-	0.61	(0.14)				

## Monthly Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2009</b>	(0.63)	1.47	0.05	(0.88)	2.25								<b>2.25</b>
<b>2008</b>	(3.84)	(0.45)	(1.89)	0.98	1.26	(1.55)	(0.61)	0.41	(2.89)	(1.01)	0.97	1.70	<b>(6.86)</b>
<b>2007</b>	1.10	0.66	(0.24)	(0.94)	1.24	1.46	0.05	(2.83)	0.10	0.19	(1.43)	(0.68)	<b>(1.39)</b>
<b>2006</b>	0.59	(2.91)	1.80	(0.95)	(4.08)	(0.05)	(1.77)	1.46	(0.77)	0.19	(1.01)	1.56	<b>(5.95)</b>
<b>2005</b>	1.29	0.94	1.05	0.10	0.18	1.35	1.52	0.93	3.52	1.63	2.33	5.12	<b>21.73</b>
<b>2004</b>	(0.06)	0.17	4.10	2.20	(2.46)	1.95	(1.32)	(0.23)	(0.70)	(0.13)	0.13	0.45	<b>4.01</b>
<b>2003</b>	0.39	0.01	(0.26)	1.74	0.97	3.20	2.90	5.04	0.58	4.29	(2.34)	1.63	<b>19.45</b>
<b>2002</b>				0.81	1.33	(2.10)	(0.49)	(0.25)	0.51	(0.63)	(0.68)	(0.75)	<b>(2.27)</b>

The Japan Absolute Fund Class B USD has been unsubscribed from 29 February 2008 to 30 June 2008. Performance figures for this period reflect the actual performance of the Class B EUR shares adjusted for the effect of currency exchange rates.

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 Japan Absolute 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, incomes and profits.



## Dealing Information

<b>Dealing Day:</b>	First business day of each month
<b>Subscription:</b>	Monthly. By 10am CET, on Dealing Day
<b>Redemption:</b>	Monthly. Subject to one calendar month's notice before the Dealing Day
<b>Redemption Payment:</b>	Normally within 30 days of the applicable Dealing Day
<b>Redemption Fee:</b>	Maximum 0.5% on redemption within 12 months of issue
<b>Valuation:</b>	Monthly
<b>Minimum Subscription:</b>	US\$ 500,000

## Fees & Expenses

<b>Front End Load:</b>	None
<b>Initial Sales Charge</b>	None
<b>Management Fee:</b>	1.5% per annum
<b>Administration Fee:</b>	0.2% per annum
<b>Custody Fee:</b>	Maximum 0.08% plus transaction fees
<b>Performance Fee:</b>	10% of net realised and unrealised gains of the Company during the financial year

## Summary & Key Information

<b>Launch Date:</b>	April 2002
<b>Year End:</b>	31 December
<b>Non-Eligible Investors:</b>	US Investors
<b>Legal Structure:</b>	The Fund is a Part II S.I.C.A.V. incorporated in the Grand Duchy of Luxembourg and listed on the Luxembourg Stock Exchange
<b>ISIN:</b>	LU0149274093
<b>Sedol:</b>	7744550
<b>Bloomberg Ticker:</b>	JAABSUB
<b>Manager:</b>	Ermitage Management (Bermuda) Limited
<b>Investment Adviser:</b>	Ermitage UK Limited
<b>Administrative Agent:</b>	HSBC Securities Services (Luxembourg) S.A
<b>Custodian Bank:</b>	HSBC Securities Services (Luxembourg) SA
<b>Publication of Information:</b>	Financial Times Managed Funds Services and <a href="http://www.ermitagegroup.com">www.ermitagegroup.com</a>

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