

15 October 2018

## Investment update & net tangible asset figures

### Net tangible asset figures

Benjamin Hornigold Ltd (ASX: BHD) (**Company**) advises that the indicative estimate<sup>1</sup> of the unadjusted net tangible assets (**NTA**) of the Company's investment portfolio as at 30 September 2018 is set out below.

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 as follows:

	30 June 2018		31 July 2018		31 August 2018		30 Sept 2018
	Unaudited	Revised	Unaudited	Revised	Unaudited	Revised	
<b>NTA before tax</b>	\$0.8056	\$0.6724	\$0.7783	\$0.6448	\$0.6487	\$0.6345	\$0.6005
<b>Deferred tax asset on carry forward realised losses</b>	\$0.0651	\$0.0706	\$0.0651	\$0.0706	\$0.0661	\$0.0706	\$0.0706
<b>Deferred tax liability on unrealised income and gains</b>	\$(0.0370)	\$(0.0034)	\$(0.0370)	\$(0.0034)	\$(0.0034)	\$(0.0034)	\$(0.0034)
<b>NTA after tax</b>	<b>\$0.8338</b>	<b>\$0.7396</b>	<b>\$0.8064</b>	<b>\$0.7120</b>	<b>\$0.7114</b>	<b>\$0.7017</b>	<b>\$0.6678</b>

The adjustments made reflect audit reconciliations, trading profit and loss, and consideration of anticipated corporate actions.

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

## **Market overview**

Benjamin Hornigold Ltd (ASX: BHD)'s Investment Manager, 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 leant to stock markets and, in particular, real estate markets.

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>

ENDS

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

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