Ennismore Global Equity Fund

Investor Newsletter for the month of March 2024

Issued on 9 April 2024

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 GBP 133m as at 28th March. Total assets under management by Ennismore Fund Management were GBP 484m. 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 Global Equity Fund. If you would like more information or to invest, please contact Adam Sullivan on +44 (0) 20 7368 4224 or email subs@ennismorefunds.com.

Performance as at 28 March 2024

	Share Class[1]					
	GBP	**GBP A**	**EUR**	**CHF**	**EUR I**	**USD I**
NAV per Share[2]	14.21	14.13	14.46	13.00	10.78	11.17
	% Change					
March 2024	2.0	1.9	2.0	4.7	2.4	1.9
2024 to date	2.1	2.0	3.3	8.8	2.2	2.0
Annualised return[3]	4.8	4.7	5.0	3.6	1.3	2.1
Since launch[3]	42.1	41.3	44.6	30.0	7.8	11.7
Note: All performance figures net of fees. **Past performance is not a guide to future returns.**						

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

The Fund returned +1.9% in March. Longs contributed +3.1% and shorts cost -0.6%.

In Q1 the Fund returned +2.1% which was an acceptable performance in the context of markets that continued to rally, albeit less frantically than November and December 2023. Broad indices are now up 25-30% since the trough at the end of October and mostly trading at or very close to all-time highs. In the first quarter the long book contributed +2.6% on average exposure of 88% for an implied return of +3.0%. The short book detracted -0.1% on average exposure of 46% for an implied return of +0.2%. Our long-short spread for the quarter was therefore 2.8% points. This is a little below our aspiration but not a terrible outcome in our view given the challenges the recent environment has presented for our short approach.

Major long contributors were Buzzi Unicem SpA. (+1.5%), Nippon Television Holdings, Inc. (+0.9%), Schibsted ASA (+0.8%) and D'Ieteren Group SA (+0.7%). Buzzi rose in sympathy with other European building materials companies such as Holcim AG and CRH plc which have taken steps to address the stark valuation gap between European listed businesses with significant US operations and their US-listed peers. The stock is still attractively valued, trading at c. 8x enterprise value to operating profit after tax, but margins are now at peak levels, so with the risk-reward significantly less favourable we halved the position towards the end of the quarter. Nippon TV responded well to an announcement that it would begin paying foreign shareholders their full dividend allocation and the launch of its first share buyback since 2009. Schibsted signed a deal with Tinius Trust to progress the disposal of its news media operations (which was announced in December) and confirmed its plans to distribute to shareholders almost all of the proceeds from this and its imminent disposal of a chunk of its stake in Adevinta ASA.

[1]Source: Administrator, Net Asset Value, net income reinvested.
[2]Source: Administrator, Net Asset Value.
[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.

Investors apparently lacked faith in management, as the shares jumped almost 20% during the quarter on these rather pedestrian developments despite reporting if anything mildly disappointing earnings. Given the huge pro forma cash balance on the balance sheet, the implied rerating of the underlying businesses during the quarter is over 50%. We sized the position near our maximum early in the quarter given the extremely skewed risk-reward and reduced it to a more typical size as the rerating played out. D'Ieteren continues to recover from 2023's rather baffling sell-off after reporting steady operating performance and a recovery in cash generation. The stock is up almost 50% from its October lows but remains cheap in our opinion. On our valuation, the market still attributes minimal value to any of the assets beyond the core windscreen repair and replacement business Belron.

Long detractors were Moneysupermarket.com Group plc (-0.6%) and Tucows Inc. (-0.6%). Moneysupermarket's weakness is surprising to us. 2023 results were solid and with motor insurance price inflation still high switching activity is likely to remain elevated, whilst we expect the energy comparison business to recover from 2025. Tucows has been a disappointing investment, and a salutary lesson in trusting management too much and being too slow to change our perspective despite numerous warning signs. Fortunately, until we recently exited the position, we were mostly guilty of sitting on it rather than adding materially on the way down. This in itself is typically a position management failure: if one doesn't wish to add to a position when it has fallen 50% or more, it strongly suggests the required level of conviction is not there and that one should consider selling instead.

This was a frustrating period for the short book. We had an unusually positive earnings season, with numerous profit warnings, a couple of companies that were targeted by short activists, and several companies that filed their 10-Ks late or missed refinancing milestones. However, in the market environment of the last 4-5 months, profit warnings appear to be quickly forgotten by investors, whilst late 10-Ks are ignored. Amidst this was a substantial loss on SoundHound AI, Inc. (-1.8%). We discussed this in detail in our February 2024 letter so won't revisit that ground here, except to remind you that the higher risk / aggressive deception category of our short book has been a very material contributor to the Fund's returns over the last three years, despite a couple of SoundHound-type situations. Of course, we do our best to avoid them, and seek to learn any relevant lessons when they happen. But we do believe such situations are unfortunately a hazard of ploughing these, overall, profitable fields. We take comfort from being able to deliver a reasonable long-short spread in the quarter despite this significant loss, and in market conditions that are somewhat hostile for our short approach.

Positioning: slightly higher gross exposures and a growing North American long book

You may notice that our exposures are modestly higher than over the last couple of years, with gross exposure currently 134%. This is deliberate. Given the very high liquidity of the portfolio, we have much less need than Ennismore's European fund to maintain a cash buffer to facilitate agility when opportunities arise. We will aim to maintain long exposure above 90% of NAV most of the time. We think this makes a great deal of sense for investors given our record of delivering a large long-short spread over many years. Our net exposure has also risen somewhat, back towards the middle of our expected range. This largely reflects the output of our bottom-up process of searching for and reviewing ideas rather than an explicit decision to increase exposure. However, we have culled the tail of the short book in recent weeks. The other change, albeit less obvious, is an increase in the proportion of our long book allocated to North America. This largely arises thanks to Sachan Sapra, our new portfolio manager, ramping up his portfolio. Sachan's experience is primarily focused on North America. It's also worth noting that our underlying North American exposure in the long book is much larger than the data tables suggest. We have numerous UK and European-listed companies with between 35% and 65% of revenues or profits deriving from North America. On our assessment, just under 40% of our long portfolio is invested in companies that are primarily American operations.

The long book is currently very robustly positioned. Of our top 17 positions, which account for just over 52% of NAV, 14 have net cash balance sheets or very modest levels of net debt. D'Ieteren admittedly has some debt on its subsidiary balance sheets, but we expect it to have over 15% of its market cap in net cash at the group-level by the end of 2024. All except three of those 17 positions are highly cash flow generative (the others being International Distributions Services plc, fka Royal Mail, Deliveroo plc, and Becle, SAB de CV). This is a comfortable place to be given the ongoing deferral of expectations for when interest rates will be cut. Although financial conditions are currently loose, and credit spreads very tight, more leveraged and interest rate sensitive segments of the economy are coming under increasing pressure as this period of relatively tight monetary policy continues. We anticipate balance sheet strength will continue to be a driver of outperformance. We expect the distributions to shareholders in 2024 (whether through dividends, buybacks, or tenders) from these 17 positions to be around 8.5% of the current aggregated positions. Fortunately, we are finding some good ideas to deploy that cash into. We initiated a couple of significant new positions in the quarter, most notably Petershill Partners plc ("Petershill Partners") an investment group that takes minority stakes in high quality private investment firms which we write on below.

Top Five Contributors and Detractors for March 2024

Contributors	bps
Buzzi Unicem SpA	94
D'Ieteren Group SA	72
Schibsted ASA	38
Nelnet Inc	34
Admiral Group Plc	33

Detractors	bps
US listed Chinese aerospace company	-21
Moneysupermarket.com Group Plc	-20
Auto Trader Group Plc	-19
US consumer goods company	-18
Flutter Entertainment Plc	-18

Top Five Long Holdings as at 28 March 2024

Company	Country	Sector	% of NAV
D'Ieteren Group SA	Belgium	Consumer Discretionary	5.3
Schibsted ASA	Norway	Communication Services	5.0
Admiral Group Plc	United Kingdom	Financials	4.9
Nelnet Inc	United States	Financials	3.5
Nippon Television Holdings Inc	Japan	Communication Services	3.4
			22.1

Exposures as at 28 March 2024

Longs%	Shorts%	Gross Exposure%	Net Exposure%
91.5 (90.6)	42.5 (45.0)	134.0 (135.6)	49.1 (45.6)

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 March 2024

Country	Gross%	Net%
United States	40.7	-11.3
United Kingdom	34.2	31.5
Japan	12.3	8.0
Germany	6.7	5.1
Norway	6.6	5.9
Belgium	5.5	5.1
Sweden	4.8	-1.9
Italy	3.9	2.0
Canada	3.7	1.4
Mexico	2.2	2.2
Bermuda	1.9	1.9
Israel	1.7	-0.6
South Korea	1.6	1.6
Switzerland	1.5	-0.2
France	1.3	-1.3
Hong Kong	1.2	-1.1
Austria	1.0	0.2
Other	3.3	0.5

Market Cap	Gross%	Net%
>$10bn	34.3	15.5
$5bn - $10bn	25.1	13.8
$1bn - $5bn	48.7	19.1
<$1bn	26.0	0.7

Positions	Mar	Feb
Long	72	70
Short	85	97
Longs Opened	3	11
Longs Closed	1	4
Shorts Opened	11	9
Shorts Closed	23	18

Sector	Gross%	Net%
Communication Services	15.2	12.7
Consumer Discretionary	23.0	6.3
Consumer Staples	11.5	0.4
Energy	0.8	0.8
Financials	21.6	17.3
Health Care	7.4	-3.0
Industrials	16.8	2.7
Information Technology	20.4	6.5
Materials	12.8	5.2
Real Estate	4.3	0.2
Utilities	0.0	0.0
Other	0.0	-0.0

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

Trade-offs

At its simplest, investing in public equities is mostly about making trade-offs between the quality of a business, how much it will grow, and the valuation you can buy it for. Sadly, the nirvana of a fast-growth, high quality business at a bargain price is rarer than a nun in a brothel. Our multi-manager structure means that our fund presents investors with a composite of approaches. We have PMs who endlessly scour the world for Benjamin Graham-style cigar butts such as collections of securities for sale at discounts, with profitable businesses attached (see our August 2022 write-up of Nippon TV for instance). In such cases, the margin of safety is pretty obvious, but exciting returns often require external input such as an activist shaking the tree or a change in management. A balance sheet full of cash might also struggle to beat the market in a raging bull market environment. We also have PMs who are reluctant to get out of bed to look at a business without sustained returns on capital above 20%. Often these businesses have very defensible moats. Unfortunately, we're not the only investor who is hunting for such businesses, so the biggest hurdle in these cases is typically the price we have to pay to own them. It pays to be patient and think long-term, which our structure enables us to do.

We have a few tricks we try to employ to tilt these trade-offs in our favour. One example is to find situations where the underlying quality of an asset has been obscured, but change - in for instance corporate structure, or management - is likely to prompt a reappraisal by the market, albeit sometimes with a timeline beyond the patience of many market participants. Several of our recent stock comments have fit this profile: Melrose (June 2023) was a position we built as the company was emerging from a spin-off and the market was relatively uninformed on the quality of the aerospace engines business; D'Ieteren's (March 2023) main investment Belron had benefited from a combination of a new industry tailwind and management overhaul at the same time, and its financial performance had undergone such a stark transformation that the market has struggled to price it appropriately. It is also likely to see a liquidity event for its private equity shareholders within the next couple of years which we would expect to highlight the under-valuation of the holdco. Schibsted (September 2023) was for five years dominated by an investment in a publicly listed company it had spun off in 2018 but which management had consistently communicated was a financial, not strategic, investment, and which it has recently agreed to sell about 60% of.

Another is to find what we think of as orphaned assets: businesses that are unique or unusual business models, without many or even any peers. A lot of “analysis” in the investment community basically involves comparing companies to a well-established peer group. A company without any peers demands some first principles thinking, or at least some imagination to identify analogistic companies that might serve as a guide. As a result, we believe such companies have a decent chance of being mispriced. Petershill Partners, an investment we added in the first quarter, fits this profile.

Petershill Partners – UK investor in private investment firms (2.8% NAV)

We seek to be objective analysts of businesses. And much as we love what we do, if we train our analytical lens on ourselves, we can't help but recognise that public equity investing as a business model has some weaknesses. Clients are free to leave when they wish and at modest cost (except when the fund is hard closed and likely to remain so – then redeeming risks the opportunity cost of being unable to get back in if one changes one's mind). Innovation has created low-cost substitutes in index funds and ETFs with effectively unlimited capacity. Regulatory requirements mean the entire portfolio is disclosed at periodic intervals, and decent chunks of it more frequently, so investors can try to "coat tail" well known investors. Performance is transparent daily. The main asset within the business is people, and whilst we have arranged our business to create an environment that is attractive to passionate investors, assets don't come much more mobile than people. Given this, portfolio managers have bargaining power and hence capture a decent share of the economics.

We happen to think that our business is more robust than this analysis suggests. The average Ennismore tenure of our portfolio managers is 13 years, for instance, and two thirds of our clients have been with us for over twenty years. But we suspect that outside investors would be unlikely to attribute a very high multiple to Ennismore's earnings. Not that they will ever have the chance to!

If we were to hire McKinsey (don't worry, we won't) to advise Ennismore on how to create equity value for its owners, they'd probably suggest creating a structure where clients are locked up for multiple years. Perhaps they'd recommend a model where returns can be juiced with leverage, and to consider taking control positions so that if leverage got an investee company into trouble, we'd have a decent shot at dividing and conquering the other stakeholders to manage things to our advantage. It would certainly help to be able to report performance only periodically, perhaps once every quarter, and to be able to report performance using model-based valuations, rather than quote-driven prices.

This is obviously an unsubtle outline of a private investment firm. We draw these contrasts partly to highlight what a great business model private investing is for the business owners in the context of our investment in Petershill Partners. But also to remind you that Ennismore is set up to be aligned with its investors, and focused entirely on performance, rather than equity value creation. Keeping our ownership internal allows us to make those choices which most investment firms find hard, most obviously restricting assets under management.

Capital has flooded into private investment businesses over the last decade, seduced by higher returns but perhaps particularly by the seemingly high volatility-adjusted returns (model-based reporting is particularly helpful on this score). Total private markets AUM has risen by 10% p.a. over the last decade. As these businesses have grown and matured, and the earlier generation founders have begun to move on, ownership models have matured too. There is now a decent cohort of listed private investment businesses, including most of the largest players: Blackstone, KKR, Apollo etc. For management teams who wish to monetise a proportion of their stakes in their own business (referred to as the general partner or "GP" in industry parlance) but are leery of the attention that an IPO can draw, an alternative is to sell a minority stake. There are a few "GP stakes" investment firms out there, but only two listed companies we know of where GP stakes investment is a large part of the company: Petershill Partners, and Blue Owl Capital through its Dyal Capital unit. These firms also provide advisory and consulting services such as support with fund-raising and recruiting as well as guidance and technical competence on matters such as implementing an ESG framework or incorporating data analysis more systematically. Particularly for smaller firms, such services help to offset the economies of scale of the largest private investment businesses.

Petershill was founded within Goldman Sachs ("GS") in 2007 and raised its third fund in 2017. It was one of the very first GP stakes investors, and the first dedicated GP stakes firm to go public. Initially investments were made across the alternatives landscape, but over the last decade or so Petershill has been almost entirely focused on private investment businesses, which now account for over 85% of look-through AUM. The first three funds (with USD 4.9bn of aggregate capital) were collapsed into the entity – Petershill Partners – that completed an IPO in late 2021, whilst Petershill fund IV raised USD 5bn outside of the public entity with a final close in January 2022. Petershill Partners now owns stakes – with a weighted average 13% economic interest in management fee earnings – in 26 mostly American firms, with a proportionate share of fee-earning assets under management (AUM) of USD 37bn. The IPO has been a dud. The stock fell by 60% from the issue price to the trough in October 2023, and despite a recovery since, is still only slightly above half the issue price. Its proportionate share of AUM has meanwhile doubled since IPO. An equal-weighted basket of eight mid and large cap public PE businesses has returned over 25% over the same period.

Some of the issues that deter investors are readily apparent. The company has a small free float, and trading is thin. Its management team is employed by GS. The investment team is also responsible for Petershill fund IV, in which Petershill Partners has no interest. The incentives of the management team are a bit confusing, potentially conflicting, and not fully disclosed: there is carried interest associated with the first three funds, but the sole investment of those funds is now the public entity Petershill Partners plc. We don't know how much that carried interest is, how it is shared amongst the investment team, or at what Petershill Partners share price it kicks in. On post-IPO investments by Petershill Partners the management team receives a performance allocation which is intended to replicate the carried interest the team would have received on investments in a private equity structure. However, shareholders keep all of any increase in Petershill Partners share price as the cost of carried interest is borne by the original investors in funds I-III. So the relative merits of deploying capital into buybacks or dividends compared with new investments are potentially quite different for the decision-makers compared to shareholders.

These are valid concerns; incentives are crucial in this business. However, we believe that overall, our interests are actually very aligned with the management team, as we estimate by far the biggest financial rewards for Petershill Partners management will come from delivering returns to Petershill Partners shareholders substantial enough to trigger the carried interest in funds I-III. Management's actions support this view too: the company is currently distributing the large majority of its cash generation. We expect dividends and buybacks in aggregate to be more than 10% of our investment over the next 12 months based on our average entry price of 174p.

More fundamentally, as we alluded to in our rumination on how McKinsey might advise Ennismore, we think private investment firms are good businesses. Barriers to entry are reasonably high. Credible founders are likely to be tenured professionals who have built up carried interest in old funds where it is being paid out. There would thus be a long financial valley as a new firm's first fund is unlikely to start distributing carried interest until year six or seven, perhaps. It is difficult to be a credible private equity operator, for instance, without a reasonable amount of infrastructure, given the level of process involved in vetting an investment and raising debt to part-fund it. Such infrastructure is costly, however. Established firms typically seek to increase the size of the funds they raise with each new vintage, and investors tend to have a fixed allocation they are seeking to make to private equity, or private markets altogether. Investors normally roll their allocations into follow-on funds by their existing firms. This dynamic is likely to restrict the available capital to invest into start-ups by many investors in private markets.

Although the industry is not all that old, the evidence so far suggests that once established, private investment firms' success is persistent. The average Petershill Partners investee is over twenty years old. The average capital duration in the underlying funds of Petershill Partners' investees is currently nine years. The franchise value – in terms of recruiting and retaining staff, investor relationships, and credibility with lenders and vendors – is significant.

Established firms also have excellent economics. The weighted average EBIT margin (considering management fees only) of Petershill Partners' investees was 58% in 2023. This is not surprising given the scaleability of the model. A mid-sized firm with, say, USD 10bn of AUM, might have an investment team of 30 or so people. Assuming typical management fees of 1.4% leaves an annual revenue stream of USD 140m to over the costs of that team as well as support functions.

Petershill Partners' largest investment accounts for c. 18% of look-through AUM, whilst the largest single fund is just 5% of AUM. So we as shareholders are invested in a truly diversified collection of medium to large scale businesses. And the investees have greatly outperformed the industry in terms of both performance and asset growth. Given this diversification and track record, our framework for thinking about Petershill Partners' is as a royalty on the growth of the private investment industry. The portfolio is tilted towards private equity, which accounts for just under half of proportionate AUM, and infrastructure funds, which is another quarter. Private credit is a smaller proportion, accounting for a little over 10% of the portfolio.

The financials are currently a little noisy. A slowdown in the M&A market has resulted in a sharp slowdown in disposals of investments (or “exits”) for private equity funds. This means performance fees are depressed, and hence Petershill Partners’ profitability is below what we think of as a normalised level. Relatedly, fundraising, and hence growth in AUM, has also slowed, because investors in PE funds typically rely on cash flows from exits to fund the commitments they have made to new fund vintages. On our view of normalised earnings in 2025, however, we have bought the stock at below 10x free cash flow. Given the long-term growth in private markets assets, and duration of the underlying asset base of the investee firms, we think this is very cheap.

The main risk to the investment, in our view, is at the industry level rather than the company-level. If the dearth of exits continues, PE firms will at some point be forced into one of a couple of unpalatable choices: selling off assets at a discount or delaying the fundraising or investment period of a new fund. Either way the economics for Petershill Partners’ investees would disappoint. More generally, the large flows of capital into the space raises the prospect of increased competition dulling returns – which could mean normalised earnings are lower than we are modelling (lower performance fee allocations), and in turn that the industry starts to see more substantial fee pressure. On a similar theme, private equity enjoyed forty years of declining interest rates through 2022. This has reversed over the last eighteen months. The longer-term implications are unclear, but the danger is the absence of this tailwind changes fundamentally the trajectory of flows into the industry. Finally, the performance of the investees will be correlated with broader markets – a sustained period of poor equity market returns would hurt earnings for Petershill Partners.

Another risk is of course that the team blows up investors’ money on poor investments, whether simply through poor decision-making or owing to an increase in competitive intensity in the industry. Our scuttlebutt on the investments to date suggests that the track record of the team is decent – we think Petershill Partners has a high-quality portfolio. And whilst a few new GP stakes business have been launched in the last few years, we believe Petershill Partners has several advantages: Goldman’s deal origination platform, breadth and depth of advisory services, GS’ branding and Petershill’s over 15-year track record.

At this valuation, and with the quality of the investees in the portfolio, we think we are more than adequately compensated for these risks. A 10% cash distribution yield on a collection of businesses that we’d expect to grow in the high single digits organically, and to expand through the acquisition of additional investments, is not an expensive price. Petershill Partners is trading at about twenty times earnings even if we entirely ignore the performance fee allocations. Moreover, this royalty-like, diversified collection of stakes in private investment firms, is trading at a very large discount to the valuations of individual listed PE businesses, which strikes us as the wrong way round, all else equal. Our base case return on this position over a three-year horizon is above 20% annualised.

Perhaps in this case we can all come together in hoping for at least a select few GS employees to become filthy rich. If the Petershill team manages that, we should all do pretty well with this investment.

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

Year	Jan (%)	Feb (%)	Mar (%)	Apr (%)	May (%)	Jun (%)	Jul (%)	Aug (%)	Sep (%)	Oct (%)	Nov (%)	Dec (%)	Annual
2024	3.3	-3.1	1.9										**2.0**
2023	0.7	0.8	0.1	3.4	-1.7	-0.9	0.8	2.5	4.9	0.9	-0.4	-0.1	**11.4**
2022	-1.7	-3.2	-3.3	3.4	0.4	-5.2	4.5	0.4	-0.4	0.5	4.1	6.2	**5.2**
2021	-2.6	1.4	2.7	3.0	0.7	-0.9	2.2	1.2	1.9	-3.9	1.7	2.3	**10.0**
2020	-4.8	-6.6	-5.4	4.6	-1.0	2.2	-4.5	-10.3	5.3	-0.8	-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	-4.5	0.8	**7.3**
2018	-4.4	5.8	-0.9	3.3	2.8	5.9	1.8	4.0	1.0	0.7	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**

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 Global 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