

GLENNON SMALL COMPANIES LIMITED
ACN 605 542 229

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PROSPECTUS

FOR THE OFFER OF

UP TO 50 MILLION FULLY PAID ORDINARY SHARES AT AN OFFER
PRICE OF \$1.00 (EACH WITH AN OPTION TO ACQUIRE ONE FURTHER SHARE)

Manager
Glennon Capital Pty Ltd (ACN 137 219 866)



GLENNON CAPITAL

 STATE ONE
STOCKBROKING LTD

Arranger & Retail Manager
State One Stockbroking Ltd

PAC
PARTNERS

Wholesale Offer Manager
PAC Partners Pty Ltd

Shaw and Partners

Co-Manager
Shaw and Partners Limited

IMPORTANT NOTICES

Offer

The Offer contained in this Prospectus is an invitation to apply for Shares in the Company, together with an Option for each Share subscribed for under the Offer. Each Option is exercisable at \$1.00 on or before the first anniversary of the issue of the Options.

Lodgement and listing

This Prospectus is dated 3 July 2015 (**Prospectus Date**) and a copy of the Prospectus was lodged with ASIC on that date. It is a replacement Prospectus which replaces the prospectus dated 19 June 2015 which was lodged with ASIC on that date. This replacement prospectus differs from the Original Prospectus.

Neither ASIC nor the ASX nor their officers take any responsibility for the content of this Prospectus or for the merits of the investment to which the Prospectus relates.

The Company has applied to ASX for admission of the Company to the official list of ASX and for quotation of its Shares and Options.

Expiry date

No Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the Original Prospectus Date.

Note to applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in the Securities. There are risks associated with an investment in the Securities which must be regarded as a speculative investment. Some of the risks that should be considered are set out in Section 6. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Securities.

No person named in this Prospectus warrants or guarantees the Company's performance or any return of capital or return on any investment made pursuant to this Prospectus.

Intermediary authorisation

The Company does not hold an AFSL under the Corporations Act. Accordingly, the Offer will be made and the Securities issued pursuant to an arrangement between the Company and State One Stockbroking Ltd (ACN 092 989 083) (AFSL 247100) (**Arranger**) and any other AFSL holders (who makes, and whose AFSL covers, the offers referred to below) under section 911A(2)(b) of the Corporations Act. Under the Arrangement the Arranger or other relevant AFSL holder is to make offers to people to arrange for the issue of Securities, and the Company will only issue Securities, in accordance with such offers if they are accepted. The Company will forward all Applications that do not bear an AFSL holder stamp to the Arranger.

The Arranger's financial services guide is provided in this Prospectus for Retail Applicants in relation to financial services provided to them by the Arranger.

Any financial services provided by the Wholesale Offer Manager, being PAC Partners Pty Ltd (as the corporate authorised representative of PAC Asset Management Pty Ltd (AFSL 335374)), will only be provided to persons who are not Retail Applicants.

The functions of the Arranger, Retail Manager, Wholesale Offer Manager and the Co-Manager (together the **Offer Managers**) should not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer for any investor. The Offer Managers do not guarantee the success or performance of the Company or the returns (if any) to be received by investors. The Offer Managers are not responsible for, and have not caused the issue of, this Prospectus.

No offer where offer would be illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Securities in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Financial information and amounts

The pro forma financial information is presented in Australian dollars and has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards.

IMPORTANT NOTICES

Disclaimer

No person is authorised by the Company or the Offer Managers to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus may contain forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives, Investment Guidelines, Investment Strategy, Investment process, and expectations for its business, investments, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current intentions, expectations, estimates, forecasts and projections and the Directors' beliefs and assumptions. These forward-looking statements are not guarantees of future performance, circumstances, results, outcomes or events and involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control and are subject to change. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 6.

Potential investors and other readers are urged to consider those risk factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. The Company does not intend to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after the date of lodgement of the Prospectus with ASIC (**Exposure Period**). This period has been extended by ASIC for a further period of up to seven days so that it expires on the 3 July 2015. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period, without the Application Form, by being posted on the following website: www.glenndon.com.au/offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Obtaining a copy of this Prospectus

A hard copy of this Prospectus is available free of charge during the Offer Period to any person in Australia by calling the Offer Information Line on 1300 737 760 or +61 2 9290 9600 (outside Australia) between 8.15am and 5.30pm AEST, Monday to Friday.

This Prospectus is also available in electronic form to Australian residents on the Company's website www.glenndon.com.au. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia. Hard copy and electronic versions of this Prospectus are not available to persons in other jurisdictions, including the United States, in which the making of the Offer would not be lawful.

Persons who access the electronic version of this Prospectus should ensure that they download and read the entirety of this Prospectus.

Applications for Shares may only be made on the Application Form attached to, or accompanying, this Prospectus. By making an Application, you declare that you were given access to this Prospectus and the Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. Refer to Section 2 for further information.

Cooling off rights do not apply to an investment in the Securities pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

IMPORTANT NOTICES

Privacy

By completing an Application Form, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected, held and used both in and outside of Australia by the Company, and the Share Registry on its behalf, to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a Security holder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Securities you hold) to be included in the Company's public Shareholder and Optionholder registers. This information must continue to be included in the Company's public Shareholder and Optionholder registers if you cease to be a Shareholder.

The Company and the Share Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below (or as otherwise authorised under the Privacy Act):

- the Share Registry for ongoing administration of the Shareholder and Optionholder registers;
- the Offer Managers in order to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Company's Shareholder and Optionholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Securities and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company. You may obtain further information about the Company's privacy practices by contacting the Company or the Share Registry, details of which are set out elsewhere in this Prospectus. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

For further information about the Company's privacy policy, please see www.glenndon.com.au.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Company's website

Any reference to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred in this Prospectus, is incorporated in to this Prospectus by reference.

Definitions and abbreviations

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in Section 12.

Unless otherwise stated or implied, references to dates or years are to a calendar year.

Time

Unless otherwise stated or implied, reference to times in this Prospectus are to AEST.

Questions

If you have any questions in relation to the Offer, contact the Offer Information Line on 1300 737 760 or +61 2 9290 9600 (outside Australia) between 8.15am and 5.30pm AEST, Monday to Friday.

This Prospectus is important and should be read in its entirety.

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IMPORTANT DATES

Original Prospectus lodged with ASIC	Friday, 19 June 2015
Lodgement of the replacement Prospectus with ASIC (Prospectus Date)	Friday, 3 July 2015
Opening Date (9:00am)	Monday, 6 July 2015
Closing Date (5:00pm)	Wednesday, 12 August 2015
Expected date for issue of Shares and Options	Tuesday, 18 August 2015
Expected date for dispatch of holding statements	Tuesday, 18 August 2015
Trading of the Securities commences on ASX (on a normal T + 3 basis)	Friday, 21 August 2015

The above timetable is indicative only. The Company, in consultation with the Offer Managers, reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Opening Date.

KEY OFFER INFORMATION

Company	Glennon Small Companies Limited (ACN 605 542 229)
Proposed ASX code	GC1: Shares GC10: Options
Securities offered	Fully paid ordinary Shares with an Option per Share
Subscription Price per Share under the General Offer (comprising solely of the Subscription Price)	\$1.00
Subscription Price per Share under the Broker Firm Offer comprising: – \$0.98 payable to the Company; and – a Service Fee per Share of \$0.02 (inclusive of GST) payable to your Broker. Please see Section 2 for further details.	\$1.00
Minimum number of Securities available under the Offer	16,000,000 Shares 16,000,000 Options
Gross proceeds from the Offer (before payment of the Offer costs and exercise of any Options) based on the Minimum Subscription and including the amount of the Service Fee payable under the Broker Firm Offer	\$16,000,000
Maximum number of Securities available under the Offer	50,000,000 Shares 50,000,000 Options
Gross proceeds from the Offer (before payment of the Offer costs and exercise of any Options) based on the Maximum Subscription and including the amount of the Service Fee payable under the Broker Firm Offer	\$50,000,000
Exercise Price per Option	\$1.00
Estimated net asset value (NAV) backing per Share ¹ based on the Minimum Subscription being received and after payment of the estimated Offer costs	\$0.9726
Estimated NAV backing per Share ¹ based on the Maximum Subscription being received and after payment of the estimated Offer costs	\$0.9795

¹ Based on the minimum and maximum NAV of \$15,561,044 and \$48,977,094 as set out in Section 8.2 (which are calculated assuming that half of the funds raised are subscribed pursuant to the General Offer and the remaining half pursuant to the Broker Firm Offer).

CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to invite you to invest in Glennon Small Companies Limited (**Company**) whose investments will be managed by Glennon Capital Pty Limited (**Manager**), a specialist small company investment manager founded in 2008. The Manager has historically offered its services to institutional and high net worth individuals and has established a track record of successfully investing in ASX listed smaller companies.

Now the general investing public are being given the opportunity of obtaining access to the investment management experience of the Manager through a listed vehicle.

The Company is seeking to raise a minimum of \$16,000,000 and a maximum of \$50,000,000 under this Offer. For each Share that is issued under the Offer, investors will also receive an Option which is exercisable for \$1.00 per Option at any time prior to the first anniversary of the issue date of the Options.

Why small companies?

The Company has been established to invest predominantly in listed companies and entities outside of the S&P/ASX 100 companies that the Manager believes offer the most attractive prospective investment outcomes.

Many stock broking firms focus their research on the largest and most liquid companies listed on the ASX. This leaves those companies that fall outside the S&P/ASX 100 companies under researched. It is the Company's objective to provide investors with exposure to a portfolio of smaller companies and to do this through a dedicated specialist small companies investment manager.

The Company will offer investors a diversified portfolio of smaller companies that are different to portfolios constructed from S&P/ASX 100 companies.

The Investment Strategy

The Manager believes many small listed companies may be undervalued because of pricing inefficiencies due to the lack of readily available market analysis and research. The Manager spends a considerable amount of time researching and meeting smaller listed companies to get an understanding of their business and the financial health of the company prior to making any investment decisions.

The Investment Process

The Manager is committed to discovering undervalued smaller listed companies by undertaking a thorough research process.

This process focuses on the businesses of smaller listed companies and their operating environments. face-to-face meetings, site visits and phone conferences are undertaken on potential investments with the aim of gaining insights into prospective investments and ultimately making better investment decisions. This is supplemented with financial analysis and an assessment of the intrinsic value of a company.

Please read this Prospectus

I encourage you to read this Prospectus in full and carefully consider the information contained in it before making your investment decision. This Prospectus contains detailed information about the Company, the Manager, the Investment Strategy and the Securities that are being offered. Like other recently formed listed investment companies, the Company is subject to a range of risks and an investment in the Company should be considered as speculative. Please see Section 6 of this Prospectus for details of the key risks of investing in the Company.

I will personally be investing in the Offer.

The Manager and the Board believe that now is an exciting time to offer this investment opportunity and they invite you to participate by subscribing for Shares.

I look forward to welcoming you as a Shareholder.

Yours faithfully,



Michael Glennon
Chairman

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INVESTMENT OVERVIEW

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Securities under the Offer, you should read this Prospectus carefully and in its entirety. Investors are strongly advised to regard any investment in the Company as a long term proposition (five to ten years) and to be aware that, as with any equity investment, substantial fluctuations in the value of the investment may occur over that period and beyond. If you are in doubt as to whether to invest in the Company, please consult your professional adviser.

Question	Answer	More Information
ABOUT THE COMPANY		
What is the business of the Company?	<p>The Company is a newly incorporated company which has not conducted any business to date. Upon successful completion of the Offer, the Company will be a listed investment company that will invest predominately in listed companies outside the S&P/ASX 100.</p> <p>Investors in the Company will gain access to the investment experience and expertise of the Manager.</p>	Section 3
What is the investment objective?	<p>The Company's investment objective is to provide investors over the medium to long term with capital growth in excess of the S&P/ASX Small Ordinaries Accumulation Index before fees, costs and taxes.</p>	Section 5
What will the Company invest in?	<p>The Company will have a range of investments predominantly in the securities of ASX listed companies outside the S&P/ASX 100 (Portfolio). As a guide, the Portfolio will be a portfolio of investments in around 20-60 companies.</p>	Section 5
Who is the Manager?	<p>Glennon Capital Pty Limited is the Manager and it will manage the Portfolio.</p> <p>The Manager is a specialist small company investment manager that has been managing Australian equities for institutional and high net worth investors since 2008.</p>	Section 4
What is the Manager's Investment Strategy?	<p>The Manager's Investment Strategy is to predominantly:</p> <ul style="list-style-type: none">– invest in securities of ASX listed companies (or companies that are proposing to list within 12 months) that are outside the S&P/ASX 100 and are assessed by the Manager to:<ul style="list-style-type: none">– have superior management and sustainable businesses that operate in industries with barriers to entry and growth prospects; and– be undervalued by reference to the market price of their securities;– adopt an active, long only, investment management style;– not use leverage; and– acquire securities with the intention of holding them for the long term but the Manager may realise the securities more quickly if the market price of the securities is close to or greater than the Manager's assessed value of the securities or there is a change that makes the business which underlies the securities a less attractive investment target relative to other investment opportunities.	Section 5.3

1 INVESTMENT OVERVIEW

Question	Answer	More Information																																																								
ABOUT THE COMPANY																																																										
What has been the historical performance of the Manager?	<p>The Investment Strategy, Investment Guidelines and Investment Process are the same as those used by the Manager in managing the Glennon Capital Small Companies Portfolio (SCP).</p> <p>The SCP has been managed by the Manager since 1 July 2010. It will not be related or connected to the Company's intended Portfolio, other than it will have the same Investment Strategy, Investment Guidelines and Investment Process.</p> <p>The SCP has demonstrated strong cumulative performance after fees relative to the benchmark as illustrated below:</p>	Section 4.3																																																								
	<p>Table 1: Cumulative basis</p> <table border="1"> <thead> <tr> <th>Net of Management and Performance Fees</th> <th>6 Months</th> <th>1 Year</th> <th>2 Years</th> <th>3 Years</th> <th>4 Years</th> <th>Since Inception</th> </tr> </thead> <tbody> <tr> <td>Glennon Capital Small Companies (after mgt fees)</td> <td>11.1%</td> <td>14.0%</td> <td>38.5%</td> <td>65.0%</td> <td>61.1%</td> <td>84.4%</td> </tr> <tr> <td>S&P/ASX Small Ordinaries Accumulation Index</td> <td>3.1%</td> <td>2.3%</td> <td>0.8%</td> <td>-5.1%</td> <td>-13.2%</td> <td>11.4%</td> </tr> <tr> <td>Outperformance</td> <td>7.9%</td> <td>11.7%</td> <td>37.7%</td> <td>70.0%</td> <td>74.3%</td> <td>73.0%</td> </tr> </tbody> </table> <p>Table 2: Annualised basis</p> <table border="1"> <thead> <tr> <th>Annualised Net of Management and Performance Fees</th> <th>6 Months</th> <th>1 Year</th> <th>2 Years</th> <th>3 Years</th> <th>4 Years</th> <th>Since Inception (pa)</th> </tr> </thead> <tbody> <tr> <td>Glennon Capital Small Companies (after mgt fees)</td> <td>11.1%</td> <td>14.0%</td> <td>17.7%</td> <td>18.2%</td> <td>12.7%</td> <td>13.7%</td> </tr> <tr> <td>S&P/ASX Small Ordinaries Accumulation Index</td> <td>3.1%</td> <td>2.3%</td> <td>0.4%</td> <td>-1.7%</td> <td>-3.5%</td> <td>2.3%</td> </tr> <tr> <td>Outperformance</td> <td>7.9%</td> <td>11.7%</td> <td>17.3%</td> <td>19.9%</td> <td>16.1%</td> <td>11.4%</td> </tr> </tbody> </table>	Net of Management and Performance Fees	6 Months	1 Year	2 Years	3 Years	4 Years	Since Inception	Glennon Capital Small Companies (after mgt fees)	11.1%	14.0%	38.5%	65.0%	61.1%	84.4%	S&P/ASX Small Ordinaries Accumulation Index	3.1%	2.3%	0.8%	-5.1%	-13.2%	11.4%	Outperformance	7.9%	11.7%	37.7%	70.0%	74.3%	73.0%	Annualised Net of Management and Performance Fees	6 Months	1 Year	2 Years	3 Years	4 Years	Since Inception (pa)	Glennon Capital Small Companies (after mgt fees)	11.1%	14.0%	17.7%	18.2%	12.7%	13.7%	S&P/ASX Small Ordinaries Accumulation Index	3.1%	2.3%	0.4%	-1.7%	-3.5%	2.3%	Outperformance	7.9%	11.7%	17.3%	19.9%	16.1%	11.4%	Past performance is not a reliable indicator of future performance. Details about the SCP currently managed by the Manager is provided for information purposes only. It is not indicative of the future performance of the Company. Note that there are some differences between the fee structures of the above funds compared to the Manager's fees for the Company (therefore, the above figures are net of performance and management fees). Note that the SCP differs from the Company in that it is a separately managed account structure rather than a company. Please see Section 4.3 for more details on these matters. The actual returns of the Company may differ materially from the historical returns of the SCP detailed above.
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What are the Investment Guidelines for the Portfolio?	<p>The following Investment Guidelines generally apply to the Manager's implementation of the Investment Strategy:</p> <ul style="list-style-type: none"> – The Portfolio will typically include shares, options, preference shares and convertible or converting notes. – The Portfolio will typically consist of securities of between 20 to 60 ASX listed companies which are predominantly outside of the S&P/ASX 100. – The Portfolio may include unlisted securities of companies that are expected to list within 12 months or securities of smaller companies that are listed on a foreign securities exchange. – The Manager will seek to acquire and maintain individual holdings in a company that represent 1% or more by value of the Portfolio, although this will not always be the case. – The Manager will seek to limit investments in individual companies to less than 12% of the total value of the Portfolio. – Up to 20% of the Portfolio's value can be held in cash or cash instruments not including notes (whether or not converting or convertible). 	Section 5.4																																																								

1 INVESTMENT OVERVIEW

Question	Answer	More Information
ABOUT THE COMPANY		
What are the Investment Guidelines for the Portfolio? continued	<ul style="list-style-type: none">– The intended holding period for an investment will ideally be 5 to 10 years but will be shorter if:<ul style="list-style-type: none">– an investment is not performing; or– a company's outlook deteriorates in which case the Manager will seek to exit the position as quickly as practicable; or– the market price of the investment reaches or exceeds the Manager's long-term valuation and it becomes less attractive compared to alternative investments.	
What is the Manager's Investment Process?	<p>This Section summarises aspects of the Manager's Investment Process as at the Prospectus Date. The Manager may vary its Investment Process at any time without notice to the Company and Shareholders. The Investment Process is largely subjective and has been refined over time and reflects the specialised skills and experience of the Manager.</p> <p>The Manager's Investment Process is designed to identify securities trading at a discount to the Manager's assessment of the intrinsic long-term value of the securities and to understand and reduce the risks associated with investing in small listed companies. The components of the Investment Process are as follows:</p> <ul style="list-style-type: none">a) The Manager identifies companies within the potential investment universe, being predominantly ASX listed companies outside of the S&P/ASX 100.b) The Manager gathers information on those companies and maintains a database of public information related to them (including ASX announcements, annual reports and financial statements) including on their businesses and industries in which they operate.c) The Manager filters the investment universe by removing companies which the Manager determines do not have all of the following:<ul style="list-style-type: none">i) superior management;ii) a sustainable business (taking into account such factors as the industry structure, regulation and competitiveness);iii) operations in an industry with barriers to entry; andiv) growth prospects.d) The Manager meets with or talks to the management team from target companies and selects target companies in which to invest.e) The Manager monitors on an ongoing basis share prices, ASX announcements and articles publicly published in the financial press.f) The Manager monitors the performance of the Portfolio and alternative potential investments.g) The Manager's preference is to hold its investments for as long as they have attractive growth profiles and as long as the valuation can be justified. The Manager does not intend to trade around short term share price movements, though it may take advantage of short term mispricing to acquire an investment. <p>The Manager is permitted under the Management Agreement to undertake investments on behalf of the Company without the prior approval of the Board. However, if the Manager recommends a proposed investment that is not in accordance with the Investment Strategy, the investment will be subject to the approval of the Board.</p>	Section 5.5
Can the Investment Strategy change?	Yes. Material changes to the Investment Strategy require the approval of the Board. Material changes will be notified through the ASX announcements platform.	

1 INVESTMENT OVERVIEW

Question	Answer	More Information
ABOUT THE COMPANY		
What are the key terms of the Management Agreement?	<p>The Manager will be responsible for managing the Portfolio in accordance with the Investment Strategy set out in Section 5. The Manager is given very broad powers of investment.</p> <p>The Management Agreement provides for the appointment of the Manager for an initial term of 10 years unless terminated earlier. Following the expiry of the initial term, the agreement will continue unless terminated in accordance with its terms.</p> <p>The Management Agreement will terminate if:</p> <ul style="list-style-type: none">a) the Manager gives six months' notice after the fifth anniversary of the date of the Management Agreement;b) the Company becomes insolvent;c) after the initial term of 10 years an ordinary resolution of Shareholders approving the termination is passed;d) the Shareholders resolve to wind up the Company;e) the Manager becomes insolvent or defaults in specified circumstances; orf) the Company defaults in specific circumstances. <p>Please see Section 10.1 for a summary of the material terms of the Management Agreement.</p>	Section 3 and Section 10
What are the Manager's fees?	<p>The Company will pay the Manager:</p> <ul style="list-style-type: none">a) a management fee of 1% p.a. (plus GST) of the net asset value (NAV) of the Portfolio, which is calculated, accrued and paid in arrears each month;b) a performance fee equal to 20% (plus GST) of the Portfolio's outperformance over the S&P/ASX Small Ordinaries Accumulation Index, which is calculated and accrued monthly on a pre-tax basis. Performance fees are payable quarterly in arrears; andc) if the Management Agreement is terminated before the end of the initial term due to certain insolvency events relating to the Company, by the Manager for cause, or following Shareholders resolving to wind up the Company a termination payment equal to 5% of the net tangible asset backing of each Share as calculated under the Listing Rules. <p>Management and performance fees can have a significant impact on the value of the Portfolio. Please note that the following examples are provided for illustrative purposes only. They do not forecast the future performance of the Portfolio or any return on the Securities offered under this Prospectus. For a detailed explanation of how management and performance fees are calculated, please see Section 10.1.</p> <p>Management Fee examples</p> <p>The management fee (fixed component fee) is payable monthly by the Company to the Manager.</p> <p>Assuming the Portfolio has a NAV of \$16,000,000 as at the end of a month, the management fee for that month will be \$13,333 excluding GST (that is, $\\$16,000,000 \times 1\% \times (1/12)$). Assuming the Portfolio has that NAV at the end of every month for that year, the management fee for that year would be \$160,000 excluding GST.</p> <p>Assuming the Portfolio has a NAV of \$50,000,000 as at the end of a month, the management fee for that month will be \$41,666 excluding GST (that is, $\\$50,000,000 \times 1\% \times (1/12)$). Assuming the Portfolio has that NAV at the end of every month for that year, the management fee for that year would be \$500,000 excluding GST.</p>	Section 10.1

1 INVESTMENT OVERVIEW

Question	Answer	More Information
ABOUT THE COMPANY		
What are the Manager's fees? (continued)	<p>Performance Fee example</p> <p>The Performance Fee is payable by the Company to the Manager at the end of each quarter.</p> <p>Assuming that, in respect of a quarter:</p> <ul style="list-style-type: none">a) the NAV of the Portfolio at the end of the immediately preceding quarter (CV) is \$16,000,000;b) the NAV of the Portfolio at the end of the quarter (PV) is \$17,000,000; andc) the increase in the Benchmark (the ASX/S&P Small Ordinaries Accumulation Index) (BI) over the quarter is 5%. <p>In these circumstances, the Portfolio's NAV has increased over the quarter by \$1,000,000 (PV - CV) or 6.25%. The Benchmark return over the same quarter is \$800,000 (5% x \$16,000,000). The Portfolio's outperformance of the Benchmark return is \$200,000 (\$1,000,000 - \$800,000). The Performance Fee payable by the Company for that quarter will be \$40,000 excluding GST (that is, 20% x \$200,000).</p> <p>However, if the NAV of the Portfolio before all taxes at the end of the relevant quarter is below the "High Water Mark", no Performance Fee will be payable.</p> <p>Further, if the Portfolio performance is below the Benchmark, no Performance Fee is payable.</p> <p>Please see Section 10.1 for specific details of CV, PV, BI and High Watermark.</p>	
What is the timeframe for the Portfolio construction?	The Manager may take up to approximately 3 months to fully invest the amounts raised under this Offer assuming that the Minimum Subscription amount is raised and up to approximately 6 months if the Maximum Subscription amount is raised.	
What is the Company's gearing level?	The Company was recently incorporated and it does not have any debt and is not geared. Further, the Company does not currently intend to borrow or otherwise use leverage in the Portfolio (for example through derivatives). The Company may acquire notes (including convertible notes) or debt securities issued by companies.	Section 3
What are the key highlights of the Offer?	Taking up this Offer will allow investors to: <ul style="list-style-type: none">– access investments selected by a specialist small company investment manager with a successful track record who will use the Investment Process;– gain exposure to a portfolio of investments in around 20 to 60 small listed companies;– deploy long term capital in securities that the Manager considers to be undervalued; and– have the benefit of an investment portfolio overseen by a Board with strong experience in capital markets and investment management combined with financial and commercial expertise. <p>There are risks associated with an investment in the Company and the Portfolio and an investment should be regarded as speculative. Please see Section 6 for a discussion on these key risks.</p>	Section 3
What is the financial position of the Company?	The Company has not yet commenced trading. Unaudited pro forma statements of its financial position as if the Offer had been successfully completed and Offer costs paid are set out in Section 8.	Section 8
Who are the Directors of the Company?	The Directors of the Company are: <ul style="list-style-type: none">– Michael Glennon – Chairman and also the Executive Chairman and sole director of the Manager;– John Larsen – Independent Non-executive Director; and– Garry Crole – Independent Non-executive Director <p>See Section 3 for further details regarding the background of the Directors.</p>	Section 3

1 INVESTMENT OVERVIEW

Question	Answer	More Information
ABOUT THE COMPANY		
What are the Directors paid?	<p>Following their appointment, it is proposed that the independent non-executive Directors will receive the following annual remuneration for the year ending 30 June 2016:</p> <p>John Larsen – \$25,000 Garry Crole – \$25,000</p> <p>Michael Glennon is remunerated by the Manager and will not receive Directors' fees or any other form of remuneration from the Company. A close associate of Michael Glennon holds 100% of the equity interests in the Manager as at the date of this Prospectus.</p>	Section 11.9
Will any related party have a significant interest in the Company or the Offer?	<p>As at the Prospectus Date, the shares in the Manager are held by a close associate (being a relative) of Mr Michael Glennon, who is a Director of the Company. Mr Michael Glennon is also the sole director of the Manager.</p> <p>The Company and the Manager have entered into the Management Agreement pursuant to which the Manager is entitled to be paid fees by the Company. Given that Michael Glennon is the sole director of the Manager and that an associate of Michael Glennon is the sole shareholder in the Manager, Michael Glennon has a direct interest in the Manager and the Management Agreement. Further details of the Management Agreement are set out in Section 10.</p>	Sections 2, 10 and 11
What are the Company's material contracts?	<p>In addition to the Management Agreement, the Company has entered into engagements with State One and PAC Partners in respect to the Offer and PAC Partners has entered into an agreement with Shaw and Partners in relation to co-managing the Offer.</p> <p>Further details of each of these arrangements are included in Section 10 of this Prospectus.</p>	Section 10
Does the Board approve investments?	<p>Except in limited circumstances, Board approval is not required for investments undertaken by the Manager that are in accordance with the Company's Investment Strategy. Investments outside of these parameters may be approved by the Board, based on a recommendation by the Manager.</p>	Section 3
Will the Company pay dividends?	<p>The Company currently intends to pay an annual dividend to Shareholders subject to it having profits available for distribution. However, as the objective of the Company is long term capital growth, it is likely that dividends, if any, will be low during the Company's initial years. The amount of any dividend will be at the discretion of the Board and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Board deems relevant.</p> <p>It is the current intention of the Board that all dividends paid to Shareholders will be franked to the maximum extent possible.</p> <p>The Company has a Dividend Reinvestment Plan which enables Shareholders to elect to receive Shares instead of cash dividends. Further details of the Dividend Reinvestment Plan are included in Section 11.6.</p>	Section 3 and 11.6
ABOUT THE OFFER		
Who is the issuer of the Securities and this Prospectus?	<p>Glennon Small Companies Limited (ACN 605 542 229) is the issuer of the Securities under the Offer and it has authorised and issued this Prospectus.</p> <p>The Arranger is to make offers to arrange for the issue of Securities in accordance with such offers if they are accepted.</p>	Section 2
What is the Offer?	<p>The Company is offering Shares for subscription to raise up to \$50,000,000.</p> <p>Investors will also receive, for no additional consideration, one Option for each Share they subscribe for, exercisable at \$1.00 on or before the first anniversary of the date that the Options are issued.</p>	Section 2

1 INVESTMENT OVERVIEW

Question	Answer	More Information
ABOUT THE OFFER		
What do Applicants pay when applying under the Offer?	All Applicants under the Offer will pay the Subscription Price of \$1.00 per Share. For Applicants under the General Offer this amount will be solely payable to the Company. For Applicants under the Broker Firm Offer, the Subscription Price of \$1.00 per Share comprises the \$0.98 per Share payable to the Company and the Service Fee of \$0.02 per Share (inclusive of GST) payable to the relevant Broker.	Section 2
What is the Service Fee under the Broker Firm Offer?	<p>Under the Broker Firm Offer, Applicants will need to pay \$1.00 per Share which includes:</p> <ul style="list-style-type: none">– \$0.98 per Share payable to the Company; and– \$0.02 per Share being the Service Fee (inclusive of GST) payable to the Broker. <p>The Service Fee will only be paid by a Retail Applicant to their Broker if the Retail Applicant has given its Consent to the payment. A percentage of any Service Fee may also be paid to the individual broker advising the Retail Applicant, or a financial planner or financial intermediary providing advice or dealing services to them in respect of the Offer. Retail Applicants should discuss the Service Fee (as well as any allocation of it between their individual broker, financial planners or financial intermediaries) with their individual broker.</p> <p>Applicants under the Broker Firm Offer must pay to the Broker both components of their Subscription Price (being the \$0.98 per Share payable to the Company and \$0.02 Service Fee payable to the Broker) at the same time. The Broker will act as the Applicant's agent in providing these payments to the Company. The Company will hold these amounts in the Company's trust account for Application Monies until the Allotment Date. The Service Fee component of the Subscription Price will be transferred to a service fee trust account.</p> <p>Institutional Applicants' Service Fees will then be paid to Brokers. The Service Fees held in respect of a Retail Applicant will only be paid to the Retail Applicant's Broker if the Company receives confirmation from that Broker that the relevant Retail Applicant has given their Consent to the payment of the Service Fee. If a Broker does not procure a Retail Applicant's Consent to the payment of the Service Fee to their Broker, the Retail Applicant's Service Fee will be refunded in full by the Share Registry to that Retail Applicant within a reasonable time after the Allotment Date. The Company will retain any interest earned on any Service Fees.</p>	
Who are the Offer Managers to the Offer?	The Arranger for the Offer is State One Stockbroking Ltd. It is also the Retail Manager. The Wholesale Offer Manager is PAC Partners Pty Ltd. The Arranger and Wholesale Offer Manager will be assisted by the Co-Manager who is Shaw and Partners Limited.	Section 2
What is the purpose of the Offer?	The Company is seeking to raise a minimum of \$16,000,000 and up to \$50,000,000 to undertake investments consistent with the Investment Strategy and Investment Guidelines and for paying the costs of the Offer, including the costs of obtaining a listing on ASX.	Section 2
Working capital	<p>In the opinion of the Directors, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.</p> <p>The Directors do not expect that the Company will need to raise more equity or debt finance in the next 12 months.</p>	

1 INVESTMENT OVERVIEW

Question	Answer	More Information
ABOUT THE OFFER		
What will the capital structure of the Company be following completion of the Offer?	On completion of the Offer, the capital structure of the Company will be as set out below (assuming no Options are exercised):	Section 11
Minimum Subscription		
Security	Number	
Shares	16,000,001	
Options	16,000,000	
Maximum Subscription		
Security	Number	
Shares	50,000,001	
Options	50,000,000	
Who can participate in the Offer?	Investors that have a registered address in Australia can participate in the General Offer. The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia.	Section 2
How do I apply for Securities under the Offer?	The process for applying for Securities in the Company is set out in Section 2. Retail Applicants under the Broker Firm Offer should contact their Broker for instructions on how to complete the Broker Firm Application Form accompanying this Prospectus. The Brokers may seek to obtain identification information from Applicants. The Company reserves the right to reject an Application if that information is not provided.	Section 2
What are the costs of the Offer and who is paying them?	The Offer costs include the fees of the Offer Managers, plus legal, accounting, advisory and other costs associated with the preparation of this Prospectus. At the time of production of this Prospectus (assuming that half of funds are raised under the General Offer and the other remaining half under the Broker Firm Offer), the offer costs are estimated to be approximately \$400,000 based on the Minimum Subscription and approximately \$750,000 based on the Maximum Subscription. The Company is paying these costs from the proceeds of the Offer.	Sections 2 and 8
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 2
Is there a minimum amount of Securities I can apply for?	Yes. Each Applicant must subscribe for a minimum of 2,000 Shares under the Offer. Applications in excess of the minimum number of Shares must be in multiples of 500 Shares.	Section 2
Is there a cooling-off period?	No. Once an Application is made, there are only limited circumstances in which the Application can be withdrawn.	
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, you can contact the Share Registry by calling the Offer Information Line on 1300 737 760 or +61 2 9290 9600 (outside Australia) between 8.15am and 5.30pm AEST, Monday to Friday. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	

1 INVESTMENT OVERVIEW

INVESTMENT RISKS – (see Section 6 for more details)

Investing in the Securities involves a high degree of risk and should be regarded as speculative. Section 6 of this Prospectus contains detailed information regarding the risk factors associated with making an investment in the Securities offered by the Company under this Prospectus.

The past performance of the SCP managed by the Manager is not a guide to the future performance of the Company.

There are risks inherent in the Investment Strategy that the Manager will employ for the Company including, but not limited to:

- the success and profitability of the Company depends substantially on the ability of the Manager to select securities for the Portfolio which generate a return for investors and there is no guarantee that the Investment Strategy, Investment Guidelines and Investment Process will result in generating positive returns to the Company;
- small companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies;
- the securities of small companies may be less liquid than those of larger companies which may cause higher volatility in the value of the Portfolio. Further, due to the lack of third party research on smaller companies they can be riskier investments than larger companies for which more information may be available;
- the Performance Fee may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Company;
- the Portfolio may be less diversified than those of other listed investment entities;
- the Portfolio may have exposure to unlisted securities. In general there is less regulation and supervision of transactions in the unlisted securities markets than of transactions entered into on organised exchanges. In addition, there may be little or no liquidity in unlisted securities and little oversight or disclosure of information;
- the Company will be subject to key man risk. Michael Glennon is the only investment professional currently engaged by the Manager. If he is unable or unwilling to act, the Directors will directly manage the Portfolio until a new Manager is appointed. There can be no guarantee that the Company will be able to identify an appropriately qualified replacement or, if such person or entity is appointed, that it will be able to perform its duties to a level that matches or exceeds the performance of the Manager. Further, the Manager also manages other portfolios. This may mean that the Manager does not allocate all investment opportunities identified by the Manager to the Company, or does partially.

Other risks associated with an investment in the Company include:

- investment returns are influenced by general market factors both in Australia and internationally. In particular, the market prices of the securities of many listed entities experience fluctuations which in many cases reflect a diverse range of non-entity specific influences including general economic conditions and changes in investor confidence generally and in relation to specific sectors of the market;
- geopolitical risks;
- interest rate risk;
- currency risk and foreign jurisdiction risk;
- liquidity risk for the Shares in the Company and the securities in which the Company itself invests. In particular, given the nature of the Company, and the traditionally lower trading volumes experienced by listed investment companies, if the Company is able to achieve only the Minimum Subscription, it is possible that there will be a low level of liquidity in trading of the Securities. As a result, Shareholders (and Optionholders) may not be able to sell their Securities at the time and in the volumes or at a price that is attractive;
- the ability of the Company to offer a fully franked dividend is contingent on it making taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting and payment of dividends difficult and unpredictable; and
- changes in the regulatory, legal and taxation regimes applicable to the Company and the securities in which it invests.

There are also risks associated with the Manager. These are set out in Section 6 and a summary of the Management Agreement set out in Section 10. Investors should be aware that the initial term of the Management Agreement is 10 years and that there is limited scope for the Company to terminate the Management Agreement during this initial term, including due to the performance levels by the Manager and the Portfolio (including where the Company considers these to be inadequate).

Investors should bear the above risks in mind when considering whether to participate in the Offer. In addition, investors are strongly advised to regard any investment in the Company as speculative and long term investment (five to ten years) and note that substantial fluctuations in the value of their investment may occur during that period and beyond.

2

DETAILS OF THE OFFER

2.1 What is the Offer?

The Offer is an initial public offering of Shares that will be issued by the Company at a price of \$1.00 per Share with an Option. A summary of the rights and liabilities attaching to the Shares and Options is set out in Sections 11.5 and 11.7.

The minimum amount to be raised under the Offer is \$16,000,000 (before fees and costs of the Offer). The maximum amount being raised under the Offer is \$50,000,000 (before fees and costs of the Offer).

The Offer comprises the following:

- **Broker Firm Offer** – This component of the Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia. Investors should contact their Broker to determine whether they may be allocated Securities under the Broker Firm Offer. Applicants under the Broker Firm Offer should pay their Subscription Monies to their Broker who will then transfer that money to the Company.
- **General Offer** – This component of the Offer is open to any type of investor provided they have a registered address in Australia. Applicants under the General Offer will be required to pay their Subscription Monies directly to the Company.

2.2 Discretion under the Offer

The Company reserves the right:

- not to proceed with the Offer at any time before the allotment of Shares under the Offer. In that case, Application Monies received by the Company will be refunded in full (without interest);
- to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares specified in the Application or part only, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract; and
- to close the Offer early, to accept late Applications or to extend the Offer without notifying any recipient of this Prospectus or any Applicant.

2.3 Minimum Subscription

The Minimum Subscription required for the Offer to proceed is \$16,000,000 (before the payment of the Offer costs, and including the amount of the Service Fee under the Broker Firm Offer). If the Minimum Subscription is not obtained within 4 months after the Original Prospectus Date, the Company will repay all Application Monies in full without interest as soon as practicable.

2.4 Arrangement for the issue of Securities

Offers under this Prospectus will be made pursuant to (and any other AFSL holders who make, or whose AFSL covers, the offers referred to below) an arrangement between the Company and State One under section 911A(2)(b) of the Corporations Act. The Company authorises State One to make offers to people to arrange for the issue of the Securities by the Company under this Prospectus and the Company will only issue the Securities in accordance with Applications made pursuant to such offers if they are accepted.

The Company has agreed to pay State One as the Arranger and Retail Manager (subject to a minimum fee of \$30,000) a fee of 1% of the gross proceeds raised under the Offer (exclusive of GST and excluding any proceeds introduced from Pac Partners or Shaw and Partners). State One is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

The Company has agreed to pay PAC Partners a fee of 1% of the total amount raised by the PAC Partners and Shaw and Partners under the Offer (exclusive of GST). Pac Partners is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

PAC Partners has entered into an agreement with Shaw and Partners to assist in managing the Offer. PAC Partners will pay Shaw and Partners a management fee of 1% of the gross proceeds raised by Shaw and Partners under the Offer (exclusive of GST). Shaw and Partners is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

2.5 Service Fee

The Service Fee only applies in relation to the Broker Firm Offer. It does not apply in respect of the General Offer. The gross amount paid per Share is the same (being \$1.00 per Share) regardless of whether an Applicant applies under the Broker Firm Offer or General Offer.

Both Retail Applicants and Institutional Applicants who receive a firm allocation from their Broker under the Broker Firm Offer will be required to pay \$1.00 per Share comprising:

- \$0.98 per Share to the Company; and
- \$0.02 per Share (inclusive of GST) to their Broker as a Service Fee.

This Service Fee is a one-off fee payable to the Applicant's Broker in respect of the services provided by their Broker (and any individual broker, financial adviser or financial intermediaries) in introducing the Applicant to the Offer, giving advice in respect of the Offer, and arranging for the issue of Shares in respect of the Offer.

2 DETAILS OF THE OFFER

All Applicants under the Broker Firm Offer must pay to their Broker both components of the Subscription Price (being the \$0.98 per Share payable to the Company and Service Fee payable to the Broker) at the same time. The Broker will act as the Applicant's agent in making these payments to the Share Registry on behalf of the Company. These amounts (and any Subscription Monies paid under the General Offer) will be held in the Company's trust account for Application Monies until the Allotment Date. The Service Fee component of the Subscription Price will be transferred on the Allotment Date to a service fee trust account held on behalf of the Brokers.

a) Service Fee for Institutional Applicants under the Broker Firm Offer

By signing and delivering their completed Application Form, Institutional Applicants under the Broker Firm Offer consent to and authorise the transfer of their Service Fee on the Allotment Date from the Company's trust account for Application Monies to a service fee trust account and then to their Brokers as payment of the Service Fee.

b) Service Fee for Retail Applicants under the Broker Firm Offer

The Service Fee related to a Retail Applicant will only be paid to a Broker if the Retail Applicant has given its Consent to the payment. Any Consent to the payment of the Service Fee to a Broker will also be taken to be a Consent to the payment of a percentage of that Service Fee to the individual broker advising the Retail Applicant or any financial planners or any financial intermediaries providing advice or dealing services to them in respect of the Offer.

2.7 How do I apply under the Offer?

Who is eligible to participate in the Offer?

Who can apply for Securities under the General Offer? The General Offer (which does not include the Broker Firm Offer) is open to Retail Applicants and Institutional Applicants resident in Australia. The Company reserves the right in its absolute discretion not to issue Securities to Applicants under the General Offer or to issue them fewer Securities than were applied for. All Applicants under the General Offer must have an eligible residential address in Australia.

Who can apply under the Broker Firm Offer? The Broker Firm Offer is open to Retail Applicants and Institutional Applicants who are residents of Australia and who have received a firm allocation of Securities from their Broker.

Completing and returning your Application under the Offer

What is the minimum and maximum Application under the Offer? Applications must be for a minimum of 2,000 Shares. Applications in excess of the minimum number of Shares must be in multiples of 500 Shares. There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person. The Company reserves the right to reject any Application or to allocate a lesser number of Securities than that which is applied for.

Retail Applicants should discuss the Service Fee (as well as any allocation of it between their individual Broker, financial planners or financial intermediaries) with their individual Broker.

If a Broker does not confirm that the Broker has obtained a Retail Applicant's Consent to the payment of the Service Fee, the Retail Applicant's Service Fee will be refunded in full (but without interest) by the Share Registry to that Retail Applicant within a reasonable time after the Allotment Date.

c) No Service Fee for Applicants under the General Offer

The Service Fee does not apply to, and is not payable by, Applicants under the General Offer.

2.6 Is the Offer underwritten?

No, the Offer is not underwritten.

State One is acting as the Arranger for the Offer and PAC Partners is acting as the Wholesale Offer Manager for the Offer. The details of these arrangements are set out in Section 10.

2 DETAILS OF THE OFFER

Completing and returning your Application under the Offer – continued

How do I apply under the General Offer?

To apply for Securities under the General Offer, complete the Application Form that forms part of, is attached to, or accompanies this Prospectus. Application Forms must be completed in accordance with the accompanying instructions.

Once completed, please lodge your Application Form and Application Monies so that they are received by the Company by the Closing Date.

By hand: Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

OR

By post: GPO Box 3993
Sydney NSW 2001

OR

Electronically: Apply online at www.boardroomlimited.com.au/GlenonSmallCompaniesLimited/glenon.php and pay your Application Monies by BPAY by the Closing Date.

How do I apply under the Broker Firm Offer?

If you are applying for Securities under the Broker Firm Offer, you should complete and lodge your Broker Firm Application Form with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with their Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Application Forms to the Share Registry.

The allocation of Securities to Brokers will be determined by the Company and the Offer Managers.

Securities that have been allocated to Brokers for allocation to their clients will be issued to the Broker Firm Applicants who have received a valid allocation of Securities from those Brokers.

The Brokers will decide how they allocate the Securities among their clients, and the Brokers (and not the Company or the Offer Managers) will be responsible for ensuring that clients who have received an allocation from them receive the relevant Securities.

The Company, Share Registry or the Offer Managers take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Monies (including, without limitation, failure to submit Application Forms by the close of the Broker Firm Offer).

Please contact your Broker if you have any questions.

How do I pay my Application Monies by cheque?

Application Monies may be provided by BPAY (see below), cheque or bank draft.

Cheques or bank drafts must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable either:
 - **for Applicants in the General Offer:** to "Glenon Capital Small Company Limited – OFFER"; or
 - **for Applicants in the Broker Firm Offer:** in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account to cover their cheque. If the amount of their cheque or bank draft for Application Monies is insufficient to pay for the amount of Securities applied for, the Applicant may be taken to have applied for such lower amount of Securities as their cleared funds will pay for (and to have specified that amount in their Application Form) or their Application may be rejected.

2 DETAILS OF THE OFFER

Completing and returning your Application under the Offer – continued

How do I pay my Application Monies by BPAY? If you are an Applicant under the General Offer, and currently reside in Australia, you may apply for Securities online and pay the Application Monies by BPAY. Applicants under the General Offer wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at www.boardroomlimited.com.au/GlennonSmallCompaniesLimited/glennon.php and follow the instructions on the online Application Form (which stipulates the biller code and your unique Customer Reference Number (**CRN**)).

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure that you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney, Australia time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

If you are an Applicant under the Broker Firm Offer please contact your Broker directly to determine whether the Application Monies can be paid by BPAY.

Fees, costs and timing for Applications

When does the Offer open? The Offer is expected to open for Applications on Monday, 6 July 2015.

What is the deadline to submit an Application under the Offer? It is your responsibility to ensure that your Application Form and Application Monies are received by the Share Registry before 5.00pm (Sydney, Australia time) on the Closing Date for the Offer which is Wednesday, 12 August 2015 (unless extended). Broker Firm Offer Applicants should return their Applications to their Broker in accordance with the deadline set by their Broker.

The Company and the Share Registry take no responsibility in respect of an Application Form or Application Monies which are delivered to your Broker in connection with your Application until such time as your Application Form and Application Monies are received by the Share Registry.

Is there any brokerage, commission or stamp duty payable by Applicants? No stamp duty is payable by Applicants on the acquisition of Securities under the Offer. When applying for Securities under the Broker Firm Offer, both Retail Applicants who consent and Institutional Applicants who receive a firm allocation from their Broker will be required to pay a Service Fee of \$0.02 per Share (inclusive of GST).

If a Retail Applicant under the Broker Firm Offer receives a firm allocation from their Broker and they provide a Consent, then the Service Fee will be paid to the Broker. If a Broker does not obtain a Retail Applicant's Consent to the payment of the Service Fee to their Broker, the Retail Applicant's Service Fee will be refunded in full by the Share Registry to the Retail Applicant.

Institutional Applicants under the Broker Firm Offer consent to and authorise the payment of Service Fee to Brokers by signing and delivering their completed Application Form.

The Service Fee is not payable by Applicants under the General Offer.

What are the costs of the Offer and who is paying them? The Offer costs include the fees of the Offer Managers, legal, accounting, advisory and other costs associated with the preparation of this Prospectus.

At the Prospectus Date, these costs are estimated to be approximately \$400,000 based on the Minimum Subscription and approximately \$750,000 based on the Maximum Subscription. The Company is paying these costs from the proceeds of the Offer.

2 DETAILS OF THE OFFER

Confirmation of your Application and trading on ASX

When will I receive confirmation of whether my Application has been successful?	Applicants under the General Offer will be able to call the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), between 8.15am and 5.30pm AEST, Monday to Friday, from Tuesday, 18 August 2015 to confirm their allocation. Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around Tuesday, 18 August 2015.
Is DvP settlement available?	Delivery versus payment (DvP) settlement is available for Applicants under the Broker Firm Offer. Please contact your Broker or one of the Offer Managers for further details.
When will I receive my Securities and when can I trade my Securities?	Subject to ASX granting approval for the Company to be admitted to the official list of ASX (see Section 2.10), the Company will issue the Securities to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on Tuesday, 18 August 2015. Trading of the Securities on ASX is expected to commence on Friday, 21 August 2015 on a normal T + 3 settlement basis. If you sell your Securities before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Offer Information Line.
Who do I contact if I have further queries?	If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser. If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), between 8.15am and 5.30pm AEST, Monday to Friday.

2.8 Allocation policy

The basis of the allocation of Securities under the Offer will be determined by the Company and the Offer Managers subject to any firm allocations given by the Company to Brokers in connection with the Broker Firm Offer. Certain Applicants nominated by the Company may be given preference in the allotment of Securities.

The Company reserves the right in its absolute discretion to not issue Securities to Applicants under the General Offer and may reject any Application or allocate a lesser amount of Securities than those applied for at its absolute discretion.

2.9 Application Monies

All Application Monies will be held by the Company on trust in a separate account until the Securities are issued to successful Applicants.

Applicants under the Broker Firm Offer must lodge their Subscription Price (including \$0.98 per Share payable to the Company and \$0.02 Service Fee) at the same time with their Broker (who will then act as the Applicant's agent in providing these amounts to the Company). Money received from Applicants will first be allocated to the payment of \$0.98 per Share to the Company and any balance will be applied towards the Service Fee. On and around the Settlement Date, The Share Registry will collect these amounts from Brokers and then hold them in the Company's trust account for Application Monies in relation to the Offer until the Allotment Date. The Service Fee component will be transferred from the Company's trust account on the Allotment Date to a Service Fee trust account.

Application Monies will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

2 DETAILS OF THE OFFER

2.10 ASX listing

The Company has applied to ASX for admission to the official list of ASX and for its Securities to be granted official quotation by ASX. The Company is not currently seeking a listing of its Securities on any stock exchange other than ASX.

The fact that ASX may admit the Company to the official list of ASX and grant official quotation of the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Securities, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

If permission for quotation of the Securities is not granted within three months after the Original Prospectus Date, all Application Monies and Service Fees received by the Company will be refunded without interest as soon as practicable.

2.11 Tax implications of investing in the Company

The taxation consequences of any investment in the Securities will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

A general overview of the Australian taxation implications of investing in the Company, based on current tax law, is set out in Section 11.13. The information in Section 11.13 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

2.12 Overseas distribution

No action has been taken to register or qualify the offer of Securities under this Prospectus, or to otherwise permit a public offering of Securities, in any jurisdiction outside Australia.

Offer only made where lawful to do so

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

United States residents

The Securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Securities in any State or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these Securities may not be conducted unless in compliance with the US Securities Act.

Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

3

THE COMPANY

3.1 Overview

The Company is a newly incorporated company which has not conducted any business to date. It has been established to invest predominantly in a portfolio of securities of small capitalisation and emerging listed companies outside the S&P/ASX 100.

The Company has engaged an experienced manager to manage the Portfolio.

The Manager is Glennon Capital, a specialist small company investment manager with a track record of successfully managing small company share portfolios.

3.2 Board of Directors

The Board has a broad range of experience in capital markets and investment management combined with financial and commercial expertise. The following table provides information regarding the Directors, including their ages and positions:

Name	Age	Position	Independence
Michael Glennon	41	Chairman (also Executive Chairman of the Manager)	Not independent
John Larsen	64	Non-executive Director	Independent
Garry Crole	52	Non-executive Director	Independent

Michael Glennon – Chairman (non independent)

Mr Michael Glennon is the Chairman of the Company, as well as the executive chairman of the Manager.

He has 17 years experience in financial markets and over 15 years experience as a portfolio manager and director of several boutique investment management firms. Michael has extensive contacts in listed companies and has accumulated a wealth of knowledge of smaller listed companies over the time he has been in the market.

Michael has worked with some of Australia's most respected small company fund managers. Michael has also managed a listed investment company as well as portfolios for public superannuation funds, family offices, financial planner clients, insurance companies, charities and other professional investors.

Michael regularly speaks on ABC radio and appears on CNBC providing expert commentary on investing and financial markets.

Michael holds a Bachelor of Commerce degree from the University of Western Sydney.

John Larsen – Non-executive Director (Independent)

Mr John Larsen has over 30 years experience in senior management roles in funds management and broking companies. More recently John has managed a number of private portfolios and a number of individually managed accounts. Between 2006 and 2008, John was part of the investment committee responsible for investment for the Huntley Investment Company Limited, a listed investment company.

John was also Group Investment Manager at ING (then Mercantile Mutual Group) retaining responsibility for the entire Australian investments portfolio with over \$500 million of funds under management. During John's tenure, ING was one of the largest fund managers in the Australian market.

John's institutional dealing experiences include working as the Head of Equities for Deutsche Bank in Australia, and as a Director of County Natwest Securities (now part of Citigroup) in charge of institutional sales.

Garry Crole – Non-executive Director (Independent)

Mr Garry Crole is an experienced financial services professional who has held numerous senior executive positions with leading Australian companies such as Colonial Mutual Life. After working for Colonial Mutual Life as an executive in the 1980s, Mr Crole founded the distribution network of Money Planners. He then became the CEO of the ASX-listed Deakin Financial Services Limited (ASX: DKN), a role he held through to 2001.

Over the past 10 years, Garry has been the joint Managing Director of InterPrac Limited, an unlisted public company specialising in providing the accounting industry access to financial services product and distribution capability. In this role, he has worked closely with the National Tax Accountants Association (NTAA), an accountant and tax advisor association with a member base of over 8,500 accountancy practices spread across Australia.

Garry holds a Diploma in Financial Planning and is a graduate member of the Australian Institute of Company Directors.

3 THE COMPANY

3.3 Director disclosures

No Director of the Company has been the subject of any legal or disciplinary action (or against companies the person was a director of at the relevant time), criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or to an investor's decision as to whether to subscribe for Securities.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

3.4 Administrative functions

The Company has no employees.

The Company outsources its investment, valuation, accounting, compliance and certain other functions to the Manager. The Manager incurs external accounting, administration and other costs on behalf of the Company and is entitled to recover these costs from the Company. The Manager may also charge the Company for valuation, accounting or certain other functions provided to the Company by the Manager and its employees. Please see Section 10 for a summary of the material terms of the Management Agreement between the Company and the Manager.

3.5 Dividend policy

The Company currently intends to pay an annual dividend to Shareholders. However, as the objective of the Company is long term capital growth, it is likely that dividends, if any, may be low during the Company's initial years. The amount of the dividend will be at the discretion of the Board and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Board deem relevant.

It is the current policy of the Board that all dividends paid to Shareholders will be franked to the maximum extent possible.

3.6 Status as a Listed Investment Company (LIC)

The Company will qualify as a LIC under the Income Tax Assessment Act 1997 where broadly speaking:

- the Company is listed; and
- 90% of the Portfolio by value comprises certain permitted investments. Permitted investments include shares, options, units (provided that the Company does not own more than 10% of the entity), financial instruments and assets that generate passive income such as interest, rent and royalties.

Management of the Company currently intends to manage the affairs of the Company so that the requirements to qualify as a LIC under that Act will be satisfied. However, while the Company can qualify (and remain qualified as a LIC under that Act), it does not necessarily mean that all dividends that are paid by the Company will be subject to the LIC taxation concessions. Specifically, whether (and to what extent) these concessions will apply will depend on the extent to which the assets of the Company are held on the 'revenue' account or 'capital' account. Specifically:

- a) in respect of assets held by the Company on 'revenue' account – these dividends will not qualify for the LIC concessional taxation treatment; and
- b) in respect of assets held by the Company on 'capital' account – the concessions will apply in respect of dividends that are paid by the Company out of LIC capital gains. To this extent, some Shareholders may qualify for income tax concessions in respect of these dividends. Specifically, where the capital gain would have qualified as a discount capital gain if the underlying assets had been held directly by the Shareholder, the benefit of the discount capital gain flows through to the Shareholders such that the dividends paid out of those profits are effectively taxed in the hands of the Shareholder at the same rate as the discount capital gain. Shareholders that qualify for the LIC tax concessions include resident individuals, trusts, partnerships and complying superannuation funds. Corporate Shareholders do not benefit from this tax concession.

The Company will need to assess on a case-by-case basis the extent to which specific assets will be held on 'capital' account or 'revenue' account and does not offer any assurance that any or all dividends of the Company will potentially be subject to the LIC concessional taxation treatment (as the Company currently expects that it will hold its assets on revenue account in light of the Investment Strategy and Investment Guidelines).

For this reason, it is recommended that investors do not make a decision to apply for Securities under this Prospectus solely on the basis of the taxation benefits that result from the Company being treated as a LIC. The Company will advise Shareholders to the extent that it meets the definition of a LIC and pays a dividend that includes a LIC capital gain.

3.7 Reports to securityholders

Within 14 days after the end of each month, the Company will release on ASX a statement of the net tangible asset backing of its Shares as at the end of that month as calculated in accordance with the Listing Rules.

The Company will provide to securityholders on request, free of charge, a copy of any statement released to ASX of the net tangible asset backing of its Shares from time to time.

3.8 Custodian

The Company proposes to appoint White Outsourcing Pty Ltd as the custodian of the assets of the Company's Portfolio. The Custodian's role will be limited to holding the assets of the Portfolio as agent of the Company. The Custodian will have no supervisory role in relation to the operations of the Company and will not be responsible for protecting its interests. The Custodian has no liability or responsibility for any act done or omission made in accordance with the terms of the proposed custody agreement. The Custodian holds the Portfolio as bare trustee and such investments are not investments of the Custodian or any member of the Custodian's group of companies. The Custodian does not guarantee the performance of the investment or the underlying assets of the Portfolio.

4

THE MANAGER

The Investment Strategy will be implemented by the Manager, which holds AFSL 338567.

The shares in the Manager are held by a close associate (being a relative) of Mr Michael Glennon, who is a Director of the Company. Mr Michael Glennon is also the sole director of the Manager.

4.1 Business of the Manager

The Manager is a specialist small company investment manager that was founded in 2008. Its office is located in Sydney, Australia.

The Manager has an impressive track record of managing equity portfolios. See Section 4.3 below.

The Manager currently provides investment management services to wholesale clients in addition to managing the Glennon Capital Small Companies Portfolio (**SCP**) which is a Separately Managed Account (**SMA**) offered via a product disclosure statement on the HUB24 platform. The Investment Strategy and Investment Process to be adopted by the Manager in managing the Portfolio is outlined in Section 5 and is the same as that used for the SCP.

4.2 Investment personnel

The Company's Portfolio will be primarily managed by Michael Glennon under the supervision of the Board. For details of his background see Section 3.

If Michael Glennon is unable or unwilling to manage the Portfolio, it will be managed directly by the Board.

Michael Glennon – Executive Chairman (Non-Independent)

Michael is the Chairman of the Company, as well as the Executive Chairman of the Manager.

He has 17 years experience in financial markets and over 15 years experience as a portfolio manager and director of several boutique investment management firms.

Michael Glennon is employed by the Manager pursuant to an executive services agreement.

The amount of time dedicated by Michael Glennon to the Company's Portfolio will vary from time to time depending on factors such as the mix of investments in the Portfolio at the applicable time and market conditions. Whilst the Management Agreement does not require Michael Glennon to devote any specific amount of time to the Portfolio, he will devote the amount of time required for the Manager to properly perform its functions in managing the Portfolio in accordance with the Management Agreement.

Michael holds a Bachelor of Commerce degree from the University of Western Sydney.

4.3 Historical performance of the Manager's SCP

The Manager's clients have included, and investments managed have been structured, as an SMA. Accordingly, the Manager cannot provide historical performance information for a stand alone fund.

The information on past performance of the SCP managed by the Manager is included in this Prospectus for information

purposes only. The Company's Portfolio will have the same Investment Strategy and use the same Investment Guidelines and Investment Process as is used for the SCP. However, the SCP will continue to be a separate portfolio that is also managed by the Manager and, therefore, will not be related or connected to the Company's intended Portfolio. The historical performance of the SCP should not be relied on as an indication of the future performance of the Company or the Portfolio.

The table below illustrates the historical performance returns of the Manager's SCP relative to its benchmark as at 31 March 2015. These tables have been provided to demonstrate the Manager's track record in deploying its Investment Strategy, Investment Guidelines and Investment Processes across the SCP.

The SCP and the Company's Portfolio may be comprised of different investments or different weightings, especially upon the commencement of investing the Portfolio as it will take some time to invest all of the Company's funds available for investment. Another reason why the SCP and Portfolio will not have identical investments is that the Company is not required to fund withdrawals from individual investors. Further, the Manager has the discretion as to how it will allocate investment opportunities between the Company and other funds that the Manager manages. However, the Manager currently has a policy in place which provides that the Manager will use its best endeavours to treat all clients equally and this will apply in respect of the Manager's role as Manager of the Company's Portfolio and as manager of the SCP. Specifically, where the Manager is in the process of building a position, it is the Manager's current policy that the allocation will be pro-rata. Investors should note that this is not a specific requirement under the Management Agreement, and is the current policy of the Manager (which may change on a case-by-case basis).

The performance returns of the SCP are shown as the aggregation of all the SMAs managed by the Manager where the Manager managed that SMA for the entire period (the performance returns do not include SMAs that were managed by the Manager for only part of the relevant period). The performance returns are net of the maximum fees applicable to each SMA.

Each beneficial holder of an SMA is taxed at their individual tax level. Therefore, the performance returns of the SCP are not adjusted for the impact of taxation as that will depend on the taxation position of the beneficial holder. In contrast, the Company will be subject to tax at the applicable corporate rate of taxation, and Shareholders will separately be subject to taxation based on their own tax position. An overview of the tax consequences for investors is provided at section 11.13. To this end, it is noted that while the Company will be subject to corporate tax, it may have the ability to pass on franking credits to its Shareholders. Shareholders may be able to utilise these franking credits, to the extent that they are permitted to under tax laws, in determining their own taxation position. Furthermore, to the extent that the Company qualifies as a LIC (please refer to Section 3.10), in comparing the CGT treatment for an SMA holder compared to a Shareholder, Shareholders who would otherwise be able to access CGT discount concessions by holding an SMA with an equivalent trading strategy will be able to access similar concessions on receipt

4 THE MANAGER

of dividends which include LIC capital gains. The Company considers that these are the only material differences (solely arising from the structure of the SMAs, compared to the structure of the Company) that impact on the pre-tax returns stated below.

The total return is the cumulative income and capital return of each SMA and that SMA's benchmark for the period from the SMA's inception date to 31 March 2015. The performance returns achieved by the SCP as at 31 March 2015, as set out in this Section, are historical performance of the SCP only and do not relate to the historical or future performance of the Company. The information in this section in relation to the SCP should not be relied upon and is not an indication of the future performance of the Company. The actual return of the Company in the future, if any, could differ materially from the returns of the SCP, given that there may be differences in the portfolio positioning and structure from time to time.

The below charts set out the annual return for each financial year and the total return, net of fees and taxes, of the Manager's SCP since 1 July 2010 together with comparisons against that SCP's benchmark.

Table 1: Cumulative basis

Net of Management and Performance Fees	6 Months	1 Year	2 Years	3 Years	4 Years	Since Inception
Glennon Capital Small Companies (after mgt fees)	11.1%	14.0%	38.5%	65.0%	61.1%	84.4%
S&P/ASX Small Ordinaries Accumulation Index	3.1%	2.3%	0.8%	-5.1%	-13.2%	11.4%
Outperformance	7.9%	11.7%	37.7%	70.0%	74.3%	73.0%

Past performance is not a reliable indicator of future performance.

Table 2: Annualised basis

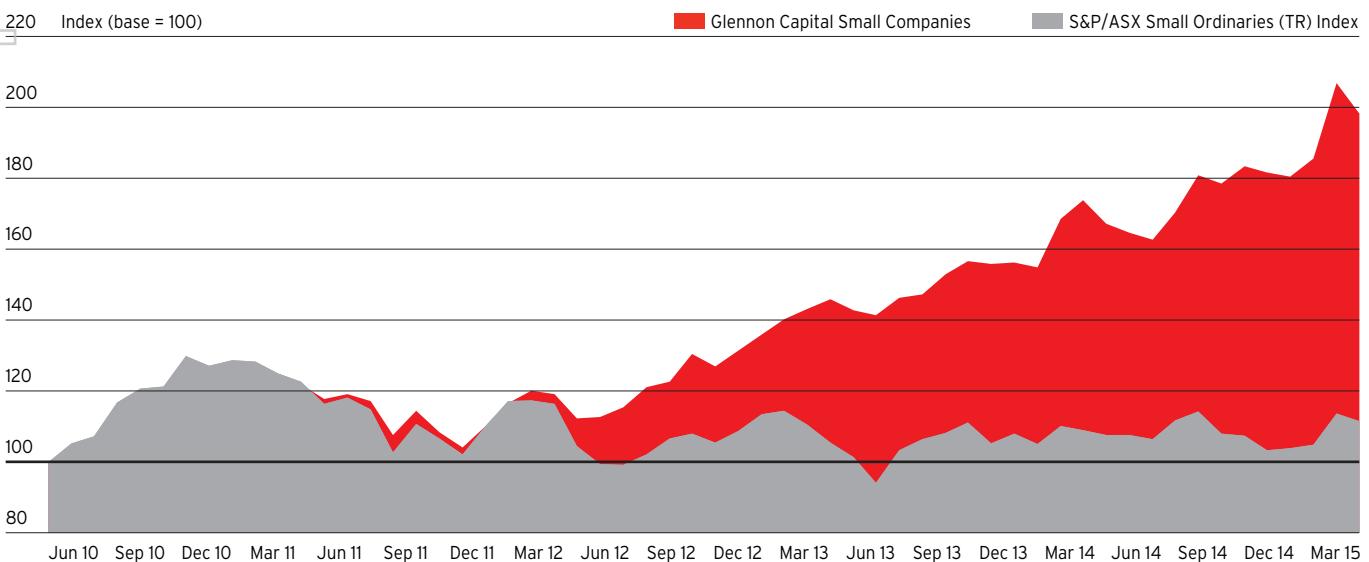
Annualised Net of Management and Performance Fees	6 Months	1 Year %pa	2 Years %pa	3 Years %pa	4 Years %pa	Since Inception (pa)
Glennon Capital Small Companies (after mgt fees)	11.1%	14.0%	17.7%	18.2%	12.7%	13.7%
S&P/ASX Small Ordinaries Accumulation Index	3.1%	2.3%	0.4%	-1.7%	-3.5%	2.3%
Outperformance	7.9%	11.7%	17.3%	19.9%	16.1%	11.4%

Past performance is not a reliable indicator of future performance.

Notes:

- 1) Inception date is 1 July 2010.
- 2) Performance is shown on an after fees basis.
- 3) Details about the SCP currently managed by the Manager are provided for information purposes only. It is not indicative of the likely success or otherwise of the Company. Note that there are some differences between the fee structures of the SCP compared to the Manager's fees for the Company.

The below chart sets out the performance of the Manager against the S&P/ASX Small Ordinaries (TR) Index (Benchmark).



Past performance is not a reliable indicator of future performance.

5 INVESTMENT OBJECTIVE, INVESTMENT STRATEGY AND INVESTMENT PROCESS

5.1 Investment objective

The Company's investment objective is to provide investors over the medium to long term with capital growth in excess of the S&P/ASX Small Ordinaries Accumulation Index before fees, costs and taxes.

5.2 Investment rationale

There are over 1,800 companies listed on the ASX, most of which have a market capitalisation of less than \$100 million and are not the subject of publicly available research by stockbroker research analysts. In Australia, most stockbroking research is focused on companies within the S&P/ASX 100.

Due to the large number of companies with a market capitalisation of less than \$100 million the Manager considers that there are pricing inefficiencies in the market which the Manager aims to exploit. These inefficiencies may exist around the lower volume of information published on the ASX announcement platform and that there is less research on the smaller companies relative to their larger company peers. For many of the small ASX companies there are no publicly available research reports and as such the Manager believes that there are investment opportunities in smaller companies through diligent research and a detailed investment process.

5.3 Investment Strategy

The Manager's Investment Strategy is to predominantly:

- invest in securities of ASX listed companies (or companies that are proposing to list within 12 months) that are outside the S&P/ASX 100, and are assessed by the Manager to:
 - have superior management and sustainable businesses that operate in industries with barriers to entry and growth prospects;
 - be undervalued by reference to the market price of their securities;
 - adopt a long only investment management style;
 - not use leverage; and
- acquire securities with the intention of holding them for the long term but the Manager may realise the securities more quickly if the market price of the securities is close to or greater than the Manager's assessed value of the securities or there is a change that makes the business which underlies the securities a less attractive investment target relative to other investment opportunities.

5.4 Investment Guidelines

The following Investment Guidelines generally apply to the Manager's implementation of the Investment Strategy:

- The Portfolio will typically include shares, options, preference shares and convertible or converting notes.
- The Portfolio will typically consist of securities of between 20 to 60 ASX listed companies which are predominantly outside of the S&P/ASX 100. It is envisaged that the number of companies in the Portfolio will increase as the size of the Portfolio increases.

- The Portfolio may include unlisted securities of companies that are expected to list within 12 months. The value of any such investment will be booked at the acquisition cost (or any subsequent known third party arm's length trades) and its value will only be adjusted once traded. Note that these securities may be subject to mandatory escrow under the ASX Listing Rules which would limit the Company's ability to sell these securities for a certain period of time. Further note that this type of investment is currently intended to be a minor aspect of the Portfolio (being less than 5% of the total Portfolio).
- The Portfolio may include securities of companies that are listed on a foreign securities exchange, provided that those companies are not within the top 50 listed companies by market capitalisation for that exchange.
- The Manager will seek to acquire and maintain individual holdings in a company that represent 1% or more by value of the Portfolio, although this will not always be the case. For example, the Manager may have smaller positions if it is acquiring a stake over time and strategically timing the acquisition of securities in the target company or if the value of the securities decline relative to the overall performance of the Portfolio.
- The Manager will seek to limit investments in individual companies to less than 12% of the total value of the Portfolio. However, if the value of an investment increases over time or the value of other investments in the Portfolio decreases with the result that an investment represents greater than 12%, the Manager will review the investment and decide whether to continue to hold it.
- Up to 20% of the Portfolio's value can be held in cash or cash instruments (not including notes).
- The holding period for an investment will ideally be 5 to 10 years but will be shorter if:
 - an investment is not performing; or
 - a company's outlook deteriorates in which case the Manager will seek to exit the position as quickly as practicable; or
 - the market price of the investment reaches or exceeds the Manager's long-term valuation and it becomes less attractive compared to alternative investments.

5.5 Investment Process

This section summarises aspects of the Manager's Investment Process as at the Prospectus Date. The Manager may vary its Investment Process at anytime without notice to the Company or the Shareholders. The Investment Process is largely subjective and has been refined over time and reflects the specialised skills and experience of the Manager.

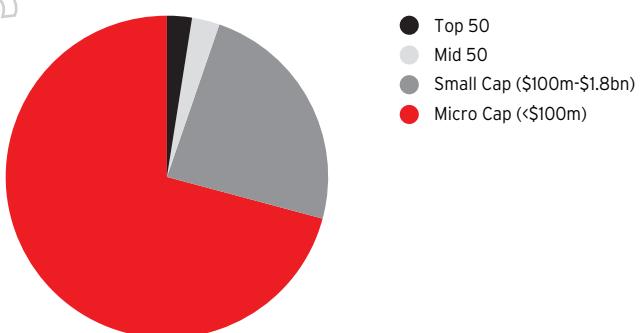
The Manager's Investment Process is designed to identify securities trading at a discount to the Manager's assessment of the intrinsic long-term value of the securities and to address the risks associated with investing in small listed companies. The components of the Investment Process are as follows:

- a) The Manager identifies companies within the potential investment universe, being predominantly ASX listed companies outside of the S&P/ASX 100.

5 INVESTMENT OBJECTIVE, INVESTMENT STRATEGY AND INVESTMENT PROCESS

Number of Listed Companies on the ASX

Number of Listed Companies on the ASX



Source: IRESS 8 May 2015

- b) The Manager gathers information on the companies within that universe and maintains a database of public information related to them (including ASX announcements, annual reports and financial statements). This includes information on their businesses and the industries in which they operate.
- c) The Manager filters the investment universe by removing companies which the Manager determines do not have all of the following:
 - i) superior management;
 - ii) a sustainable business (taking into account such factors as the industry structure, regulation and competitiveness);
 - iii) operations in an industry with barriers to entry; and
 - iv) growth prospects.
- d) Within this filtered list of potential investment targets, the Manager seeks publicly available information that may not be fully reflected in the market price of securities issued by the potential investment targets. That information may be quantitative (for example, capital structure of the company, financial stability, gearing and balance sheet and profitability and margins) or qualitative (for example, management track record, competitive threats, barriers to entry and pricing power). The Manager has its own valuation model to assess long-term value.
- e) The Manager meets with or talks to the management team from target companies.
- f) The Manager selects and makes investments in identified target companies.
- g) The Manager monitors on an ongoing basis share prices, ASX announcements and articles publicly published in the financial press.

h) The timing of acquisitions can be important. For example, the Manager may assess that the market price of securities of an attractive target company are fully valued, in which case the Manager may monitor the business and the share price of the company on an ongoing basis. The Manager's aim is to identify mispricing that may result from factors such as increased market volatility or negative sentiment which does not affect the long term intrinsic value of the company. Identification of the short term market mispricing of securities is quite often used to acquire investments at attractive levels. The market can overreact to information and this has the potential to create investment opportunities.

- i) The Manager monitors the performance of the Portfolio and alternative potential investments.
- j) The Manager's preference is to hold its investments for as long as they have attractive growth profiles and as long as the valuation can be justified. The Manager does not intend to trade around short term share price movements, though it may take advantage of short term mispricing to acquire an investment.

The Manager is permitted under the Management Agreement to undertake investments on behalf of the Company without the prior approval of the Board. However, if the Manager recommends a proposed investment that is not in accordance with the Investment Strategy, the investment will be subject to the approval of the Board.

The Manager uses a conviction-based approach to determine the weightings of individual positions in the Portfolio. As the size of companies with securities in the Portfolio grow and have a lower risk profile, their weighting in the Portfolio increases.

This approach is taken to control the overall risk in the Portfolio and reduce the downside risk of any single investment. The size of investments with the greatest risk return profile tend to be smaller than those investments assessed by the Manager as being subject to less risk.

5.6 Changes to Investment Strategy and Investment Guidelines

The Investment Strategy and Investment Guidelines outlined in this Section are intended to be implemented by the Manager upon listing of the Company on ASX. These may change over time or exceptions made with the approval of the Board. The Company will notify Shareholders via its website and the ASX announcement platform of any material changes.

5.7 Valuation of the Portfolio

The assets and liabilities of the Company are valued monthly in accordance with the valuation methodology set out in the summary of the Management Agreement in Section 10.1. The Manager will arrange for the calculation of the Portfolio's value at least monthly and provide the calculations to the Company as soon as practicable after they are made. All costs incurred by the Manager in arranging for these calculations are payable by the Company under the Management Agreement. Asset values are usually based on the closing market value of the Company's assets. IRESS will predominantly be used as the price source for listed securities, though this may not be the only source of information for prices.

6

RISK FACTORS

6.1 Introduction

Investing in the Securities involves a high degree of risk and should be regarded as speculative. You should carefully consider the risks described below and all of the other information set out in this Prospectus before deciding to invest in the Securities. If any of the events or developments described below occurs, the Company's business, financial condition or investment performance could be negatively affected. In that case, the market price of the Securities could decline, and you could lose all or part of your investment.

The Company should not be seen as a predictable, low risk investment. The Company's investments will be concentrated primarily in small companies so the Company will have a higher risk profile than cash and fixed interest assets, as well as other categories of equity securities. None of the Company, the Manager or the Offer Managers guarantee any return of capital, any rate of return in terms of income or capital or the investment performance of the Company.

Investors should note that on quotation of the Securities on the ASX, the market price may differ significantly to the Subscription Price paid for the Shares and/or may not reflect the fair value of the Portfolio as calculated by the Manager.

While not exhaustive, this Section identifies the risks that the Directors regard as the major risks associated with an investment in the Company. You should read the whole of this Prospectus (with particular emphasis on this Section 6) in order to fully appreciate the risks of an investment in the Securities and the manner in which the Manager intends to invest before any decision is made to subscribe for Securities.

No assurances can be given by the Company as to the future success of the Company's Investment Strategy, any particular investment decisions or, importantly, the investment returns or the market price at which the Securities may trade on ASX. To that extent, investment in the Company ought to be regarded as speculative and, as with any equity investment, substantial fluctuations in the value of that investment may occur.

If you are in any doubt about the suitability of an investment in the Company, you should consult with your financial adviser, stockbroker, solicitor, accountant or other professional adviser before deciding whether to apply for the Securities.

6.2 Risks in investing in other companies

The value of the investments selected by the Manager may decline in value, resulting in a reduction in the value of the Company's Portfolio and its Securities. Securities prices fluctuate and are dependent upon the financial circumstances of the relevant company, its profits, earnings and cash-flow. The value of a security issued by a Company may also be affected by the size and quality of the company's management, government policy and the outlook of the sector in which it operates. Given the nature of the Company as a listed investment company, this risk applies both to the Company itself, and also in respect of each investment made by the Company in another company. Any change in the price or value of the underlying securities of the companies in which the Company invests will have an impact on the price or value of the Company's Securities.

6.3 Discount to net asset value per Share

The Shares of the Company may trade on ASX at a discount to the net asset value of the Portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of the Portfolio.

6.4 Investment Strategy risk

There are risks inherent in the Investment Strategy that the Manager will employ for the Company. These include, but are not limited to, the following:

- the success and profitability of the Company depends on the ability of the Manager to select securities for the Portfolio which generate a return for investors, in accordance with the Company's proposed Investment Strategy and Investment Guidelines (see Section 5);
- small companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. As noted throughout this Prospectus, the Company intends to predominantly invest in companies outside the S&P/ASX 100 which may therefore be exposed to these risks;
- the securities of small companies may be less liquid than those of larger companies which may cause higher volatility in the value of the Portfolio;
- due to the lack of third party research on smaller companies they can be riskier investments than larger companies for which more information may be available;
- the Portfolio may be less diversified than those of other listed investment entities; and
- the Portfolio may have exposure to unlisted securities. More information on this risk is set out below.

6.5 The Manager – general risks

The ability of the Manager to manage the Portfolio is currently dependent on Michael Glennon who is the only investment manager currently engaged by the Manager. If, for whatever reason, Michael Glennon is unwilling or unable to provide investment management services, the Manager will need to either engage an additional investment manager or it will be unable to provide the services that it is required to provide under the Management Agreement. Under the Management Agreement the Company may terminate the agreement if Michael Glennon ceases to be involved in the implementation and ongoing management of the Portfolio. In such an event, the Directors currently expect that a new investment management company would be appointed.

As noted elsewhere in this Prospectus the Manager manages other investments in addition to the management of the Company's Portfolio. While the Manager considers its current arrangements adequate for the performance of its obligations under the Management Agreement, the Manager has indicated to the Company that it will procure such additional personnel or service providers as may be necessary from time to time.

6 RISK FACTORS

The Manager is required to hold an AFSL to operate its business and to continue to manage the Portfolio. To the extent that the Manager loses or has restrictions imposed on its AFSL so as to prevent it from continuing to manage the investments of the Company, the Company will need to identify and engage a suitably qualified and experienced manager to implement the Investment Strategy.

If the Management Agreement is terminated for any reason, the Company will need to identify and engage a suitably qualified and experienced manager to implement the Investment Strategy. There can be no guarantee that the Company will be able to identify an appropriately qualified replacement for the Manager or, if such person or entity is appointed, that it will be able to perform its duties as investment manager under the Management Agreement to the standard required by the Company or to a level that matches or exceeds the performance of the Manager. The Management Agreement is terminable by the Manager on three months' notice after the first anniversary of the date of the agreement.

Please see Section 10 for further details on the key terms of the Management Agreement.

6.6 The Manager – Performance Fee incentive

The Performance Fee may create an incentive for the Manager to make investments on behalf of the Company that are riskier and more speculative than would be the case in the absence of a fee payable to the Manager based on the performance of the Company, which may add to the risk and volatility of the Portfolio's underlying investments.

6.7 Potential conflicts of interest for the Manager

The Manager also manages other portfolios. It is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and therefore may be detrimental to Shareholders and Optionholders.

While the Company has granted exclusivity in favour of the Manager (so that only the Manager can manage the Company's Portfolio), unless the Manager consents otherwise, the Manager has not granted exclusivity in favour of the Company (meaning that the Manager can manage other portfolios and investments, subject to the obligations and duties under the Management Agreement). The opportunities that are identified by the Manager might be relevant to the other funds and investments managed by the Manager, including the SCP. This may mean that the Manager will only partially (and, possibly, not at all) utilise the Company's Portfolio to invest in one or more particular identified investment opportunities. Failure to invest part of the Portfolio in particular opportunities may result in the benefits of that investment not being directed to the Company, but rather being directed to other persons.

The Manager currently has a policy in place which provides that the Manager will use its best endeavours to treat all clients equally and this will apply in respect of the Manager's role as Manager of the Company's Portfolio and as manager of the SCP. Specifically, where the Manager is in the process of building a position, it is the Manager's current policy that the allocation will be pro-rata. However, investors should note that this is not a specific requirement under the Management Agreement, and is the current policy of the Manager which may change on a case-by-case basis.

6.8 Unlisted securities risk

The Portfolio may have exposure to unlisted securities. In general there is less government regulation and supervision of transactions in the unlisted securities markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges may not be available in connection with unlisted securities.

There may be little or no liquidity in unlisted securities (potentially compounded by the Company having only a minority position with little control over the nature or timing of an exit event). Many unlisted securities are relatively illiquid or have low (or no) trading volume. This could enhance the volatility of the price of the unlisted securities and/or make it difficult to sell the unlisted securities.

The valuation of unlisted securities is more difficult to calculate than listed securities. Difficulties in establishing a robust market price or valuation of unlisted securities, coupled with the Performance Fee, which is calculated by reference to the net asset value of the Portfolio (as determined by the Manager), exposes the Company to the risk of a potential misstatement of the fair value of unlisted investments in the Portfolio.

6.9 Liquidity risk

An investment in the Shares is subject to the risk that the Portfolio's underlying investments, or the Securities themselves, may not be easily converted to cash.

The Company will be a listed investment company. The ability of a Shareholder (or Optionholder) to sell Securities on ASX will be a function of the turnover or liquidity of the Securities at the time of sale. Turnover is a function of a wide variety of factors including the size of a company and the cumulative investment intention of all current and possible investors in the Company at any one point in time.

Given the nature of the Company, and the traditionally lower trading volumes experienced by listed investment companies, if the Company is able to achieve only the Minimum Subscription, it is possible that there will be a low level of liquidity in trading of the Securities. As a result, Shareholders (and Optionholders) may not be able to easily sell their Securities at the time and in the volumes or at a price they desire.

6 RISK FACTORS

6.10 Concentration risk

There is potential for volatility due to the lack of diversity within the Portfolio. The lower the number of investments, the higher the concentration and, in turn, the higher potential volatility.

6.11 No operating or performance history of the Company

The Company is a new entity with no financial, operating or performance history and no track record.

The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's investment objectives will not be achieved.

6.12 Operational costs

Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of this Offer. Operational costs representing a greater proportion of total assets will reduce the operating results of the Company and its ability to make dividend payments.

6.13 Size and Portfolio

The size of the Portfolio may affect its risk profile. The Company may not be able to manage its risks as efficiently if it only achieves the Minimum Subscription. However, the risk of loss of investments included in the Portfolio will not necessarily be reduced if the level of acceptance under this Offer exceeds the Minimum Subscription.

6.14 Future capital requirements of the Company

There can be no assurance that the Company will not need to raise additional capital to fully exploit the investment opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.

If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its business, financial condition and results of operation.

6.15 General risks

It is not possible to identify every general risk associated with investing in the Company, however, the following list sets out the significant general risks associated with investing in the Company. There may be other risks associated with investing in the Company. The risks set out in the following table, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects.

TYPE OF RISK	DESCRIPTION OF RISK
Market risk	<p>Investment returns are influenced by general market factors both in Australia and internationally and by factors specific to each security. In particular, the market prices of the shares of many listed entities experience fluctuations which in many cases reflect a diverse range of non-entity specific influences including:</p> <ul style="list-style-type: none">– general economic conditions, including changes in inflation rates, short-term or long-term interest rates, exchange rates and commodity prices;– variations in the local and global markets for listed securities;– domestic and international economic conditions;– changes in investor confidence generally and in relation to specific sectors of the market;– natural disasters, global hostilities and acts of terrorism;– changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and– the inclusion or removal of stocks from major market indices. <p>This may have a negative effect on the price at which the Securities trade on ASX particularly with regard to investments made by the Company into small capitalisation, microcap and emerging companies.</p>
Geopolitical risk	<p>The Portfolio's return could suffer as a result of political changes or instability in countries (whether the Portfolio is invested in companies in or outside the countries). This may arise as a result of changes in government, legislative bodies, foreign policies and military control.</p>

6 RISK FACTORS

TYPE OF RISK	DESCRIPTION OF RISK
Currency and foreign jurisdiction risk	In addition to investments in Australian entities, the Manager may invest in entities outside Australia. Hence the Company may assume currency exposure and there is a risk that adverse movements in exchange rates will reduce their value in Australian dollar terms. In addition, the Company may be exposed to risks relating to its investments in securities of entities which are located in a foreign jurisdiction, where the laws of the foreign jurisdiction offer fewer legal rights and protections to security holders as compared to the laws in Australia.
Dividend risk	<p>The ability of the Company to offer a fully franked dividend is contingent on it making taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting and payment of dividends difficult and unpredictable.</p> <p>No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Company's Portfolio or the return of the capital invested by Shareholders. Specifically, the Manager may make poor investment decisions resulting in the returns being inadequate to pay an annual dividend to Shareholders.</p>
Industry risk	There are a number of industry risk factors that may affect the future operation or performance of the Company that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally.
Regulatory risk	The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities. The Company is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on the Company, its investments and/or returns to Shareholders and Optionholders or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.
Changes in taxation laws and policies	<p>Tax laws are in a continual state of change and reform which may affect the Company and its Shareholders and Optionholders.</p> <p>Tax liabilities arising from investing in the Company are the responsibility of each individual Shareholder. There may be tax implications arising from ownership of the Securities (and upon exercise of the Options), the receipt of franked and unfranked dividends (if any) from the Company, participating in the Dividend Reinvestment Plan, receiving returns of capital and the disposal of the Securities.</p> <p>Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by Shareholders.</p> <p>The Company is not responsible for either taxation or penalties incurred by Shareholders. You should carefully consider these tax implications and obtain advice from a professional tax adviser in relation to the application of the tax legislation to your investment in the Company.</p>

6.16 Timeframe for investment

Investors are strongly advised to regard any investment in the Company as a long term proposition (five to ten years) and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period and beyond. The Manager estimates that it will take approximately 3 months to fully construct the Portfolio if the Minimum Subscription is raised and 6 months if the Maximum Subscription is raised.

BOARD AND GOVERNANCE

7

7.1 Corporate governance – overview

This Section 7 explains how the Board intends to manage the Company's business.

The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy. The Board is concerned to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors and officers operate in an appropriate environment. The Board is committed to maximizing performance, generating appropriate levels of Shareholder value and financial return.

Accordingly, the Board has created a framework for managing the Company including adopting relevant controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist listed companies to meet stakeholder expectations. The recommendations are not mandatory, but rather are guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report (or give a URL in its annual report which links to such a statement on its website) disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not complying with the recommendation.

Subject to the below, the Board has adopted corporate governance charters and policies which reflect the ASX Recommendations. The Board expects that the Company will depart from the following ASX Recommendations.

Number	ASX Recommendation
Recommendation 1.1	ASX Recommendation 1.1 provides that a listed entity should disclose the roles and responsibilities of its board and management and the matters expressly reserved for each. The Company has adopted a Board Charter setting out the roles and responsibilities of the Board. Given the nature of the Company as a listed investment company whose Portfolio is managed by the Manager, the Company does not consider that it is relevant to provide specific details regarding the role of management in addition to the disclosure made in this Prospectus regarding the role of the Manager (which the Board considers appropriately addresses the management needs of the Company).
Recommendation 1.5	The Company has not currently adopted a diversity policy as recommended by ASX Recommendation 1.5. Given the nature of the Company as a listed investment company (with many of the functions outsourced to the Manager), the Board does not consider it necessary to adopt a diversity policy. The Board does note that its various corporate governance documents (including Board Charter and Committee charters) provide for requirements to assess the composition and functioning of the Board, which the Board considers appropriate for a listed investment company.
Recommendation 1.7	The Company's corporate governance policies and procedures do not currently require the Company to have and disclose a process for periodically evaluating the performance of its senior executives as it is not currently expected that the Company will engage any senior executives (other than members of the Board).
Recommendation 2.5	The majority of the Board is comprised of independent Directors. The Company's Chairman is not an independent Director as required by Recommendation 2.5. However, notwithstanding that Mr Glennon is not an independent Director, given his significant experience as a company director and in the financial services sector, the Board has determined that Mr Glennon has the most appropriate mix of skills to act as Chairman of the Board. As the Company is still in an early stage of development, it has not yet undertaken a formal review of the Board's performance. However, the Board has specifically established a Remuneration and Nomination Committee whose functions include assisting and advising the Board on appropriate Board composition and Director performance evaluation and criteria.

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Number	ASX Recommendation
Recommendations 4.1 and 7.1	The Company's Audit and Risk Committee Charter requires that the Audit and Risk Committee has a minimum of two members, rather than 3 members as recommended by ASX Recommendations 4.1 and 7.1. The Company considers that it is appropriate that the Executive Chairman is not a member of the Audit and Risk Committee and notes that, other to the extent stated in this table, the Committee otherwise complies with the ASX Recommendations in respect of the Audit and Risk Committee which the Company considers are appropriate for a listed investment company.
Recommendation 7.3	The Company does not have an internal audit function due to the nature of the Company as a listed investment company. Accordingly, the responsibility of evaluating and improving the effectiveness of the Company's risk management and internal control processes rests primarily with the Audit and Risk Committee. However, the Audit and Risk Committee Charter contains procedures for internal control and risk management which the Board considers appropriate for the Company.

7.2 Corporate Governance – Board Committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Committee, the Remuneration and Nomination Committee and the Disclosure Committee. The current members of these Committees are set out below.

Committee	Members
Audit and Risk Committee	Mr John Larsen and Mr Garry Crole
Remuneration and Nomination Committee	Mr Michael Glennon, Mr John Larsen and Mr Garry Crole The Board acknowledges that currently this committee comprises all three members of the Board. The Board considers that it is appropriate that all three current members of the Board are members of this Committee.
Disclosure Committee	Mr Michael Glennon, Mr John Larsen and Mr Garry Crole The Board acknowledges that currently this committee comprises all three members of the Board. The Board considers that it is appropriate that all three current members of the Board are members of this Committee.

Other Committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual directors.

7.3 Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting systems, the systems of internal control and risk management and audit functions. In fulfilling these roles, the Audit and Risk Committee is responsible for maintaining effective communication between the Board, itself, management and auditors.

The Audit and Risk Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

7 BOARD AND GOVERNANCE

The Board has adopted a policy regarding the services that the Company may obtain from its auditor. It is the policy of the Company that its external auditor must:

- lack any current or past connection or association with the Company or with any member of senior management of the Company which could in any way impair, or be seen to carry with it any risk of impairing the independence of any review the external auditor is appointed to undertake in relation to the Company;
- has a demonstrated an robust reputation for independence, probity and professional standing within the business community; and
- possesses knowledge of the industry within which the Company operates;

The Audit and Risk Committee Charter provides that the committee will be comprised of two members, a majority of which must be independent, non-executive directors. The chair of the committee shall be an independent non-executive Director who does not chair the Board.

The Audit and Risk Committee will meet as often as is required by the Audit and Risk Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Committee. The Audit and Risk Committee may seek advice from external advisers and invite the external auditor, and any other person to be present at the meetings of the Audit and Risk Committee. The Audit and Risk Committee will regularly report to the Board about committee activities, issues and related recommendations.

7.4 Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is develop, review and make recommendations to the Board regarding the ongoing appropriateness and relevance of the remuneration framework for the chairman and the non-executive directors and the process by which any pool of directors' fees approved by shareholders is allocated to directors. The Remuneration and Nomination Committee is also responsible for reviewing and making recommendations in relation to the composition of the Board and performance of the Directors and ensuring that adequate succession plans are in place. Independent advice will be sought where appropriate.

The Remuneration and Nomination Committee will meet as often as is required by the Remuneration and Nomination Committee Charter or other policy approved by the Board to govern the operation of the Remuneration and Nomination Committee. At each meeting, the Remuneration and Nomination Committee will consider whether any significant matters should be brought to the attention of the Board and the Remuneration and Nomination Committee will endeavour to raise these matters in a form and timeframe that assists the Board to discharge its duties effectively.

7.5 Disclosure Committee

Once listed on ASX, the Company will be required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, the Company will be required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. The Company is committed to observing its disclosure obligations under the Listing Rules and the Corporations Act. The Company has adopted a Disclosure and Communication Policy (under which a Disclosure Committee is established) which establishes procedures which are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The policy sets out principles relating to disclosure of material information, including that the Company:

- will not provide analysts or other select groups of market participants with any material price sensitive non-public information at any time before it is disclosed to ASX; and
- will not generally respond to market rumours and speculation, except when ASX formally requests disclosure on the matter.

The role of the Disclosure Committee is to meet its oversight responsibilities in relation to the Company's disclosure obligations and to ensure the Board's compliance with the Disclosure and Communication Policy. The Committee is responsible for considering disclosures of potentially market sensitive information to be made by the Company, and providing assurance to the Board that all potentially market sensitive information has been assessed for compliance with the Company's continuous disclosure obligations.

The Disclosure Committee is not required to formally meet in order to make decisions but may communicate and meet as and when it thinks fit. At each meeting, a record of discussions and decisions made by the Disclosure Committee will be taken and this record will be maintained by the Company Secretary. The Disclosure Committee may invite other Officers of the Company or external advisers to attend meetings from time to time.

7.6 Corporate governance policies

The main policies and practices adopted by the Company are summarised below. In addition, many governance elements are contained in the Constitution and in the charters of the Committees discussed in Section 7 of this Prospectus.

a) Board charter

The Board has adopted a written Charter to provide a framework for the effective operation of the Board, which sets out:

- the role and responsibilities of the Board;
- the membership and the operation of the Board;
- which responsibilities may be delegated by the Board;

7 BOARD AND GOVERNANCE

- a structure for determining how Board decisions are to be made; and
- details regarding the Board's interaction with the Company.

The Board is responsible for:

- providing leadership and setting and reviewing the Company's objectives, goals and strategic direction, and assessing performance against these benchmarks;
- oversight of the Company's operations with a view to ensuring that:
 - the Company is financially sound, meets prudential requirements and has appropriate financial reporting practices;
 - the Company meets regulatory and disclosure requirements;
 - a process is in place for the maintenance of the integrity of internal controls, risk management, delegations of authority and financial and management information systems;
 - the Company maintains appropriate business standards, ethical conduct and fostering of a culture of compliance and accountability;
- as well as numerous other matters that are customarily undertaken by a board of a listed investment company.

The Board collectively, and individual Directors, may seek independent professional advice at the Company's expense, subject to the approval of the Chairman or the Board as a whole.

The Board charter also specifies which Directors will be considered independent. These are each non-executive Director that:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company;
- within the last three years has not been a partner, director or senior employee of a provider of material professional services to the Company;
- within the last three years has not been in a material business relationship (e.g. as a supplier or customer) with the Company, or an officer of, or otherwise associated directly or indirectly with, someone with such a relationship;
- has no material contractual relationship with the Company other than as a director of the Company;
- has no close family ties with any person who falls within any of the categories described above;
- has not been a director of the Company for such period that his or her independence may have been compromised; or
- is otherwise free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement or could reasonably be perceived to do so.

b) Code of conduct

The Board recognises the need to observe the high standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Conduct, which sets out the way the Company intends to conduct business and to articulate the high standards of honest integrity, ethical and law-abiding behaviour expected of Directors.

The Company intends to carry on business honestly and fairly, acting in compliance with all laws and regulations. Responsibilities apply in respect of the using of the Company's resources in an appropriate manner, protecting confidential information and conflicts of interest.

c) Securities trading policy

The Company has adopted a written policy for dealing in securities. The policy is intended to explain the prohibited type of conduct in relation to dealings in securities under the Corporations Act, and to establish a best practice procedure in relation to Directors' dealings in Shares.

The policy applies to Directors and officers and others persons designated from the Board from time to time (**Designated Persons**), who must not deal in Shares while they are in possession of material price sensitive information. Furthermore, Designated Persons must not deal in Shares during 'black-out periods', which include the following:

- full year results: the period from the close of trading on the ASX on 31 December each year, until the day following the announcement to ASX of the Company's annual results;
- half year results: the period from the close of trading on 30 June, until the day following the announcement to ASX of the half-yearly results; and
- any other period that the Board specifies from time to time.

Advance notification to the Company is required if Directors and their Designated Persons intend to deal in the Company's securities.

d) Risk management statement

The identification and proper management of the Company's risks is important for the Board.

The Board is responsible for overseeing and approving risk management strategy and policies. The Board, in conjunction with the Audit and Risk Committee, has responsibility for identifying major risk areas and implementing risk management systems. The Audit and Risk Committee is responsible for establishing and monitoring procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including to assist the Officers of the Company to provide their declaration under section 295A of the Corporations Act.

8

FINANCIAL INFORMATION

8.1 Background

The Company was incorporated on 29 April 2015 and has not undertaken any business activities.

8.2 Historical and Pro Forma Historical Financial Information

The Financial Information in this Section 8 is comprised of the following:

- Historical Financial Information – comprised of the audited historical statement of financial position as at 29 April 2015; and
- Pro Forma Historical Financial Information – comprised of the pro forma historical statement of financial position as at 29 April 2015, adjusted for the pro forma adjustments associated with the Offer as if they had occurred prior to this date.

The Pro Forma Historical Financial Information is presented under both the minimum (\$16 million) and maximum (\$50 million) subscription scenarios to illustrate the financial position of the Company on completion of the Offer.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

The pro forma financial information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards.

	Historical Financial Information	Pro Forma Historical Financial Information Minimum Subscription \$	Pro Forma Historical Financial Information Maximum Subscription \$
29 April 2015			
Assets			
Cash	1	15,840,001	49,500,001
Receivables	–	12,450	37,950
Deferred tax asset	–	119,553	224,103
Total assets	1	15,972,004	49,762,054
Liabilities			
Payables	–	410,960	784,960
Total liabilities	–	410,960	784,960
Net Assets	1	15,561,044	48,977,094
Share Capital	1	15,561,044	48,977,094
Reserves	–	–	–
Equity	1	15,561,044	48,977,094
Net Asset Value per Share	100.00 cents	97.26 cents	97.95 cents
Net Tangible Assets per Share (excluding deferred tax asset)	100.00 cents	96.51 cents	97.51 cents

8 FINANCIAL INFORMATION

8.3 Directors assumptions regarding the preparation of the Pro Forma Financial Information

Estimates and judgments are based on directors' expectations for the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not anticipated there could be a material impact on the carrying amounts of the assets and liabilities.

- The pro forma statements of financial position have been prepared on the basis of the Company raising the minimum subscription amount of \$16 million and the maximum subscription amount of \$50 million under the Prospectus.
- The expenses relating to the Offer (including the Offer Managers' fees, professional adviser fees, and Share Registry fees) to be paid or reimbursed by the Company to the Investment Manager are recorded as a liability.
- Any interest earned by the Company during the Offer period has not been taken into account.
- Income tax benefits accruing from the deductibility of expenses incurred during the Offer have been taken to account assuming that future taxable income will be earned by the Company.
- The estimate of the expenses of the Offer, and the cash position balance of the Company on completion of the Offer, is based on assumptions that 50% is raised under the General Offer and 50% is raised under the Broker Firm Offer, with all Retail Applicants under the Broker Firm Offer having consented to the payment of the Service Fee.
- All subscribers for Shares are Australian residents.
- The Company will be registered for GST in Australia and eligible to claim reduced input tax credits in accordance with the GST Act on eligible expenses incurred during the Offer.
- Future income tax benefits are applied to expenses, net of any GST refundable. It has been assessed that it is probable that future taxable amounts will be available to utilise these temporary losses. The tax benefit is calculated at the prevailing company tax rate which is currently 30%.
- The accounting policies described in Section 8.6.

8.4 Capital Structure and Cash Position

The capital structure of the Company on completion of the Offer is set out in the table below.

	Minimum subscription of \$16 million	Maximum subscription of \$50 million
Shares on issue on incorporation	1	1
Shares offered under the Offer	16,000,000	50,000,000
Total number of Shares on issue following the Offer	16,000,001	50,000,001
Options on issue following the Offer	16,000,000	50,000,000

The cash position balance of the Company on completion of the Offer is set out below:

	Minimum subscription of \$16 million	Maximum subscription of \$50 million
1 initial subscriber share at \$1.00	1	1
Investor subscriptions	16,000,000	50,000,000
Service fees payable	(160,000)	(500,000)
Estimated net cash position of Company after service fees are paid	15,840,001	49,500,001

As noted in Section 2.5, Applicants under the Broker Firm Offer will pay their Subscription Amount and Service Fee at the same time. The Company will collect the Service Fee on behalf of Brokers and hold the Service Fee together with the Subscription Amount in the Company's trust account for Application Moneys in relation to the Offer until the Allotment Date.

The Service Fee component of the Application Amount will be moved on the Allotment Date to a service fee trust account and is therefore shown as a deduction on 'Investor subscriptions' in the above table on the cash position balance of the Company on completion of the Offer.

The cash position balance of the Company on completion of the Offer is based on assumption that 50% is raised under the General Offer and 50% is raised under the Broker Firm Offer, with all Retail Applicants under the Broker Firm Offer having consented to the payment of the Service Fee.

8 FINANCIAL INFORMATION

8.5 Expenses of the Offer

The expenses of the Offer (net of GST refundable) are estimated in the table below (based on the minimum and maximum subscriptions and the assumptions in Section 8.2). GST is payable on all of the expenses listed below at a rate of 10%. Some expenses (including fees paid to the Offer Managers) are entitled to a reduced input tax credit of 75% whilst other expenses are entitled to nil input tax credits. To the extent GST paid is not refundable, it is included in the table below.

	Minimum Subscription \$	Maximum Subscription \$
Fees paid to the Offer Managers	164,000	512,500
ASX listing fees	140,800	140,800
Other costs	93,710	93,710
Total estimated expenses	398,510	747,010

To the extent that the Investment Manager pays some or all of the above expenses on behalf of the Company, the Company will be required to reimburse the Investment Manager for all expenses paid on its behalf once the Shares (and Options) have been issued pursuant to the Offer.

8.6 Proposed accounting policies and notes to the accounts

A summary of the significant accounting policies which have been adopted by the Company in the preparation of the pro forma statement of financial position set out above or which will be adopted and applied in preparation of the financial statements of the Company for the period ending 29 April 2015 and subsequent years is set out below.

a) Basis of preparation

The pro forma statement of financial position has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act.

The pro forma statement of financial position has been prepared on the basis of assumptions outlined in Section 8.3. In addition, the pro forma statement of financial position has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets described in the accounting policies.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

b) Financial Instruments

Investments

Investments in listed securities are carried at fair value through profit and loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit and loss of the current period. Fair value of listed investments are based on current bid prices at each reporting date.

Non-listed investments for which fair value cannot be reliably measured are carried at cost and tested for impairment.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties.

Non-derivative financial liabilities are recognised at amortised cost, comprising the original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

d) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities. The statement of financial position approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

8 FINANCIAL INFORMATION

e) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f) Critical estimate and assumptions

Estimates and judgements are based on directors' expectations for the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed above.

8.7 Proceeds of the Offer

The net proceeds of the Offer, after the payment or reimbursement of the expenses of the Offer, will be used for investment opportunities that meet the Company's investment objectives as set out in Section 5.3 and to meet the general operating expenses of the Company (including payment of the expenses of administering the investment portfolio such as the fees payable to the Investment Manager).

9 INVESTIGATING ACCOUNTANT'S REPORT



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3 July 2015

Board of Directors
Glennon Small Companies Limited
c/o Level 12
William Street
Melbourne VIC 3000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON GLENNON HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Pitcher Partners Corporate Pty Ltd (Pitcher Partners Corporate) has been engaged by Glennon Small Companies Limited (Glennon or the Company) to report on the historical financial information for the period ended 29 April 2015 and pro forma historical financial information as at 29 April 2015 of Glennon for inclusion in the public document (Prospectus) dated on or about 3 July 2015 and relating to the issue of shares in Glennon and listing on the Australian Securities Exchange (ASX).

Expressions and terms defined in the prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Service License (AFSL) under the Corporations Act 2001. Pitcher Partners Corporate Pty Ltd (Pitcher Partners Corporate) holds the appropriate AFSL under the *Corporations Act 2001*.

Background

Glennon was incorporated on 29 April 2015 and has not undertaken any business activities prior to this date. The Company is seeking to issue up to 50 million shares at an Offer Price of \$1.00 per share to raise up to \$50 million and concurrently list on the ASX. Each share has an attaching option with an exercise price of \$1.00 per share to raise a further \$50 million. Glennon will be a listed investment company (LIC) that will invest predominantly in companies outside the ASX100. The Company will provide investors with the opportunity to invest in an actively managed portfolio and gain access to the investment experience and expertise of the Manager. As a guide, the Company's portfolio will be a concentrated portfolio of around 20-60 ASX listed companies diversified across small capitalisation and emerging listed securities outside the S&P/ASX 100 Index.

P.3361.4

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9 INVESTIGATING ACCOUNTANT'S REPORT

Scope

You have requested Pitcher Partners Corporate to review the following financial information included in the prospectus:

- Historical Financial Information consisting of the Historical Statement of Financial Performance for the period ended 29 April 2015 and the Historical Statement of Financial Position as at 29 April 2015 as disclosed in Section 8; and
- Pro Forma Historical Financial Information consisting of the Pro Forma Historical Statement of Financial Position as at 29 April 2015,

(collectively the Financial Information).

Historical Financial Information

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The historical financial information has been extracted from the financial report of Glennon for the period ended 29 April 2015, which was audited by Pitcher Partners in accordance with Australian Auditing Standards. Pitcher Partners issued an unmodified audit opinion on the financial report. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate to review the Pro Forma Historical Statement of Financial Position as at 29 April 2015.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Glennon, after adjusting for the effects of pro forma adjustments described in Section 8 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in the Australian Accounting Standards applied to the historical financial information and the transactions to which the pro forma adjustments relate, as described in Section 8 of the Prospectus as if those transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

Directors' Responsibility

The directors of Glennon are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to error or fraud.

9 INVESTIGATING ACCOUNTANT'S REPORT

Our Responsibility

Our responsibility is to express limited assurance conclusions on the financial information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagement involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Section 8 of the Prospectus, and comprising:

- the Historical Statement of Financial Performance of Glennon for the period ended 29 April 2015; and
- the Historical Statement of Financial Position as at 29 April 2015,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 8 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the Pro Forma Historical Statement of Financial Position as at 29 April 2015 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 8 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 8 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

Pitcher Partners Corporate has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

9 INVESTIGATING ACCOUNTANT'S REPORT

For personal use only

Liability

The liability of Pitcher Partners Corporate is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

Declaration of Interest

Pitcher Partners Corporate does not have any interest in the outcome of this transaction other than in the preparation of this report and Pitcher Partners' audit of the Historical Financial Information for which normal professional fees will be received.

Yours faithfully
PITCHER PARTNERS CORPORATE PTY LTD



B J BRITTON
Executive Director and Representative

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MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

10.1 Management Agreement

The Company has entered into the Management Agreement with the Manager on or around the Original Prospectus Date with respect to the management and investment of the Portfolio.

A summary of the terms of the Management Agreement which the Company believes investors are likely to consider material is set out below. This summary is not a complete description of, and is subject to, the terms of the Management Agreement itself, a copy of which is available on request.

a) Services to be provided by the Manager

Under the Management Agreement, the Manager will manage the Portfolio and manage and supervise all investments of the Company in accordance with the terms of the Management Agreement. The Manager may carry out transactions for the Company without the prior consent of the Directors (other than in limited circumstances).

The Manager must exercise all due care, diligence and vigilance in performing its duties under the Management Agreement, and act honestly and in good faith.

Subject to law, the Manager is required under the Management Agreement to comply with the Investment Strategy of the Company (as set out in Section 3 of this Prospectus, or as otherwise notified to the Manager by the Company) (the Investment Strategy) in investing and managing the Portfolio. The Manager must also do everything reasonably open to it in respect of the Portfolio to enable the Board to properly exercise its powers and perform its obligations in respect of the Company.

The Manager will additionally provide certain administrative support services to the Company, again in accordance with the Management Agreement. These services include:

- i) managing the Company's relations with its investors and the public;
- ii) performing or procuring the performance of all reasonable accounting, tax, audit, IT and compliance services for the Company;
- iii) providing any information in relation to the Portfolio that the Manager is reasonably able to provide, such as for the preparation of any report or the making of any disclosures required under applicable law;

- iv) preparing detailed papers and agendas for scheduled meetings of the Board in such form that the Board and the Manager agree, including such information as the Board may reasonably require with respect to the Manager's performance under the Management Agreement; and
- v) providing to the Company such other services on such terms (including as to fees) as may be agreed from time to time.

b) Powers and discretions of Manager

Subject to applicable laws (to the extent those laws concern the Manager's functions and duties under the Management Agreement), and the Manager managing the Portfolio in accordance with the Investment Strategy and the Management Agreement, the Manager has absolute and unfettered discretion to manage the Portfolio and to do all things considered necessary or desirable for the investment and management of the Portfolio including, without limitation:

- i) investigation of, negotiation for, acquisition of, or disposal of the Company's investments;
- ii) selling, realising or dealing with all or any of the Company's investments or varying, converting, exchanging or adding other investments in lieu of those investments;
- iii) if any investments in the Portfolio are redeemed or the capital paid on the investment is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into a new investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and re-invest such monies in other investments;
- iv) retaining or selling any shares, debentures or other property received by the Company by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any company; and
- v) selling all or some of the rights to subscribe for new securities in the Company's investments, using all or part of the proceeds of such sale for the subscription of new securities or to subscribe for securities pursuant to those rights.

However, the Manager must not, without the Company's prior consent:

- i) borrow any money or incur any other liability by way of financial accommodation; or
- ii) charge or encumber in any way any asset in the Portfolio.

The Company's consent is also required in respect of transactions by the Company with a related party of the Manager, where the Company's prior approval of any such transaction is required under the Corporations Act or the ASX Listing Rules.

The performance of the Manager's obligations under the Management Agreement will be supervised by the Board of Directors.

10 MATERIAL CONTRACTS

c) Delegation

The Manager may, with the prior approval of the Company, appoint or engage any person, including any related body corporate of the Manager, to be a sub-contractor for the Manager to perform any or all of the duties and obligations imposed on the Manager by the Management Agreement.

However, the Manager may only appoint and engage a related body corporate of the Manager to provide services in relation to the investment and management of the Portfolio.

d) Holding of Shares by the Manager

The Manager and its associates may hold securities in the Company.

Other than with respect to the issue of Shares to the Manager in lieu of receiving its performance fee entitlement in cash (see below), the Manager is restricted from trading or dealing in securities in the Company during the following periods (unless otherwise approved by the Board):

- i) from the day of the half year end (or, if that day is not a trading day on the ASX, the previous trading day) to the close of trading on the Business Day after the Company's half yearly results are announced to the ASX;
- ii) from the day after the financial year end (or, if that day is not a trading day on the ASX, the previous trading day) to the close of trading on the Business Day after the Company's annual results are announced to the ASX;
- iii) from 28 days before, to the close of trading on the Business Day after, the Company's annual general meeting;
- iv) from 28 days before a prospectus or similar disclosure document is lodged with the ASX by the Company; and
- v) any extension to a prohibited period, and any additional period, as specified by the Board by a written notice to the Manager.

e) Monthly valuations

The Manager must arrange for calculation of the value of the Portfolio and the net tangible asset backing of each share in each class of shares in accordance with the ASX Listing Rules at least monthly and provide such calculations to the Company.

The value of the Portfolio shall be determined by aggregating the value of each investment forming part of or comprised in the Portfolio and each investment shall be valued in accordance with the following methodology:

- i) cash (including income) – the amount of such cash;
- ii) securities – the market value of such securities determined in accordance with Australian Accounting Standards (unless otherwise agreed by the Company and the Manager); and
- iii) other investments – if any investment is not included in (i) or (ii) above, the value of that investment determined in accordance with Australian Accounting Standards.

The Company may request that the value of an investment be determined by a duly qualified valuer independent of both the Company and the Manager (**Approved Valuer**), which is recommended by the Manager having regard to the particular type or types of investment which are the subject of the valuation. The Manager may also appoint an Approved Valuer to calculate the value of the Portfolio.

All costs incurred by the Manager in arranging these calculations are to be paid by the Company under the Management Agreement.

f) Management fees

Fixed component fee

The Manager is entitled to be paid a fixed fee equal to 1.00% p.a. of the value of all assets of the Company less liabilities (**NTA**). The fixed fee is calculated and accrued on the last day of each month and paid at the end of each monthly in arrears.

Performance Fee

At the end of each quarter, the Manager will be entitled to receive a performance fee (**Performance Fee**) from the Company.

The terms of the Performance Fee are outlined below:

- i) The Performance Fee is calculated, accrued and payable quarterly using the following formula:

$$\text{Performance Fee} = ((\text{CV} - \text{PV}) - (\text{BI} \times \text{PV})) \times 0.2$$

where:

CV is the NTA before all taxes and current performance fee accrual of the Company calculated on the last day of the relevant quarter, adjusted for changes in the value of the Portfolio during the period as a result of dividend distributions and capital changes (such as the issue of securities, capital reductions or share buy-backs by the Company);

PV is the NTA before all taxes and current performance fee accrual of the Company calculated on the last day of the immediately preceding quarter or, in the case of first performance fee calculation under the Management Agreement, the NTA before all taxes at listing; and

BI is the increase in the ASX/S&P Small Ordinaries Accumulation Index (i.e. the benchmark) over the relevant quarter expressed as a percentage.

- ii) The Manager will only be entitled to receive a Performance Fee where the NTA before all taxes at the end of the relevant quarter is above the High Water Mark.

The High Water Mark is the highest NTA (before all taxes) determined by the Custodian (or, if there is no Custodian, by the Manager at the Company's expense) in the previous 36 months, increased by the amount of any dividends paid and adjusted for capital changes (such as the issue of securities, capital reductions or share buy-backs by the Company) since the time of determination.

10 MATERIAL CONTRACTS

Payment of Performance Fees

If a Performance Fee is payable for a quarter, the Company must pay the Performance Fee to the Manager no later than 15 Business Days after the end of the quarter (**Payment Date**) as follows:

- iii) If the Manager elects five Business Days prior to the Payment Date that all or part of the Performance Fee (**Relevant Amount**) is to be applied to the issue of ordinary shares in the Company (**Shares**), the Company must, if permitted by the applicable laws (including the Corporations Act and the ASX Listing Rules) without receiving any approvals from the shareholders of the Company, apply the cash payable in respect of the Relevant Amount to the issue of Shares to the Manager or its nominee. The Shares shall be issued on the Payment Date and the number of Shares issued shall be calculated using the following formula:

$$N = PF / \text{Issue Price}$$

where:

N is the number of Shares;

PF is the Relevant Amount; and

Issue Price is the lesser of:

- A) the volume weighted average price of Shares traded on ASX during the period of 30 calendar days up to but excluding the Payment Date; and
 - B) the last price on the last day on which the Shares were traded on ASX prior to the Payment Date.
- iv) The amount of the Performance Fee not applied to the issue of Shares must be paid to the Manager in cash.

The fees referred to in this section are exclusive of GST.

Fee offsets

Outside Fees must be set-off against the Management Fees at the end of the quarter after receiving the Outside Fee (and further subsequent quarters if necessary). This does not apply in respect of the first \$35,000 (ex GST) per annum of outside fees.

"Outside Fees" means remuneration (including director's fees), consulting fees, break fees, transaction fees, underwriting fees or advisory fees received by the Manager or any of its affiliates, or any of their respective full-time employees or officers, in connection with the making, holding or disposition of a Portfolio investment or the termination of a proposed Portfolio investment, net of related expenses to the extent not already reimbursed by the Company.

g) Expenses

The Company is liable for and must pay out of the Portfolio or reimburse the Manager for all costs and expenses properly incurred in connection with the investment and management of the Portfolio or performance of the Manager's obligations under the Management Agreement, and is responsible for the payment of any fees or charges of any third parties engaged to provide any services in connection with the provision of administrative support services provided by the Manager, including filing and other similar fees and charges.

Notwithstanding the above, if any related body corporate of the Manager has received or is entitled to receive fees from the Company (or the Company incurs such expense) for providing investment and management services in relation to the Portfolio, the fees payable to the Manager under the Management Agreement will be reduced by the amount of that fee or such fee must be rebated to the Company.

h) Exclusivity

The Company must not, during the term of the Management Agreement:

- i) engage any other person to invest and manage the Portfolio, without the Manager's consent; or
- ii) take any action or omit to take any action in relation to the investment and management of the Portfolio unless the relevant matter has been the subject of a recommendation by the Manager, or any failure to do so would breach the duties of the Company's directors as directors, the ASX Listing Rules, any policy statement of a Government Agency, or any law.

The Manager may from time-to-time perform investment and management services for itself and other persons similar to the services performed for the Company under the Management Agreement, provided the Manager does not breach its obligations and duties under the Management Agreement.

Where the Manager considers a particular investment opportunity may be suitable for the Company and one or more other clients of the Manager, the Manager may allocate such opportunity on such basis as it considers fair in its discretion, taking into account such factors as the Manager considers appropriate (e.g. diversification considerations, portfolio requirements, available capital, and the size of the opportunity).

The Manager currently has a policy in place which provides that the Manager will use its best endeavours to treat all clients equally and this will apply in respect of the Manager's role as Manager of the Company's Portfolio and as manager of the SCP. Specifically, where the Manager is in the process of building a position, it is the Manager's current policy that the allocation will be pro-rata. However, investors should note that this is not a specific requirement under the Management Agreement, and is the current policy of the Manager which may change on a case-by-case basis.

10 MATERIAL CONTRACTS

i) Related party protocols and conflicts of interest

The Manager is required under the Management Agreement to maintain adequate arrangements to monitor actual or potential conflicts between its interests and its obligations to the Company under the Management Agreement, and to notify the Company of any such conflict that the Manager reasonably considers may have a materially adverse effect on the Company.

Where the Manager proposes that the Company acquire assets from or dispose of assets to a related party of the Manager, the Company must approve the acquisition or disposal of the asset to the extent required by the Corporations Act or the ASX Listing Rules.

j) Term

The initial term of the Management Agreement is ten years unless terminated earlier in accordance with the Management Agreement (see below). Following the expiry of the initial term, the agreement will continue automatically unless terminated as described below.

ASX has indicated to the Company that, following the Company submitting its listing application to ASX, that ASX will be likely to grant the Company a waiver permitting the Management Agreement to have a term that is longer than the 5 years otherwise required under ASX Listing Rule 15.16. The Company considers that the initial term of 10 years provides an appropriate balance between the desire of the Manager to protect its products for long enough to recoup its initial investment, the objective of the Company to secure the benefit of the Manager's experience and expertise, and the right of the Company's shareholders to end the Management Agreement after a reasonable term.

k) Termination

Automatic Termination

After the expiry of the initial term, the Management Agreement will automatically terminate three months after an ordinary resolution of the Company is passed to end the Management Agreement.

The Management Agreement will also automatically terminate immediately upon the passing of a resolution by Shareholders to voluntarily wind-up the Company or if an insolvency event occurs with respect to the Company.

Termination by the Company

The Management Agreement gives the Company the right to immediately terminate the Management Agreement and remove the Manager by written notice on the occurrence of any one of the following events:

- i) an insolvency event occurs with respect to the Manager;
- ii) the Manager is in material default or breach of its obligations under the Management Agreement and such default or breach is not rectified within 30 days after the Company has notified the Manager in writing to rectify the default or breach;
- iii) the Manager ceases to carry on business in relation to its activities as an investment manager;

iv) the Manager persistently fails to ensure that investments made on behalf of the Company are consistent with the Company's Investment Strategy;

v) the Manager's AFSL is suspended for a period of no less than one month or cancelled at any time and the Manager fails to obtain an authorisation enabling it to perform its obligations under the Management Agreement from a third party holder of an AFSL; and

vi) if the law requires the Company to terminate the Management Agreement for any reason.

The Company may also terminate the Management Agreement on three months' notice if Michael Glennon ceases to be involved with the implementation and ongoing management of the Investment Strategy and is not replaced with an adequate replacement that has a minimum of 10 years funds management experience and is acceptable to the Company, acting reasonably (**Key Person Termination**).

Termination by the Manager

The Manager is entitled to terminate the Management Agreement on six months' notice at any time after the fifth anniversary of the Management Agreement.

The Manager is also entitled to terminate the Management Agreement on 3 months notice if the Company is in material breach of its obligations and does not notify the breach within 30 days of a notice from the Manager requiring notification.

The ASX Listing Rules generally require that a manager may only terminate a management agreement entered into with a listed investment company on no less than 3 months' notice. The Manager's rights to terminate the Management Agreement are more restrictive – the Manager can only terminate without cause after the fifth anniversary of the Management Agreement on 6 months' notice. Should the Manager exercise its right to terminate, this will give the Company more time to assess and engage an appropriate replacement manager.

Termination Payment

If, prior to the end of the initial term, the Management Agreement is terminated because of automatic termination as described above or termination by the Manager for cause, the Manager will be entitled to a termination payment at the termination date equal to 5% of the net tangible assets backing of each share in each class of shares in the Company as calculated under the ASX Listing Rules multiplied by the number of shares on issue in that class of shares as at the termination date.

Investment management post-termination of the Management Agreement

If the Management Agreement is terminated, the Company may by notice to the Manager appoint a transition manager effective from the termination date.

10 MATERIAL CONTRACTS

The Manager will be required to vest the Portfolio from the termination date in the Company (or its custodian) as soon as possible. During that time, the Manager will have restricted rights to deal with the Portfolio and must otherwise deal with the Portfolio in accordance with the instructions issued by the Company, the transition manager, or any new manager appointed by the Company.

i) Assignment

Neither the Company nor the Manager may assign any of its rights and obligations under the Management Agreement without the prior written consent of the other party (with the exception of an assignment by the Manager to a related body corporate of the Manager as part of a bona fide corporate restructure).

m) Amendment

The Management Agreement may only be altered by the written agreement of the Company and the Manager. Any amendment that is material must additionally be approved by a resolution passed by at least 50% of the total votes cast by the holders of shares entitled to vote on the resolution.

n) Capital control and provisions

The Manager has no right to terminate the Management Agreement in the event of a change of control of the Company. Similarly, the Company has no right to terminate the Management Agreement in the event of a change of control of the Manager.

The Management Agreement does not contain any pre-emptive rights over the Portfolio which are exercisable by either the Company, the Manager or a related entity of the Manager in the event of a change of control of either the Company or the Manager.

o) Manager's liability

Subject to the Corporations Act, the ASX Listing Rules and the Management Agreement, the Manager will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- i) whether or not to exercise them; and
 - ii) the manner or mode of, and time for, their exercise;
- and, in the absence of negligence, default, fraud or dishonesty, the Manager will not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

p) Indemnification of the Manager by the Company

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with the Manager or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Manager or its officers, employees or supervised agents (as defined in the Management Agreement). This obligation continues after the termination of the Management Agreement.

q) Indemnification of the Company by the Manager

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with, any negligence, default, fraud or dishonesty of the Manager or its officers or supervised agents (as defined in the Management Agreement). This obligation continues after the termination of the Management Agreement.

r) Confidentiality

The Company and the Manager must not, and must ensure that their respective officers, employees and agents do not, disclose any confidential information of the other party without that other party's prior written consent. However a party may make disclosures:

- i) to a party's Associates, employees, legal advisers, auditors and other professional advisers requiring the information for the purposes of the Management Agreement;
- ii) if the information is publicly available (otherwise than as a result of the party's breach of its obligations of confidentiality);
- iii) if information already known to the party, where such information was not acquired directly or indirectly from the other party;
- iv) required by law (including under the ASX Listing Rules); or
- v) if required by any government agency (as defined in the Management Agreement) or regulatory authority.

10 MATERIAL CONTRACTS

10.2 Appointment of State One

On 11 June 2015 the Company entered into an agreement with State One Stockbroking Ltd for the purpose of acting as the Retail Manager and the Arranger for the Offer (**State One Appointment Agreement**).

The State One Appointment Agreement provides that State One will:

- manage the Retail Offer, including assisting (in consultation with PAC Partners) in the allocation and settlement process of the Offer;
- on a best endeavours basis, invite potential investors under the Offer to apply for shares in the Offer; and
- on a best endeavours basis, make offers to Retail Applicants and to other potential investors under the Offer and to arrange for the issues of shares by the Company under the Offer.

The Company has agreed to pay State One as the Arranger and Retail Manager (subject to a minimum fee of \$30,000) a fee of 1% of the gross proceeds raised under the Offer (exclusive GST and excluding any proceeds introduced from Pac Partners or Shaw and Partners). State One is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

The Company agrees to indemnify State One and to hold State One harmless from and against: all actions, claims demands or proceedings which may be instituted against it in connection with or arising out of its engagement with the Company; and all liabilities, losses, damages, costs and expenses (including reasonable legal costs and expenses) which may be suffered or incurred by State One in connection with or arising out of its engagement. Notwithstanding the above, the Company will not be responsible under this indemnity for any liabilities, losses, damages, costs or expenses to the extent to which they result directly from the wilful default or gross negligence on the part of State One.

The State One Appointment Agreement is governed by the law in force in Victoria.

10.3 Appointment of PAC Partners

On 16 June 2015 PAC Partners entered into an agreement with the Company for the purpose of acting as the Wholesale Offer Manager for the Offer (**PAC Partners Appointment Agreement**).

The PAC Partners Appointment Agreement provides that PAC Partners will:

- managing the Offer;
- co-ordinate the marking roadshow for the Offer, including pre-marketing and assistance of the roadshow presentation;
- determining key investor issues and co-ordinating appropriate responses/information in order to mitigate these issues;
- assist with logistics of the prospectus production and its distribution;
- assisting in any dealings with the ASX and ASIC;
- provide other such assistance to the Company in relation to the Offer as agreed from time to time.

The Company has agreed to pay PAC Partners a fee of 1% of the total amount raised by the PAC Partners and Shaw and Partners under the Offer (exclusive of GST). Pac Partners is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

The Company agrees to indemnify and hold harmless PAC Partners, its related bodies corporate and their directors, employees, agents and contractors any claim, demand, loss, expense, liability or action arising directly or indirectly from or relating to the services offered by PAC Partners to the fullest extent permitted by law.

The PAC Partners Appointment Agreement is governed by the law in force in Victoria.

10.4 Appointment of Shaw and Partners

On 21 May 2015 PAC Partners entered into an agreement with Shaw and Partners Limited for the purposes of co-managing the Offer (**Shaw Appointment Agreement**).

The Shaw Appointment Agreement provides that Shaw and Partners is to actively market the Offer to certain clients on a reasonable endeavours basis across Australia. PAC Partners will pay Shaw and Partners a management fee of 1% of the gross proceeds raised by Shaw and Partners under the Offer (exclusive of GST). Shaw and Partners is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

The Appointment Agreement is governed by the law in force in Victoria.

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ADDITIONAL INFORMATION

11.1 Incorporation

The Company was incorporated on 29 April 2015.

11.2 Balance date and company tax status

The accounts for the Company will be made up to 30 June annually.

The Company will be taxed as a public company.

11.3 Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

Class of Security	Number of Securities
Shares	1
Options	0

The Company does not propose to issue any other equity or debt securities prior to listing on the ASX.

11.4 Capital structure following the Offer

As at the Allotment Date, the issued share capital of the Company will comprise the following:

Class of Security	Number of Securities based on Minimum Subscription ¹	Number of Securities based on Fully diluted ¹ Subscription	Number of Securities based on Maximum Subscription ¹	Fully diluted ¹
Shares	16,000,001	32,000,001	50,000,001	100,000,001
Options	16,000,000	Nil	50,000,000	Nil

Note:

1. The fully diluted number of Securities on issue immediately following the Offer assumes that all Options have been exercised for the maximum number of Shares which can be issued under those Options.

Other than the issue of the Securities under this Prospectus, the Company does not currently propose to (and is not party to any agreement to issue) other securities following its admission to ASX (other than Shares on exercise of the Options to be issued under this Prospectus).

11.5 Rights attaching to the Shares

The rights attaching to Shares are:

- set out in the Constitution; and
- in certain circumstances, regulated by the Corporations Act, Listing Rules, ASX Settlement Operating Rules and the general law.

The principal rights, liabilities and obligations attaching to the Shares are summarised below. This summary is not intended to be exhaustive. The Shares to be issued under this Prospectus will be fully paid ordinary shares.

a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney, has one vote on a show of hands and, on a poll, one vote for each Share held.

b) Meetings of members

Each Shareholder is entitled to receive a notice of, attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

c) Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

d) Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, Listing Rules and ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where the transfer is not in registrable form, the Company has a lien over any shares transferred, and where otherwise permitted to do so under the Corporations Act, Listing Rules or ASX Settlement Operating Rules.

e) Issue of further shares

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, further Shares on such terms and conditions as the Directors resolve.

f) Winding Up

If the Company is wound up, then subject to any rights or restrictions attached to a class of shares, any surplus must be divided amongst the Company's members in proportion to the amount paid on the Shares held by them.

g) Unmarketable parcels

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

h) Share buy-backs

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may buy back Shares in itself on terms and at times determined by the Board.

i) Variation of class rights

Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

11 ADDITIONAL INFORMATION

- 
- i) with the consent in writing of holders of 75% of the issued shares included in that class; or
 - ii) by a special resolution passed at a separate meeting of the holders of those shares; or
 - iii) as otherwise permitted under the Corporations Act.

In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

j) Dividend reinvestment plan

The Constitution authorises the Directors, on any terms and at their discretion, to establish a dividend reinvestment plan (under which any member may elect that the dividend payable by the Company be reinvested by a subscription of securities). Please see Section 11.6 for a summary of the material terms of the dividend reinvestment plan.

k) Directors – appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is 3 and the maximum is 10 Directors. Directors are elected at an annual general meeting of the Company. Retirement will occur on a rotational basis so that no Director (excluding any managing director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the Directors, who will then hold office until the next annual general meeting.

l) Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes cast and each Director has one vote. In the case of an equality of votes on a resolution where the number of Directors voting is more than two, the chairperson of the meeting has a casting vote.

m) Directors – remuneration

The Constitution provides that non-executive Directors are entitled to such remuneration as determined by the Directors but which must not exceed in aggregate the maximum amount determined by Shareholders at a general meeting.

n) Indemnities

To the extent permitted by law and subject to the restrictions in section 199A of the Corporations Act, the Company may indemnify any current or former officer of the Company against:

- i) any liability incurred by that person in that capacity (except a liability for legal costs);
- ii) legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity; and
- iii) legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the Company or a subsidiary, if that expenditure has been approved in accordance with the Company's policy.

o) Variation of the Constitution

The Constitution can only be amended by special resolution approved by at least 75% of the votes cast at a general meeting of the Company. The Company must give at least 28 days written notice of a general meeting of the Company's members.

11.6 Dividend Reinvestment Plan

Holders of Shares are eligible to participate in the Dividend Reinvestment Plan which has been established by the Board (**Plan**).

Participation in the Plan is optional and Shareholders may elect to participate in the Plan in respect of all or a specified number of the Shares they hold (subject to a minimum of 100 shares). An election to participate in the Plan applies to all dividends after the election until the election is varied or terminated or the Plan is terminated.

At each dividend payment date, the dividend on Shares participating in the Plan is automatically reinvested in new shares. Shares issued under the Plan will be fully paid ordinary shares and will rank equally in all respects with existing Shares and can be sold at any time.

Under the Plan, new Shares may be issued at a discount from market price, with the amount of the discount to be determined by the Directors. The amount of the discount may be varied from time-to-time.

There is no brokerage, stamp duty or other charge payable by you in respect of new shares issued to you under the Plan. The Company will bear all administration costs in connection with the Plan.

The Plan may be suspended, modified or terminated by the directors of the Company at any time in accordance with the rules of the Plan. For a Shareholder's Shares to participate in the Plan, the Shareholder must send to the Share Registry a completed form to participate in the Plan. A copy of the required form can be obtained by contacting the Company or the Share Registry.

11 ADDITIONAL INFORMATION

11.7 Option terms

The terms and conditions of the Options are as follows.

Entitlement	Each Option entitles the Option holder to subscribe for one Share.
Certificate	The Company must give each Option holder a certificate or holding statement stating: <ul style="list-style-type: none">– the number of Options issued to the Option holder;– the exercise price of the Options; and– the date of issue of the Options.
Issue price	No amount is payable on issue of the options.
Exercise price	The exercise price of each option is A\$1.00.
ASX Quotation	The Company will apply to ASX for official quotation of the Options and the Shares issued on exercise of Options.
Transfer/transmission	An Option may be transferred or transmitted in any manner approved by ASX.
Exercise	An Option may be exercised by delivery to the Company of a duly completed exercise notice, signed by the registered holder of the Option, together with payment to the Company of \$1.00 per Option being exercised and the relevant option certificate. An optionholder may only exercise options in multiples of 1,000 unless the optionholder exercises all options held by the optionholder.
Exercise period	Each option may be exercised at any time before 5pm on the one year anniversary of the date of issue of the Options (End Date). An option not exercised, automatically expires at 5pm on the End Date.
Dividend entitlement	Options do not carry any dividend entitlement (only the Shares to be issued on exercise of the Options carry a dividend entitlement). Shares issued on exercise of Options rank equally with other issued Shares from their date of issue.
Participating rights	For determining entitlements to the issue, an Option holder may only participate in new issues of securities to holders of Shares if the Option has been exercised and Shares allotted in respect of the Option before the record date. If the Company makes a pro rata issue of Shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, the exercise price of each option is reduced in accordance with the ASX Listing Rules. Currently the Listing Rules provide that the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula: $\text{NE} = \frac{\text{OE} - E[P-(S + D)]}{(N + 1)}$ where: NE = is the new exercise price of the Option; OE = is the old exercise price of the Option; E = is the number of underlying Shares into which one Option is exercisable; P = is the volume weighted average market price per security of the underlying securities, calculated over the 5 trading days ending on the day before the ex-rights date or ex entitlements date; S = is the subscription price for a Share under the rights issue; D = is the dividend due but not yet paid on each Share at the relevant time; and N = is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

11 ADDITIONAL INFORMATION

Bonus issue

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the option is exercisable is increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for determining entitlements to the issue.

If there is a reorganisation (including consolidation, sub- division, reduction or return) of the Share capital of the Company, then the rights of the Option holder (including the number of Options to which each Option holder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

11.8 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director or proposed director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

11.9 Remuneration of Directors

The following sets out the Directors' annual remuneration payable for the year ending 30 June 2016:

Director	Directors' fees
John Larsen	\$25,000
Garry Crole	\$25,000
Michael Glennon ¹	\$0

1. Michael Glennon is a Director of the Company and the sole director of the Manager. He is remunerated by the Manager and will not receive Directors' fees or any other form of remuneration from the Company for his services.

The Directors will be entitled to receive the following benefits:

- a) The aggregate remuneration of the Directors of the Company has been initially set at \$110,000 per annum (including superannuation) to be divided amongst the Directors in such proportions as they agree. The Directors have agreed that John Larsen will initially receive \$25,000 per annum and Garry Crole will initially receive \$25,000 per annum. Michael Glennon is a Director of the Company and the sole director of the Manager. He is remunerated by the Manager and will not receive Directors' fees or any other form of remuneration from the Company for his services. As at the date of this Prospectus, a close associate of Michael Glennon holds 100% of the equity interests in the Manager.

Under the Constitution, if a Director performs additional duties for the Company, the Company may remunerate that Director and that remuneration may be either in addition to or in substitution for that Director's remuneration as a Director.

Under the ASX Listing Rules the maximum fees payable to non-executive directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

11.10 Directors interests in Shares and Options

As at the date of this Prospectus, excluding Mr Michael Glennon, the Directors and their associates have no interests in the Securities of the Company. Mr Michael Glennon holds the only existing share of the Company.

All of the Directors have indicated an intention to subscribe for securities under the Offer, however while the final amount of their investment has not yet been determined, it is expected that the aggregate amount of the Director's investment will be less than 5% of the Minimum Subscription amount.

11.11 Indemnification of Directors and officers

The Company has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of being or acting as an officer of the Company. The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

11.12 Related party interests

Other than as set out below or elsewhere in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a party, and in which any related party had or will have a direct or indirect material interest:

- a) the compensation arrangements with Directors and executive officers, which are described in this Section 11.9;
- b) the indemnification arrangements with the Directors which are described in this Section 11.11; and
- c) the Management Agreement between the Company and the Manager which is described in Section 10.

11 ADDITIONAL INFORMATION

The shares in the Manager are held by a close associate (being a relative) of Mr Michael Glennon, who is a Director of the Company. Mr Michael Glennon is also the sole director of the Manager. Please see Section 10.1 of the Prospectus for further details of the Management Agreement and Section 4 for further details of the Manager.

11.13 Taxation considerations

This section contains a general outline of the taxation implications of holding Securities in the Company for certain investors who are tax resident in Australia and hold their Securities on capital account.

The comments in this section are based on the Income Tax Assessment Act, the GST Act and relevant stamp duties legislation as at the date of this Prospectus.

The taxation comments in this Prospectus do not constitute tax advice. It is recommended that Shareholders consult with their own taxation advisors regarding the taxation implications associated with the Offer.

a) Issue of Securities

The issue of Shares and Options involves the acquisition by a Shareholder of two CGT assets. No taxing event should occur at the time of issue of the Shares and Options.

The cost base of the Shares will be the amount paid by a Shareholder to acquire the Shares under the Offer. Fees incurred by Shareholders on brokerage services and other incidental costs of acquisition should also be included in the cost base of the relevant Shares.

b) Disposal of Shares

A disposal of Shares will constitute a CGT event. A Shareholder should derive a capital gain where the capital proceeds received on disposal of the Shares exceed the cost base of the Shares. A Shareholder should make a capital loss where the reduced cost base of the Shares exceeds the capital proceeds received on disposal of the Shares.

Generally, the capital proceeds received as a result of a disposal of Shares should equal the consideration received on disposal. The cost base of the Shares will generally comprise the cost of acquisition of the Shares plus incidental costs of acquisition or disposal such as brokerage fees.

If a non-corporate Shareholder has held their Shares for 12 months prior to disposal, the CGT discount concession may be available to reduce the amount of a capital gain arising from the disposal (after applying any capital losses). The CGT discount concession for an individual or trust is 50% and for a complying superannuation fund is 33.33%.

c) Exercise of Options

An Option holder should not have a tax liability on the exercise of an Option. The cost base of the Shares acquired by an Optionholder as a result of exercising an Option will equal the consideration paid to exercise the Options and incidental costs associated with exercising the Options.

d) Disposal of Options

A disposal of Options will constitute a CGT event. An Optionholder should derive a capital gain where the capital proceeds received on disposal of the Options exceed the cost base of the Options. An Optionholder should make a capital loss where the reduced cost base of the Options exceeds the capital proceeds received on disposal of the Options.

If a non-corporate Optionholder has held their Options for 12 months prior to disposal, the CGT discount concession may be available to reduce the amount of a capital gain arising from the disposal (after applying any capital losses). The CGT discount concession for an individual or trust is 50% and for a complying superannuation fund is 33.33%.

Where ownership of an Option ends by the Option being redeemed, cancelled or expiring, an Optionholder may derive a capital gain if the capital proceeds from the event exceed the cost base of the Option. An Optionholder may make a capital loss if the capital proceeds from the event are less than the reduced cost base of the Option.

e) Dividends

Dividends received by Shareholders should be included in their assessable income. A Shareholder who is an individual will be taxed on the dividends at their marginal tax rate. A corporate Shareholder will be taxed at the prevailing company tax rate (currently 30%).

Generally, where a dividend is franked, an amount equal to the franking credits attached to that dividend will be included in a Shareholder's assessable income. A Shareholder will generally be entitled to a tax offset equal to the amount of franking credits attached to the dividend.

Certain Shareholders, including individuals and complying superannuation funds, may be entitled to a refund of excess franking credits where their tax offset in respect of the franked dividends exceeds their tax liability.

f) Status as a Listed Investment Company

The Company will qualify as a LIC under the Income Tax Assessment Act 1997 where broadly speaking:

- the Company is listed; and
- 90% of the Portfolio by value comprises certain permitted investments. Permitted investments include shares, options, units (provided that the Company does not own more than 10% of the entity), financial instruments and assets that generate passive income such as interest, rent and royalties.

11 ADDITIONAL INFORMATION

Management of the Company currently intends to manage the affairs of the Company so that the requirements to qualify as a LIC under that Act will be satisfied. However, while the Company can qualify (and remain qualified as a LIC under that Act), it does not necessarily mean that all dividends that are paid by the Company will be subject to the LIC taxation concessions. Specifically, whether (and to what extent) these concessions will apply will depend on the extent to which the assets of the Company are held on the 'revenue' account or 'capital' account. Specifically:

- a) in respect of assets held by the Company on 'revenue' account – these dividends will not qualify for the LIC concessional taxation treatment; and
- b) in respect of assets held by the Company on 'capital' account – the concessions will apply in respect of dividends that are paid by the Company out of LIC capital gains. To this extent, some Shareholders may qualify for income tax concessions in respect of these dividends. Specifically, where the capital gain would have qualified as a discount capital gain if the underlying assets had been held directly by the Shareholder, the benefit of the discount capital gain flows through to the Shareholders such that the dividends paid out of those profits are effectively taxed in the hands of the Shareholder at the same rate as the discount capital gain. Shareholders that qualify for the LIC tax concessions include resident individuals, trusts, partnerships and complying superannuation funds. Corporate Shareholders do not benefit from this tax concession.

The Company will need to assess on a case-by-case basis the extent to which specific assets will be held on 'capital' account or 'revenue' account and does not offer any assurance that any or all dividends of the Company will potentially be subject to the LIC concessional taxation treatment (as the Company currently expects that it will hold its assets on revenue account in light of the Investment Strategy and Investment Guidelines).

For this reason, it is recommended that investors do not make a decision to apply for Securities under this Prospectus solely on the basis of the taxation benefits that result from the Company being treated as a LIC. The Company will advise Shareholders to the extent that it meets the definition of a LIC and pays a dividend that includes a LIC capital gain.

g) Stamp duty

Shareholders should not be liable to stamp duty in Australia in respect of the acquisition of Securities under the Offer.

h) Goods and services tax

Shareholders should not be liable to GST in Australia in respect of the acquisition of Securities under the Offer.

11.14 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as providing services in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus or any promoter of the Company:

- a) has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- b) has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

State One has acted as Retail Manager and Arranger for the Offer. The Company has agreed to pay State One as the Arranger and Retail Manager (subject to a minimum fee of \$30,000) a fee of 1% of the gross proceeds raised under the Offer (exclusive GST and excluding any proceeds introduced from Pac Partners or Shaw and Partners). State One is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

PAC Partners has acted as the Wholesale Offer Manager for the Offer. The Company has agreed to pay PAC Partners a fee of 1% of the total amount raised by the PAC Partners and Shaw and Partners under the Offer (exclusive of GST). PAC Partners is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

Shaw and Partners has acted as Co-Manager for the Offer. PAC Partners will pay Shaw and Partners a management fee of 1% of the gross proceeds raised by Shaw and Partners under the Offer (exclusive of GST). Shaw and Partners is also entitled to payment of the Service Fee under the Broker Firm Offer in respect of the Applications for which it is the Broker.

Pitcher Partners and its related entities have acted as the Investigating Accountant, Australian tax adviser and auditor to the Company and provided the Investigating Accountant's Report in Section 9. The Company has paid or agreed to pay an amount of approximately \$17,500 (plus disbursements and GST) in respect of these services. Further amounts may be paid to Pitcher Partners in accordance with time-based charges.

Holding Redlich has acted as the Australian legal adviser to the Company and performed work in relation to due diligence enquiries on Australian legal matters. The Manager has paid or agreed to pay an amount of approximately \$55,000 (plus disbursements and GST) in respect of these services, and it is anticipated that these costs will be recovered by the Manager from the Company.

11.15 Offer expenses

It is anticipated that the Company will pay for the costs associated with the Offer. If the Offer proceeds, the total estimated cash expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately \$398,510 assuming Minimum Subscription is reached, and \$747,010 assuming the Maximum Subscription is reached.

11 ADDITIONAL INFORMATION

11.16 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

- a) PAC Partners has consented to being named as Wholesale Offer Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by PAC Partners;
- b) State One has consented to being named as the Arranger and Retail Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by State One;
- c) Shaw and Partners has consented to being named as the Co-Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Shaw and Partners;
- d) Glennon Capital, the Manager, has consented to being named as Manager, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the Manager;
- e) Pitcher Partners Corporate has consented to being named in the Corporate Directory of this Prospectus as the Company's Australian Investigating Accountant, and to the inclusion of its Investigating Accountant's Report on Pro Forma Financial Information in Section 8 in the form and context in which it appears;
- f) Pitcher Partners has consented to being named as the auditor to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Pitcher Partners;
- g) Pitcher Partners Advisors has consented to being named in the Corporate Directory of this Prospectus as the Company's Australian tax adviser, and to the inclusion statements by or statements said in this Prospectus to be based on a statement by it;
- h) Holding Redlich has consented to being named in the Corporate Directory of this Prospectus as the Australian legal adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Holding Redlich;
- i) HUB24 has consented to be named as a service provider to the Manager, but it does not make any statement in this Prospectus nor is any statement in this Prospectus based on any statement by HUB24;
- j) White Outsourcing Pty Ltd has consented to being named in the Prospectus as the proposed custodian to the Portfolio of the Company but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the Custodian; and
- k) Boardroom Pty Limited has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the Share Registry for the Company.

Each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described above.

11.17 ASX waivers and ASIC relief

No waivers of the ASX Listing Rules or relief from the Corporations Act has been given by ASX or ASIC respectively, other than an in-principle advice from ASX that following the Company lodging its listing application to ASX that ASX will be likely to grant the Company a waiver from the ASX to allow the initial period of the Management Agreement to be 10 years (as ASX Listing Rule 15.16(b) otherwise requires the initial period to be 5 years).

11.18 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved.

11.19 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Securities to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Securities listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

11.20 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

11.21 Statement of Directors

The Directors report that after due enquiries by them they are not aware of any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

12

DEFINED TERMS

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires:

A\$ or \$	Australian dollars.
AEST	Australian Eastern Standard Time.
AFSL	Australian financial services licence issued by ASIC under the Corporations Act.
Allotment Date	The date on which the Shares and Options are allotted under the Offer.
Applicant	A person who submits a valid Application Form and the required Application Monies pursuant to this Prospectus.
Application	An application for Shares and Options under this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus for investors to apply for Shares and Options under the Offer.
Application Monies	Money submitted by Applicants under the Offer representing the Subscription Price for Shares applied for under the Offer.
Arranger	State One Stockbroking Ltd (ACN 092 989 083) (AFSL 247100), who is to make offers to people to arrange for the issue of Securities in accordance with such offers if they are accepted.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given in the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires.
ASX Corporate Governance Principles	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	The settlement rules of the settlement facility provided by ASX Settlement.
ATO	The Australian Taxation Office.
Benchmark	S&P/ASX Small Ordinaries (TR).
Board	The board of Directors of the Company.
Broker	Any ASX participating organisation selected by PAC Partners in consultation with the Company to act as a broker to the Offer.
Broker Firm Applicant	A person who submits an Application under the Broker Firm Offer.
Broker Firm Offer	Has the meaning given in Section 2.1.
CHESS	Clearing House Electronic Subregister System, operated in accordance with the ASX Settlement Operating Rules.
CGT	Capital Gains Tax.
Close associate	Has the meaning given in the Corporations Act.
Closing Date	The date that the Offer closes.
Committee	A committee of the Board of Directors.

12 DEFINED TERMS

Company	Glennon Small Companies Limited (ACN 605 542 229).
Consent	Under a Broker Firm Offer, the consent given in accordance with a Broker's consent process by a Retail Applicant to the Broker in connection with the Retail Applicant's consent and authorisation to the payment of the Service Fee to the Broker (and also the on-payment of a percentage of that Service Fee to the individual broker advising the Retail Applicant, any financial planners or any financial intermediaries providing advice or dealing services to them in respect of the Offer).
Constitution	The constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth).
Corporations Regulations	The Corporations Regulations 2001 (Cth).
CRN	Customer Reference Number.
Custodian	White Outsourcing Pty Ltd (ABN 44 114 914 21).
Directors	The directors of the Company.
Dividend Reinvestment Plan	The Company's Dividend Reinvestment Plan details of which are included in Section 11.6.
Existing Holder	The Manager as the sole holder of securities of the Company as at the date of this Prospectus.
Exposure Period	The fourteen day period after the date of lodgement of the Original Prospectus with ASIC on 19 June 2015.
General Offer	Has the meaning given in Section 2.
GST Act	A New Tax System (Goods and Services) Tax Act 1999 (Cth).
GST	Goods and services tax.
HIN	Holder identification number.
HUB24	HUB24 Custodial Services Ltd (ABN 94 073 633 664) (AFSL 239122).
Income Tax Assessment Act	The Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth).
Institutional Applicant	An Applicant who is a wholesale client (as defined in section 761G of the Corporations Act).
Investment Guidelines	The investment guidelines as outlined in Section 5.4.
Investment Process	The investment process as outlined in Section 5.5.
Investment Strategy	The strategy for the investment of the Portfolio as set out in this Prospectus including Section 5.3.
LIC	Listed investment company for the purposes of the Income Tax Assessment Act.
Listing	Admission of the Company to the Official List.
Listing Rules	The official Listing Rules of the ASX as amended or waived from time to time.
Management Agreement	The agreement between the Company and the Manager dated on or around the date of this Prospectus, a summary of which is included in Section 10.
Manager or Glennon Capital	Glennon Capital Pty Ltd (ACN 137 219 866).

12 DEFINED TERMS

Maximum Subscription	The maximum amount being sought by the Company under the Offer, being \$50 million.
Minimum Subscription	The minimum subscription being sought by the Company under the Offer, being \$16 million (before fees and costs of the Offer) and including the amount of the Service Fee under the Broker Firm Offer.
NAV	Net asset value.
Offer	The offer of Shares, at \$1.00 per Share, to raise up to \$50 million, together with an entitlement to one Option for every one Share subscribed for.
Offer Information Line	The information line that investors may call between 8:15am and 5:30pm AEST on 1300 737 760 (within Australia) or +61 2 9290 9600 (international).
Offer Managers	PAC Partners, State One and Shaw and Partners.
Offer Period	The period during which investors may subscribe for Securities under the Offer.
Offer Price	\$1.00 per Share with nil cost Option.
Official List	The official list of the ASX.
Opening Date	The date that the Offer opens.
Option	An option to subscribe for a Share, exercisable at \$1.00 per Option on or before the first anniversary of the issue of the Options.
Optionholder	The registered holder of an Option.
Original Prospectus	The original Prospectus which the Company lodged with ASIC on 19 June 2015 which has been replaced by this replacement Prospectus.
Original Prospectus Date	19 June 2015
PAC Partners or Wholesale Offer Manager	PAC Partners Pty Ltd ACN 165 738 438 a corporate authorised representative of PAC Asset Management Pty Ltd ACN 134 783 583 (AFSL 335 374).
Performance Fee	The Performance Fee which is payable to the Manager, the details of which are set out in Section 10.
Pitcher Partners	Pitcher Partners (partnership) ABN 27 975 255 196.
Pitcher Partners Advisors	Pitcher Partners Advisors Pty Ltd ACN 052 920 206.
Pitcher Partners Corporate	Pitcher Partners Corporate Pty Ltd ACN 082 323 868.
Portfolio	The portfolio of investments of the Company comprised of investments in predominantly smaller listed companies.
Privacy Act	Privacy Act 1988 (Cth).
Prospectus	This replacement prospectus, dated 3 July 2015, for the issue of Shares and Options to raise up to \$50 million (including the electronic form of that Prospectus).
Prospectus Date	The date on which this replacement Prospectus was lodged with ASIC being 3 July 2015.
Retail Applicant	An Applicant who is a retail client (as defined in section 761G of the Corporations Act).
Retail Manager	State One Stockbroking Ltd (ACN 092 989 083) (AFSL 247100).

12 DEFINED TERMS

Retail Offer	The invitation to Retail Applicants under this Prospectus to acquire Shares and Options as set out in Section 2.
S&P/ASX 100	The index comprised of the 100 largest index-eligible stocks listed on the ASX by float-adjusted market capitalisation.
SCP	Glennon Capital Small Companies Portfolio.
Section	A section of this Prospectus
Securities	The Shares and Options the subject of the Offer.
Service Fee	A one-off fee of \$0.02 (inclusive of GST) per Share payable by Applicants under the Broker Firm Offer to the Applicant's Broker in respect of the services provided by their Broker in connection with the Offer (and any individual broker advising the Retail Applicant, financial planners or financial intermediaries) in introducing the Applicant to the Offer, giving advice in respect of the Offer and dealing in respect of the Offer.
Share	A fully paid ordinary share in the capital of the Company.
Share Registry	Boardroom Pty Limited.
Shareholder	A registered holder of a Share.
Shareholding	A shareholding in the Company.
Shaw and Partners or Co-Manager	Shaw and Partners Limited (ACN 003 221 583), previously known as Shaw Stockbroking Limited.
SRN	Securityholder reference number.
State One, Retail Manager or Arranger	State One Stockbroking Ltd (ACN 092 989 083) (AFSL 247100).
Subscription Price	\$1.00 per Share which: a) in respect of the General Offer, is fully payable by Applicants to the Company; and b) in respect of the Broker Firm Offer, \$0.98 is payable by Applicants to the Company and \$0.02 is payable by Applicants to the Broker.
TFN	Tax File Number.
US Securities Act	Securities Act 1933 of the United States.

PITCHER PARTNERS CORPORATE PTY LTD – FINANCIAL SERVICES GUIDE



Financial Services Guide

Version dated: 19 June 2014

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and how you can access them.

Information about us

Pitcher Partners Corporate Pty Ltd has been engaged by Glennon Small Companies Limited to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +613 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed portfolio services
- Securities

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 19
15 William Street
MELBOURNE VIC 3000
Tel: +61 3 8610 5000

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

Partner in Charge – Corporate Finance
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If we are not able to resolve your complaint to your satisfaction within 45 days of the first notification of your complaint to us, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 5193, Melbourne VIC 3001.

STATE ONE STOCKBROKING LTD – FINANCIAL SERVICES GUIDE

For
Professional
Use Only



ABN 95 092 989 083 // AFSL 247 100 // Participant of ASX Group, Chi-X Australia & the Asia Pacific Stock Exchange

Financial Services Guide for Retail Advisory Clients *

State One Stockbroking Ltd (“SOSL”)

(AFSL No 247100)
ABN 95 092 989 083

Current as at May 2015

Participant of the ASX Group and Chi-X Australia Pty Ltd

www.stateone.com.au

- * A separate FSG is available for State One Stockbroking's non-advisory services under the amscot brand.
(Go to www.amscot.com.au)

STATE ONE STOCKBROKING LTD – FINANCIAL SERVICES GUIDE

This Document is important. Please take the trouble to read it in full.

1. Introduction and Purpose of the FSG – State One Advisory Services

This Financial Services Guide (“FSG”) is an important document, prepared in accordance with the requirements of the Corporations Act 2001 and Australian Securities and Investments Commission Regulatory Guides.

The FSG is designed to provide you with information about the Financial Services which State One Stockbroking Ltd (“SOSL”) is able to provide under its AFSL and to assist you in deciding whether to use those Financial Services.

The FSG explains:

- who we are and how we can be contacted;
- the products and services we are authorised to provide to you;
- the specifics of the services we provide, including the type of advice we may give you;
- how you can transact with us;
- other documents you may receive from us;
- how we charge for our services, including our brokerage rates, fees and other charges;
- our compensation arrangements with our staff;
- possible payment by us of referral fees;
- any potential conflicts of interest we might have, and where you can go to view important disclosures about our stock holdings and our corporate relationships;
- our internal and external complaints handling procedures and how you can access them;
- our insurance arrangements;
- how we maintain the privacy of information which you provide to us; and
- the risks involved in dealing with financial products including some basic investment strategies

2. Who We Are

State One Stockbroking Ltd (“SOSL”, “we” or “us”) ABN 95 092 989 083, through your Advisor, is responsible for the Financial Services described in this guide. Any financial services offered will be provided by representatives of State One.

SOSL is a full Trading, Clearing & Settlement Participant of the ASX Group. It holds an Australian Financial Services Licence (“AFSL”) (# 247100).

SOSL is a participant of Chi-X Australia Pty Ltd.

SOSL is part of the State One Capital Group, which is wholly Australian-owned.

3. Contacting Us

Please note that SOSL's Perth office is the preferred point of contact.

You can contact us in the following ways:

Website:	www.stateone.com.au	
By Email:	broker@stateone.com.au	
	PERTH	SYDNEY
By telephone:	1300 651 898 or (08) 9288 3388	(02) 9024 9100
By facsimile:	(08) 9321 6998	(02) 9252 1724
By Mail:	State One Stockbroking Ltd PO Box 7625 CLOISTERS SQUARE WA 6850	State One Stockbroking Ltd PO Box R1931 ROYAL EXCHANGE NSW 1225
In person:	Level 14, 172 St Georges Terrace PERTH WA 6000	Level 5 64 Clarence Street SYDNEY NSW 2000

STATE ONE STOCKBROKING LTD – FINANCIAL SERVICES GUIDE

4. State One's Authorisations

Under our AFSL, SOSL is authorised to offer the following services:

1. Provide financial product advice to Retail and Wholesale Clients for the following classes of financial products:
 - (i) Deposit and Payment Products;
 - (ii) Derivatives;
 - (iii) Debentures, stocks or bonds issued or proposed to be issued by a government;
 - (iv) Interests in managed investment schemes, excluding investor directed portfolio services;
 - (v) Securities;
 - (vi) Standard Margin Lending Facilities;
 - (vii) Superannuation; and
 - (viii) Financial products limited to: Miscellaneous Financial Investment Products.
2. Provide financial product advice to Wholesale Clients only for Non Standard Margin Lending Facility.
3. Deal in a financial product to Wholesale Clients only by applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products: Non Standard Margin Lending Facility.
4. Operating custodial or depository services (other than Investor Directed Portfolio Services). These services are provided by State One Nominees Pty Ltd, Authorised Representative Number: 258863, which is a subsidiary of State One in accordance with ASX Settlement.

5. The Types of Services We Provide

State One provides a very competitively priced advisory stockbroking service. We focus on both long term investment and short trading strategies.

Our stockbroking services include:

- Advice and trading in ASX listed equities*, interest rate and hybrid securities, listed managed investments and Warrants;
- Advice and trading in equities listed on Chi-X Australia and APX;
- Access to trading in securities listed on foreign stock markets;
- Access to and advising on new floats (IPO's), placements and other new issues;
- Corporate advice to companies wishing to list on ASX; and
- Access to purchasing and selling units in unlisted managed funds through the ASX mFund settlement service.

* Includes Short Selling - State One has a limited policy to facilitate clients engaging in short sales.
We permit covered short sales both for advisory and non-advisory clients.

The Advice we provide to Retail investors is primarily in the form of General Advice (see 6. below).

At State One we value the quality of our relationships with our clients, from small private investors to major institutional investors and corporates wishing to float on ASX.

6. Types of Advice - and Types of Advisory Services SOSL Provides

General versus Personal Advice

State One is committed to providing sound and relevant advice in a professional manner. However it is important for our clients to understand the types of advice being provided to them.

State One's private client advisory business is primarily based on the giving of General Advice.

General Advice is where our advisors provide advice to a client where no personal recommendation is made as to the suitability of a product for the individual client, and the advice has been prepared without taking into account the client's investment objectives, financial situation and particular needs.

Our clients should always consider the appropriateness of such General Advice in relation to their own situation.

STATE ONE STOCKBROKING LTD – FINANCIAL SERVICES GUIDE

When your State One advisor gives one of the following types of warnings during your conversation:

“Our advice is primarily General Advice - it's up to you to decide if it's suitable for you.”

“This advice is general; it may not be right for your current circumstances”

then, you should know that you are receiving General Advice.

General Advice is based solely on the investment or trading merits of the financial products in question and does not take into consideration your financial circumstances. (Newsletters or research reports are examples of such advice). This type of advice will have a warning attached, stating that it is not a recommendation that a particular transaction in those financial products is appropriate for your financial situation. In such cases you will need to assess whether you should act on the advice given your own personal circumstances.

In the case of General Advice being given, no Statement of Advice will be issued to clients.

Personal Advice

Your Advisor is required to have a reasonable basis for making recommendations to you if you ask for advice as to whether a particular financial product or investment is appropriate for you. In order to do so your Advisor is required to find out certain information including:

- your investment objectives (e.g. details of your need for income, capital growth, security, liquidity, flexibility to convert investments to cash, and any proposed time frame, personal circumstances and individual values, and aversion to risk);
- your financial situation (e.g. details of substantial assets owned alone, jointly, or in common with another person, details of liabilities and potential liabilities, current expenditure and income, and an indication of your future income and expenses, as well as capacity to save and tax status, existing asset and income protection held, the level and type of superannuation held, other details such as family, commitments and social security eligibility); and
- your own particular needs;

before they can make a recommendation and provide Personal Advice to you.

With the aim of our being in a position to give you personal advice as required, we will request this information from you before you can open an account. If you already have an account with State One and your circumstances change, we ask that you provide us with a timely update so that your Advisor can ensure that any advice and recommendations remain appropriate for you. All information provided by you will be kept strictly confidential.

You have the right not to provide us with this information, if you so wish. However this will limit your Advisor's ability to make recommendations specific to your requirements. It may also mean that recommendations made are not entirely appropriate to your needs and objectives.

If you decline to provide sufficient information we are required to warn you about the possible consequences of not doing so. The warning will inform you that the advice has been provided to you based on incomplete or inaccurate information relating to your personal and financial circumstances and that you should consider whether the advice is appropriate having regard to your own relevant personal and financial circumstances.

7. Transacting With Us

Before transacting with State One, you first need to have opened an Advisory account. In most cases this will also involve you becoming a CHESS sponsored client of State One.

You can then give us instructions by telephone, in person, fax, email and in some cases via our website.

With the introduction of multi markets in Australia, State One has an obligation to obtain the best outcome for clients whenever an order is transmitted or executed on the various available markets. A copy of our Best Execution Policy is available on our website www.stateone.com.au or directly from your advisor.

PLEASE NOTE: It is strongly advised that any instruction provided by any electronic medium (eg email), be promptly followed up by a confirmatory instruction using another medium, as there can be no guarantee that electronic instructions will be received and acted upon in a timely manner.

Please note that we require funds upfront from you for your first purchases. Acting as your agent, State One will access the relevant market on your behalf to buy or sell financial products.

When you open an account with State One a contract is created between you, as a client, and State One, as your broker. When State One trades on your behalf, a further binding contract is made by State One, on your behalf, with another party.

STATE ONE STOCKBROKING LTD – FINANCIAL SERVICES GUIDE

Once your shares have been bought or sold, you will receive a confirmation note (contract note), by email or post. Please note the preferred option is by email as posted notes attract an additional charge.

How are transactions settled?

The standard settlement terms laid down by the Operational Rules of each Relevant Exchange are T+3, ie cleared funds or unencumbered stock are required to be with us within three business (i.e. market) days of the trade.

If you buy shares we will require payment on or before T+3. Funds can be paid via electronic funds transfer, BPAY® or cheque, or we can direct debit a savings or cheque account. SOSL does not accept cash or payment via credit card. Cash payments may be accepted at branches of our lead bank (NAB) but charges will be incurred. Trades in Exchange Traded options require settlement on T+1.

If you sell shares we will send you the proceeds via electronic funds transfer to a bank account nominated by you or via cheque. Please note that payment made to you by cheque does attract an additional charge.

In accordance with ASX Settlement, State One charges administration and fail fees on securities trades which are not settled on or before T+3. For clients buying shares we reserve the right to charge interest on any unsettled amount after T+3. Any extended delay in payment by you for buys may result in us selling out the stock, and action being taken to recover from you the costs involved, including any loss on such transactions.

8. Other Documents You May Receive From Us

Statement of Advice (“SoA”)

If you require Personal Advice, which takes into account your objectives, financial situation and needs from State One, where it is required by law to do so, State One will provide you with a Statement of Advice (SoA).

The SoA will set out the advice provided to you and a record of your relevant personal circumstances based on the information you have provided to State One. It will also provide you with information about fees, commissions and any associations which may influence the advice you receive. You should read the warnings given in the SoA carefully before making any decision based on the financial product advice.

Personal Advice is different to General Advice. General Advice is not personalised and is based on the attributes of the financial product without any consideration as to their appropriateness to your financial circumstances. You will not receive a SoA for General Advice.

When will I receive a SoA?

New Retail clients

You will receive a SoA when you first become a client of State One and receive Personal Advice. You will not normally receive a further SoA for any securities or derivatives advice unless you notify State One that your personal circumstances have changed, which may influence the types of investments or the suitability of the strategies that have been employed on your behalf.

Existing Retail Client

If you advise State One of a change in your circumstances that may influence your investment objectives, financial situation or individual needs, we will issue you a new Statement of Advice. Such a change may include retirement, retrenchment, an accident preventing you from working, or divorce, to name a few.

Further Advice

When further advice is given in relation to securities and derivatives you will not receive a SoA unless you indicate to your Advisor that there has been a material change in your investment objectives and/or personal circumstances. A Record of Advice (RoA) is similar to a SoA in that it captures the Personal Advice that your Advisor provides to you at a given time (usually during a phone conversation). You can request a copy of the RoA for up to seven years after the advice has been given.

Product Disclosure Statement

If we recommend that you acquire a Financial Product (other than securities such as listed shares), for example, a Cash Management Account, or offer to issue, or arrange for the issue of a financial product, we will provide you with a Product Disclosure Statement (“PDS”). The PDS contains information about the product including the terms and conditions, features, benefits, any significant risks, and the costs and fees involved. It is designed to help you make an informed decision.

STATE ONE STOCKBROKING LTD – FINANCIAL SERVICES GUIDE

9. How Do We Charge For Services Provided?

State One will charge you a fee for the stockbroking services it provides to you. This fee will normally be transaction-based.

Transaction Based Fees

State One charges brokerage and occasionally other fees on each 'buy' and 'sell' transaction executed on your behalf. A confirmation (contract) note will be sent to you, via email or post, for each transaction which you do each day. This will show the brokerage and any other fees charged, together with applicable government taxes. The brokerage charged will be based on the value of the financial products you buy or sell. You will be advised of the brokerage rates at the time that you open your account with us.

These rates can change from time to time and you will be advised of these changes when they occur. The current list of fees and charges is also available on our website www.stateone.com.au.

Brokerage Rates

State One's advisory brokerage charges are very competitive when compared with others in the industry, although the rate will ultimately be determined by what you agree on with your advisor and what type of advice you require. General Advice attracts a lower brokerage rate. Our brokerage rate is typically 1.0% of the transaction value, subject to a minimum charge of \$72.60 including GST. For frequent traders, the brokerage rate may fall to nearer 0.50%, and for very large transactions, or for large numbers of transactions, the rate is further negotiable.

Other Fees

Late settlement fees are imposed against those trades that are not settled on or before T+3 for equities and T+1 for Exchange Traded Options. Please also see the "16. Other Fees and Charges" section at the end of this FSG for more information.

For Exchange Traded Options an additional \$1.12 per option contract is charged to the client which represents the ASX Options Clearing House fee per contract.

Standard charges for International Equities

Transactions in international equities are typically subject to a minimum fee of 1% or \$66 excluding GST, plus the commission and fees charges by the overseas agent. The commission and fees charged by the overseas agent will vary depending on which international equities market you are transacting in and which overseas agent is used.

Commissions, Remuneration and Other Benefits Received by State One

We may also receive remuneration from product issuers, e.g. Cash Management Account operators, Funds Managers and Margin Lenders, in the form of trailing commissions.

As a guide, State One may receive the following payments:

Type of Product	Commission/Payments we may receive
Margin Lenders	Ongoing commission can be in the range of 0.25% to 0.75% (pa) of the margin lending facility.
Cash Management Accounts	Ongoing commission can be in the range of 0.25% to 0.4% (pa) of the funds under management.
Managed Funds (remuneration is based on the amount invested)	Upfront commission can range from 0 to 5% Ongoing commission can range from 0.25% to 5% pa Volume bonuses can range from 0 to 0.5%,

State One may also receive interest on client funds deposited in our Trust Account at prevailing market rates.

We may also receive fees in relation to Initial Public Offerings, Placements and underwriting activities. Fees can typically vary from 0% to 7% of the amount raised or underwritten, and on occasion State One may also receive some free shares or options in the company we are sponsoring or underwriting.

Additionally, State One may receive ongoing advisory fees from corporate clients for whom it acts.

Your Advisor's commission will typically be up to 50% (and on occasion more) of the gross brokerage received by State One from the client or the corporate client.

Goods and Services Tax (GST) is levied on all fees charged to Australian Residents.

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10. How Are State One Employees Remunerated?

State One's Advisors are remunerated primarily on a commission basis. The Advisors' actual share of brokerage varies, based on the level of brokerage written each month. The Advisors may also earn a portion of lodgement fees for IPOs and placements (paid by the issuing companies) and receive a trail commission from financial product providers, such as margin lenders or cash management account providers.

State One's Advisor Assistants are remunerated primarily by way of basic salary, typically with an additional commission component.

In addition to commission and/or a basic salary, Advisors and Advisor's Assistants may be entitled to an annual bonus and/or profit share based on the Advisor's and State One's performance. The measures employed in assessing each Advisor's performance include contribution to the firm's income; attaining or exceeding targets; estimation of the riskiness of their business; meeting compliance and training requirements; contribution to team development; and any management roles filled.

Such payments are discretionary and are generally made in the form of monetary benefits and are paid annually.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration, and any soft dollar benefits received by the licensee and/or authorised representative (see 12. below).

11. Referral Fees

When you have been referred to us by a third party (such as an accountant or financial planner) we may pay an introductory fee or commission rebate in relation to the referral. Please refer to the FSG or SoA provided by the relevant third party for more detailed information on payments (if any) which may be payable.

12. Potential Conflicts Of Interest We May Have

Conflicts of Interest may occur from time to time, within the ongoing operational structure of State One Capital Group. You have the right to be advised of any material interest that your Advisor, any part of the State One Capital Group (including amscot Discount Stockbroking, State One Equities Pty Ltd AFSL 233129 and State One Nominees Pty Ltd), or any of their associates may have in financial products. Material interests are those that could be reasonably expected to be capable of influencing the recommendation of a financial product to you.

On all State One websites you will see a file entitled "Important Disclosures", which details a list of State One's key corporate relationships and the stocks in which State One holds material interests. To view the most recent version of this file at any time, you may simply visit: www.stateone.com.au/

Additionally you should be aware that:

- our Advisors have an obligation to advise you directly, where they have an interest in stocks in which they are dealing or recommending;
- State One's Advisors are remunerated wholly or in part on a share of brokerage or commission basis;
- State One Stockbroking Ltd may be trading on its own account in financial products in which you dealing;
- State One Stockbroking Ltd is related to State One Equities Pty Ltd ("SOE"), AFSL 233129. From time to time SOE may provide financial services to State One Stockbroking and/or its clients;
- the State One Capital Group, its directors and employees may have material interests in companies from time to time. These may be companies we have raised capital for, sponsored in IPO, provided corporate advice to or produced research on;
- State One may from time to time receive a benefit from preferred product providers by way of sponsorship of educational seminars, conferences or training days. Details of benefits above \$300 received by us will be maintained on a Register; and
- if you have been referred to State One by a third party, it is possible that the person may receive a share of brokerage charged to you. Your Advisor will provide you with details.

Should a conflict occur, you will be advised either verbally by your Advisor or, alternatively, details will be outlined in a SoA or Letter of Offer. Should you have any queries in relation to this, please discuss this matter further with your Advisor, or the State One Compliance Officer.

13. What You Should Do If You Have A Complaint?

If you have a complaint about any of our services, State One has established complaints resolution

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procedures that aim to deal with and resolve your complaint as quickly as possible. Our management is committed to a high level of client service, and as such regards all complaints as serious and entitled to be dealt with fairly, promptly, consistently and in a professional manner.

To try and resolve your complaint in the fastest possible manner, please do the following:

Call State One on 1300 651 898 or 08 9288 3388 and discuss your complaint with your Advisor or the Compliance Manager. In most cases the Advisor should be able to resolve the issue for you.

If it cannot be resolved the Compliance Manager will investigate the complaint and call back within two business days with either a proposed remedy or feedback that further investigation is required.

If further investigation is required, it will be carried out and then you will be notified of a proposed remedy. This will be confirmed to you in writing.

If you wish to make a written complaint you should write to:

The Complaints Manager
State One Stockbroking Ltd
PO Box 7625
CLOISTERS SQUARE WA 6850

If the complaint cannot be resolved to your satisfaction within 45 days and you wish to proceed further, you may refer the matter to the Financial Ombudsman Service Ltd via the following means:

Mail:	Financial Ombudsman Service Ltd GPO Box 3 MELBOURNE VIC 3001
Telephone:	1300 780 808
Facsimile:	03 9621 2291
Email:	info@fos.org.au
Internet:	www.fos.org.au

14. Insurance Arrangements

State One has a comprehensive Professional Indemnity insurance policy which is adequate taking into account the volume and nature of State One's business, the number and types of clients, the number of representatives and Authorised Representatives it has and State One's highest liability due to its membership of the Financial Ombudsman Service Ltd.

15. Privacy

What Personal Information does State One maintain in my file and can I examine my file?

We maintain a record of your personal profile on our files, which will include information such as your name, address, contact details and other information required in order for us to provide financial services to you.

The privacy of your personal information is important to us. We collect and store your personal information in accordance with our Privacy Policy which can be found on our website at <http://www.stateone.com.au/privacy.html>. Personal information is gathered only in order for us to provide the financial services to you.

Telephone calls with State One may be recorded to allow for a record to be kept of orders taken and to ensure that our service standards are met or exceeded.

If you wish to examine your file, we ask that you make a request in writing and allow up to 10 working days for the information to be forwarded.

We may charge a fee to cover the cost of verifying the application and locating, retrieving, reviewing and copying any material requested. If the information sought is extensive we will advise you of the likely cost in advance and can help to refine your request if required.

Organisations to whom your Personal Information may be disclosed:

We may disclose your information on a confidential basis to unrelated organisations, including for the purposes set out below:

Printers & Mail Houses:

Statement & research production and mail related services.

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Other Leading Stock Brokers	Distribution of prospectus to our clients, direct from those brokers lead managing large IPOs.
Administration Services:	Data entry, documentation, backup, archiving, account maintenance, settlement and payment.
Fund Managers, Margin Lenders & similar organisations:	Administration of your accounts.
Professional Advisors:	Assistance with Administration of your investments.

Laws that requires the particular information to be collected

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Finance Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and driver's licence. We will also retain copies of this information. We assure you that this information will be held securely.

Main consequences of your not providing the information

If we are unable to collect all information requested in the account opening process, or requested during the subsequent operation of the account, we will not be able to provide you with Personal Advice. In such circumstances we may still be able to provide you with General Advice. In certain circumstances your failure to provide the required information may lead to closure of your account.

15. State One Crossing System

15.1 Public Crossing System and Non Public Crossing System Disclosure

Pursuant to the ASIC Market Competition Rules (Competition in Exchange Markets) State One has an obligation to disclose public and non public information pertaining to the use of State One Crossing System with regard to orders placed with State One. This is available on the various State One/amscot websites including: <https://www.stateone.com.au/about/policiesanddisclosures.aspx>
A hard copy of the Non-Public Crossing System Information Disclosure and the Public Crossing System Information Disclosure is available from State One on request.

16. Other Fees and Charges (including GST where applicable)

Fail fee (failure to deliver stock in the required time to settle)	Greater of \$150.00 per day or 0.16% (maximum cap fee is \$5,000 per security)
SRN request Fee (Issuer Sponsored Shares)	\$27.50 per holding
BPay® deposits from savings or cheque a/c	\$NIL
International funds transfer fee	\$30.00 per transfer (excluding GST)
Cheque issue fee	\$5.50
Dishonour fee	\$55.00 per dishonour
Cheque cancellation fee	\$27.50 per cheque
Postal fee per contract note (within Australia)	\$2.20 per contract note
Late payment fee	At State One's discretion
Off market transfer fee	\$55.00 per stock
Invalid or Rejected SRN Fee	\$27.50
Rebooking Fee	\$27.50 per rebooking
Rejected Direct Credit Fee	\$27.50
Emailed Contract Note	\$NIL

17. The Risks of Dealing in Financial Products

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Where investment recommendations are made by State One to its clients this is normally done on the basis of the historical and projected forward earnings and cash flow analysis of the individual companies relative to comparable companies and the market generally, with consideration also given to the quality of company management and the competitive environment in which each company operates. Note however, that on some occasions it is simply not possible to make a detailed analysis with any firm confidence as to the degree of accuracy.

The basis of State One's investment advice is that share prices move towards their actual value over time. A stock may be underpriced or overpriced for a considerable period, in some cases years, before moving closer to its value as suggested by research. In the interim, share prices go up and down depending upon the views and imperatives of buyers and sellers of both the specific stock and the market in general.

What are the risks?

In general, the risks of investing in equities can be categorised as follows: (Please note that the list below does not purport to be complete, as it would not be feasible to list all the possible risks.)

- **Overall Market Risks**

The risk of loss by reason of movements in the share market generally. These can be caused by any number of factors relating to market confidence – including political, economic, taxation or legislative factors. Examples include changes in interest rates, political regimes, taxation or superannuation laws, international crises and natural disasters.

- **Domestic versus International Factors**

The vulnerability of the company to international events or market factors. These include movements in exchange rates, changes in trade or tariff policies, and changes in other stock or bond markets.

- **Sector Specific Factors**

These include changes in demand for individual products, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes, and changes in technology.

- **Stock Specific Factors**

These include the directors, strength of management, significance of any key personnel, profit trends, tangible asset base, debt level and fixed cost structure, litigation, profits/losses on particular contracts, exploration drill results, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or developing a new product.

In purchasing financial products, it is important to remember that there can be a vast difference between the risks of investing in companies which have a steady cash inflow from their operations (e.g. a large diversified industrial group) and those which don't.

Some so-called "growth" companies may have large cash outflows, and the continued viability of such companies will be dependent upon future raisings of fresh capital from the market.

The Limitations of Research

The research undertaken by stockbrokers is simply the opinion of the analyst. It is a most inexact science and can never be guaranteed. It is usually only valid for a limited time and is often subject to change, dependent upon market movements. When trading, a "Buy" recommendation could quickly turn into a "Sell" recommendation where the market price of a stock has appreciated by a small amount, or where overall market conditions or sentiment have changed.

Merely because a company is well known to be a leader in its field or that a stock is recommended by an analyst as a "Buy" does not mean that it will always be a sound long term investment for you.

You should consult your advisor before acting on any research report, and should endeavour to keep in close contact at all times.

18. Basic Investment Strategies – What are the Alternatives?

Income: When an income stream is required, perhaps to meet living expenses. Shares paying franked dividends, which carry tax benefits, may hold particular appeal.

Growth: Where a secure income stream is not necessary, as income needs are met from other sources. Shares which are bought with a view to capital growth will normally be more exposed to risk of capital loss.

Short Term Trading: Where you wish to trade in shares with a view to profiting from short term price movements in the stock market. This can be a lucrative strategy at times when the market is active, although to achieve this successfully you will need to follow the market very closely.

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Mixture of the Above: Frequently one's portfolio will include a mixture of the above strategies.

CORPORATE DIRECTORY

Company	Glennon Small Companies Limited
Board of Directors	Michael Glennon – Executive Chairman John Larsen – Independent Non-executive Director Garry Crole – Independent Non-executive Director
ASX Code	GC1
Manager	Glennon Capital Pty Ltd 19-31 Pitt Street, Sydney NSW 2000
Wholesale Offer Manager	PAC Partners Pty Ltd Level 12, 15 William Street, Melbourne VIC 3000
Arranger and Retail Manager	State One Stockbroking Ltd Level 14, 172 St Georges Terrace, Perth WA 6000 Level 5, 64 Clarence Street, Sydney, NSW 2000
Co-Manager	Shaw and Partners Limited Level 20, 90 Collins Street, Melbourne VIC 3000
Legal Adviser	Holding Redlich Level 65, MLC Centre 19 Martin Place, Sydney NSW 2000
Investigating Accountant	Pitcher Partners Corporate Pty Ltd Level 19, 15 William Street, Melbourne VIC 3000
Auditor	Pitcher Partners Level 19, 15 William Street, Melbourne VIC 3000
Tax Adviser	Pitcher Partners Advisors Pty Ltd Level 19, 15 William Street, Melbourne VIC 3000
Share Registry	Boardroom Pty Limited Level 12, Grosvenor Place 225 George Street, Sydney NSW 2000
Offer Information Line	Within Australia: 1300 737 760 International: +61 2 9290 9600 (AEST, Monday to Friday)
Offer Website	www.glennon.com.au/offer

WWW.GLENNON.COM.AU/OFFER

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