



GLENNON SMALL COMPANIES LTD

Investment Report & NTA

August 2017

Review of the Month

During August 2017 the Small Ordinaries Accumulation Index returned +2.71% while GC1 returned 1.07% for the month. Small Resource companies were the standout performer during the month returning (+6.85%) while the Small Industrials Index returned (+1.43%). Our process has a bias away from resources companies and as such we are underweight the sector. During the month we reduced our cash position by increasing our weightings in existing investments where we were able to get comfort in the earnings outlook for the year ahead.

Companies that performed well during the period include The A2 Milk Company A2M.ASX (+22%), Emeco Holdings Limited EHL.ASX (+28.6%) and Paragon Care Limited PGC.ASX (+15.6%). A2 Milk continued its strong run, however we are cautious that it is now approaching our valuation and starting to look expensive. Emeco reported strong underlying cash flows which has seen the company start to re-rate. Paragon also reported a strong result which saw the shares jump sharply.

Detractors from performance during the month included Pioneer Credit PNC.ASX (-5.77%) and Think Childcare TNC.ASX (-10.54%). Pioneer retraced some ground after a strong performance over the past six months. We continue like Pioneer and maintain our position. We will review our position in Think Childcare.

Going forward we still remain overweight mining services which continues to see strong cash generation and a return to capital expenditure from the resources sector. Our portfolio is more concentrated than it has been historically as we gain more conviction in the underlying investments.

Stock Code	GC1
GC1 Share Price*	\$0.920
GC1 Market Cap	\$42.1
GC1 Cash weight	15.7%
Number of Holdings	32

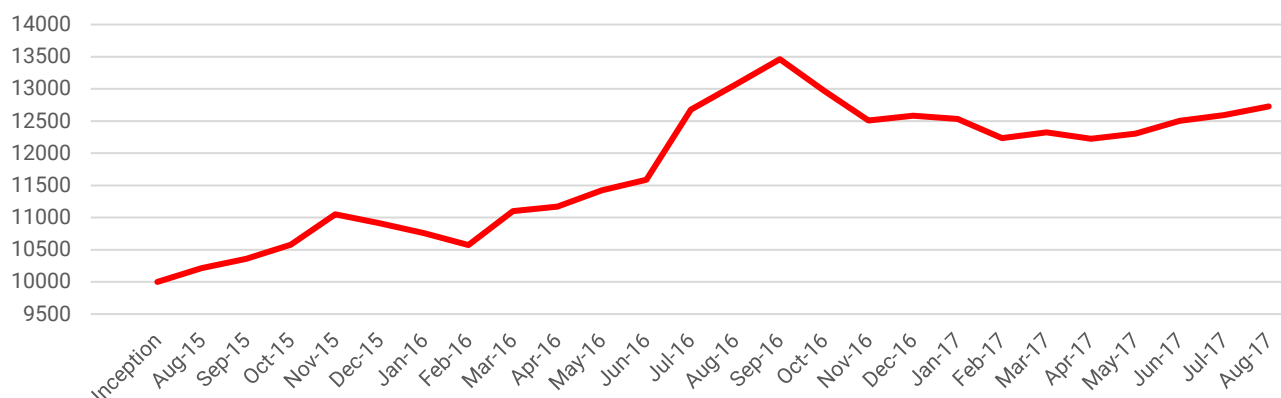
* as of the 14th September 2017

Net Tangible Assets (NTA)

NTA (before tax)	\$1.0047
NTA (after tax)	\$0.9919

Performance is shown on a gross basis, before expenses and taxes. Past performance is not a reliable indicator of future performance. Inception date is 21 August 2015.

GC1 Performance



Investor Communication

GC1 is committed to maintaining communication with our investors. We produce a weekly newsletter, detailing interesting small cap stocks and their movements, as well as insights into the thoughts of our fund management team.

To subscribe to the newsletter, or see our updates, visit

Contact Us

Boardroom Limited (Shareholder Communication)

Website: boardroomlimited.com.au

Phone: 1300 737 760

Glennon Capital Pty Ltd (Fund Manager)

Phone: (02) 8027 1000

Email: info@glennon.com.au