

NTA

NTA (before tax)	\$0.93
NTA (after tax)	\$0.93
ASX Code	GC1
Inception date	21 August 2015
Share price	\$0.87
Cumulative dividends*	11.75c

* Excluding GST and franking

PORTFOLIO

Cash weighting	11.2%
Number of holdings	39

TOP 2 CONTRIBUTORS FOR THE MONTH

Company	Contribution %
Afterpay Touch Group Ltd.	0.99
Lovisa Holdings Ltd.	0.44

DIVIDEND HISTORY

Period ended	Type	Amount (cps)
31 December 2015	Interim	0.75
30 June 2016	Final	3.00
31 December 2016	Interim	1.00
30 June 2017	Final	3.00
31 December 2017	Interim	1.00
30 June 2018	Final	3.00
Total dividends		11.75

REVIEW OF THE MONTH

January marked a strong recovery from lows experienced in December as the market shook off the international political and economic concerns that had been worrying investors. A strong rebound by the US FAANG stocks restored investor confidence in the domestic tech sector.

The Small Ordinaries rose 5.6%, led by Small Resources which put on 8.1%. Industrials, which make up the major portion of the broader index, also performed well, adding 4.9%. Smaller companies outperformed the ASX Top 100 which rebounded 3.7%.

GC1 produced a positive performance for the month, returning 2.92%. The fund's microcap positions have continued to hold the fund back as liquidity remains tight in that segment. We have shifted the portfolio into more liquid names and have exited a meaningful number of the smaller stocks previously held by the fund.



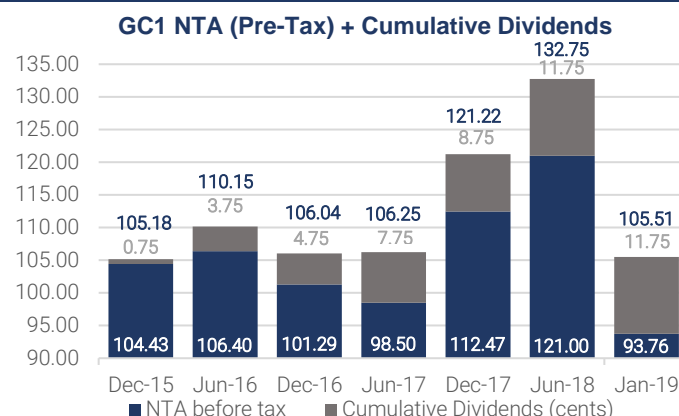
TOP 5 HOLDINGS

Company Name	ASX code
Afterpay Touch Group Limited	APT
Alliance Aviation Services	AQZ
CML Group Limited	CGR
Macmahon Holdings Ltd	MAH
Shine Corporate Ltd	SHJ

TOP 2 DETRACTORS FOR THE MONTH

Company	Contribution %
Alliance Aviation Services Limited	-0.33
Mastermyne Group Limited	-0.32

NTA + DIVIDENDS



STOCK STORIES

The fund's best performing stocks included Afterpay Touch, Lovisa, Bounty Mining and Macmahon.

After getting through a Senate inquiry relatively unscathed in November, Afterpay kept the positive ball rolling by releasing an extremely positive update midway through December. Amongst the highlights were the very positive progress being made in the US and the significant reduction of late fees contributing to earnings in Australia.

Lovisa bounced after being oversold in the bear market. There have been whispers around the market about good progress with its US stores but nothing official has been announced by the company.

Bounty Coal rebounded after a corporate fix was announced, involving new heavyweight shareholders and a change in management. The fund took advantage to exit the stock. Macmahon recovered from being oversold on no news.

The fund's worst performers were Alliance Aviation, Mastermyne Group, Eclix Group and National Vet Care.

Alliance, which had held up relatively well throughout the market's final quarter sell-off, simply failed to participate in the market's rebound. In early February Qantas announced it had taken a 20% stake in the company and a solid profit announcement soon followed.

Mastermyne has released no news but the stock fell heavily during the month – a combination of lack of liquidity (ie sold down on low volumes) and market analysis suggesting some delays in its potential coal projects.

Eclix Group downgraded its earnings forecast due to a soft consumer environment. Despite being under takeover by MacMillan Shakespeare the stock fell. Similarly, National Vet Care has not released any market information yet the stock continued to slide. The fund has exited these three microcaps.

PORTFOLIO OUTLOOK

We have realigned the fund into a more liquid state by exiting a number of microcap positions and reinvesting in more liquid small cap companies. Regardless of how well some of these names may be doing operationally, the market is not interested. The squeeze on liquidity has meant the stocks continue to be under pressure with no new buyer interest to meet even the smallest of selling volume.

Glennon has now not only shifted the focus but increased the number of stocks in the portfolio. This enables the fund to utilise some of the excess cash it had raised and also to access some quality companies at improved valuations. So far in early February this tactic has been of benefit to the fund.

We have reduced the cyclical exposure of the fund but still look to find opportunities in the resources sector, where we remain underweight.

HOW TO INVEST

Glennon Small Companies Limited shares are traded on the Australian Securities Exchange (ASX) under the ticker code 'GC1'.

If you are a first-time investor, you purchase shares through a stockbroker in the same way as you buy shares in other companies. If you do not have a stock broker, the ASX provides a service which can assist you. Please visit their site at:

<http://www.asx.com.au/education/first-time-investors.htm>

GENERAL ENQUIRIES



GLENNON CAPITAL

Telephone: (02) 8027 1000

Email: info@glennon.com.au

Website: www.glennon.com.au