Ennismore European Smaller Companies Fund

Investor Newsletter for the month of August 2026

Issued on 4th September 2026

Fund Details

Daily dealing UCITS and Irish Central Bank regulated open-ended investment company with Financial Conduct Authority recognition and registered in Ireland, Germany, Italy, Spain, Sweden and Austria. The Fund size was GBP 186m as at 28th August 2026. Total assets under management by Ennismore Fund Management were GBP 347m. The Fund continues to limit capacity by capping the maximum number of units in issue. There is currently capacity available due to the natural rate of investor turnover. If you would like to invest, please contact Adam Sullivan on +44 (0) 20 7368 4224 or email clients@ennismorefunds.com. 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.

Performance as at 28th August 2026

	Share Class[2]				
	GBP A £	**GBP A €**	**GBP B**	**EUR A**	**EUR B**
NAV per Share[1]	167.69	195.88	28.33	28.11	28.25
Period	% Change				
August 26	4.0	3.9	4.0	3.9	3.9
2026 to date	-2.3	-0.4	-2.4	-0.3	-0.4
Annualised return[3]	10.8	10.0	6.9	6.9	6.9
Since launch[3]	1608.6	1290.9	183.3	181.1	182.5
Note: All performance figures net of fees. **Past performance is not a guide to future returns.**					

[1]Source: Administrator, Net Asset Value, net income reinvested. [2]Source: Administrator, Net Asset Value. [3]Since inception of GBP A share class on 27/01/99 to date, GBP B share class on 19/01/11 to date, EUR A and EUR B share classes on 31/01/11 to date.

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

The Fund returned 4.0% in August, with the long book contributing 4.2% and the short book costing 0.1%. Names benefited across our long book from early signs of a broader European cyclical recovery, as well as strong individual performances from long positions in Lectra SA, adding 30bps as it continued its rally from the previous month, and FLSmidth & Co A/S, adding 25bps as it reported Q2 results ahead of market expectations. On the short side, our position in a Swiss apparel company added 25bps as a growth deceleration prompted management to cut sales guidance.

Top Five Contributors and Detractors for August 2026

Contributors	**bps**
Lectra SA	30
Swiss apparel company	25
FLSmidth & Co A/S	25
MLP Group SA	24
Oxford Nanopore Technologies Plc	24

Detractors	**bps**
Finnish software company	-21
Secure Trust Bank Plc	-17
Novem Group SA	-15
US consumer appliances company	-13
Defama Deutsche Fachmarkt AG	-11

Top Five Long Holdings as at 28th August 2026

Company	**Country**	**Sector**	**% of NAV**
Andritz AG	Austria	Industrials	3.7
Deutsche Wohnen SE	Germany	Real Estate	3.0
Secure Trust Bank Plc	United Kingdom	Financials	3.0
SAF-HOLLAND SE	Germany	Consumer Discretionary	2.9
Trigano SA	France	Consumer Discretionary	2.7
			15.3

Exposures as at 28th August 2026

Longs%	Shorts%	Gross Exposure%	Net Exposure%
96.6 (90.6)	35.4 (36.5)	132.0 (127.1)	61.2 (54.1)

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 28th August 2026

Country	Gross%	Net%
United Kingdom	28.1	24.1
Germany	23.3	16.9
France	11.4	10.0
Sweden	10.7	0.1
United States	10.5	-6.3
Belgium	5.7	5.7
Italy	5.3	1.4
Switzerland	5.0	-4.4
Austria	3.8	3.5
Spain	3.3	0.3
Japan	2.3	2.1
Canada	2.2	0.5
Denmark	1.9	1.9
Norway	1.9	0.8
Cayman Islands	1.7	-1.1
Finland	1.7	-0.2
Luxembourg	1.5	1.5
Ireland	1.3	-0.0
Singapore	1.3	1.3
Netherlands	1.2	-0.0
Bermuda	1.2	0.9
Poland	1.1	0.1
South Korea	1.1	1.1
Other	4.6	1.1

Market Cap	Gross%	Net%
>£5bn	30.9	4.6
£1bn-£5bn	43.6	16.4
£250m-£1bn	46.0	29.4
<£250m	11.5	10.8

Positions	Aug	July
Long	133	132
Short	104	110
Longs Opened	10	8
Longs Closed	9	17
Shorts Opened	3	8
Shorts Closed	9	18

Sector	Gross%	Net%
Communication Services	10.7	7.4
Consumer Discretionary	25.8	3.3
Consumer Staples	9.6	-2.8
Energy	0.9	0.9
Financials	19.3	17.7
Health Care	7.0	2.3
Industrials	33.4	19.2
Information Technology	12.0	3.0
Materials	8.6	5.4
Real Estate	4.4	4.4
Utilities	0.3	0.3

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

Lion Finance Group – Georgian banking group (0.6% of NAV)

We believe Lion Finance Group is one of the best-run banking groups in Europe, if not the world. Since 2019, when its current CEO took the helm, it has compounded earnings and book value at 29% and 25%, respectively. Return on equity has averaged 26% over the same period and, with the exception of extraordinary reserves during the COVID turmoil of 2020, has remained above 25% every year. At a trailing valuation of less than nine times earnings and just over two times price-book ratio, the business trades at a steep discount to our estimate of intrinsic value, primarily due to its geographical footprint which lies beyond most investors' comfort zones.

Lion Finance Group owns Georgia's leading banking franchise, Bank of Georgia, and Armenia's largest lender, Ameriabank, acquired in 2024. Both banks have demonstrated healthy economics and strong competitive positions, including successfully fending off attempts from global banking groups to compete locally despite significant investment and effort.

One of the factors behind its success is its strong digital offering. The group automates roughly 95% of its unsecured lending decisions, sells more than 70% of products digitally, and was named the world's best digital bank by Global Finance in 2024 and 2025. Across Georgia and Armenia, roughly one-third of the combined population are monthly active digital users. In Georgia alone, half the population uses the app each month – and this position continues to strengthen. In the latest quarter, Bank of Georgia's daily active digital users increased 20% year-on-year to over one million, while Ameriabank's monthly active digital users grew by 47%.

Importantly, the exceptional returns do not appear to have been generated by taking excessive credit or funding risk. In the first half of 2026 the group generated a 27.2% return on average equity while its cost of credit risk was just 0.5% and non-performing loans represented only 2.1% of the loan book. Bank of Georgia's CET1 capital ratio was 18.2%, 2.7

percentage points above its regulatory requirement, while its liquidity coverage ratio stood at a robust 152%. The Georgian business also operates with an exceptional cost-income ratio of less than 30%. Similarly, Ameriabank operates comfortably above its regulatory capital and liquidity requirements.

The appealing valuation is obviously, at least in part, a consequence of its geographical footprint. Georgia has experienced periods of political turbulence, including around its 2024 parliamentary election, and is located next to an even more geopolitically turbulent neighbour in Russia.

Georgia's pro-business orientation is more deeply rooted than the politics of any particular government. The economic collapse following the end of the Soviet Union left a lasting domestic aversion to anti-market economic policies. As a country without significant oil and gas resources, Georgia is structurally dependent on attracting foreign capital. This creates a powerful incentive for successive governments to maintain an investor-friendly, pro-market business environment. The lessons learned of the communist era have also helped Georgia to build a system with a strong intolerance of corruption starting from the very top of government, with this spirit extending throughout society and business.

The principal geopolitical tail risk is Russia. Georgia has already experienced this risk directly, most notably during the 2008 war, after which Russia has continued to occupy Georgian territory. However, a renewed Russian attack appears unlikely. Russia has already obtained the Georgian territories it sought to control and there is little incremental strategic benefit from another invasion, given that Russia has already effectively blocked Georgia from joining NATO. Moreover, the drawn-out conflict and slow progress in its invasion of Ukraine have likely reduced Russia’s appetite for further immediate conflicts. Given its attractive business environment and the limited likelihood of renewed Russian aggression, we believe the market's perception of Georgia's geopolitical risk is exaggerated and providing us with the opportunity to invest in this exceptional business at a substantial discount to its intrinsic value. We account for a wider-than-usual range of outcomes associated with this investment by assigning it a relatively small weighting in the portfolio.

Ennismore had the opportunity to visit Tbilisi in June 2026 for the company’s investor day. Anecdotally, we were impressed by the quality of the infrastructure and the high degree of digitalisation and cashless payment adoption. Furthermore, we took the opportunity to speak one-on-one with management and members of the board. We remain impressed by CEO Archil Gachechiladze, who has led the company since 2019, and perceive a keen focus on profitable growth, risk discipline, and capital efficiency, as well as deal-making. The latter is particularly evident in its acquisition of Ameriabank for less than three times earnings, with operating income having grown by 46% in the two years since. Ameriabank also provides the group with a second leg of growth that is already developing considerably faster than we originally expected, with both deposits and the loan book growing 37% in constant currency in Q2, while maintaining a return on average equity of 23%. It is now Armenia’s largest lender, having increased its market share to 23%.

Management targets 15% annual loan growth, a return on average equity above 20% and the distribution of 30–50% of earnings through dividends and share buybacks. The group is currently outpacing this target, with 23% loan-book growth in the first half. Even if return on equity declines from the high-20s currently being generated, book value per share and shareholder returns should continue to compound at attractive rates. At the end of Q2, another share buyback and cancellation programme was announced, having already reduced the share count by 10% since 2019. Given this quality and growth profile, we believe the group is worth twelve times earnings, offering roughly 50% near-term upside, with optionality to compound further through organic growth, continued shareholder returns, and shrewd acquisitions across the Caucasus and Eastern Europe.

Historical Monthly Percentage Return for the GBP A Shares

Year	Jan (%)	Feb (%)	Mar (%)	Apr (%)	May (%)	Jun (%)	Jul (%)	Aug (%)	Sep (%)	Oct (%)	Nov (%)	Dec (%)	Annual
2026	1.3	-0.7	-6.6	1.3	0.4	-1.7	0.1	4.0					**-2.3**
2025	-1.7	2.5	4.6	1.9	-0.6	1.2	2.1	-0.6	0.3	1.3	-1.0	0.3	**10.7**
2024	1.9	-2.4	1.2	2.1	-0.7	0.9	0.2	0.7	-3.6	-1.5	-3.8	-1.4	**-6.5**
2023	-2.8	-0.1	-0.4	2.9	-3.0	-2.6	-1.6	3.1	3.0	1.1	1.1	1.7	**2.1**
2022	1.1	-2.6	0.2	1.4	-0.9	0.7	-3.1	1.9	-1.2	2.2	3.0	1.0	**3.7**
2021	-5.2	1.7	4.5	4.7	3.4	1.0	2.8	0.7	-0.1	-1.8	1.8	1.5	**15.8**
2020	-2.4	-2.8	-5.7	-0.8	-1.6	4.0	-3.8	-2.5	0.8	-3.1	9.6	4.5	**-4.8**
2019	1.4	-0.2	1.5	0.7	2.2	-0.7	0.6	0.6	0.6	0.2	-1.4	1.2	**6.9**
2018	-2.0	-0.8	0.0	0.7	0.9	2.0	0.3	1.1	0.3	-1.0	2.3	0.2	**4.0**
2017	1.2	-0.2	0.9	1.0	2.2	-0.6	2.7	1.5	-1.2	-1.2	0.4	2.6	**9.6**
2016	2.2	2.8	0.9	0.4	-1.2	2.3	1.3	2.3	1.6	1.9	-2.7	1.9	**14.5**
2015	-0.7	-3.1	0.0	2.2	2.2	0.8	1.9	0.8	0.5	0.5	0.7	3.8	**9.7**
2014	1.1	0.5	2.9	1.5	-1.4	-2.0	0.2	1.1	-0.2	0.8	2.0	-0.2	**6.4**
2013	6.5	2.7	1.5	-0.9	1.8	-0.9	2.8	1.2	1.6	4.2	1.2	2.3	**26.6**
2012	0.5	2.8	0.0	-1.4	-1.9	1.6	-2.0	2.5	-0.1	2.9	2.6	0.7	**8.4**
2011	2.9	0.5	5.3	0.5	-0.2	4.4	-0.7	-0.2	-0.2	2.9	-4.0	-1.4	**9.8**
2010	0.9	3.0	2.0	1.0	-1.6	-0.3	2.4	-1.5	3.4	2.3	-0.4	6.0	**18.4**
2009	-3.7	-1.6	-2.1	-6.5	4.0	-2.5	0.3	4.5	7.0	-1.1	2.0	-0.9	**-1.6**
2008	-1.4	3.4	0.1	1.8	-0.5	-2.9	-0.2	1.5	-8.5	-7.6	2.1	7.5	**-5.7**
2007	-2.2	1.3	2.4	2.9	0.5	1.5	0.5	-1.5	1.4	-0.3	-0.9	3.4	**9.1**
2006	4.0	2.3	4.8	4.2	-3.9	-4.0	-0.7	-1.4	-0.8	1.4	1.0	1.7	**8.4**
2005	3.2	4.2	0.4	-2.4	2.1	4.7	6.6	3.2	3.3	-5.2	2.5	4.9	**30.4**
2004	2.8	2.7	-0.5	2.1	-1.5	4.6	-0.9	1.5	1.7	1.9	2.8	4.4	**23.5**
2003	-1.5	2.8	1.4	4.9	4.7	0.0	3.3	1.5	2.2	0.9	2.1	3.8	**29.3**
2002	1.3	2.2	3.2	1.5	2.7	-1.0	-5.3	0.6	-4.1	3.3	2.5	-0.5	**6.2**
2001	2.4	0.7	-7.8	2.2	1.4	-0.7	0.4	1.8	-4.6	0.9	2.7	2.8	**1.5**
2000	11.8	20.7	-0.3	-4.6	2.5	1.8	1.0	0.1	-2.5	-3.0	2.6	3.2	**35.7**
1999	-0.3	1.0	0.8	6.6	1.4	3.3	4.6	1.4	-1.8	2.6	8.6	13.4	**49.0**

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