

GLENNON SMALL COMPANIES LTD

INVESTMENT REPORT | NOVEMBER 2016



Net Tangible Assets (NTA) at 30 November 2016 Cents

NTA before tax	100.61
NTA after tax	99.49

During the month to 30 November 2016 Glennon Small Companies Ltd delivered a gross portfolio return of -3.55%, while the S&P/ASX Small Ordinaries Accumulation Index fell 1.19%. Since inception Glennon Small Companies Ltd has delivered a 25.10% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 21.45%. At the end of the month the portfolio held 39.72% cash.



Performance at 30 Nov 2016	1 Month	3 Months	6 Months	1 Year	Since Inception
Glennon Small Companies	-3.55%	-4.25%	9.52%	13.22%	25.10%

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.

Commentary

November was another volatile month in the market with significant volatility ahead of, and after, the US election. Both small and large caps fell 2% on news that Donald Trump had been elected; the following day both indices surged 3% as confidence returned. Rises in the large cap banks and resources continued to contribute into month end. Small caps trailed this month but have outperformed by 3.7% over the past year.

The market saw a number of downgrades during the AGM season. CSG tumbled 37%, Isentia fell 27% and former market darling Vocus dropped 24% after announcing poor updates at their annual general meetings. For many other stocks small disappointments in earning guidance were met with substantial price falls as investors broadly took a more cautious view on placing some small caps on high valuation multiples. Pleasingly the portfolio avoided the major AGM season poor performers.

The most recent period of volatility has seen some small and micro caps marked down despite quality and growth prospects longer term; we continue to investigate many opportunities across different industries in small and micro cap stocks.

Stock Code ASX: GC1

Share Price ^(13/12/16)	\$0.99
Market Capitalisation	\$46.5m

Investment Objectives

- To own sustainable businesses with superior management that:
- operate in industries with barriers to entry and growth prospects
 - are undervalued

Investment Strategy

- Active portfolio management
- Concentrated portfolio
- Long only
- Ungeared

Company Overview

Glennon Small Companies Ltd is an ASX listed investment company. The Company invests in a concentrated portfolio of high quality small cap and microcap companies outside the S&P/ASX 100.

The Company is managed by Glennon Capital, a specialist small and microcap investment manager.

For more information on our portfolio holdings, insights and research please visit www.glennon.com.au and sign up to our newsletter.

Top Five Holdings

RFG	Retail Food Group	4.3%
BGL	BigAir	3.2%
ZML	zipMoney	3.2%
PGC	Paragon Care	3.2%
MHJ	Michael Hill	3.0%

Portfolio Characteristics

Number of Equity Holdings	36
Median Market Capitalisation	\$196m

Glennon Small Companies Ltd (GC1)

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Investor communication update

Glennon Capital is committed to communicating with our investors. In the videos and articles below, released to newsletter subscribers during November, we share our views on stocks, sectors and other topics of interest.

Videos

Structuring Uplift: how to make free money – [view](#)

Benefiting from Fear and Greed – [view](#)

Articles

Trump – what now? – [read](#)

Bond Proxies: Fear and Greed – [read](#)

Snippets

Adairs off trend – [read](#)

Nearmap closer to US success – [read](#)

Speedcast moves in on CapRock – [read](#)

Silver Chef exposes fraudsters – [read](#)

Tox cleans up Daniels – [read](#)

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WWW.GLENNON.COM.AU



Important Information

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