CAPITAL INVESTMENTS LIMITED

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

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

Authorised by
Kathy Molla-Abbasi | Company Secretary

3 March 2025

MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for February 2025

MFF advises that its approximate monthly NTA per share as at 28 February 2025 was $5.209 pre-tax[1] ($4.284 as at 30 June 2024), and $4.264 after providing for tax[2] ($3.574 as at 30 June 2024). The pre-tax NTA figures each month are after deducting taxes paid by MFF (including $35.8m cash taxes paid in the half year to 31 December 2024 and $17.7m in February 2025). Cash tax payments reduce pre-tax NTA compared with pre-tax figures for indices and trusts. Obviously, MFF shareholders also do not get the benefit of MFF's compounding on cash taxes paid but MFF has benefited from compounding of unrealised gains, which are reflected partly in the increase over time of the deferred tax liability to $526.4m million as at 31 December 2024 (equivalent to 21.7 % of MFF's net assets at that date). $1.43 of pre-tax earnings are required for $1.00 of after-tax earnings at the 30% corporate tax rate. MFF targets sustained growth in capital and in fully franked dividend payments, over the medium to longer-term (in January MFF increased the fully franked half year dividend by 33.3% to 8 cents per share fully franked).

MFF's portfolio companies remain advantaged, and have achieved excellent returns on invested capital, year after year. We have maintained disciplined processes, successfully focused on both goals of compounding capital and seeking to avoid permanent capital loss. MFF aims for its investors and Montaka Global's unitholders to achieve meaningful financial independence demonstrated by tangible, valuable results (usually in conjunction with their financial planners and advisers). Noise and short term factors and comparisons need to be filtered to avoid being massive distractions from core goals and processes. Bull markets typically magnify mistakes and transfer valuable assets as disciplined processes, including value and excellent returns on capital for portfolio companies, become less relevant for speculators' short-term gains. However, as prices rise relative to value, disciplined processes become more valuable for investors' capital protection and subsequent compounding of remaining capital over the medium to longer term.

Our portfolio companies are extremely profitable, and cash generative. We believe they have sustainable advantages and strong prospects for above average profitable growth over the medium term. The Montaka Global portfolios, individually constructed and maintained, have similar attributes. Value (acquisitions at attractive prices) and Quality (compounding growth) underpin the portfolios medium to longer term analytical focus. The portfolio companies are well placed to weather inflation and deflation, increasingly capricious rules, regulations and taxes. A quality portfolio means that MFF is never under pressure to act; patient accumulation and long-term retention of a portfolio of outstanding companies allows sensible opportunity cost comparisons over extended time periods (sales need not be followed by replacement purchases, "rotations" typically distract and detract from quality and performance measures). Only a small percentage of companies sustain compound gains over time, as, for example, technology and competition disrupt advantages. Also, and obviously, half market participants must get results below the median. Repeatedly many chase returns in areas where objective probabilities are unfavourable (possibly because "lottery type" payoffs and optimistic narratives are alluring). Core principles and checklists require saying no again and again. Overconfidence is unlikely to be rewarded permanently, this time.

In February MFF had portfolio sales of about 3.5% of portfolio value and purchases rounded to 0.0%. MFF continues moderate sales in preparation for future opportunities. We are cautious buyers and reluctant sellers as our holdings are overwhelmingly in outstanding businesses which increase in value over time (with profitable growth characteristics that meaningfully outperform average businesses). We have over $700m of capacity and significant portfolio liquidity, in the case of better opportunities, for which patience usually helps. Whilst consensus continues for benign to positive US business conditions, during the month there were some fluctuations in sentiment, mostly in response to political and geopolitical events.

Extensive recent MFF comments will not be repeated, with obvious risk factors (and prices) remaining elevated. Politicians continued to amplify the disappointment they cause, on most continents, whether they are mediocre intellectually ill-equipped current or former socialists enacting and inflicting multiple invasive regulations and anti business anti growth agendas on burdened small and medium business enterprises, or populists and dictators with their own excessive egos and agendas. Governing is becoming harder, with few targeting old fashioned responsible growth, and instead falling for ill targeted unfunded election bribes which hamper productivity. Public sector unions fight to overpower the few attempts to reduce regulations and obstructionist regulators, but do not even start when finance ministers' districts and factions represent the unions and other big Government project vested interests. Governing for the benefit of populations is difficult, and continuation of the 30 years or so of pressure on median real incomes might become even harder, given increased Government and societal indebtedness further challenged by inflation entrenching excessive Government spending on preferred agendas, technologies impacting median incomes and weaker market forces.

All listed holdings in the portfolio as at 28 February 2025 are shown in the table that follows (shown as percentages of investment assets, including net cash). The Montaka Global investment at cost rounds to 0.0%.

	%		%
Amazon	11.2	CK Hutchison	1.5
MasterCard	10.0	HCA Healthcare	1.3
Visa	9.3	Oversea - Chinese Banking	1.3
Bank of America	7.8	US Bancorp	1.2
American Express	7.8	United Health Group	0.8
Meta Platforms	6.7	CVS Health	0.8
Alphabet Class A	6.3	Lowe's	0.6
Home Depot	6.2	Intercontinental Exchange	0.4
Microsoft	5.8	Prosus	0.4
Alphabet Class C	5.3	RB Global	0.3
Flutter Entertainment	2.8	Schroders	0.1
Lloyds Banking Group	2.2	Allianz	*
DBS Group	1.9	L'Oreal	*
United Overseas Bank	1.5	** less than 0.1%*	

Net cash shown as a percentage of investment assets (including net cash) was 6.4% as at 28 February 2025 (excluding almost 0.3% represented by receivables at month end which will likely be offset by cash tax to be paid later in the month). AUD net cash was 6.5% (taxes, other expenses and dividends are paid in AUD), USD net cash 3.0% and Euro, GBP, HKD and SGD borrowings totalled approximately 3.2% of investment assets as at 28 February 2025 (all approximate). Although short term and longer term currency rates are impacted by many factors (on both sides of the currency equivalences), ongoing cumulative manifest anti business anti growth interventionist, extremely hard to reverse, pro-inflation policies and US enacting tariffs, as well as the start of an unsightly pre-election orgy of unfunded ongoing spending promises and outdated Federation structures hampering productivity and competition between states, may predicate ongoing currency weakness or benefits from not hedging to AUD. Key currency rates for AUD as at 28 February 2025 were 0.622 (USD), 0.598 (EUR) and 0.494 (GBP) compared with rates for the previous month which were 0.624 (USD), 0.600 (EUR) and 0.502 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

3 March 2025

[1] Figures are cum interim dividend 8.0 cents per ordinary share fully franked, dividend ex-date 22 April 2025 and payable 14 May 2025.

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

All figures are unaudited and approximate.