

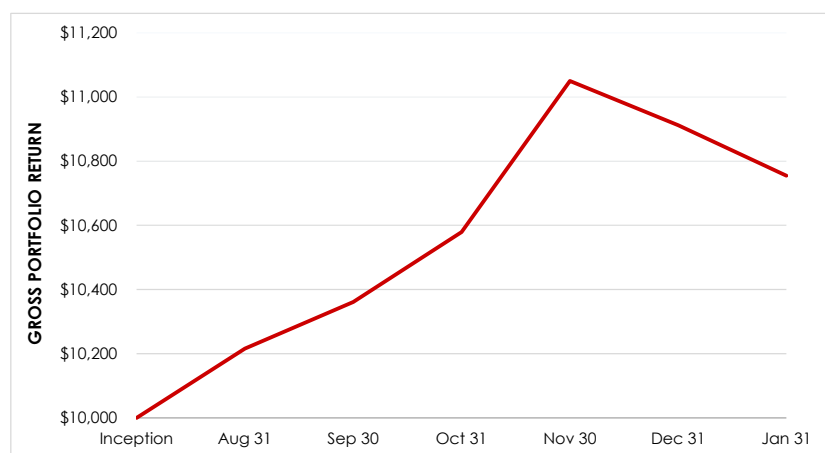
GLENNON SMALL COMPANIES LTD

INVESTMENT REPORT | JANUARY 2016

Net Tangible Assets (NTA) at 31 Jan 2016 Cents

NTA before tax	102.72
NTA after tax	100.61

During the month to 31 January 2016 Glennon Small Companies Ltd delivered a gross portfolio return of -1.44%, while the S&P/ASX Small Ordinaries Accumulation Index fell 5.11%. Since inception Glennon Small Companies Ltd has delivered a 7.55% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 5.50%. At the end of the month the portfolio held 38.6% cash.



Performance at 31 Jan 2016	1 Month	3 Months	6 Months	Since Inception
Glennon Small Companies	-1.44%	1.66%	7.55%	7.55%

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

Glennon Small Companies completed its first six months of trading with a strong 7.55% absolute return and having outperformed the S&P/ASX Small Ordinaries by just over 2%. Over the past month cash weightings have been stable, closing the month at 38%.

Volatility has continued this year, with heavy losses in the S&P/ASX 200 leading this index into bear market territory (20% decline from recent highs) by early February. Meanwhile the Small Ordinaries has fared better, falling only 12%, and avoiding the significant decline of the major banks. Beyond the outperformance of small caps, the number of stocks listed on the ASX dwarfs the top 100 by a factor of more than 20 times; opportunities are significant for active investors.

Keeping high cash weightings over the past few months has been beneficial to Glennon Small Companies. The valuations for sustainable businesses with superior management have reduced, giving us even greater scope to deploy capital into both current holdings and new opportunities.

Stock Code	ASX:GC1
Share Price ^(11/2/16)	\$1.045
Market Capitalisation	\$22.6m
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 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

IPH	IPH Limited	5.03%
SIV	Silver Chef	4.47%
APO	APN Outdoor	4.39%
SRX	Sirtex Medical	4.13%
VOC	Vocus	3.59%

Portfolio Characteristics

Number of Equity Holdings	30
Median Market Capitalisation	\$230

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

Important Information

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