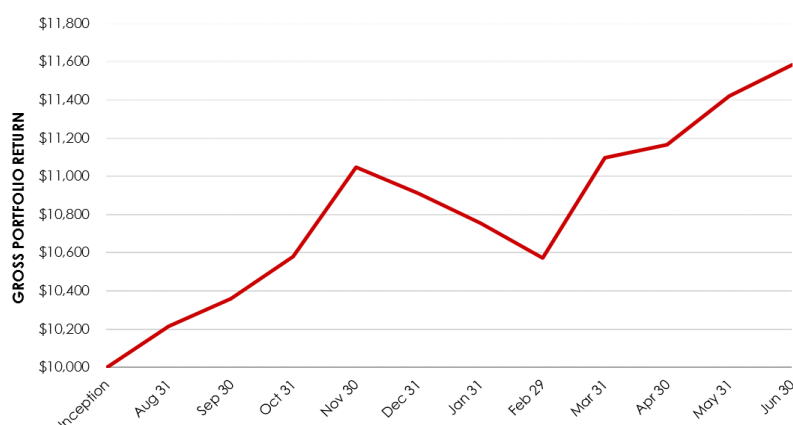


GLENNON SMALL COMPANIES LTD

INVESTMENT REPORT | JUNE 2016

Net Tangible Assets (NTA) at 30 June 2016	Cents
NTA before tax	106.40
NTA after tax	104.10

During the month to 30 June 2016 Glennon Small Companies Ltd delivered a gross portfolio return of 1.43%, while the S&P/ASX Small Ordinaries Accumulation Index fell 1.31%. Since inception Glennon Small Companies Ltd has delivered a 15.86% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 18.89%. At the end of the month the portfolio held 14.14% cash.



Performance at 30 June 2016	1 Month	3 Months	6 Months	Since Inception
Glennon Small Companies	1.43%	4.40%	6.18%	15.86%

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

The Brexit vote caused a lot of volatility in the market. We saw much of that volatility as noise but also believe that there will be longer term implications for financial markets. Our investments in gold companies helped performance during the period but we remain cautious about the resources sector overall.

June saw Diversa Limited (ASX: DVA), a holding in the portfolio, receive a merger proposal from OneVue Holdings Limited (ASX: OVH). The other contributor to performance was Mayne Pharma (ASX: MYX) which made a company transforming acquisition in the US. Both companies have previously been the subject of our weekly video insights, available on our website and YouTube channel.

Despite the volatility caused by Brexit, we remain enthusiastic about Australian small caps. We are encouraged by our pipeline of company management visits. Conversations with company management is encouraging, with the prospects for small companies looking strong compared with the major banks and other top 100 companies.

On an accounting note the after tax NTA has increased and the before tax NTA has decreased as a result of a realisation of some profitable positions during the month.

Stock Code	ASX: GC1
Share Price ^(12/7/16)	\$1.025
Market Capitalisation	\$25.7m
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

GEM	G8 Education	4.6%
MYX	Mayne Pharma	4.4%
CZZ	Capilano Honey	4.1%
ALU	Altium	3.9%
WPP	WPP AUNZ	3.8%

Portfolio Characteristics

Number of Equity Holdings	41
Median Market Capitalisation	\$225m

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

Important Information

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