



Benjamin Hornigold Ltd  
ACN 614 854 045

ASX Announcement  
(ASX: BHD)

30 August 2019

## MANAGEMENT SERVICES AGREEMENT - UPDATE

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By way of update the new board of directors (Board) of the Benjamin Hornigold Ltd (Company) ASX:BHD provides the following update to shareholders.

The Board has continued its investigations into the operations and activities of the Company. As part of these ongoing investigations, the Board has reviewed the Management Services Agreement with John Bridgman Ltd (pursuant to which John Bridgman acts as investment manager for the Company) and the investments that have been made by and on behalf of the Company pursuant to that agreement.

Based on this review, the Board is concerned that some of the investments that have been made by the Company under the terms of the Management Services Agreement may be inconsistent with the Company's investment objectives as disclosed to the market in the Company's 2017 prospectus (Prospectus). In particular, the Board is concerned that the Company's investment in currency notes, under the services agreement with King's Currency Exchange Pty Ltd and various related party loans may constitute an illiquid investment.

The currency notes are not returnable until 12 November 2019 (originally returnable on 30 days' notice). However, the Prospectus clearly describes the investment objectives of the Company in terms of the Company being "able to realise at least 90% of its portfolio assets under normal market conditions at the value ascribed to those assets within five trading days" (see pp. 25 and 76 of the Prospectus). Similarly, the loans to John Bridgeman Ltd, John Bridgeman Financial Group and its subsidiaries do not meet the criteria laid out in the prospectus.

The Board are in communications with John Bridgman regarding these matters and will continue to endeavour to:

- (a) ensure that, until current circumstances affecting the Company are adequately resolved, investments only consist of cash deposits held in the name of BHD at Australian Deposit Taking Institutions (ADIs); and
- (b) bring the Management Services Agreement and the investment policy of the Company into alignment with the investment objectives outlined in the

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Prospectus, so that once present circumstances are resolved, the Company's future investments will be in accordance with clear investment objectives that have been communicated to shareholders.

The Company is currently reserving its rights fully in respect of these matters.

The Board will provide further updates as they become available and will continue to endeavour to promote a new era of openness and transparency.

ENDS

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