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MFF Capital Investments Limited ("MFF")
Net Tangible Assets ("NTA") per share

Please find enclosed MFF Group's monthly NTA per share for July 2025.

Authorised by
Kathy Molla-Abbasi | Company Secretary

1 August 2025

MFF Capital Investments Limited ("MFF")
Net Tangible Assets (‘NTA’) per share for July 2025

MFF advises that its approximate monthly NTA per share as at 31 July 2025 was $5.132 pre-tax ($4.999 as at 30 June 2025), and $4.241 after providing for tax[1] ($4.150 as at 30 June 2025).

In July, MFF had portfolio sales of about 8% of portfolio vale and purchases of about 3%. Little should be read into the month’s activity, and it was consistent with MFF’s usual approach of “easing in and easing out” whilst remaining very price/value sensitive. Key goals of compounding and protecting capital in a quality at value portfolio of businesses require portfolio construction and pricing disciplines rather than market timing. An obvious point is the overwhelming continuity of the portfolio, for very positive reasons. The portfolio is focused upon businesses we regard as outstanding, with profitable growth characteristics (traditional value investing was more favoured in past decades, and we continue to embrace its possible reprise to excess returns). We continue to look for sensibly priced businesses, particularly where advantages and special talent are present but not fully priced. Opportunities occur for reasons including that there is plenty of trading that occurs without value assessments (as much as a majority of trades in some individual markets), and this has risen with ETF popularity as well as digital and algorithmic trading.

Overall, but unevenly in July, MFF holdings continued some share price momentum. As with almost all short-term periods, a moderately positive month should usually be ignored, especially after 3 MFF financial years of above 20% “returns” [measured as net profits after tax divided by starting net assets, all measured at market prices (and after applying full 30% tax)]. Any understanding of markets and maths would insist that near to medium term future returns should be materially lower off the 2024/25 closing Net Assets (based upon the year end market prices).

That momentum can continue until it stops is obvious, trite, and ignored in emotional markets. Less obvious, but also ignored, is that stretched market prices are themselves not usually the sole or even primary cause of momentum reversals. As markets have had cycles, preparation is sometimes said to be more valuable than prediction. Downwards market volatility periodically provides outsize future return opportunities but reduces mark to market figures at that time. Of course, such volatile episodes are unpredictable in terms of key factors such as timing, severity, duration, and breadth of impact, even for reasonably prudent and prepared investors. A month usually has fewer relevant predictive qualities than there are active predicting pundits.

The lengthy discussions of specific company and general market considerations from the June NTA continue to have applicability in framing decisions but will not be repeated. The spread of speculation continues to invade pockets, for example massive transfers to market makers from millions of individual Indian options traders. Market participant preferences for extremely short durations and to get rich quickly may be shortening, contrary to obvious recent history of network technology allowing quality businesses to compound, even growing into profitable billions of regular users. The impacts and short-term [market] reactions to tariffs, supply chains, capital flows and other policy negotiations and imposts may well be very different when 140 characters are superseded by quality analysis.

In considering risk levels, magnitudes of possible direct and indirect impacts, and possible durations for possible reversals, weighed against very favourable current results and near-term outlooks, some of the goop in July required more thought than usual. Have share prices of wonderful companies [also] become gloriously (if not consciously) uncoupled from economic, regulatory, and business realities in an extended cold play reprise; anodyne, somnolent, but with risk magnitudes building? Participants in bull markets become exhilarated. So many are making money, replete with their own possessed, endowed, more and more valuable winning speculations (Kahneman), even as day trader becomes a term of derision for being too slow for some in competing with artificial intelligence driven algos with shorter time frames. Extrapolation and complacency become cumulative and prevalent, despite, and because of, well justified excitement for technological changes and their expected benefits for corporate and promoter profitability, contributing to and reflecting sustained elevated markets, and more confident speculation. Is 20x AI revenues an extreme price limit as 10x revenues and assuming a decade plus of no costs for a ten-year payback was called out for Sun Micro during the internet bubble? Even ignoring the meme stock, SPAC and company crypto buying phenomena, it is not unusual for incentives/influencers and regulatory interventions to contribute to market prices sustaining long periods being meaningfully detached from [troubled] business performances, financial struggles for masses and challenged outlooks.

The pre-tax NTA figures each month are after deducting taxes paid by MFF (including approximately $91.7m cash taxes paid in the financial year ended 30 June 2025) with payments required most months. Cash tax payments reduce pre-tax NTA compared with pre-tax figures for indices and trusts (MFF pre-tax NTA per share was reduced by tax paid in the 2025 financial year by approximately 15.7 cents). Shareholders should exercise care in reviewing simplistic point to point comparisons of pre-tax NTAs per share which may not add back cash taxes paid as well as dividends and thus do not reflect any measure of “performance”. MFF’s relative ”performance” may be particularly impacted by the simplistic analysis (for example the significant unrealised gains for the MFF portfolio exceed its cost, and thus tax incurred reflects cash tax paid on accumulated gains rather than only cash tax paid on year to year or other short term price movements).

MFF targets sustained growth in capital and in fully franked dividend payments, over the medium to longer-term (franking credits at 30 June 2025 exceeded the $176.4m level as at 31 December 2024). MFF has successfully continued to aim for "responsible compounding" whilst seeking to protect capital, including in difficult unpredictable periods for businesses and markets. MFF has continued to maintain a very prudent balance sheet, currently with net cash being the largest asset, and with considerable prudent borrowing capacity. Of course, for MFF every 10% after tax return requires approximately 14.3% pre-tax when the full 30% Australian corporate tax rate is deducted. MFF shareholders also do not get the benefit of MFF's compounding on cash taxes paid.

Over the month, the US Government 10-year bond trading yield rose modestly to approximately 4.37% p.a. from approximately 4.23% p.a. To date the worries about long yields rising uncontrollably have not been met, even after the final ratings agency took away the AAA in May and egregious US Federal profligacy continued.

All listed holdings in the portfolio as at 31 July 2025 are shown in the table that follows (shown as percentages of investment assets, including net cash but ignoring the Montaka Global Investment which rounded to 0.0% at cost).

	%		%
MasterCard	9.3	CK Hutchison	1.9
Visa	8.5	United Overseas Bank	1.6
Bank of America	7.8	HCA Healthcare	1.5
Meta Platforms	7.2	Oversea - Chinese Banking	1.4
American Express	7.2	Lowe's	1.2
Amazon	7.2	US Bancorp	1.2
Alphabet Class A	7.1	CVS Health	1.0
Microsoft	6.0	Prosus	0.5
Home Depot	5.7	L'Oreal	0.2
United Health Group	3.7	RB Global	0.2
Alphabet Class C	3.6	Allianz	0.2
Lloyds Banking Group	2.4	Intercontinental Exchange	0.1
DBS Group	2.2	Schroders	0.1

Net cash shown as a percentage of investment assets (including net cash) was approximately 11.3% as at 31 July 2025. AUD net cash was 7.9% (taxes, other expenses and dividends are paid in AUD), USD net cash 3.1%, GBP net cash 1.8% , SGD net cash 0.7% and HKD borrowings were approximately 2.2% of investment assets as at 31 July 2025 (all approximate). Key currency rates for AUD as at 31 July 2025 were 0.644 (USD), 0.563 (EUR) and 0.487 (GBP) compared with rates for the previous month which were 0.655 (USD), 0.558 (EUR) and 0.478 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

1 August 2025

[1] Net tax liabilities are current tax liabilities and deferred tax liabilities, less tax assets.

All figures are unaudited and approximate. June 2025 figures include preliminary consolidation adjustments for Montaka Global (100% acquired by MFF in February 2025). These adjustments impacted standalone MFF June 2025 NTA figures by less than 1%.