

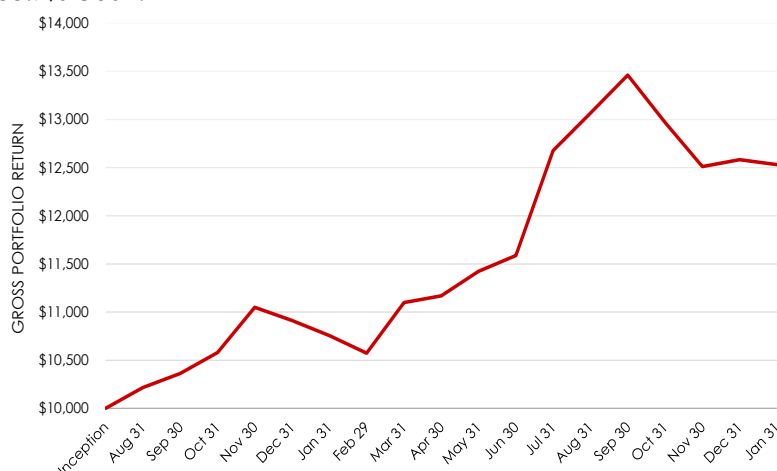
# GLENNON SMALL COMPANIES LTD

## INVESTMENT REPORT | JANUARY 2017

### Net Tangible Assets (NTA) at 31 January 2017 Cents

NTA before tax	100.63
NTA after tax	99.42

During the month to 31 January 2017 Glennon Small Companies Ltd delivered a gross portfolio return of -0.41%, while the S&P/ASX Small Ordinaries Accumulation Index fell 2.44%. Since inception Glennon Small Companies Ltd has delivered a 25.32% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 22.76%. At the end of the month the portfolio held 35.7% cash.



Performance at 31 Jan 2017	1 Month	3 Months	6 Months	1 Year	Since Inception
Glennon Small Companies Ltd	-0.41%	-3.38%	-1.15%	16.53%	25.32%

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

January saw markets broadly lower across both small caps and large caps. The small cap index fell 2.4% during the month; as has been the case over the past year small resources outperformed small industrials. Small resources rose 2.9% during the month, up a staggering 72% over the past year, while small industrials fell 3.8%, taking performance for the past year to 7.7%.

A strong performance from zinc miner Red River contributed positively during the month. The stock finished the month at 26 cents after conducting an equity placement at 18.5 cents in December to restart the Thalanga zinc mine. Instrumentation and drilling fluid supplier Imdex and childcare provider Think Childcare also continued to rise during January.

After a relatively quiet period reporting season has now begun. Already some preannounced downgrades have been met with large negative price reactions; stocks like Servcorp, Oron and GBST all surprised on the downside. There remain some bright spots, though these have mostly been contained to those businesses benefitting from the price of resources or from the increased capital or operating spend of resource companies. During this reporting season we will continue to investigate opportunities across industries in small and micro cap equities.

### Stock Code ASX: GC1

Share Price <sup>(10/2/17)</sup>	\$0.93
Market Capitalisation	\$43.7m

### 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](http://www.glennon.com.au) and sign up to our newsletter.

### Top Five Holdings

RFG	Retail Food Group	4.5%
GEM	G8 Education	3.3%
IMD	Imdex	3.2%
NVL	National Vet	3.1%
TNK	Think Childcare	3.1%

### Portfolio Characteristics

Number of Equity Holdings	39
Median Market Capitalisation	\$177m

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## Glennon Small Companies Ltd (GC1)

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[WWW.GLENNON.COM.AU](http://WWW.GLENNON.COM.AU)



### Important Information

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