



NTA

NTA (before tax)	\$0.98
NTA (after tax)	\$0.97

ASX Code	GC1
Inception date	21 August 2015
Share price	\$0.86
Cumulative dividends*	12.75c

* Excluding GST and franking

PORTFOLIO

Cash weighting	26.2%
Number of holdings	37

DIVIDEND HISTORY

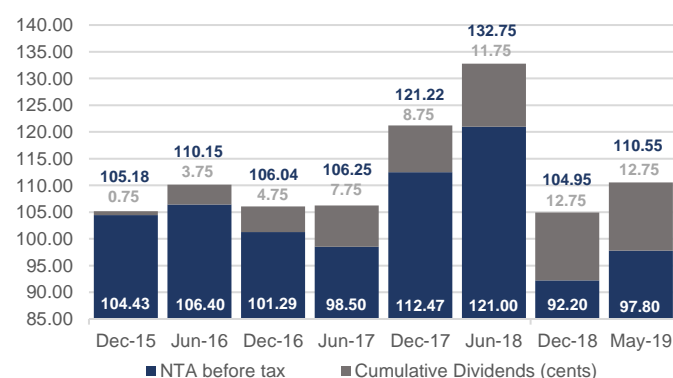
Period ended	Type	Amount (cps)
31 December 2015	Interim	0.75
30 June 2016	Final	3.00
31 December 2016	Interim	1.00
30 June 2017	Final	3.00
31 December 2017	Interim	1.00
30 June 2018	Final	3.00
31 December 2018	Interim	1.00
Total dividends		12.75

TOP 5 HOLDINGS

Company Name	ASX code
Afterpay Touch Group Limited	APT
Appen Limited	APX
IDP Education Limited	IEL
Nearmap Limited	NEA
Pro Medicus Limited	PME

NTA + DIVIDENDS

GC1 NTA (Pre-Tax) + Cumulative Dividends



REVIEW OF THE MONTH

May finished slightly weaker than where it started after experiencing some turbulence as a result of US-China trade tensions escalating. The Coalition managed to defy the polls by snatching a victory from the jaws of defeat after the party defeated Labor to hold onto government for a third consecutive term. The financial sector was comforted by the re-election of a bank-friendly government and rallied following the result. Over the month the ASX Small Ordinaries slipped 1.3% while the Small Industrials and Small Resources dropped 1.4% and 1.0% respectively. GC1 lagged the index by 1.7%.

COMPANY NEWS

IDP Education (IEL) continued to perform strongly over May as investors remained confident of its outlook and rollout strategy. IEL is a high margin, capital-light business, with defensive earnings characteristics, and is benefiting from a strong demand for international education and positive FX currency translation. IEL is well positioned to maintain its growth trajectory as it continues its geographic expansion of IELTS test centers, grow its student placement business, and reinvests into its B2B digital capabilities. Although there's much to like about IEL, it has had a strong run since January and valuations are looking high. We continue to monitor developments as they occur.

Collins Foods (CKF) was also a strong performer in May. CKF has

an impressive growth profile trading at an attractive price and is currently trading on a 16.5x forward PER with a double digit 3-year CAGR of 14-16%. CKF is expanding its KFC network in Europe and currently rolling out new stores across Germany and the Netherlands, while in a development agreement to build 50 Taco Bell stores in Australia over the next 3 years. KFC is also receiving a boost from delivery platforms, where it has achieved a c15% higher average price on delivery orders compared to in-store, and plans to expand its delivery capability to 85+ stores in FY19.

PORTFOLIO OUTLOOK

With the uncertainty surrounding the election now over, the market is looking ahead to reporting season as the financial year comes to a close. The impact of the trade wars has been a clear negative for the markets over the past several months and it can be argued that we may see more of the same - actions speak louder than words and Trump has a habit of entering into 'negotiations' and 'talks' only to abruptly pull out and immediately impose protectionist policies. However central banks are aware of this, and with the RBA recently cutting interest rates to a new historic low and the Fed indicating no more rate hikes, it will be interesting to see how a flat yield curve affects valuations.

HOW TO INVEST

Glennon Small Companies Limited shares are traded on the Australian Securities Exchange (ASX) under the ticker code 'GC1'.

If you are a first-time investor, you purchase shares through a stockbroker in the same way as you buy shares in other companies. If you do not have a stock broker, the ASX provides a service which can assist you. Please visit their site at:

<http://www.asx.com.au/education/first-time-investors.htm>

GENERAL ENQUIRIES



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