

# Ermitage Resources Fund Class F (EUR) May 2010



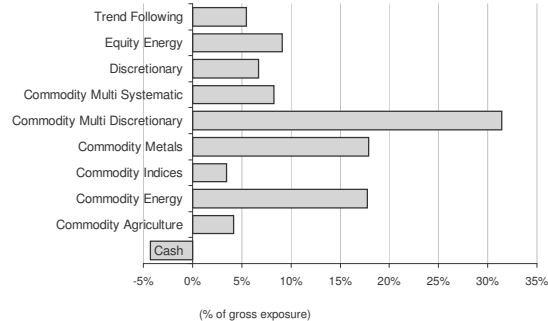
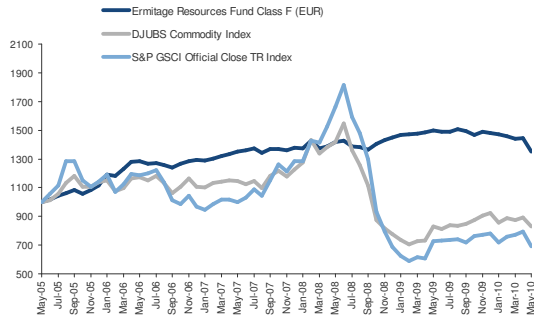
NAV	One Month Return	YTD	Since Inception	Standard Deviation	Overall Fund Size
€ 101.34	-6.63%	-8.90%	34.93%	7.15%	\$ 42,893,355

## Investment Objective

The Ermitage Resources Fund Limited aims to achieve medium to long-term growth through investing principally in resource and other commodity related funds pursuing primarily relative value and/or arbitrage strategies. However, short-term investment opportunities and direct investment in equities and equity related securities within the global mining and resource sectors may also be considered.

## 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

The Resources Fund posted a loss of over 6% in May, in what proved to be a very difficult month for markets with the S&P GSCI Index down 13.2% and the DJUBS Commodity Index down nearly 7%. Fund losses were due to the directionally bullish stance towards risk that had built up over recent months. When the markets fell sharply most managers were unable to change exposures with sufficient speed and magnitude to avoid losses. Broadly speaking, systematic trend following was the largest negative contributor during the month, whilst many discretionary managers were unable to adapt and trade their way through these difficult markets. Notwithstanding the disappointing May performance, the Resources Fund continues to provide a superior risk adjusted commodity investment than traditional long only index investment, as borne out by the Fund's +7% average annual return since inception (in 2005) versus -3.6% for the DJUBS and -7.1% for the S&P GSCI – and achieved with around 1/3 the volatility (risk). Looking forward, we continue to analyse portfolio construction, working to increase its ability to perform in an environment that moves from negative to positive extremes at great velocity.

## Quantitative Analysis

Risk	Fund	DJUBS	SPGSCI	Return	Fund	DJUBS	SPGSCI
Sharpe Ratio	0.50	(0.21)	(0.21)	Average Annual Return	6.18	(3.62)	(7.16)
Standard Deviation	7.15	20.43	28.38	Average Monthly Return	0.52	(0.13)	(0.27)
Sortino Ratio	0.80	(0.40)	(0.45)	Largest Monthly Return	6.85	12.99	19.67
Downside-Deviation (below 0%)	4.37	16.00	22.08	Largest Monthly Loss	(6.63)	(21.34)	(28.20)
Maximum Drawdown	(10.44)	(54.52)	(67.64)	Compounded Return	34.93	(16.83)	(31.04)
Months In Maximum Drawdown	9.00	8.00	8.00	% Of Positive Months	65.00	56.67	55.00
Months To Recover	-	-	-				
Correlation	-	0.40	0.34				

## Monthly Performance (%) Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2010	(0.63)	(0.81)	(1.35)	0.35	(6.63)								(8.90)
2009	1.18	0.35	0.35	0.62	0.94	(0.79)	0.02	1.23	(0.90)	(1.79)	1.43	(0.42)	2.18
2008	(0.39)	3.71	(3.72)	1.08	2.12	0.69	(2.74)	(0.37)	(1.33)	2.97	1.95	1.23	5.03
2007	(0.10)	0.94	1.43	0.75	1.33	0.98	0.87	(2.32)	2.05	0.03	(0.57)	1.30	6.81
2006	6.85	(0.75)	4.25	3.98	0.13	(1.32)	0.47	(1.04)	(1.34)	1.95	1.53	0.55	15.96
2005						1.66	2.50	1.80	2.33	(2.81)	2.91	2.62	11.41

Performance figures prior to May 2007 reflect the performance of the Class C EUR shares adjusted for the effect of a different performance fee. These figures are included in the Quantitative Analysis.

Performance figures prior to June 2005 have been excluded to avoid any possible misinterpretation, as they were derived principally from the Fund's direct investment in gold, resource equities and equity derivatives. Since this date, the Fund's investment strategy has focused on investments in a broader range of resource-related hedge funds.

The Fund has changed one of its comparative benchmarks from the MSCI World Index to the Dow Jones - UBS Commodity Index effective 1 May 2008. The rationale for this change is that the Fund believes that the new benchmark is a more suitable benchmark to compare the Fund's performance to. The benchmarks used for the Qualitative Analysis and the Cumulative Performance Chart are for illustrative purposes only and are intended as a comparative measure against the investment objectives of the Ermitage Resources 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

---

<b>Dealing Day:</b>	The first business day of each month
<b>Subscription:</b>	Monthly, by 4pm (Irish time) on the Dealing Day
<b>Redemption:</b>	Monthly, by 4pm (Irish time), one calendar month before the Dealing Day
<b>Redemption Payment:</b>	Normally within 30 days of the applicable Dealing Day
<b>Valuation:</b>	Monthly
<b>Minimum Subscription:</b>	EUR equivalent of \$100,000 initial subscription. US\$15,000 thereafter

## Fees & Expenses

---

<b>Front End Load:</b>	None
<b>Initial Sales Charge:</b>	Maximum 5% where applicable
<b>Performance Fee:</b>	10% with a high watermark and no hurdle
<b>Management Fee:</b>	1.50% per annum
<b>Administration Fee:</b>	0.11% per annum
<b>Custody Fee:</b>	Maximum 0.08% per annum plus transaction fees

## Summary & Key Information

---

<b>Launch Date:</b>	April 2007
<b>Year End:</b>	31 December
<b>Non-Eligible Investors:</b>	US Investors
<b>Legal Structure:</b>	<p>The Company is an open-ended limited liability investment company of unlimited duration incorporated under the laws of Bermuda on 3 March 2003 and was discontinued from Bermuda and continued as a company incorporated under the laws of Jersey, Channel Islands on 31 August, 2005</p> <p>The shares of the Fund have been admitted to the official list of the Irish Stock Exchange</p>
<b>ISIN:</b>	JE00B1W5NJ99
<b>Sedol:</b>	B1W5NJ9
<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

---

Ermitage Asset Management Jersey Limited	47 The Esplanade, St. Helier, Jersey JE1 9LB, Channel Islands
Tel: +44 (0) 1534 615500      Fax: +44 (0) 1534 615520	Email: <a href="mailto:info@ermitagegroup.com">info@ermitagegroup.com</a> <a href="http://www.ermitagegroup.com">www.ermitagegroup.com</a>

Ermitage Asset Management Jersey Limited has issued this publication which is for private circulation only, is published solely for information purposes and does not constitute an offer to sell or an invitation to buy any of the securities or funds mentioned herein. Subscriptions will only be received and units or shares issued on the basis of the current Explanatory Memorandum for the fund and prospective investors should carefully consider the risk warnings and disclosures for the fund set out therein. Investors should also consider any other factors that may be relevant to their circumstances, including tax considerations, before making any investment. Units or shares in the fund are not for sale in any jurisdiction in which such sale would be prohibited. Without limiting the generality of the previous statement, with particular reference to the UK, this document may only be distributed to and acted upon by those persons in the UK pursuant to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 as amended. None of the funds described herein are regulated under the Financial Services and Markets Act 2000, and for such funds protections provided by the UK regulatory system do not apply, nor are the benefits available under the Financial Services Compensation Scheme. When issued in the UK, issued by Ermitage UK Limited, which is authorised and regulated by the Financial Services Authority. Whilst reasonable efforts have been made to ensure the accuracy of the information herein, which may be based on proforma, estimated or unaudited figures, the Ermitage Group accepts no responsibility for its accuracy, nor the reasonableness of the conclusions based upon such information. The contents of this document are subject to change without prior notification. Past performance is not a guarantee of future performance. Returns indicated are net of all fees and expenses and include the re-investment of all dividends, income and profits. The price of units or shares can go down as well as up and may be affected by changes in rates of exchange. An investor may not receive back the amount invested. Where applicable, estimate prices are based solely on information and data supplied by the fund administrators and managers, therefore, Ermitage Group does not guarantee its accuracy or completeness. Ermitage Asset Management Jersey Limited ("EAMJL") is registered with the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 for the conduct of investment business and fund services business.

Source: Ermitage Group and Bloomberg