

## MONTHLY REPORT June 2024

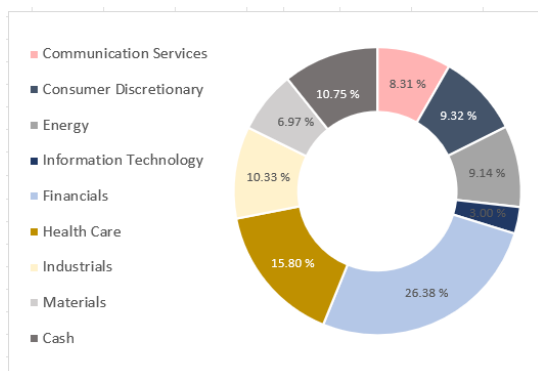
ASX Announcement 12 July 2024

NTA (before tax)*	NTA (after tax)**	Share price (30/06/2024)	Cash Weighting	Number of Holdings
\$0.70	\$0.71	\$0.49	10.75%	23

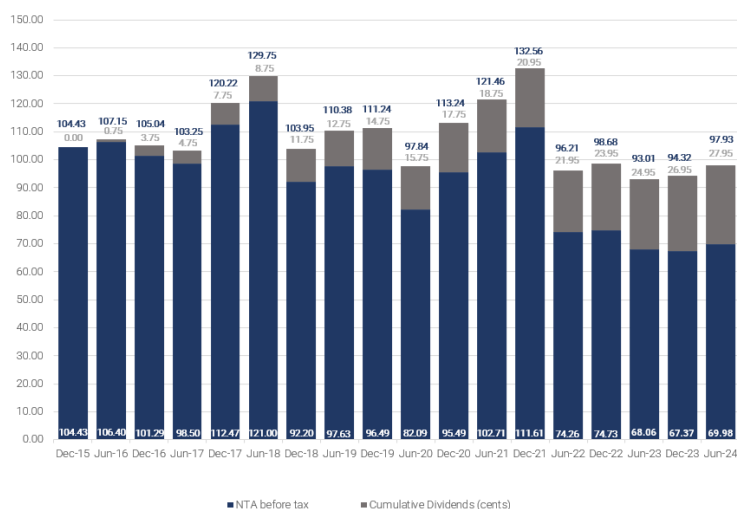
\* As required by the ASX listing rules, this is the theoretical NTA before providing for the estimated tax on unrealised income and gains, and includes (\$0.0956) per share deferred tax asset (comprised of prior years' tax losses and current year tax losses/profits)

\*\* Includes all tax balances and selling costs

### Portfolio by sector



### GC1 NTA (Pre-Tax) + Cumulative Dividends



### PORTFOLIO REVIEW

The Glennon Small Companies portfolio returned -0.26% in June, ahead of its benchmark (S&P/ASX Small Ordinaries Accumulation Index), which returned (-1.39%). For the 12 months ended 30 June 2024, the portfolio returned 7.7%, slightly underperforming the index by 1.64%. As we have pointed out frequently, the portfolio was heavily biased towards micro and nano cap companies, that have been under research and largely forgotten by the market. These companies have significantly underperformed the broader market and the small cap market. We do not see this situation changing anytime soon, with investors being impacted by increased interest rates, increased costs of living and a shift from some money from micro caps to crypto currencies where there has been a significant amount of speculative investing, drawing funds away from riskier equity investments.

The main contributors to performance were Pro Medicus (+16.79%), Superloop (+6.06%), and Hub24 (+6.84%). The larger more liquid companies in the portfolio have been performing well. We like the defensive nature of Pro Medicus and the high level of alignment of the founders. While the company is expensive on traditional metrics, it continues to gain market share. Superloop provided an update late in the month, with a modest upgrade to their forecast earnings and an update on the timing of the Origin contract which commences 2 July 2024. Of interest was that the Origin clients have increased from 130k to 150k who will be offered the Superloop white labelled service.

The main detractors from performance were Sandfire Resources (-5.62%) and Metgasco (-16.67%). There has been some uncertainty regarding Metgasco and the extension of their SPP and how they will fund capital calls for the development of the Odin 2 well. We still believe that the valuations of both of the listed companies, with exposure to the asset, doesn't fully reflect the sizeable gas assets that both regions have. Metgasco is cashflow positive before taking into consideration the funding costs for well development, but the entire process has taken longer than we anticipated when we first invested and the flow rates from the wells have been below our initial expectations. Prior to the end of the month, the market was awaiting the company releasing reserve updates, with an upgrade announced post the end of the period. The reserve upgrades were marginal with a 6% increase in ore tonnes, a 4% increase in contained copper and an 8% increase in contained zinc. However, Sandfire is up over 50% in the last 9 months, with our average return on the investment up 40%.

Overall, over the past 12 months, our exposure to microcap and nano cap companies has detracted from our performance. We have taken active steps to reduce this exposure, although a lack of liquidity in some names has made this task fruitless. We have also been more active in seeking corporate buyers or transactions for some of our positions which we expect to potentially eventuate over the next few months, though we have little ability to influence this process.

## **PORTFOLIO PERFORMANCE**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>FY24</b>	1.05%	0.52%	-0.14%	-4.27%	1.81%	2.62%	0.89%	2.24%	2.84%	-2.46%	2.87%	-0.26%	7.70%
<b>FY23</b>	12.74%	0.78%	-6.34%	1.10%	-2.20%	-0.10%	2.45%	-4.58%	0.80%	2.43%	-4.13%	-1.83	-0.15%
<b>FY22</b>	1.22%	9.10%	-2.15%	3.38%	-1.85%	5.70%	-11.22%	-7.33%	5.21%	-5.97%	-8.08%	-10.76%	-22.63%
<b>FY21</b>	5.77%	10.10%	-3.16%	2.08%	7.93%	1.18%	1.22%	2.54%	-1.95%	9.62%	-4.15%	2.46%	37.74%
<b>FY20</b>	2.39%	-3.28%	0.62%	-1.22%	2.46%	-0.03%	3.14%	-8.86%	-21.32%	6.39%	6.70%	-3.47%	-18.29%
<b>FY19</b>	1.61%	0.74%	-1.11%	-12.57%	-1.97%	-11.36%	2.07%	4.81%	-0.39%	5.63%	-3.04%	1.25%	-15.00%
<b>FY18</b>	0.72%	1.21%	3.00%	7.70%	0.43%	4.01%	1.45%	2.27%	-2.38%	-2.14%	8.63%	2.55%	30.39%
<b>FY17</b>	9.42%	3.06%	3.03%	-3.65%	-3.55%	0.58%	-0.41%	-2.39%	0.74%	-0.78%	0.62%	1.68%	7.96%
<b>FY16</b>	-	1.80%	1.23%	2.24%	4.38%	-1.57%	-1.58%	-1.31%	5.55%	0.63%	2.28%	1.43%	15.87%

## TOP HOLDINGS DETAILS (ALPHABETICAL ORDER)



### **Lovisa Holdings Ltd**

ASX: LOV

Lovisa is a fast fashion jewellery retailer. The company operates over 800 stores in over 30 countries globally.



### **Metgasco Ltd**

ASX: MEL

Metgasco is an active onshore oil and gas exploration company with exploration licences in the Premier Cooper Eromanga and Perth Basins. Metgasco's last three wells (Vali-1 ST1, Odin-1, Vali-2) have a 100% record of discovering gas.



### **Netwealth Group Ltd**

ASX: NWL

Netwealth is one of the fastest growing wealth management businesses in Australia. Its products include superannuation products, investor directed portfolio services, SMSF administration, and non-custodial admin & reporting services.



### **Pro Medicus Limited**

ASX: PME

Pro Medicus Limited is a developer and supplier of healthcare imaging software and services to hospitals, diagnostic imaging groups and other related health entities in Australia, North America and Europe.



### **Sandfire Resources Ltd**

ASX: SFR

Sandfire Resources is involved in production and sale of copper concentrate, evaluation and development of mineral tenements and projects in Australia and overseas, including investment in early-stage mineral exploration companies.



### **Sequoia Financial Group**

ASX: SEQ

Sequoia Financial Group is an integrated financial services company providing products and services to self-directed retail and wholesale clients and those of third-party professional service firms.



### **Seven Group Holdings Limited**

ASX: SVW

Seven Group Holdings Limited (SGH) is a leading Australian diversified operating group, with market leading businesses and across industrial services, energy and media. SGH's purpose is to recognise and serve exceptional businesses, with an objective to maximise return to stakeholders through long-term sustainable value creation.



### **Superloop Ltd**

ASX: SLC

Superloop is Australia's modern challenger telco and internet service provider. Its purpose is to unleash the unlimited possibilities of the internet and deliver exceptional experience for its customers. It operates in three segments of the market, Consumer, Business and Wholesale connectivity.



### **Telix Pharmaceuticals**

ASX: TLX

Telix Pharmaceuticals is a biopharmaceutical company focused on the development and commercialisation of diagnostic and therapeutic radiopharmaceuticals.

## HOW TO INVEST

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

Glennon Small Companies Limited Resettable Redeemable Convertible Preference Shares (RRCPS) are traded on the ASX under the ticker code 'GC1PA'.

## GENERAL ENQUIRIES

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