



GLENNON SMALL COMPANIES LTD

Investment Report & NTA

September 2017

Review of the Month

The ASX Small Ordinaries Accumulation Index gained +1.31% for the month of September. GC1 gained +2.86% outperforming by +1.55%. Our caution to the volatile Small Resources sector held back our relative performance over the quarter with many of the mining stocks rallying strongly as the sector surged +12.8%.

Our exposure to the sector was via Macmahon Holdings, a mining services business. We believe this to be the best means of access to the sector as key commodity prices improve and there is a noticeable shift in market sentiment. We remain cautious on the Resource sector recovery given the continued high levels of supply apparent in most commodity markets but also acknowledge Macmahon is well placed to leverage from the green shoots that are being seen.

We took the opportunity to gain more exposure to Shine. Shine faces a \$250 million class action claim dating back to its January 2016 turmoil, when the listed group of law firms' share price fell 73% in one day after it confessed to over-egging recoverable "work-in-progress" amounts. Factoring in the legal action, we judge this to offer a very good opportunity to top up our holding.

GC1 continues to focus our attention on good quality companies that we believe are well positioned to sustainably grow their earnings and dividends in the years ahead.

| | |
|---------------------------|---------|
| Stock Code | GC1 |
| GC1 Share Price* | \$0.875 |
| GC1 Market Cap | \$42.1 |
| GC1 Cash weight | 13.4% |
| Number of Holdings | 30 |

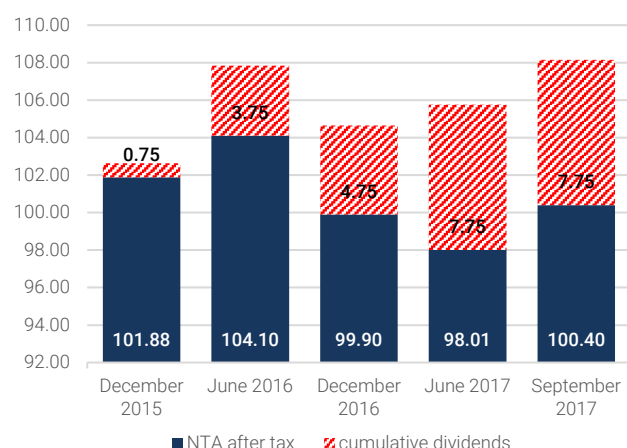
* as of the 31st September 2017

Net Tangible Assets (NTA) as at 31/09/2017

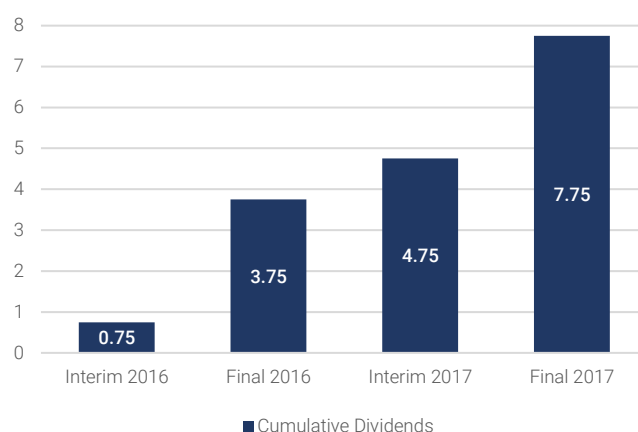
| | |
|-------------------------------------------------------|----------|
| Cumulative Dividends Paid (excluding franking) | \$0.0475 |
| NTA (before tax, before div) | \$1.034 |
| Dividend declared (unpaid) at 31/09/2017 | \$0.03 |
| NTA (before tax, after div) | \$1.004 |
| NTA (after tax) | \$0.9834 |

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 NTA + Dividends Paid



GC1 Cumulative Dividends



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
glennon.com.au/resources/latest-news

Contact Us

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