



NTA

NTA (before tax)	\$1.00
NTA (after tax)	\$0.99

ASX Code	GC1
Inception date	21 August 2015
Share price	\$0.84
Cumulative dividends*	12.75c

* Excluding GST and franking

PORTFOLIO

Cash weighting	37.1%
Number of holdings	38

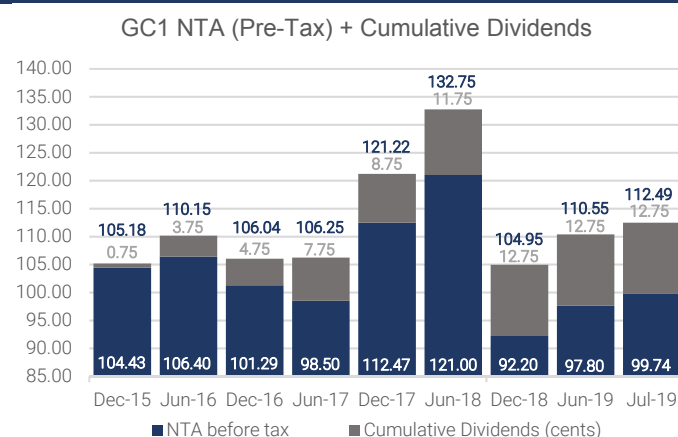
DIVIDEND HISTORY

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
31 December 2018	Interim	1.00
Total dividends		12.75

TOP 5 HOLDINGS

Company Name	ASX code
Appen Limited	APX
IDP Education Limited	IEL
Infomedia Limited	IFM
Jumbo Interactive Limited	JIN
Pro Medicus Limited	PME

NTA + DIVIDENDS



REVIEW OF THE MONTH

July was a strong month following the RBA's interest rate decision. The RBA cut the cash rate by 0.25% consecutively in June and July. The easing of monetary policy is expected to support the economy and employment growth. The Small Ordinaries rose 4.51% with the Small Industrials rising 3.70%, while the Small Resources fell 7.92%. The ASX200 lagged behind the Small Ordinaries, posting a 2.94% return. GC1 posted a 2.39% return for the month, underperforming the market by 2.13% while maintaining an average cash balance of c37%.

COMPANY NEWS

Breville Group (BRG) performed strongly over July due to positive market sentiment and recent acquisitions. BRG targeted a geographic expansion in both Europe and North America. Revenue from North America accounted for 57% of the group revenue and the company estimated the penetration rate was only 17%, indicating a high growth opportunity in North America. The recent acquisition of ChefSteps is expected to help BRG expand in North America. ChefSteps is a US-based food and technology company, focusing on sous vide. Sous vide is gaining international popularity. Food is cooked in a sealed plastic bag in a water bath at a precise temperature and time, allowing cooking meat and vegetables while retaining flavour. BRG has had no exposure to this type of product and therefore the acquisition allows BRG expand its product range. BRG can also utilize ChefSteps reported 1 million followers and 894 thousand

YouTube subscribers. Therefore, the acquisition is not only about acquiring the sous vide technology but also the strong ChefSteps community, which is mostly located in the North America. ChefSteps is not expected to have a material impact on earnings in this and next financial year but it may be a good long-term investment for BRG.

IPH Limited (IPH) continued its strong run in July. IPH is an intellectual property services firm, offering a wide range of services for the protection, commercialisation, enforcement, and management of intellectual property. IPH is seeking to takeover Xenith (XIP), its competitor in Australia. An approval from XIP shareholders was received in July. After this acquisition, IPH becomes the dominant market participant with about 40% of market share in Australia, according to patent filing numbers with IP Australia. This acquisition is expected to be EPS accretive to IPH with an opportunity to gain revenue and cost synergies. XIP has a higher proportion of clients in Australia than IPH does. IPH can leverage its Asian platforms to service the XIP client base and grow Asia filings over time. Moreover, IPH has a higher EBITDA margin than XIP, indicating a synergy from cost saving and duplication of functions. This acquisition provides IPH a good opportunity to continue its strong growth in profitability.

PORTFOLIO OUTLOOK

We are cautious about the global and domestic political environment. The trade war has started to spark again and the

market is clearly worrying about the damage to the economy and companies' profitability. However, central banks are monitoring the trade wars and are not hesitating to ease monetary policy to support economic growth. Therefore, we are cautiously optimistic about the outlook for segments of the small cap market and remain prepared to invest in businesses with attractive earnings multiples and with some element of defensiveness to their earning streams.

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



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