

MONTHLY REPORT August 2025

ASX Announcement 12 September 2025

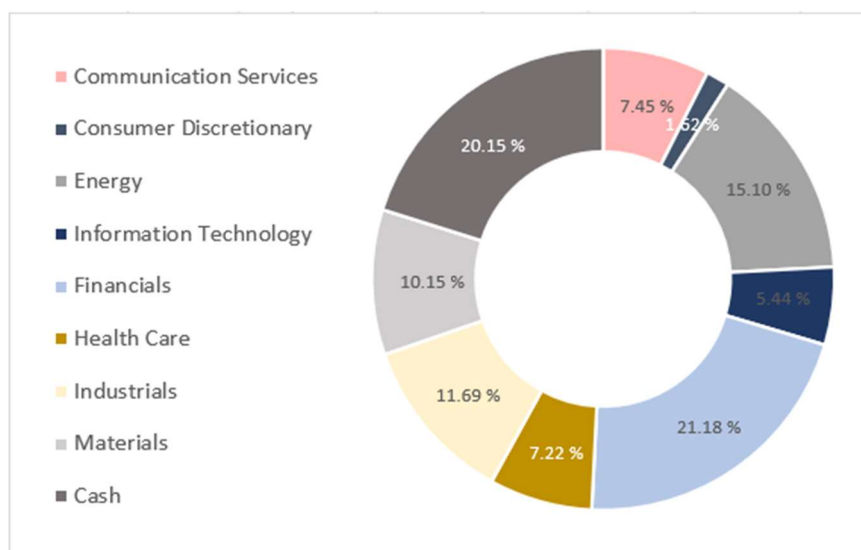
NTA (before tax)*	NTA (after tax)**	Share price (31/08/2025)	Cash Weighting	Number of Holdings
\$0.84	\$0.79	\$0.56	20.15%	24

* 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 (\$0.0878) per share deferred tax asset (comprised of prior years' tax losses and current year tax losses/profits). Also includes \$0.01 per share of accrued interest on convertible loans that are recognised at book value and not fair-valued for purposes of this report

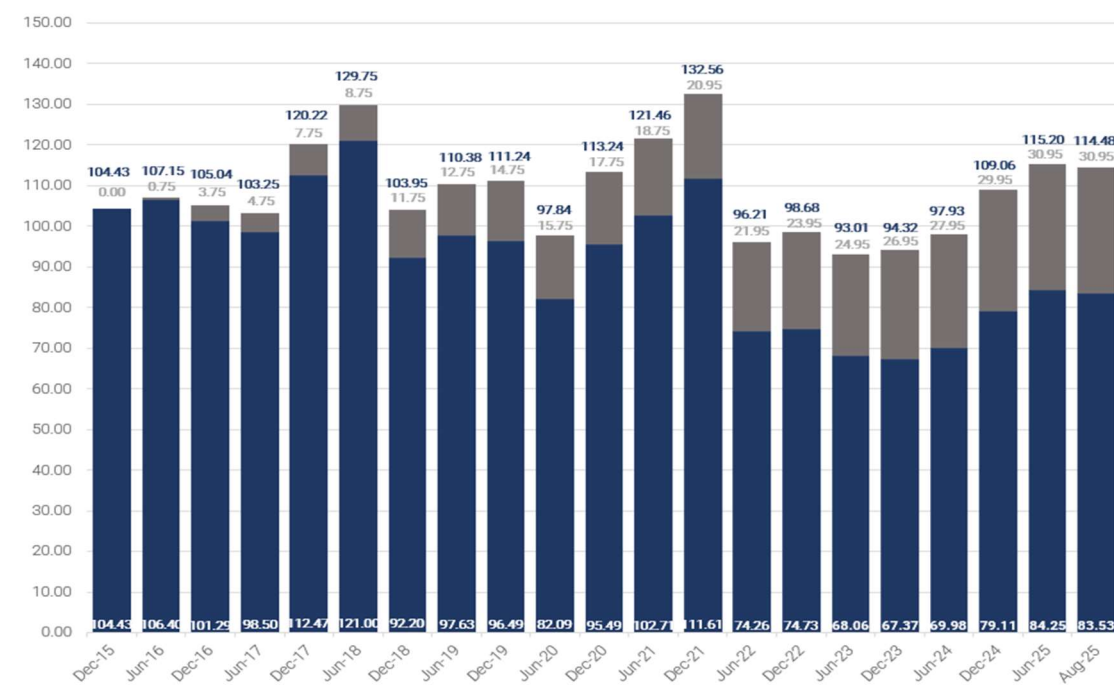
** Includes all tax balances and selling costs, note that from the end of FY2025, the Company was eligible to access the reduced corporate tax rate of 25% available for base rate entities. As a result, the relevant deferred tax balances have been remeasured, since the Company expects to continue being a base rate entity in the foreseeable future.

The above NTA numbers do not include the effect of the recently announced dividend.

Portfolio by sector



GC1 NTA (Pre-Tax) + Cumulative Dividends



PORTFOLIO REVIEW

The Glennon Small Companies Portfolio posted a return of **(-1.34%)** in **August 2025**, trailing behind its benchmark, the **S&P/ASX Small Ordinaries Accumulation Index**, which rose **+8.41%**. In what was a very strong month for small companies, we saw some of the stocks have a bit of a breather over reporting season after a strong 12-month performance from most of them.

Australian Equities: Elevated Valuations and Small-Cap Potential

U.S. Valuations as a Warning Signal

In recent weeks, the U.S. market has drawn global attention as valuations have climbed beyond even the extremes of the dot-com bubble. The S&P 500 is trading at record price-to-sales multiples, with a handful of technology giants dominating the index. This raises the question: are Australian equities showing the same warning signs?

How the Australian Market Is Travelling

The Australian share market is currently trading at valuations above long-term historical averages. Price-to-earnings ratios are stretched, and the ASX 200 has reached record highs, fuelled by optimism around lower interest rates and resilient corporate earnings. Yet beneath the headline numbers, there are signs of fragility.

Many of Australia's largest companies face declining earnings, with analysts pointing to a period of "earnings recession" among the top end of the market. While valuations are elevated, the profit outlook is not keeping pace, suggesting that the blue-chip segment of the market may struggle to justify its current levels.

Small Caps: A Different Story

In contrast, Australia's small-cap companies tell a more nuanced story. After several years of underperformance relative to large caps, smaller companies are trading at a historic discount. This divergence presents a potential opportunity.

Small caps are inherently more sensitive to the domestic economy and to interest rates. With expectations that the Reserve Bank of Australia may begin easing policy in the coming months, these companies could benefit disproportionately from lower borrowing costs and improved economic conditions. Unlike the heavily concentrated large-cap index, small caps span a more diverse set of sectors - from mining services and technology to consumer and industrial firms - offering exposure to parts of the economy that are less represented in the ASX 200.

Sector Themes Driving Opportunity

- **Resources and Energy Transition:** Smaller resource companies continue to benefit from demand for critical minerals such as lithium, copper, and rare earths - essential to the global energy transition.
- **Technology and Innovation:** Niche software, payments, and digital infrastructure companies are emerging as growth leaders, supported by structural shifts toward automation and AI adoption.
- **Consumer Recovery:** With cost-of-living pressures gradually easing, smaller retailers and consumer-facing companies could see renewed momentum.
- **Industrial and Infrastructure Services:** A pipeline of infrastructure projects and government spending supports smaller industrial and engineering firms.
- **Healthcare and Aged Care:** Structural demand drivers such as an ageing population and medical innovation create fertile ground for smaller healthcare providers and biotech innovators.

PORTFOLIO REVIEW (continued)

Opportunities and Risks Ahead

Valuations in the small-cap sector remain more reasonable than in the large-cap space, and balance sheets across many companies are stronger than in previous cycles. This means that if sentiment shifts and capital begins rotating into smaller names, the upside potential could be significant. That said, small-cap investing is not without its challenges. Liquidity is lower, and volatility is higher.

Outlook: A Market of Two Halves

The Australian market in 2025 looks increasingly like a tale of two halves. On one side, the large-cap segment is marked by stretched valuations and earnings pressure. On the other, the small-cap universe is attractively priced, under-owned, and poised to benefit from a friendlier policy backdrop.

For investors, the message is clear: while headline market valuations may feel uncomfortably close to bubble territory, opportunities still exist beneath the surface. The coming year could see a shift in leadership - from the giants of the ASX to the smaller, more nimble companies that have quietly positioned themselves for recovery.

Key Contributors - August 2025

- **Coronado Global Resources (ASX: CRN) +30.06%**

Coronado Global Resources released its half-year results, reporting a net loss of approximately USD 172 million. The result reflected weaker metallurgical coal prices, softer demand, and rising operating costs, which weighed heavily on revenue and margins. In response, the company moved to cut costs, including idling higher-cost U.S. surface operations, while continuing to pursue operational restructuring. Despite the headwinds, Coronado highlighted progress at strategic projects such as the Mammoth underground mine at Curragh and the Buchanan expansion, which are expected to deliver lower-cost production and incremental volumes over time.

- **Sandfire Resources (ASX: SFR) +17.67%**

Sandfire Resources released its FY25 financial results, reporting a strong turnaround and improved operational performance. Revenue rose to around USD 1.18 billion, up 26% year-on-year, while copper equivalent production increased by 12% to 152,000 tonnes, in line with guidance. Underlying EBITDA lifted 46% to approximately USD 528 million with a margin of 45%, reflecting tighter cost control and stronger output from its key assets. The company also reduced net debt by 69% to USD 123 million, putting it on track to move into a net cash position in the coming year.

Operationally, Sandfire's Motheo mine in Botswana was a standout, with production up nearly 30% compared to the prior year, while the MATSA operations in Spain delivered modest growth of around 3% and materially lower unit costs. The company did face some challenges, including weather disruptions, power outages, and a slight increase in its total recordable injury frequency rate. In addition, the ramp-up of the A4 open pit at Motheo is expected to temporarily raise costs. Overall, the results highlighted significant progress in strengthening the balance sheet and expanding production capacity, despite some short-term operational headwinds.

Key Detractors - August 2025

- **Superloop Ltd (ASX: SLC) -10.64%**

Superloop Ltd released its full-year results, recording strong growth and a return to profitability. Revenue rose to AU\$550.3 million, up around 32% from FY24. The company delivered a net profit after tax of AU\$1.21 million, a turnaround from the net loss of AU\$14.7 million in the previous year. This indicates meaningful progress given prior losses.

Operationally, Superloop achieved record customer additions and gains in market share, underpinned by strong demand in its broadband, enterprise, and wholesale segments. Despite these positives, some analysts viewed the FY25 results as missing expectations due to modest net profit and margin.

- **Pro Medicus Ltd (ASX: PME) -7.17%**

Pro Medicus delivered a record full-year result for FY25. Revenue from ordinary activities rose to AUD \$213.0 million, an increase of 31.9% over FY24, while net profit after tax reached AUD \$115.2 million, up 39.2%. The company remains debt-free and ended the year with cash and other financial assets of AUD \$210.7 million, up 35.5%.

Operationally, the year was marked by strong contract wins, renewals and upgrades. Pro Medicus secured seven new contracts with a minimum total value of AUD \$520 million, plus two major renewals totalling AUD \$130 million, and sales of additional modules added another AUD \$39 million. The final fully-franked dividend was raised to 30 cents per share. The business continues to benefit from increased adoption of its cloud-based Visage 7 platform and cloud-native solutions, particularly in North America, with a robust pipeline of future opportunities.

PORTFOLIO PERFORMANCE

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
FY26	3.61%	-1.34%											2.22%
FY25	0.82%	2.10%	6.84%	2.02%	7.27%	-3.93%	4.66%	-1.43%	-7.33%	4.58%	5.12%	2.83%	24.96%
FY24	1.05%	0.52%	-0.14%	-4.27%	1.81%	2.62%	0.89%	2.24%	2.84%	-2.46%	2.87%	-0.26%	7.70%
FY23	12.74%	0.78%	-6.34%	1.10%	-2.20%	-0.10%	2.45%	-4.58%	0.80%	2.43%	-4.13%	-1.83	-0.15%
FY22	1.22%	9.10%	-2.15%	3.38%	-1.85%	5.70%	-11.22%	-7.33%	5.21%	-5.97%	-8.08%	-10.76%	-22.63%
FY21	5.77%	10.10%	-3.16%	2.08%	7.93%	1.18%	1.22%	2.54%	-1.95%	9.62%	-4.15%	2.46%	37.74%
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%

TOP HOLDINGS DETAILS (ALPHABETICAL ORDER)



COG Financial Services Limited

ASX: COG

COG is Australia's leading finance broker aggregator and equipment leasing business for small to medium-sized enterprises (SMEs).



Coronado Global Resources Inc.

ASX: CRN

CRN is a leading international producer of high-quality metallurgical coal (met coal), which is an essential element in the production of steel. It is one of the largest met coal producers globally, supplying customers on five continents with a range of high quality coals.



HUB24 Limited

ASX: HUB

Hub24 is a provider of integrated platform, technology and data solutions. Their solutions include Australia's best platform HUB24, leading SMSF software Class, and myprosperity's innovative client portal technology.



Metgasco Ltd

ASX: MEL

Metgasco is an active onshore oil and gas exploration company with exploration licences in the Premier Cooper Eromanga and Perth Basins. Metgasco's last three wells (Vali-1 ST1, Odin-1, Vali-2) have a 100% record of discovering gas.



Netwealth Group

ASX: NWL

Netwealth is one of the fastest growing wealth management businesses in Australia. Its products include superannuation products, investor directed portfolio services, SMSF administration, and non-custodial admin & reporting services.



Pro Medicus Limited

ASX: PME

Pro Medicus Limited is a developer and supplier of healthcare imaging software and services to hospitals, diagnostic imaging groups and other related health entities in Australia, North America and Europe.



Seven Group Holdings Limited

ASX: SGH

Seven Group Holdings Limited is a leading Australian diversified operating group, with market leading businesses and across industrial services, energy and media. SGH's purpose is to recognise and serve exceptional businesses, with an objective to maximise return to stakeholders through long-term sustainable value creation.



Superloop Ltd

ASX: SLC

Superloop is Australia's modern challenger telco and internet service provider. Its purpose is to unleash the unlimited possibilities of the internet and deliver exceptional experience for its customers. It operates in three segments of the market, Consumer, Business and Wholesale connectivity.



Technology One Limited

ASX: TNE

TNE has been delivering leading enterprise software solutions for more than 37 years, adapting and evolving to new and emerging technologies. It is Australia's largest enterprise Software as a Service (SaaS) company and has offices across six countries.

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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