

GC1 INVESTMENT UPDATE & NTA REPORT September 2015

Performance at 30-Sep 2015	1 Month	Since Inception
Glennon Small Companies Ltd	1.42%	3.61%
S&P/ASX Small Ordinaries Accum. Index	-0.53%	-0.13%
Outperformance	1.96%	3.74%

Past performance is not a reliable indicator of future performance.

Notes:

- 1) Inception date is 21 August 2015.
- 2) Performance is shown on a gross basis, before expenses and taxes.

During the month to the 30th of September 2015, Glennon Small Companies Limited returned a gross portfolio return of 1.42% compared to a return in the S&P/ASX Small Ordinaries Accumulation Index of -0.53%.

As at the 30th of September 2015 the fund was holding 45.62% cash or \$9,778,053 (54.38% invested).

Net Tangible Assets (NTA) at 30-Sep 2015	Cents (\$)
NTA pre tax	99.65
Deferred tax liability on unrealised income & gains	(0.89)
NTA after tax	98.76

Market Overview

The S&P/ASX Small Ordinaries Accumulation Index (down -0.53%) continued to outperform the ASX 200 Accumulation Index (down -2.96%) by 2.43% this month. Small Industrials were the standout gaining 1.82% during September. Industrials currently represent the largest weighting in the portfolio. The sector continues to benefit from cheaper energy prices, the falling Australian dollar, low financing costs and strong international demand for their products.

The market was reluctant to rebound this month as losses from the August sell-off extended into what is often deemed as the 'September Effect'. This prompted more buying opportunities and increasing weights to our existing holdings. Buying into these dips has been a beneficial strategy for GC1, as most markets have been oversold following the declines in August and early September.

Many significant economic events occurred throughout September. The US Fed Reserve decided not to increase interest rates higher due to market volatility and China uncertainty, whereas the Reserve Bank of Australia (RBA) decided not to decrease interest rates. Additionally, Malcom Turnbull was elected as Prime Minister and the Trans Pacific Partnership (TPP) was signed by 12 member countries. Global uncertainty is beginning to gradually unwind, however commodity prices are set to continue on a downward trend. The tourism, education, consumer spending and agriculture industries continue to harness strong investment momentum.

Stock Quote	ASX:GC1
Share Price ^(14/10/15)	\$1.00
Market Capitalisation	\$21.69m
ASX Code: Options	GC1O
Option Expiry Date	18 August 2016
Option Exercise Price	\$1.00

Investment Objectives

- Own sustainable businesses with superior management that;
- Operate in industries with barriers to entry and growth prospects; and
- Be undervalued by reference to the market price of their securities

Investment Strategy

- 20-60 securities
- Active, long only, investment management style;
- Not use leverage

Company Overview

Glennon Small Companies Limited is a newly incorporated ASX listed investment company as of 21 August 2015. As a specialist small and micro-cap investment manager, we invest in a concentrated portfolio of high quality small cap, microcap and emerging listed companies outside the S&P/ASX 100. The Manager holds over 17 years as a small cap investment specialist.

We are the perfect complement to a core portfolio of blue chip Australian shares, ETFs or managed funds. The Manager has a long term track record of outperformance and our principals are industry awarded for investment excellence.

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

Rating: Independent Investment Research Pty Ltd



Glennon Small Companies Limited (GC1)

Monthly Investment Update & NTA Report | September 2015

Exposure to Overseas Market

As at the 30th of September, 41% of the portfolio generates earnings overseas. This provides more upside potential with any further falls in the Australian dollar. We believe gaining international exposure this way is advantageous since there is less risk in investing in Australian small caps with a professional manager than there is in investing in international shares. The simplest reason is that domestic shares do not have the volatility of being subjected to foreign exchange gains or losses. There is also the advantage of being able to physically visit companies and management which usually yields the most fruitful investment knowledge.

Outlook

Our outlook heading into Christmas remains cautionary. Although forward price/earnings (P/E) ratios remain at their long term historical average of ~14.5x, when factoring in the record low interest rates they are trading at a discount.

Michael Glennon

Portfolio Manager



Investment Credentials

- 17+ years' experience in financial markets
- 15+ years as a specialist small cap manager
- IMCA/Money Management Fund Manager of the Year Award
- Michael has worked with some of Australia's most respected fund managers
- Michael has managed a Listed Investment Company as well as portfolios for;
- Superannuation funds, family offices, financial planner clients, insurance companies, charities and other professional investors

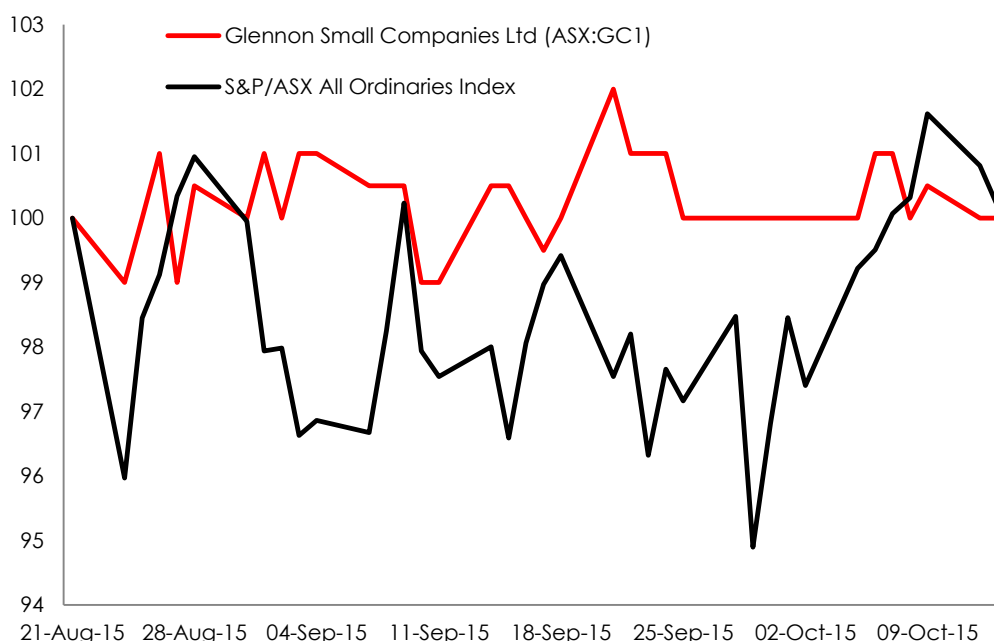
Top Five Holdings

SIV	Silver Chef	4.56%
SRX	Sirtex Medical	3.67%
SHV	Select Harvests	3.48%
ASZ	ASG Group	2.99%
IPH	IPH Limited	2.90%

Portfolio Characteristics

Number of Equity Holdings	31
Median Market Capitalisation	\$360

Shareholder Return Analysis (IPO Investors)



Important Information

This document has been prepared for Glennon Small Companies Limited by the investment manager Glennon Capital Pty Ltd ACN 137 219 866, AFSL No. 338 567. Any information has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. Past performance is not a reliable indicator of future performance. To the extent any general financial product advice is provided in this document, it is provided by Glennon Capital Pty Ltd ACN 137 219 866, AFSL No. 338 567. An investor, before acting on anything that he or she construes as advice, should consider the appropriateness of such construction and advice having regard to their objectives, financial situation or needs.