Ennismore Global Equity Fund

Investor Newsletter for the month of October 2022

Issued on 4 November 2022

Fund Details

Daily dealing UCITS and Irish Central Bank regulated open-ended investment company with Financial Conduct Authority recognition and registered in Ireland. The Fund size was USD 113m as at 28th October. Total assets under management by Ennismore Fund Management were USD 560m. The number of shares issued by our funds is capped in order to limit the level of assets under management in each strategy. We currently have capacity available in the Ennismore Global Equity Fund. If you would like to invest please contact Adam Sullivan on +44 (0) 20 7368 4224 or email subs@ennismorefunds.com.

Performance as at 28 October 2022

	Share Class[2]					
	GBP	**GBP A**	**EUR**	**CHF**	**EUR I**	**USD I**
NAV per Share[1]	11.29	11.23	11.43	10.40	8.74	8.86
	% Change					
October 22	0.5	0.5	2.8	5.7	0.3	0.5
2022 to date	-4.9	-4.9	-6.9	-11.0	-6.5	-4.9
Annualised return[3]	2.0	1.9	2.2	0.6	-3.1	-3.1
Since launch[3]	12.9	12.3	14.3	4.0	-12.6	-11.4

[1]Source: Administrator, Net Asset Value.
[2]Source: Administrator, Net Asset Value, net income reinvested.
[3]Since inception of GBP, GBP A, EUR and CHF share classes on 03/10/16, EUR I share class on 03/07/18, USD I share class on 02/01/19.
Note: All performance figures net of fees. **Past performance is not a guide to future returns.**

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

The Fund's NAV increased by 0.5% in October. Our long book contributed +3.8% while our short exposure cost 2.6%. Global equity indices bounced back in October after dropping sharply during September.

Our main contributor on the long side was thyssenkrupp AG which was up 22.2% during the month contributing 65bps. The stock trended steadily upwards during the month after hitting 52-week lows in late September. The company announced during the month that it had invested EUR 100m in its Bochum site which is becoming a centre of excellence for electric mobility and ultra-high strength steels. However, as we have previously written in December 2020, we believe that most of the value is in other parts of the business. Other significant contributors were Buzzi Unicem, up 13.6% and Schibsted, which was up 7.2%, contributing 56bps and 43bps respectively. Both names (which are amongst our largest holdings) gained after selling off sharply in the previous two months. Mexican distiller Becle, better known as the parent company of tequila brand Jose Cuervo, contributed 41 bps as its share price rose 18% during the month. Becle posted a 29.6% jump in third-quarter net profit driven by price hikes and solid growth of its premium brands, particularly outside of its core markets.

On the short side the performance was less prosperous amidst a global equity market rally, although no single position cost the fund more than 40bps. Our largest detractor was a short in a German printing manufacturer which moved 19.1% higher costing us 31bps.

We continue to remain cautiously positioned during these turbulent times, with a net exposure of 27.7% at the end of October, towards the lower end of our typical range.

Top Five Contributors and Detractors for October 2022

Contributors	MTD (bp)
thyssenkrupp AG	65
Buzzi Unicem SpA	56
Schibsted ASA	43
Becle S.A.B. de C.V.	41
D'Ieteren Group	35

Detractors	MTD (bp)
German printer manufacturer	-31
Nippon Television	-25
US software company	-22
US electronics retailer	-21
US entertainment company	-19

Top Five Long Holdings as at 28 October 2022

Company	Country	Sector	% of NAV
Buzzi Unicem SpA	Italy	Materials	5.7
Intl. Distributions Services Plc (fka Royal Mail)	United Kingdom	Industrials	4.9
Schibsted ASA	Norway	Communication Services	4.8
Admiral Group Plc	United Kingdom	Financials	4.1
thyssenkrupp AG	Germany	Materials	4.1
			23.7

Exposures as at 28 October 2022

Longs%	Shorts%	Gross Exposure%	Net Exposure%
75.3(73.1)	47.6(44.8)	122.9(117.9)	27.7(28.4)

Figures in brackets refer to previous month end. All exposures are calculated on a delta adjusted basis. All calculations are subject to the impact of rounding

Exposures by Country, Market Cap & Sector as % NAV and Positions as at 28 October 2022

Country	Gross%	Net%
United States	44.1	-22.4
United Kingdom	26.6	25.1
Germany	8.2	4.4
Norway	7.6	3.2
Italy	6.4	5.1
Sweden	6.3	5.0
Austria	3.7	-1.6
Japan	3.1	3.1
Belgium	2.9	2.9
Mexico	2.5	2.5
South Korea	1.7	1.7
Spain	1.6	0.8
Brazil	1.5	1.5
Ireland	1.2	1.2
Switzerland	1.1	-1.1
Europe	1.1	-1.1
Australia	1.0	-1.0
Hong Kong	0.8	-0.5
Other	1.6	-1.1

Market Cap	Gross%	Net%
>$10bn	20.0	-4.8
$5bn - $10bn	22.4	10.6
$1bn - $5bn	58.4	28.7
<$1bn	22.1	-6.8

Positions	Oct	Sep
Long	46	45
Short	69	71
Longs Opened	2	6
Longs Closed	1	1
Shorts Opened	3	5
Shorts Closed	5	8

Sector	Gross%	Net%
Communication Services	19.8	13.3
Consumer Discretionary	20.6	4.9
Consumer Staples	8.5	2.4
Energy	0.0	0.0
Financials	12.5	6.8
Health Care	5.5	-5.0
Industrials	17.9	0.2
Information Technology	19.4	-0.6
Materials	13.2	8.6
Real Estate	1.9	0.6
Utilities	0.0	0.0
Other	3.5	-3.5

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

NICE Information Service – South Korean credit bureau (1.7% NAV)

NICE Information Service (NICE) is the largest provider of consumer credit information in South Korea with a market share of around 65%. The next largest peer is Korea Credit Bureau (KCB) with a share of roughly 26%, followed by SCI Information Service with less than 10% of the market.

Being significantly larger allows the company to offer more competitive pricing, invest into sales and marketing, as well as be more proactive in seeking proprietary information to enhance its own database. It also helps that KCB's ownership structure – being set-up in 2005 and co-owned by the larger banks as an alternative provider – has resulted in it being less aggressive and flexible in winning new business and servicing clients. While the bigger and better financed banks tend to use solutions from both NICE and KCB, the more resource-constrained smaller regional players, and start-ups default to NICE due to the reasons

Warning: This newsletter is issued by Ennismore Fund Management Limited, authorised and regulated by the Financial Conduct Authority. Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any reference to individual investments within this newsletter should not be taken as a recommendation to buy or sell. This newsletter should be read in conjunction with the full text and definitions section of the Prospectus dated 25 February 2022 and Supplement thereto. The Prospectus, Supplement and Key Investor Information documents are available in English at www.ennismorefunds.com

Ennismore Fund Management Limited, Kensington Cloisters, 5 Kensington Church Street, London, W8 4LD
Registered in England and Wales No. 3598371. Authorised and regulated by the Financial Conduct Authority

discussed, putting them in an advantageous position to gain more data, reinforcing existing strengths in a virtuous cycle. Such scale economies have resulted in an above-average return on capital employed of between 35-45% over time.

In addition to the consumer credit bureau business, which accounts for roughly 2/3rd of revenues, the company also has a sizeable corporate credit information operation as well as a debt collection segment. While the latter is in a more fragmented industry and less profitable, it does offer some counter-cyclicality to the group during an economic downturn.

Formed after the merger of two large credit bureaus in 2010, the entity is fairly mature, registering mid-single digit revenue growth rates since the middle of the last decade. That said, legislation effected in early 2020 has allowed for new avenues of growth like the provision of anonymised user data for marketing and analysis. Due to strict privacy laws in South Korea such monetisation of personal data – even when anonymised – wasn't possible prior to the change. The result is an acceleration in growth, with the core consumer credit business growing 10% and 12% in the fiscal years 2020 and 2021 respectively. We're also starting to see operating profit margins – currently in the mid-teens – expanding towards the much higher levels achieved by global peers not restricted by similar regulations.

Shares in the company have halved in price from the highs reached in mid-2021 however, most likely due to the poor economic environment we're now facing, which inevitably has also slowed growth in the consumer credit bureau to around 5% by Q2 2022. While near term growth is likely to be weak, as we emerge out of this downturn eventually, we do expect data revenues from the new legislation to continue driving growth.

The company is currently valued at around KRW813bn ($574m) and generated KRW56bn ($39m) in annual after-tax profits for the twelve months ending June 2022. Adjusting for the excess cash and short-term investments of over KRW150bn ($106m), the shares are trading on less than 12x net operating profit after tax (NOPAT). This compares to international peers trading on earnings multiples in the mid to high 20s. While the wide discount is most likely in part due to geopolitical risks, another contributing factor could be the current classification of South Korea as an emerging market despite having a per capita GDP in excess of $30,000, comparable to several developed European economies. On a more reasonable multiple of 20x NOPAT one could expect NICE shares to more than double from current levels over the next few years. Management seems to agree, with the company starting to buy back shares in the middle of September.

Monthly percentage return for the GBP A share class of the Global Equity Fund

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-1.7	-3.2	-3.3	3.4	0.4	-5.2	4.6	0.4	-0.4	0.5			**-4.9**
2021	-2.6	1.4	2.6	3.0	0.7	-0.9	2.2	1.2	1.9	-3.9	1.8	2.3	**10.0**
2020	-4.7	-6.6	-5.4	4.6	-0.9	2.2	-4.4	-10.2	5.3	-0.7	-3.6	2.2	**-21.3**
2019	2.9	1.0	0.3	1.7	-0.2	0.5	1.0	1.8	1.9	0.0	-4.4	0.7	**7.3**
2018	-4.4	5.9	-0.9	3.3	2.9	5.9	1.9	4.0	0.9	0.8	0.5	-3.0	**18.6**
2017	-0.1	-1.4	-1.2	-2.9	1.7	-1.5	1.0	3.2	-2.8	1.3	-1.2	5.5	**1.3**
2016										1.3	-0.8	5.3	**5.8**

For further information please contact:	Adam Sullivan, Ennismore Fund Management	+44 (0) 20 7368 4224	subs@ennismorefunds.com
For dealing please contact:	Northern Trust International Fund Administration Services (Ireland) Ltd	+353 (0) 1 434 5103	Ennismore_TA_Queries@ntrs.com

Warning: This newsletter is issued by Ennismore Fund Management Limited, authorised and regulated by the Financial Conduct Authority. Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any reference to individual investments within this newsletter should not be taken as a recommendation to buy or sell. This newsletter should be read in conjunction with the full text and definitions section of the Prospectus dated 25 February 2022 and Supplement thereto. The Prospectus, Supplement and Key Investor Information documents are available in English at www.ennismorefunds.com

Risk Warning

This document is issued by Ennismore Fund Management Limited ("Ennismore", "the Company") which is authorised and regulated by the Financial Conduct Authority.

This document is confidential and is intended solely for the information of the recipient and may not be passed on or disclosed to any other person. This information should not be reproduced or disseminated in any form without the prior written permission of Ennismore Fund Management Limited.

This document is a marketing communication. Please refer to the Ennismore European Smaller Companies Plc Prospectus, supplement thereto and to the KIID before making any final investment decisions.

A copy of the English version of the Prospectus of the Fund and the Key Investor Information Document (KIID) relating to the Fund may be obtained online from www.ennismorefunds.com or alternatively received via email upon request by contacting clients@ennismorefunds.com. Where required under national rules, the KIID will also be available in the local language of the relevant EEA Member State.

A summary of investor rights associated with an investment in the Fund is available online in English at www.ennismorefunds.com or it may be received upon request via email by contacting clients@ennismorefunds.com.

A decision may be taken at any time to terminate the arrangements made for the marketing of the Fund in any EEA Member State in which it is currently marketed. In such circumstances, Shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the Fund free of any charges or deductions for at least 30 working days from the date of such notification.

This document is for information purposes only and is not an offer to sell or an invitation to buy shares in Ennismore European Smaller Companies Fund (the "Fund"). In particular, it does not constitute an offer or solicitation in any jurisdiction where it is unlawful or where the recipient may not lawfully receive any such offer or solicitation. It is the responsibility of any person in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of relevant jurisdictions.

Content in this document is provided for information only and is not intended for trading purposes. Any information and opinion in this document is subject to change by the Company without prior written notice. Content in this document is not an invitation or inducement to engage in any investment activity and is not appropriate for the purposes of making a decision to carry out a transaction or trade in any of the companies mentioned in this document. Nor does it provide any form of advice amounting to investment advice or make any recommendations regarding particular financial instruments or investment products. Use of this document is no substitute for obtaining proper investment advice from an authorised investment professional.

We hereby disclose that as at the date of first issue of the report to which this is an Appendix, we held positions in the companies discussed in that report and we are thus subject to conflicts of interest in respect of these companies. The analysis presented on these companies has not been prepared in accordance with legal requirements regarding the independence of investment research and as such is considered non-independent research, as defined by COBS 12.3.2R of the FCA Handbook and as a marketing communication.

Although the Company considers the content of this document to be accurate at the time it was written, we do not guarantee the accuracy of the information presented or of our opinions. The factual information contained in this document may become inaccurate as a result of the passage of time and should therefore be read for historical information only. Future expectations are the opinion of the Company at the time of writing and are subject to change without notice, and the Company does not undertake to provide information concerning changes to its opinions and expectations in any way. All forecasts are subject to risks and uncertainties that may cause actual results to differ materially from those which were expected.

This document is not intended to provide a complete description of the investment, research and due diligence process utilized by Ennismore. Ennismore may modify its investment process and method for evaluating portfolio investments in any manner that it deems appropriate without notice to investors. The information contained herein may be approximate and is used to show the overall investment management process that Ennismore engages in.

The examples of specific investments included herein are not representative of all of the companies purchased, sold or recommended for the Fund. The Fund's portfolio contains a much larger number of positions than the examples set forth herein and, accordingly, the examples are not intended to indicate the overall composition of the Fund's portfolio. It should not be assumed that investments in the companies identified will be profitable, that recommendations made in the future will be profitable or will equal the investment performance of those discussed herein, or are representative of investments that will be made in the future. There is also no guarantee that any of the positions are currently or will remain in the Fund. The information included in this document should not be considered a recommendation to purchase or sell any particular security or other financial instrument. All statements and expressions are the sole opinion of Ennismore and are subject to change without notice.

The list of winners and losers presented herein has been calculated by including those positions that contributed most significantly, either positively or negatively, to the performance of the Fund's portfolio during the period. This is not meant to be indicative of the performance of all positions contained in the portfolio. Past performance is not indicative of future results.

Additional Information for Recipients in Switzerland

The Fund has not been approved for distribution in or from Switzerland by the Swiss Financial Market Supervisory Authority. As a result, the Fund's shares may only be offered or distributed to qualified investors within the meaning of Swiss law. The Representative of the Fund in Switzerland is Bastions Partners Office SA with registered office at Route de Chêne 61A, 1208 Geneva, Switzerland. The Paying Agent in Switzerland is Banque Heritage, with registered office at Route de Chêne 61, 1208 Geneva, Switzerland. The place of performance and jurisdiction for Shares of the Fund distributed in or from Switzerland are at the registered office of the Representative.

For further information please contact:	Adam Sullivan, Ennismore Fund Management	+44 (0) 20 7368 4224	subs@ennismorefunds.com
For dealing please contact:	Northern Trust International Fund Administration Services (Ireland) Ltd	+353 (0) 1 434 5103	Ennismore_TA_Queries@ntrs.com

Warning: This newsletter is issued by Ennismore Fund Management Limited, authorised and regulated by the Financial Conduct Authority. Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any reference to individual investments within this newsletter should not be taken as a recommendation to buy or sell. This newsletter should be read in conjunction with the full text and definitions section of the Prospectus dated 25 February 2022 and Supplement thereto. The Prospectus, Supplement and Key Investor Information documents are available in English at www.ennismorefunds.com