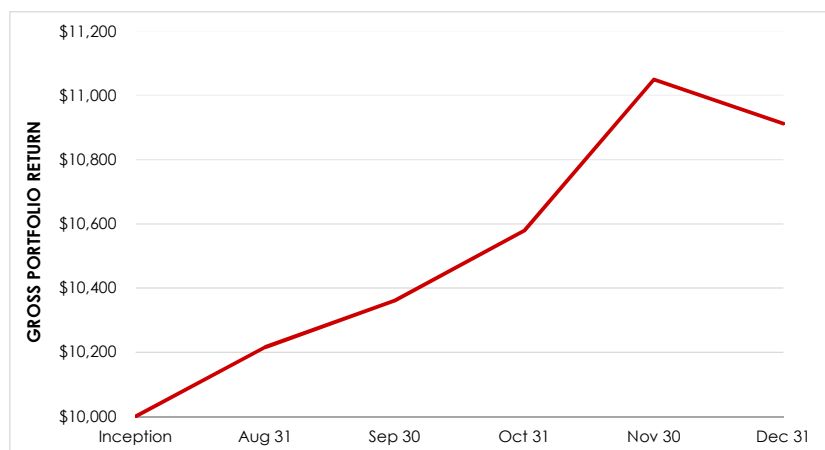


GLENNON SMALL COMPANIES LTD

INVESTMENT REPORT | DECEMBER 2015

Net Tangible Assets (NTA) at 31 Dec 2015	Cents
NTA before tax	104.43
NTA after tax	101.88

During the month to 31 December 2015 Glennon Small Companies Ltd delivered a gross portfolio return of -1.24%. Since inception Glennon Small Companies Ltd has delivered a 9.12% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 11.18%. At the end of the month the portfolio held 38.4% cash.



Performance at 31 Dec 2015	1 Month	3 Months	Since Inception
Glennon Small Companies Ltd	-1.24%	5.32%	9.12%

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.

Commentary

During December and early January volatility in global markets increased and we experienced the Chinese market automatically closing after falling 7% on two occasions. The S&P/ASX 100 has also given up some of its gains; the most notable have been the banks, which represent a significant portion of many Australian investor's superannuation funds. We have increased our cash weighting, closing the month with 38% cash.

We remain confident that in this market we can find sustainable businesses with superior management at attractive valuations. It is our intent to continue to deploy capital into these opportunities and to top up our existing holdings on weakness.

In December we took the opportunity to buy into a small, government focussed, IT business with growing revenues and margins. This business is quite insular from global economic and share market volatility. For active investors, moving down the market capitalisation spectrum into under-researched companies should present more opportunities to uncover value in a volatile market.

Long Term Strategy Update – Glennon Small Companies SMA Portfolio

Stock Code	ASX:GC1
Share Price ^(12/1/16)	\$0.97
Market Capitalisation	\$21.0m
Option ASX Code	GC1O
Option Expiry Date	18 August 2016
Option Exercise Price	\$1.00

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, microcap and emerging listed companies outside the S&P/ASX 100.

The Company is managed by Glennon Capital, a specialist small and micro-cap 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

IPH	IPH Limited	4.94%
SIV	Silver Chef	4.57%
APO	APN Outdoor	4.38%
SRX	Sirtex Medical	4.32%
VOC	Vocus	3.38%

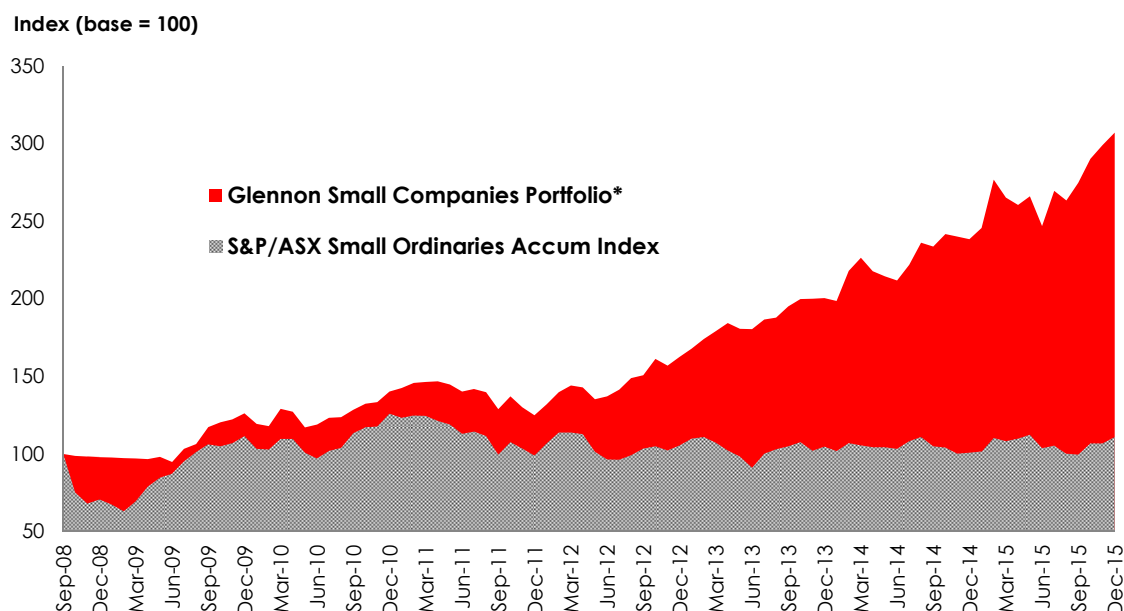
Portfolio Characteristics

Number of Equity Holdings	32
Median Market Capitalisation	\$297

Glennon Small Companies Ltd (GC1)

Investment Report | December 2015

Glennon Capital is also pleased to update investors on the longer term performance of the Glennon Small Companies Portfolio (SCP), a Separately Managed Account (SMA). This SMA operates the same investment strategy that is being applied to Glennon Small Companies Ltd (GC1), and has done so since September 2008.



31-Dec-15	1 Month	3 Months	6 Months	1 Year %pa	2 Years %pa	3 years %pa	4 Years %pa	5 Years %pa	Since Inception (%pa)
Glennon Small Companies Portfolio*	2.7%	11.8%	24.4%	28.8%	23.8%	23.7%	25.2%	17.0%	16.7%
S&P / ASX Small Ordinaries Accumulation Index	3.9%	11.3%	7.0%	10.2%	3.0%	1.7%	3.0%	-2.4%	-0.1%
Under / Outperformance	-1.2%	0.5%	17.4%	18.7%	20.8%	21.9%	22.2%	19.4%	16.8%

* Gross portfolio performance. The historical performance of the SCP should not be relied on as an indication of the future performance of the Glennon Small Companies Ltd (GC1) portfolio. The return of the GC1 portfolio may differ from the performance of the SCP from time to time due to cash holdings, some portfolio holding differences and structural differences.

**IF YOU WOULD LIKE FURTHER INFORMATION PLEASE
SUBSCRIBE TO OUR WEEKLY NEWSLETTER AT
WWW.GLENNON.COM.AU**

Important Information

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