

# Investment Report

## Company Profile

Stock Code	ASX:GC1
Share Price	\$0.91
Market Capitalisation	\$42.8m

## 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
- Ungearred

## 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.

## Top 5 Holdings

NVL	National Vet Care	6.3%
ATL	Apollo Tourism	5.3%
SKB	Skydive the Beach	4.0%
SIQ	Smartgroup	3.5%
PGC	Paragon Care	3.4%

## Portfolio Characteristics

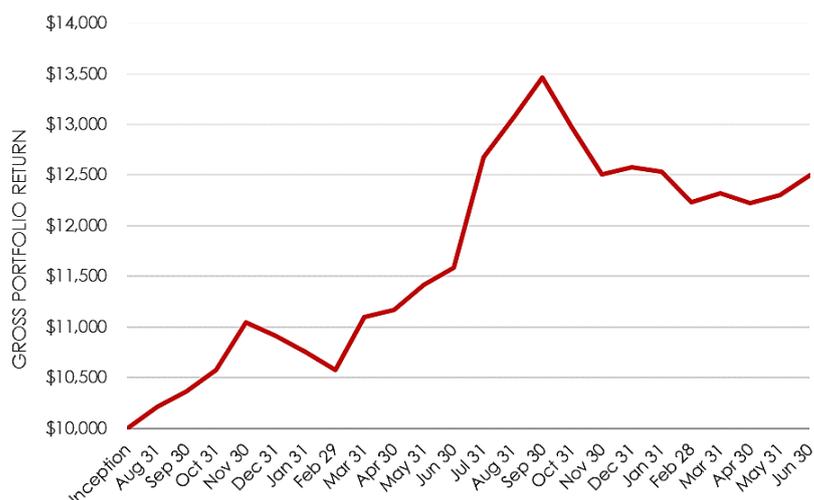
Number of Equity Holdings	29
---------------------------	----

## Net Tangible Assets (NTA)

NTA before tax	98.50
NTA after tax	98.01

## Cents

## Performance



30 <sup>th</sup> June 2017	1 Month	3 Month	6 Month	1 Year	Since Inception
Glennon Small Companies Ltd	1.62%	1.45%	-0.65%	7.90%	25.02%

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

In June, the small cap market recovered the ground it lost in May, returning 1.99% for the month while GC1 returned a gross portfolio return of 1.62%. While holding a reasonable amount of cash for the period after we reduced some of our better performing positions on valuation grounds. The quarter ending 30 June 2017, the portfolio outperformed the index by 0.26%.

During the month, the GC1 portfolio benefited from a strong performance by Apollo Tourism (+7.55%) as the market continues to appreciate the quality of the business and the impact its two recent acquisitions will have for FY18 earnings.

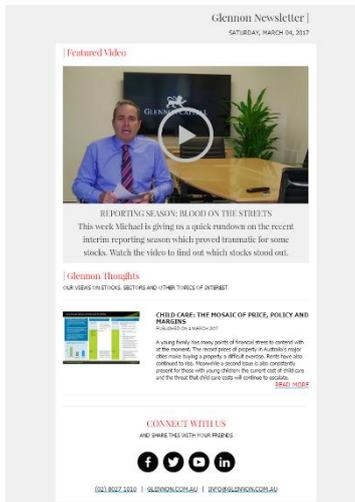
A2 Milk (+21.7%) was another strong contributor to portfolio performance in the month. We took the opportunity to exit our position in A2 on valuation grounds as we see it as overvalued in the short term.

We still see that there is value in small caps and are optimistic about the outlook for the sector. In particular we believe that microcaps will perform strong over the next 12 months and as such we will look to deploy capital in those sectors over time.



# Investment Report

## Subscribe To The Glennon Newsletter



**SUBSCRIBE**

 @GLENNONCAPITAL

 @MISTERGLENNON

 /GLENNONCAPITAL

 /GLENNON-CAPITAL

### Contact

**P** (02) 8027 1000

**E** info@glennon.com.au

**A** Level 17  
25 Bligh Street  
Sydney NSW 2000

**W** www.glennon.com.au



## Videos

Published June 2017



[National Veterinary Care \(ASX:NVL\)](#)



[Apollo Tourism \(ASX:ATL\)](#)



[Can Ten Network Holdings Recover?](#)



[Uber Controversy: Is It A Ponzi Scheme?](#)

## Articles

Published June 2017

### Company Profiles

[Freedom Insurance Group \(ASX:FIG\)](#)  
[Salmat \(ASX:SLM\)](#)

[Freelancer Limited \(ASX:FLN\)](#)  
[Indoor Skydive Australia \(ASX:IDZ\)](#)

[Read More](#)

### Stock Insights

[June 4<sup>th</sup> to June 10<sup>th</sup>](#)  
[June 11<sup>th</sup> to June 17<sup>th</sup>](#)

[June 18<sup>th</sup> to June 24<sup>th</sup>](#)  
[June 25<sup>th</sup> to June 30<sup>th</sup>](#)

[Read More](#)

### Investing In Australian Tourism

How do we tap into a growing Chinese tourism market in our investments?

[Read More](#)

### Interview: Eureka Report with Michael Sneddon

Michael discusses GC1's performance since inception, and portfolio holdings.

[Read More](#)

### Bonds and the Amazon Threat

Why asking the stupid questions upfront can get you the best answers.

[Read More](#)

### Honest Thoughts on Active vs Passive Management

A fund manager's thoughts on active vs passive management.

[Read More](#)

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.