

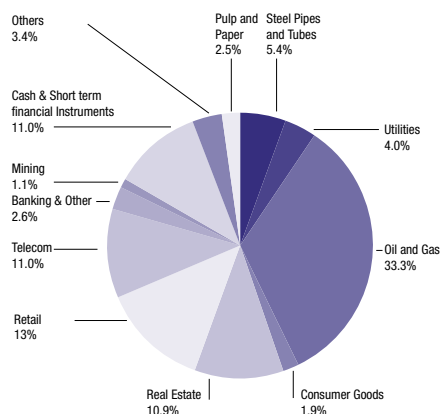
Despite record high oil prices and ample domestic liquidity (fueled by a massive trade surplus and negative real interest rates), the Russian equity market languished through the summer months as investors fretted over the potential implications of the Yukos affair. In September, a barrage of high level pronouncements on the government's commitment to the economic reform process and a multi-billion dollar privatization in the oil sector (along with the promise of the imminent privatization of Russia's giant telecom holding, Svyazinvest) went some way to allay concerns over the Kremlin's attitude towards private property rights, and foreign investment in particular. As a result, asset prices recovered strongly through the end of the third quarter.

In September, two significant foreign investments were announced in Russia's oil sector. The first by Total SA, Europe's third-largest oil company, which agreed to buy a 25% stake in OAO Novatek, Russia's second-biggest natural-gas producer, for a reported \$1bn. The second investment was from ConocoPhillips which acquired a 7.6% stake in Lukoil from the government for \$2bn.

### Top 10 Investments

Listed and Private Securities	Market Value (CHF 000s)	% of NAV
Gazprom	38'611	17.1
Romanov Dvor II (Panariello)	24'725	10.9
Mosmart	18'688	8.27
Surgutneftegas	13'934	6.2
Vimpel Communications	12'193	5.4
Batumi Terminal (Naftrans Ltd.)	9'967	4.4
Chelyabinsk Pipe	6'058	2.7
Tyumen Oil (TNK)	5'816	2.6
Kondopoga Pulp & Paper	5'662	2.5
UES Unified Energy System	5'639	2.5

### Investment Allocation by Sector



### Gazprom

The Russian government re-iterated plans to liberalize the Gazprom share structure, effectively ending an eight-year restriction on foreign ownership. Coinciding with this, the government plans to merge Rosneft, a sizable state-owned Russian oil producer, with Gazprom. The deal would bolster Gazprom's gas reserves (already the world's largest) and make the company a significant oil producer in its own right (with daily production exceeding 1m bbl/day). By comparison, Gazprom's hydrocarbon reserves are 5x those of ExxonMobil yet its market value is one fifth that of the American oil major.

### Romanov Dvor II – real estate

A consortium of banks, led by Raiffeisenbank of Austria has agreed to a refinancing transaction in the amount of USD 43 million, to be paid in several tranches. Though this amount is roughly equal to the full valuation of the property when the investment was made in March of 2003, full utilization of the loan now represents under 50% of the appraised value.

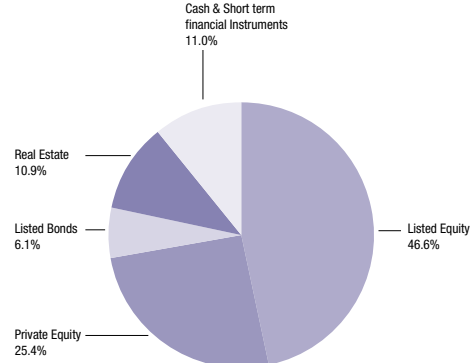
### Batumi Oil Terminal

The unified transportation corridor for Georgia, Petrotrans, has become operational and trans-shipment volumes have recovered since the resolution of tensions between the Georgian government and Adjara, the republic in which the terminal is located. Georgia's new government still faces difficulties with control over its two other republics, Abkhazia and South Ossetia, hence the economic and political situation in the country remains in flux.

### Mosmart

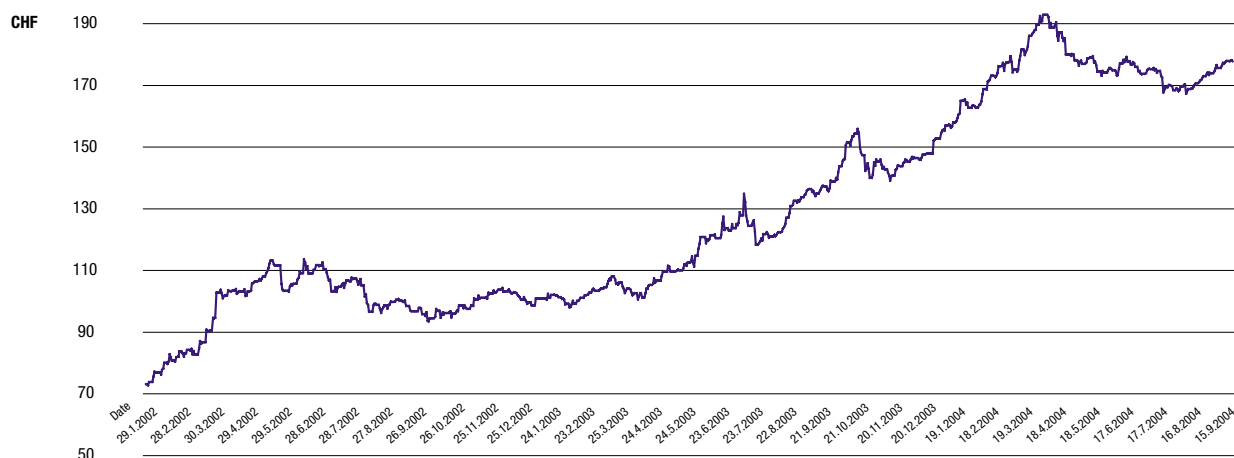
The second and third Mosmart hypermarkets opened September 16th and October 6th. The company now has over 55,000 sqm of operational space, including retail gallery, rented to banks, specialty stores, and service providers. Opening day at the second store brought in over 25,000 shoppers, and a 57% increase in turnover compared to the first store as product mix is refined, and name recognition increased.

### Investment Allocation by Asset Class



30.9.2004

## ENR Russia Invest NAV performance



## Price information

Date	Net Assets CHF (in thousands)	NAV per share CHF	Share price CHF
31.12.1995	45'958	75.31	88.69
30.06.1996	70'260	115.13	118.55
31.12.1996	69'202	113.39	109.64
30.06.1997*	162'998	217.33	154.00
31.12.1997	149'752	199.67	155.00
30.06.1998	65'003	86.67	91.00
31.12.1998	N/A	N/A	25.85
30.06.1999	N/A	N/A	24.20
31.12.1999	N/A	N/A	25.85
30.06.2000	30'261	40.35	34.00
31.12.2000	32'296	43.06	38.50
30.06.2001	52'710	70.28	48.10
31.12.2001	54'244	72.32	49.00
30.06.2002**	121'621	104.13	86.00
31.12.2002	116'444	99.69	80.00
31.03.2003	116'894	100.08	79.50
30.06.2003	145'440	124.52	95.50
30.09.2003	163'087	139.63	102.75
31.12.2003	179'524	153.70	114.50
31.03.2004	219'283	187.74	140.50
30.06.2004	208'134	177.89	137.50
30.09.2004	225'853	177.65	135.00

\* Capital increase of 250'000 shares, par value CHF 50, subscription price CHF 120 on June 30, 1997

\*\*Capital increase of 418'000 shares, par value CHF 50, subscription price CHF 95.80 on April 26, 2002

## Summary

<b>Organization</b>	<b>Board of Directors</b>	Christoph Löw Gustav Stenbolt Peter Rüegg Walter Fetscherin	Chairman Vice-Chairman Member Member	
	<b>Investment Manager</b>	MCT International Ltd.		
	<b>Investment Advisor</b>	MCT Management Ltd.		
	<b>Custodian</b>	ING Bank Eurasia A/O		
	<b>Administrator</b>	Rhône Audit Société Fiducière SA		
	<b>Auditors</b>	Ernst & Young		
	<b>Management Fee</b>	2% per annum of the average Net Asset Value		
	<b>Performance Fee</b>	15% of the amount if the Net Asset Value increase exceeds an annual return of 10% and 20% of the amount if the Net Asset Value increase exceeds an annual return of 20% (high watermark, CHF 153.70 as of 31.12.03)		
	<b>Publication List</b>	<b>NAV Publication</b>	Finanz & Wirtschaft (twice a week) The Financial Times (once a week) Reuters: OZ Bankers (daily) Bloomberg (daily) www.enr.ch (daily)	
		<b>Interim Report</b>	Available upon request from the Company or on the website: www.enr.ch	
<b>Listing</b>		Swiss Exchange		
<b>Investment Policy</b>	<b>Ticker Symbol</b>	Bloomberg: ENR SW Reuters: ENR.ZS		
	<b>Security Number</b>	Bearer Shares 347166 – CH0003471668 / Convertible bonds 1548690 – CH0015486902		

The investment objective of the Company is to maximize long term returns to shareholders. The investment Manager intends to achieve this by investing the Company's assets in a diversified portfolio of securities of companies with substantial activities in Russia and in other CIS and other Baltic states, and within certain limits, in debt instruments, physical commodities and privatization vouchers.