

GLENNON SMALL COMPANIES LTD

INVESTMENT REPORT | DECEMBER 2016



Net Tangible Assets (NTA) at 31 December 2016 Cents

NTA before tax	101.29
NTA after tax	99.90

During the month to 31 December 2016 Glennon Small Companies Ltd delivered a gross portfolio return of 0.58%, while the S&P/ASX Small Ordinaries Accumulation Index rose 3.61%. Since inception Glennon Small Companies Ltd has delivered a 25.83% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has also risen 25.83%. At the end of the month the portfolio held 37.25% cash.



Performance at 31 Dec 2016	1 Month	3 Months	6 Months	1 Year	Since Inception
Glennon Small Companies	0.58%	-6.53%	8.60%	15.31%	25.83%

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

During December markets were broadly higher with the large caps rising 4.4%, slightly ahead of the 3.6% increase in small caps. Major banks rose, driving large caps performance, but the performance of the banks remains mixed over the past 12 months. Both industrials and resources performed well for both indices, with small cap resources up almost 60% over the calendar year.

The month also saw some positive moves by some of our larger positions. Retail Food Group rose 13% on little news, while G8 Education rose 12% after announcing a trading update and a management reshuffle.

After a period of heavy capital raising activity for small companies over the past few months December was relatively quiet. However, with markets higher and small cap investors willing to back the next generation of smaller companies looking to grow, this year will likely see continued capital raising activity.

We enter 2017 with optimism about the opportunities on offer in small and micro cap stocks and with high levels of cash to deploy both to new opportunities and to existing holdings.

Stock Code ASX: GC1

Share Price ^(11/1/17)	\$0.97
Market Capitalisation	\$45.5m

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	4.8%
GEM	G8 Education	3.2%
NVL	National Vet	3.2%
SLC	Superloop	3.2%
NEA	Nearmap	3.0%

Portfolio Characteristics

Number of Equity Holdings	39
Median Market Capitalisation	\$178m

Glennon Small Companies Ltd (GC1)

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WWW.GLENNON.COM.AU



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