Ennismore European Smaller Companies Fund

Investor Newsletter for the month of April 2004

Issued on 12 May 2004

Important Notice

The number of shares in the Fund is currently limited to 3.8m. Further investments will only be accepted if shares become available through redemptions. Ennismore Fund Management is keeping a waiting list for investors wishing to subscribe for shares in the event of any redemptions. To be included on this list, please call Inge Tilg on +44 20 7368 4216. Redemptions can be made through the administrator in the usual way.

Fund Details

Daily dealing UCITS and Central Bank of Ireland regulated open-ended investment company with FSA approval, registered in Ireland and listed on the Irish Stock Exchange. The Fund has an AA S&P Fund Research Fund Rating. The Fund size was £111.8m as at 30 April.

Performance as at 30 April 2004

	GBP			EUR			
	Fund NAV[1]	**Fund NAV[2] % Change**	**HSBC Index[3] % Change**	**Fund NAV[1]**	**Fund NAV[2] % Change**	**HSBC Index[3] % Change**	**MSCI Index[4] % Change**
April	**29.66**	**2.1**	**2.3**	**43.88**	**1.0**	**1.3**	**2.0**
March	29.06	- 0.5	- 1.7	43.46	- 0.4	- 1.5	- 2.3
February	29.21	2.7	1.5	43.63	4.7	3.9	2.3
January	28.44	2.9	3.5	41.67	6.2	6.7	1.7
December	27.65	3.8	2.3	39.25	2.7	1.0	3.3
November	26.63	2.1	2.5	38.21	0.4	0.6	1.7
Launch (27/01/99)	10.00			14.35			
1999	14.90	49.0	24.8	23.71	65.2	42.1	2.0
2000	20.21	35.7	- 3.3	31.84	34.3	- 4.7	- 2.2
2001	20.52	1.5	- 18.3	33.54	5.3	- 15.6	- 16.4
2002	21.49	6.2	- 19.8	32.98	- 0.3	- 24.8	- 29.4
2003	27.65	29.3	48.8	39.25	19.6	37.5	19.8
2004 to date	**29.66**	**7.3**	**5.6**	**43.88**	**11.8**	**10.6**	**3.7**
Annualised return		**23.4**	**4.6**		**24.2**	**5.2**	**- 1.3**
Since launch (27/01/99)		**202.2**	**26.8**		**211.5**	**30.7**	**- 6.9**

[1] Source: Administrator, Net Asset Value, income reinvested. [2] Source: Administrator, Net Asset Value, Net income reinvested. [3] Source: Bloomberg, HSBC Smaller European Total Return Index. [4] Source: Bloomberg, MSCI Europe, local currencies, total return. All performance figures net of fees.

Comments below on Performance are prior to expenses, exclude cash returns and refer to £ Sterling unless otherwise stated

The Fund's net asset value increased by 2.1% in April. In a volatile month the Fund's long investments (which accounted for 93% of the NAV) contributed 2.6% to performance, giving an implied return of 2.8%. The strongest performer was Bijou Brigitte which added 0.7% to performance after the company announced much better than expected earnings. Charter also performed well, contributing 0.4%. The worst performing stock was TGS Nopec which produced a negative attribution of 0.5% due to weak first quarter results. Accounting for an average of 6.7% of the Fund, our ARIN positions made a slight positive contribution to performance.

Portfolio Activity

Figures in brackets refer to previous month end

As at 30 April the Fund was invested in 155 (148) stocks. Further purchases of Charter, through the exercise of rights, mean it is now the Fund's third largest holding. Seven new positions were opened in April, the largest of which was in Dignity, a UK provider of funeral services. We increased our existing positions in William Ransom, a UK manufacturer of consumer healthcare products, and Jelmoli, a Swiss department store operator. We sold six positions outright including New Look as a result of the accepted tender offer. The Fund held 26 (20) ARIN positions at the end of the month.

Top Ten Long Holdings as at 30 April 2004

	Company	Country	Sector	% of NAV
1	TGS Nopec	Norway	Services	4.4
2	Bijou Brigitte	Germany	Retail	4.1
3	Charter	UK	Engineering	3.8
4	Monsoon	UK	Retail	3.0
5	Porsche	Germany	Auto	2.7
6	Tandberg Data	Norway	IT Hardware	2.4
7	Axel Springer	Germany	Media	2.3
8	Delft Instruments	Netherlands	Medical	2.1
9	Escada	Germany	Consumer	2.1
10	Paragon	UK	Financial	1.8
				28.7

Country, Market Cap & Sector Weightings as at 30 April 2004

Country	% of NAV
UK	28.1
Germany	22.2
Norway	12.7
Switzerland	8.2
Netherlands	7.2
France	4.9
Belgium	3.7
Sweden	2.3
Ireland	2.2
Austria	2.0
Italy	1.9
Denmark	1.8
Spain	1.3
Other	1.5
Cash	0.0

Market Cap	% of NAV
>£1bn	12.9
£350m - £1bn	16.1
£100m - £350m	45.1
<£100m	25.9
Cash	0.0

Sector	% of NAV
Retail	17.6
Services	10.3
Construction	9.4
Engineering	8.7
Media	7.5
Technology	7.4
Financial	6.5
Consumer	5.3
Oil	5.2
Medical	4.8
Manufacturing	4.4
Transport	3.3
Auto	3.0
Other	6.6
Cash	0.0

Outlook

Data on current growth in the US and on the outlook for economic growth in Europe have generally been strong. In the US concerns have shifted to the prospect of rising interest rates and high valuations, whilst there remain doubts about the extent and sustainability of the recovery in Europe. The geopolitical situation and rising oil prices are further worries. There remain a large number of genuinely overlooked smaller companies where valuations still offer downside support even if an economic recovery fails to materialise or is weak. We believe the outlook for the Fund remains promising.

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