

European Pension Fund selects Ermitage to run Equity Long Short managed account



Ermitage Group has been appointed to run a significant Equity long short mandate for one of Europe's foremost public pension funds.

Launched on 1st October 2009, the new managed account accesses Ermitage's European long/short manager platform and runs alongside the firm's European Absolute Fund, which has a near 10 year track record of delivering a low volatility form of equity exposure - combining market participation with protection by adapting to prevailing market conditions.

The managed account largely mirrors the managers included from Ermitage's European Absolute Fund and similarly targets absolute returns achieved with a low correlation to the MSCI Europe Index. The European Absolute Fund has been a first quartile performer within the equity long short fund of funds category* over the last 3 years, and has delivered annualised returns of 7.5% with a low volatility of 4.8% since its inception in 1999*.

Commenting on the new mandate, **Ian Cadby**, Ermitage Group's CEO said:

"We are delighted to have been appointed to manage this significant institutional mandate, which will draw upon Ermitage's expertise in long short as a strategy and our ability to build portfolios capable of consistent risk adjusted performance. As a business, we are committed to providing pension funds and other institutional investors with truly effective investment solutions, working closely together to achieve their long term goals."



Michael Howard, Head of Long Short Equity Strategies at Ermitage added:

"The current outlook for equity markets is highly uncertain and as such the environment for equity investors is particularly challenging. The ability to protect capital in challenging periods like 2008 - and make money in periods which are more conducive to long short equity funds - is the key to long term compounding of returns. We believe we are entering a sweet spot for equity long short investing as markets are driven more by fundamental data as opposed to sentiment, allowing long/short equity managers to generate significant alpha on both sides of the book, combining attractive stock alpha and smart beta management. That said, our approach to combining managers in a portfolio for multiple scenarios has led to more balanced portfolios and allowed us to protect capital in more challenging periods historically."



* Source Ermitage Group

Ermitage Asset Management Jersey Ltd

47 The Esplanade, St Helier, Jersey, JE1 9LB
+44 (0) 1534 615 500
www.ermitagegroup.com

Ermitage UK Ltd

25 Savile Row, London, W1S 2ES
+44 (0)207 333 0900
info@ermitagegroup.com

Ermitage America's Inc

Suite 917, 9th Floor, 330 Madison Avenue
New York, NY 10017 USA
+1 646 495 5654 (Main)
+1 646 495 5651 (Research)

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