

# Monthly NTA Statement

Henry Morgan Limited ACN 602 041 770

15 October 2018

## Key Details

ASX Code	HML
Listing Date	5 February 2016

## Net Tangible Assets (NTA) Per Share

Henry Morgan Limited (ASX: HML) sets out below the indicative estimate<sup>1</sup> of the unadjusted net tangible assets (NTA) of the Company's investment portfolio as at 30 September 2018.

Following completion of the Company's 2018 Audited Financial Report, the monthly NTA amounts from June 2018 have also been revised to align with the audited accounts:

	30 June 2018		31 July 2018		31 August 2018		30 Sept 2018
	Unaudited	Revised	Unaudited	Revised	Unaudited	Revised	
NTA before tax	\$1.6953	\$1.2210	\$1.6992	\$1.2083	\$1.4358	\$1.2158	\$1.1896
Deferred tax asset on carry forward realised losses	\$0.0602	\$0.1203	\$0.1079	\$0.1203	\$0.1204	\$0.1139	\$0.1139
Deferred tax liability on unrealised income and gains	\$(0.3135)	\$(0.2187)	\$(0.3522)	\$(0.2187)	\$(0.2724)	\$(0.2070)	\$(0.2070)
NTA after tax	<b>\$1.4420</b>	<b>\$1.2210</b>	<b>\$1.4549</b>	<b>\$1.2083</b>	<b>\$1.2838</b>	<b>\$1.1227</b>	<b>\$1.0965</b>

## Commentary

Stuart McAuliffe, Chief Investment Officer, said, "Going into last week's market rout, our value at risk was under 1% across our equity portfolios – in other words, we have been neutral on equities and were not exposed to the rout.

This market correction follows comments on 3 October 2018 by Jerome Powell, US Federal Reserve Chairman, who stated that the Federal Reserve was "a long way from neutral" on interest rates<sup>2</sup>, indicating more interest rate hikes were likely.

This has put the financial world in a dangerous position, given the support that low interest rates and quantitative easing have lent to stock markets and, in particular, real estate markets.

<sup>1</sup> Unless otherwise indicated, the estimates do not include the impact of corporate actions for the month-to-date. The indicative estimates provided in this announcement are after accrued performance fees. The indicative estimates are based primarily on internal data and, being estimates, should not be relied upon by any party.

<sup>2</sup> <https://www.cnbc.com/2018/10/03/powell-says-were-a-long-way-from-neutral-on-interest-rates.html>

# Monthly NTA Statement

Henry Morgan Limited ACN 602 041 770

15 October 2018

We have taken the Federal Reserve Chairman's comments seriously, and positioned accordingly.

Given the substantial equity market falls, including 5-10% falls in the NASDAQ100, FTSE100, the DAX, and Chinese stocks, we are currently neutral on our equity market outlook. We are closely watching the impact of the recent rout on future interest rate hikes, and the implications of the potential confrontation between the US and China over trade, particularly in light of President Trump's comments last week stating that the Federal Reserve had "gone crazy."<sup>3</sup>

## Board of Directors

<b>John McAuliffe</b>	Chairman
<b>Stuart McAuliffe</b>	Managing Director
<b>Ross Patane</b>	Non-executive Director
<b>Peter Ziegler</b>	Non-executive Director
<b>Vanessa Gunner</b>	Non-executive Director
<b>William George Earl</b>	Non-executive Director

## Key Contacts

<b>Company Secretary</b>	Kevin Mischewski <a href="mailto:cosec@henrymorgan.com.au">cosec@henrymorgan.com.au</a>
<b>Share Registry</b>	Link Market Services 1300 554 474

<sup>3</sup> <https://www.cnbc.com/2018/10/10/trump-says-the-federal-reserve-has-gone-crazy.html>