



MONTHLY REPORT APRIL 2021

ASX Announcement Date: 14 May 2021

NTA (before tax)*	NTA (after tax)**	Share price (30/04/2021)	Cash Weighting	Number of Holdings
\$1.05	\$1.00	\$0.78	6.53%	31

* As required by the ASX listing rules, this is the theoretical NTA before providing for the estimated tax on unrealised income and gains, and includes (\$0.05) per share deferred tax asset (comprised of prior years' tax losses and current year tax losses/profits)

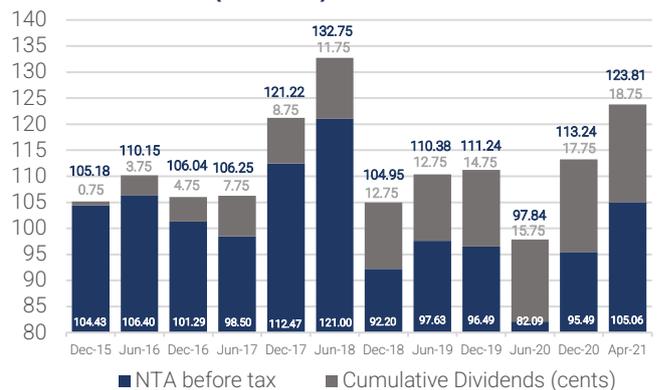
** Includes all tax balances and selling costs

Portfolio by sector

- Financials
- Consumer Discretionary
- Communication Services
- Industrials
- Health Care
- Information Technology
- Real Estate
- Materials
- Utilities
- Cash



GC1 NTA (Pre-Tax) + Cumulative Dividends



PORTFOLIO REVIEW

The market had a strong run this month supported by the lower-than-expected inflation numbers and lower bond market volatility. The annual inflation rate was at 1.1% in April, slightly lower than the market consensus of 1.4%. This number is significantly lower than the RBA's 2-3% target band. The bond market responded quickly and the 10-year bond yield fell from 1.80% in early April to 1.70% at the end of the month.

Technology and resources are the best performing sectors in April. With the benefit of falling long-term yields in April, the technology sector returned +9.41%. The resources sector also had a tremendous return of +9.50% reflecting the rising commodity prices and high global consumer demand.

The Small Ordinaries rose +4.98% for the month. Small Industrials advanced by +3.91%, with the Small Resources rising +9.50%. GC1 returned +9.62% for the month, outperforming the market by +4.64%.

PORTFOLIO COMPANY UPDATES

Our top 3 largest contributors to performance during this month were Eagle Mountain Mining (EM2), Adairs (ADH) and Hubify (HFY), while Credit Corp (CCP) was the largest detractor from portfolio performance.

Eagle Mountain Mining

Eagle Mountain Mining (EM2) is our top performing stock this month. The company had positive news flow this month. A field mapping at OREX prospect, part of EM2's Oracle Ridge Mine Project in Arizona, suggested that OREX has a potential for an additional skarn-hosted copper mineralisation expanding to an area greater than at the Oracle Ridge mine. Moreover, EM2 has accelerated the drilling activities by three-fold. The number of drill rigs will be increased from 2 to 5 by the end of the fourth quarter. These encouraging results provide a strong support to the market. The share price advanced by +103% in April and EM2 has become one of our top 5 holdings.

Adairs

Adairs (ADH) is a leading specialty retailer of home furnishings and home decoration products in Australia and New Zealand with a national footprint of stores across several formats and a large and growing online channel. This company is a beneficiary to the shift in consumer shopping behaviour from brick-and-mortar stores to e-commerce. Despite the fact that home category items are less likely to be transacted online, ADH omni-channel is positioned to improve consumer confidence and encourage them to shop online. This combination of stores and online sales channel provides a competitive advantage over e-commerce competitors. The store experience of touching and

feeling a product builds brand awareness and customer loyalty for ADH. Such experience improves consumer confidence to the quality of the product and raises customer willingness to purchase online.

ADH is undervalued since the company is traded at an unjustified discount to its peers. ADH is a high-quality business operating at a high margin and with a strong growth pipeline from the consumer behaviour shift. We believe the market will continue to re-rate the business.

The share price appreciated by +22% in April.

Hubify

Hubify (HFY) is a diversified provider of telecommunications services, with 'three pillars' of strategic growth; Wholesale & Infrastructure, Consumer & Business and Specialty Services. Their services include hosted voice solutions, cloud services, mobile business data and 3CX phone system.

HFY is an acquisitive company which has a history of acquiring companies with immediate synergies from improved pricing and back-office redundancy. HFY reaches a size that they are charged at an attractive wholesale price from suppliers. When HFY makes acquisitions, the company ensures that they achieve immediate cost saving synergies by shifting to HFY's existing suppliers. Back-office redundancy is also a source of cost saving from acquisition. Telco companies have similar direct and overhead costs. By merging the companies, HFY saves those back-office costs.

HFY recently signed a three-year agreement with Internet 2.0 to increase its product offering to cyber security. Internet 2.0 is a defence grade cyber security company servicing SMB, SME and Enterprise market. HFY invested \$0.5 mil to Internet 2.0 for 4.2% equity. This partnership allows HFY to sell an affordable cyber security solution to its existing SME customers. The market reacted positively to this partnership and the share price jumped by 25% in April.

Credit Corp

Credit Corp (CCP) was down by -11% in April. The company released a trading update showing a temporary reduction in debt buying market. The sales volumes were 50% below pre-COVID levels in both Australia and the United States. The key reason is that stimulus packages decreased the unsecured credit balances.

PORTFOLIO CHANGES (ALPHABETICAL ORDER)

Portfolio Additions	Portfolio Reductions
<ul style="list-style-type: none"> Sequoia Uniti Group 	<ul style="list-style-type: none"> Credit Corp Group Redbubble Viva Leisure

PORTFOLIO PERFORMANCE

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
FY21	5.77%	10.10%	-3.16%	2.08%	7.93%	1.18%	1.22%	2.54%	-1.95%	9.62%			40.25%
FY20	2.39%	-3.28%	0.62%	-1.22%	2.46%	-0.03%	3.14%	-8.86%	-21.32%	6.39%	6.70%	-3.47%	-18.29%
FY19	1.61%	0.74%	-1.11%	-12.57%	-1.97%	-11.36%	2.07%	4.81%	-0.39%	5.63%	-3.04%	1.25%	-15.00%
FY18	0.72%	1.21%	3.00%	7.70%	0.43%	4.01%	1.45%	2.27%	-2.38%	-2.14%	8.63%	2.55%	30.39%
FY17	9.42%	3.06%	3.03%	-3.65%	-3.55%	0.58%	-0.41%	-2.39%	0.74%	-0.78%	0.62%	1.68%	7.96%
FY16		1.80%	1.23%	2.24%	4.38%	-1.57%	-1.58%	-1.31%	5.55%	0.63%	2.28%	1.43%	15.87%

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TOP HOLDINGS DETAILS (ALPHABETICAL ORDER)



Adairs

ASX: ADH

Adairs is a leading specialty retailer of home furnishings in Australia and New Zealand with a national footprint of stores across a number of formats and a large and growing online channel. Their strategy is to present customers with a differentiated proposition, which combines on-trend fashion products, quality staples, strong value and superior customer service.



Eagle Mountain Mining

ASX: EM2

Eagle Mountain is a copper-gold explorer focused on the strategic exploration and development of the Oracle Ridge Copper Mine and the highly-prospective greenfield Silver Mountain project, both located in Arizona, USA.



Johns Lyng

ASX: JLG

Johns Lyng Group Limited is an integrated building services group delivering building and restoration services across Australia. JLG's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including impact, weather, and fire events.



Lovisa

ASX: LOV

Lovisa Holdings Limited is a fast fashion jewellery retailer in a number of international markets. Lovisa provides fashion with different earrings, hair bands, necklace, wrist and ring and body fashion.



Pacific Smiles

ASX: PSQ

Pacific Smiles Group Limited operates dental centres at which independent dentists practice and provide clinical treatments and services to patients. Revenues and profits are primarily derived from fees charged to dentists for the provision of these fully serviced dental facilities.



Reece

ASX: REH

Reece Limited is a supplier of plumbing, bathroom, heating, ventilation, waterworks, air conditioning and refrigeration products with operations in Australia, New Zealand and the US. Reece Limited activities include importing, wholesaling, distribution, marketing and retailing. Reece supplies customers in the trade, retail, professional and commercial markets.



Resimac

ASX: RMC

Resimac Group Ltd is a leading non-bank residential mortgage lender and multi-channel distribution business. It operates under a fully integrated business model comprising origination, servicing and funding prime and nonconforming residential mortgages in Australia and New Zealand.



Uniti Group

ASX: UWL

Uniti Group is a diversified provider of telecommunications services, with three distinct operating business units: Wholesale & Infrastructure, Consumer & Business and Communications Platform as a Service.



WPP AUNZ

ASX: WPP

WPP AUNZ is a group of 60 marketing & advertisement companies in the field of communication, experience, commerce & technology that collaborate to create world-class customer experience and drive growth for clients.

HOW TO INVEST

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

Glennon Small Companies Limited Resettable Redeemable Convertible Preference Shares (RRCPS) are traded on the ASX under the ticker code 'GC1PA'.

GENERAL ENQUIRIES

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