

GLENNON SMALL COMPANIES LTD

INVESTMENT REPORT | APRIL 2016

Net Tangible Assets (NTA) at 30 Apr 2016 Cents

NTA before tax	104.96
NTA after tax	101.61

During the month to 30 April 2016 Glennon Small Companies Ltd delivered a gross portfolio return of 0.63%, while the S&P/ASX Small Ordinaries Accumulation Index rose 3.04%. Since inception Glennon Small Companies Ltd has delivered an 11.68% gross portfolio return while the S&P/ASX Small Ordinaries Accumulation Index has risen 15.74%. At the end of the month the portfolio held 8.8% cash.



Performance at 30 April 2016	1 Month	3 Months	6 Months	Since Inception
Glennon Small Companies	0.63%	3.84%	5.57%	11.68%

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

Small resources continued to drive the small cap index in April and are now up 36% this calendar year; this sharp move still leaves small resources flat from a year ago and down almost 75% since 2011 peaks. Small industrials, meanwhile, have fallen 2% this year. Importantly, small caps broadly are outperforming large caps so far this year, and for the past year are up 5% while large caps are down 6%.

In early May the Reserve Bank reduced interest rates to a historic low of 1.75% as inflation fell to the lowest reading on record. As many now expect continued reductions in interest rates; offshore earners will be beneficiaries of the lower Australian dollar this implies. With the Budget being handed down on the same day we saw small tax reductions being incrementally positive for consumption, while much discussed tax cuts for big businesses are still a long way off.

We continue to investigate opportunities across industries in small and micro cap stocks. 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.

Stock Code ASX:GC1

Share Price ^(12/5/16)	\$0.99
Market Capitalisation	\$24.8m
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

APO	APN Outdoor	5.5%
SXY	Senex Energy	4.2%
BWX	BWX Limited	3.9%
GEM	G8 Education	3.7%
TRY	Troy Resources	3.7%

Portfolio Characteristics

Number of Equity Holdings	44
Median Market Capitalisation	\$325

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

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.