Ennismore European Smaller Companies Fund

Investor Newsletter for the month of April 2009

Issued on 7 May 2009

Fund Details

Daily dealing UCITS and Irish Financial Services Regulatory Authority regulated open-ended investment company with Financial Services Authority approval, registered in Ireland and listed on the Irish Stock Exchange. The Fund has an A S&P Fund Research Fund Rating. The Fund size was GBP 119m as at 30th April.

The Fund is managed as an absolute return fund with the objective of generating positive returns irrespective of market conditions rather than performing relative to any benchmark index. Index data is provided in the following table as a guide to general equity market conditions.

The number of shares in the Fund is capped but some capacity is currently available. If you would like to subscribe please call Jo-Anne Osilade on +44 (0) 20 7368 4227 or email subs@ennismorefunds.com. Redemptions can be made through the Administrator in the usual way.

Performance as at 30 April 2009

Period	GBP Fund NAV[1] Per Share	GBP Fund NAV[2] Per Share % Change	GBP HSBC Index[3] % Change	EUR Fund NAV[1] Per Share	EUR Fund NAV[2] Per Share % Change	EUR HSBC Index[3] % Change	MSCI Index[4] % Change
April 09	**43.06**	**-6.5**	**19.1**	**49.23**	**-1.0**	**23.1**	**12.8**
March 09	46.06	-2.1	7.3	49.73	-5.9	2.6	3.7
February 09	47.07	-1.6	-7.2	52.83	-1.9	-7.0	-9.1
January 09	47.85	-3.7	-6.5	53.83	4.7	0.9	-6.1
December 08	49.69	7.5	12.7	51.40	-8.1	-2.9	0.7
November 08	46.24	2.1	-4.1	55.92	-3.1	-8.0	-4.7
October 08	45.29	-7.6	-20.1	57.71	-7.2	-20.1	-13.5
September 08	49.00	-8.5	-17.4	62.18	-6.2	-16.0	-11.8
Launch (27/01/99)	10.00			14.35			
1999	14.90	49.0	27.2	23.71	65.2	42.1	29.8
2000	20.21	35.7	-3.2	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	-24.7	-29.4
2003	27.65	29.3	48.8	39.25	19.6	37.5	19.8
2004	34.15	23.5	24.6	48.24	22.9	24.4	12.2
2005	44.54	30.4	32.6	64.82	34.4	36.3	24.9
2006	48.28	8.4	30.5	71.66	10.6	33.2	19.1
2007	52.67	9.1	3.1	71.71	0.1	-5.5	6.0
2008	49.69	-5.7	-36.8	51.4	-28.3	-51.5	-38.9
2009 to date	**43.06**	**-13.3**	**10.8**	**49.23**	**-4.2**	**18.6**	**-0.3**
Annualised return[5]		**15.5**	**6.3**		**13.0**	**3.7**	**-0.3**
Since launch (27/01/99)		**338.7**	**87.0**		**249.6**	**45.2**	**-3.1**

[1] Source: Administrator, Net Asset Value. [2] Source: Administrator, Net Asset Value, net income reinvested. [3] Source: Bloomberg, HSBC Smaller European Total Return Index.
[4] Source: Bloomberg, MSCI Europe Index, local currencies, total return. [5] Since inception, to date. Note: All performance figures net of fees.

Comments below on performance are prior to expenses, exclude cash returns and refer to GBP unless otherwise stated.

The Fund's NAV fell by 6.5% in April. In euros the decline was 1.0%. Equity markets, and in particular smaller companies, rallied extremely strongly during the month but, with our portfolio remaining defensively positioned, this proved more of a cost than a benefit to the Fund. The long book contributed 6.9% but the short book cost 11.6%. We are obviously very disappointed with the performance in April but continue to believe a low net exposure is prudent in the current environment, with the preservation of capital remaining a priority until the economic outlook is more secure.

CPL Resources – Irish recruitment consultant

CPL is the leading recruitment consultant in Ireland with a market share of about 12%. In 2008 about 40% of the company's net fee income (NFI) came from permanent recruitment and 60% from temporary placements. The two most important sectors they serve are IT and healthcare, each accounting for about 20% of NFI. The business is now operating in an Irish economy in a sharp slump with GDP generally expected to be down by eight or nine percent in 2009, taking unemployment to over 12% by the end of the year. 2010 is unlikely to show much recovery in our opinion. While CPL's exposure to temps and to healthcare mean they should perform better than the market as a whole they can hardly avoid this kind of economic downturn. The company's management has been reducing the cost base very aggressively in response to ensure that the business remains profitable even in this environment. This strong reaction and keen focus on cashflow reflects, in our view, management's close alignment with shareholders as they own more than 40% of the equity.

The market is pricing in a very severe downturn for CPL, and more in our opinion. At EUR 1.13 per share the company has a market valuation of EUR 43m. We expect CPL to generate operating profit of about EUR 6m for the year to June

2009. This compares to an average of over EUR 7.5m p.a. for the past 10 years, during which time it was always profitable, and a peak of EUR 20m in the year to June 2008. With over EUR 40m of net cash on the balance sheet by June of this year shareholders are now getting any future profits virtually for free. Were CPL to trade on a current year enterprise value/EBITA multiple of seven times, which is arguably not aggressive given how deep the cyclical downturn has already been, the shares would be trading at around twice their current value. With a tangible book value of close to EUR 47m, mostly in cash, there is very little risk to this investment which makes the upside of at least 100% incredibly attractive.

Top Five Holdings as at 30 April 2009

	Company	Country	Sector	% of NAV
1	Sto	Germany	Construction	4.2
2	Trader Media East	Netherlands	Media	3.9
3	Atlantia	Italy	Transport	3.7
4	Publigroupe	Switzerland	Media	1.9
5	JD Wetherspoon	United Kingdom	Consumer	1.8
				15.5

Exposures as at 30 April 2009

Longs %	Shorts %	Gross Exposure %	Net Exposure %
59.4 (51.0)	57.2 (48.2)	116.6 (99.1)	2.3 (2.8)

Figures in brackets refer to previous month end.

Exposures by Country, Market Cap and Sector as % NAV as at 30 April 2009

Country	Gross%	Net%
Denmark	1.8	0.1
Finland	2.5	-2.5
France	11.4	-8.9
Germany	14.3	6.8
Ireland	3.3	3.2
Italy	6.1	4.1
Japan	2.7	-2.7
Netherlands	4.8	4.2
Norw ay	7.6	1.4
Spain	1.6	-1.6
Sw eden	15.3	-5.7
Sw itzerland	6.4	-0.1
UK	25.1	6.2
US	8.8	-6.1
Other	4.9	3.9

Market Cap	Gross%	Net%
>£2bn	15.0	-5.1
£700m - £2bn	27.6	-24.1
£200m - £700m	32.2	1.3
<£200m	41.8	30.2

Sector	Gross%	Net%
Construction	11.7	4.4
Consumer	22.1	-15.3
Energy	7.4	-1.7
Financial	4.6	0.4
Food	2.5	-2.1
Leisure	5.8	-3.3
Manufacturing	6.7	-2.9
Media	15.1	4.4
Medical	5.7	-1.7
Property	3.0	3.0
Retail	4.2	2.7
Services	5.2	4.1
Technology	9.2	5.2
Transport	4.9	4.1
Other	8.5	1.0

The geographic analysis relates to country of incorporation or listing. This may not represent the underlying economic exposure of the operating business.

Portfolio Activity

Figures in brackets refer to previous month end; * = positions > 0.5% of NAV.

As at 30th April the Fund was invested in 70 (60)* stocks. Net exposure was little changed in April but gross exposure increased considerably, principally due to strong share price appreciation across many of our positions. We reduced our positions in TGS Nopec and Kingspan, both of which have performed very strongly in recent months, as a result of which they are no longer among the Fund's top five holdings.

Outlook

We have decided not to provide an Outlook statement at the end of our newsletters in future. As you have no doubt heard us say many times, we do not believe we can forecast markets or economies, either in the short or the medium term. Our focus is on picking individual stocks and as such we think the comment we give each month on a specific company is a much better guide to how we will perform in future than any general statements we can make.

Our final Outlook statement is simply this: our investment team has significant shareholdings – in terms of both personal wealth and assets under management - in our funds. Our business model and investment style are the same as they have always been and we therefore expect to continue to perform well in absolute terms over the long term, as we have done over the past ten years. We look forward to rewarding your loyalty as shareholders.

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