

GLENNON SMALL COMPANIES LTD

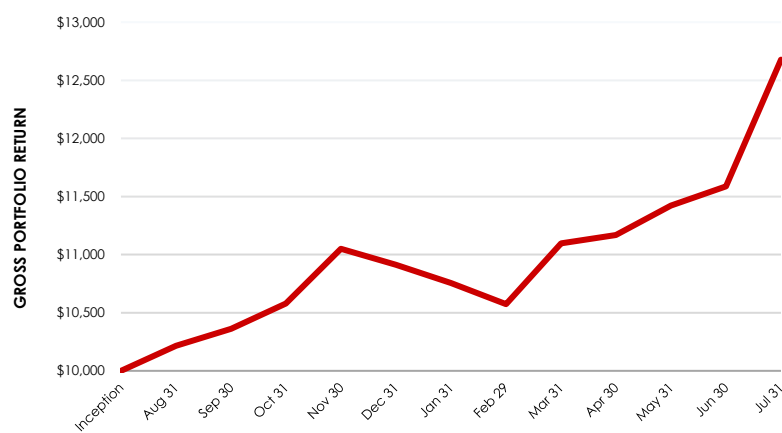
INVESTMENT REPORT | JULY 2016



Net Tangible Assets (NTA) at 31 July 2016

	Cents
NTA before tax	115.59
NTA after tax	110.63

During the month to 31 July 2016 Glennon Small Companies Ltd delivered a gross portfolio return of 9.42%, while the S&P/ASX Small Ordinaries Accumulation Index rose 8.57%. Since inception Glennon Small Companies Ltd has delivered a 26.78% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 29.07%. At the end of the month the portfolio held 14.54% cash.



Performance at 31 July 2016	1 Month	3 Months	6 Months	Since Inception
Glennon Small Companies	9.42%	13.52%	17.88%	26.78%

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

July was a very strong month for Australian equities. Small caps rallied 8.6%, again substantially outperforming the large caps, which rose 6.1%. Resources again took the lead amongst the small caps, rising 9.6% against the industrials at 8.3%.

Once again the portfolio's exposure to gold equities added to performance as Australian dollar gold prices continued on to all-time highs, hitting about \$1820/oz in early July. With the rally in the gold price this year many explorers and hopeful developers have seen a sharp reversal of fortunes; they are again able to access the equity markets and raise funds. A resumption of drilling programs and the green lighting of developments has brought the mining services sector into renewed focus. The fund benefited from a handful of mining services holdings.

The directors were pleased to announce a fully franked 3 cents per share dividend in July, exceeding the dividend guidance provided to the market. This brings the gross yield for GC1 to 5.3%. Directors have also guided that the next interim dividend (for the half year ended December 2016) would be substantially increased over the previous interim dividend. Investors are reminded that GC1's listed options, trading under the ASX code GC1O, will cease trading after market close on 12 August 2016 and will expire on 18 August 2016.

Stock Code	ASX: GC1
Share Price ^(10/8/16)	\$1.01
Market Capitalisation	\$28.0m
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 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

MYX	Mayne Pharma	7.6%
MLD	Maca	4.9%
ALU	Altium	3.9%
RCR	RCR Tomlinson	3.9%
BAP	Bapcor	3.7%

Portfolio Characteristics

Number of Equity Holdings	40
Median Market Capitalisation	\$268m

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SUBSCRIBE TO OUR WEEKLY NEWSLETTER AT
WWW.GLENNON.COM.AU**

Important Information

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