



Henry Morgan

Announcement

Henry Morgan Limited

ACN 602 041 770

7 March 2017

Unadjusted net tangible assets

Henry Morgan Limited (ASX:HML) advises that the indicative estimate¹ of the unadjusted net tangible assets (**NTA**) of the Company's investment portfolio is as follows:

Diluted ² NTA before unrealised tax	\$1.951
Diluted ² NTA after tax	\$1.884
NTA performance Year To Date (since 1 January 2017) before the application of taxes and other adjustments	39.28%

¹ The estimate may not include the impact of all corporate actions for the month-to-date. The estimate is based primarily on internal data and should not be relied upon as being accurate.

² These figures take into consideration the conversion of 10,371,451 options (ASX: HML0) into new shares (ASX: HML), the upcoming payment of a special dividend of \$0.20, and the anticipated issue of approximately 1.8 million shares in the DRP on 13 March 2017.

The Company's policy is that all valuations must reflect the market value (or if there is no market value, the fair value) of the Company's assets. Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined by reference to:

- latest third party investment value;
- cost plus accrued interest with revenue multiple cross-checks; or
- where there has not been a third party transaction in the preceding 12 months, at valuation consistent with industry valuation techniques and industry benchmarks.

In accordance with the Company's valuation policy, the recent third party capital raising by JB Financial Group Ltd has been taken into account when determining the value of Henry Morgan Limited's investment in that entity, and consequently the Company's NTA.

All values are quoted after allowances for payment of performance and management fees, noting \$1,263,000 in performance fees has been waived by the fund manager, John Bridgeman Limited.

Managing Director, Stuart McAuliffe, said, "We have believed for some time that financial stocks would significantly outperform in an environment of higher economic growth, higher inflationary expectations, and rising long term interest rates. We have invested accordingly, particularly in the unlisted space, where opportunities appeared greater with superior risk/reward characteristics. This belief has been rewarded and we think this is a multi-year opportunity to add value to the Portfolio."

ENDS

John McAuliffe
Chairman
Henry Morgan Limited