CAPITAL INVESTMENTS LIMITED

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ABN: 32 121 977 884

30 January 2025

Company Announcements Office
Australian Securities Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

INTERIM REPORT - MFF REPORTS NET PROFIT AFTER TAX OF $381.5 MILLION FOR THE HALF YEAR ENDED 31 DECEMBER 2024

MFF Capital Investments Limited ("MFF") hereby lodges the following documents relating to the half year ended 31 December 2024:

- Appendix 4D; and
- Interim Report incorporating the Portfolio Manager's Report and Interim Financial Report.

Yours sincerely,

Authorised by
Kathy Molla-Abbasi | Company Secretary

Appendix 4D

MFF Capital Investments Limited

ABN 32 121 977 884

Interim Report

Results for Announcement to the Market for the half year ended 31 December 2024

				31 Dec 2024 $'000	31 Dec 2023 $'000
Total net investment income/(loss)	Up by	146%	to	**551,813**	224,034
Profit/(loss) before income tax expense	Up by	161%	to	**544,935**	208,536
Net profit/(loss) after income tax expense	Up by	161%	to	**381,463**	145,970

				31 Dec 2024 $'000	30 Jun 2024 $'000
Net assets	Up by	17%	to	**2,423,647**	2,071,040

Net Tangible Assets ("NTA") Per Ordinary Share

	31 Dec 2024	30 Jun 2024
Pre-tax NTA per ordinary share	**$5.083**	$4.284
Net tax (liability) / asset per ordinary share	**($0.922)**	($0.710)
Post-tax NTA per ordinary share	**$4.161**	$3.574

Dividends

	Cents per ordinary share	Franked at 30% Cents per ordinary share
Interim dividend	**8.0**	**8.0**
Prior year interim dividend (paid 14 May 2024)	6.0	6.0
Interim dividend dates		
Ex-dividend date		22 April 2025
Record date		23 April 2025
DRP and BSP election date		24 April 2025
Payment date		14 May 2025

The Dividend Reinvestment Plan ("DRP") and Bonus Share Plan ("BSP") will operate in respect of the interim dividend (at zero discount).

Brief explanation of results:

The Company further strengthened its excellent financial position in the period with net assets increasing to $2,423,647,000 as at 31 December 2024 (June 2024: $2,071,040,000). The Company recorded a pre-tax profit of $544,935,000 (December 2023: pre-tax profit $208,536,000) and a net profit after income tax of $381,463,000 (December 2023: $145,970,000) for the period ended 31 December 2024. Basic earnings per share were 65.72 cents (December 2023: 25.24 cents). MFF 'marks to market' its investment portfolio and the results principally reflect movements in the market prices of the portfolio. The tax allowance is at the full 30% tax rate on unrealised, as well as realised market price movements on the portfolio.

The Company had pre-tax net tangible assets ("NTA") of $5.083 per ordinary share (before net tax liabilities of $0.922 per ordinary share) as at 31 December 2024 compared with $4.284 per ordinary share (before net tax liabilities of $0.710 per ordinary share) as at 30 June 2024. The Company had a post-tax NTA of $4.161 per ordinary share as at 31 December 2024 compared with $3.574 per ordinary share as at 30 June 2024.

On 30 January 2025, the Directors declared a fully franked interim dividend, for the period ended 31 December 2024, of 8.0 cents per ordinary share (December 2023: fully franked interim dividend of 6.0 cents per ordinary share), which will be paid on 14 May 2025. The amount of the proposed dividend, based on the number of ordinary shares on issue at 31 December 2024, is $46,601,000. The DRP and BSP will operate in conjunction with this dividend (at zero discount).

Appendix 4D

Further details on the results are included in the Interim Report.

Financial Report

This report is based on the 31 December 2024 Interim Report which has been reviewed by Ernst & Young.

MFF Capital Investments Limited

Interim Report

For the half year ended 31 December 2024

ABN 32 121 977 884

Contents

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by MFF Capital Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

for the half year ended 31 December 2024

The Directors of MFF Capital Investments Limited ("MFF" or the "Company") submit their interim report in respect of the period ended 31 December 2024.

1. Directors and Secretaries

The following persons were Directors of the Company during the period and up to the date of this report:

		Appointed
Annabelle Chaplain AM	Chairman & Independent Non-executive Director	21 May 2019
Robert Fraser	Independent Non-executive Director	21 May 2019
Chris Mackay	Managing Director and Portfolio Manager	29 September 2006
Peter Montgomery AM	Independent Non-executive Director	21 May 2019

The following persons were Secretaries of the Company during the period and up to the date of this report:

	Appointed	Resigned
Kathy Molla-Abbasi	10 December 2024	-
Marcia Venegas	20 March 2019	10 December 2024

2. Company Overview

The Company is a listed public company incorporated in Australia. Its principal place of business is Level 36, 25 Martin Place, Sydney, New South Wales, 2000.

The Company's shares are listed on the Australian Securities Exchange (ASX code: MFF).

3. Principal Activity

The principal activity of the Company is the investment in a minimum of 20 exchange listed international or Australian companies.

4. Review of Financial Results and Operations

Financial Results for the Period

The Company further strengthened its excellent financial position in the period with net assets increasing to $2,423,647,000 as at 31 December 2024 (June 2024: $2,071,040,000). The Company recorded a pre-tax profit of $544,935,000 (December 2023: pre-tax profit $208,536,000) and a net profit after income tax of $381,463,000 (December 2023: $145,970,000) for the period ended 31 December 2024. Basic earnings per share were 65.72 cents (December 2023: 25.24 cents). MFF 'marks to market' its investment portfolio and the results principally reflect movements in the market prices of the portfolio. The tax allowance is at the full 30% tax rate on unrealised, as well as realised market price movements on the portfolio.

The Company had pre-tax net tangible assets ("NTA") of $5.083 per ordinary share (before net tax liabilities of $0.922 per ordinary share) as at 31 December 2024 compared with $4.284 per ordinary share (before net tax liabilities of $0.710 per ordinary share) as at 30 June 2024. The Company had a post-tax NTA of $4.161 per ordinary share as at 31 December 2024 compared with $3.574 per ordinary share as at 30 June 2024.

Operations – Portfolio and Activities

The Company's financial results, investment returns, portfolio composition and changes during the period are summarised in the Portfolio Manager's Report (refer page 7) and detailed in the Financial Statements.

Strategy and Future Outlook

The Company is invested in equities, mainly denominated in foreign currencies. As equity and currency markets continue to be subject to fluctuations, it is not meaningful or prudent to provide a detailed outlook statement or statement of expected results of operations.

The Company provides regular updates in the weekly and monthly NTA announcements, which can be found in the Australian Securities Exchange ("ASX") announcements and in the investor centre section of the MFF website, www.mffcapital.com.au. Releases to shareholders and the ASX have included discussions in relation to the Company's investment processes and some investee companies from time to time.

Directors' Report

for the half year ended 31 December 2024

The Company sets out its portfolio holdings at 31 December 2024 in the Portfolio Manager's Report (this information was also released to the ASX on 2 January 2025 as part of the December 2024 monthly NTA release), and further details are provided in Note 4 to the Financial Statements.

The Company's capital structure is detailed in Note 5 to the Financial Statements.

On 2 October 2024, the Company announced its intention to acquire Montaka Global Investments ("Montaka") which includes the investment manager of the ASX-listed funds, Montaka Global Extension Fund (ASX code: MKAX) and Montaka Global Long Only Equities Fund (ASX code: MOGL). On 17 January 2025, the Company executed a Share Sale Agreement for the acquisition and completion of the acquisition is expected to occur in February 2025. The immediate financial impact of the acquisition is not expected to be material for the Company.

5. Dividends

Final and Interim Dividends

The Company paid the final dividend for the prior period ended 30 June 2024 of $38,201,000 (7.0 cents per ordinary share) fully franked on 1 November 2024.

On 30 January 2025, the Directors declared a fully franked interim dividend, for the period ended 31 December 2024, of 8.0 cents per ordinary share (December 2023: fully franked interim dividend of 6.0 cents per ordinary share), which will be paid on 14 May 2025. The amount of the proposed dividend, based on the number of ordinary shares on issue at 31 December 2024, is $46,601,000. The Dividend Reinvestment Plan ("DRP") and Bonus Share Plan ("BSP") will operate in conjunction with this dividend (at zero discount).

The Directors' intention is to propose a final dividend of 8.0 cents per ordinary share, fully franked, for the period ending 30 June 2025 (June 2024: fully franked final dividend of 7.0 cents per ordinary share), subject to corporate, legal and regulatory considerations, with continued operation of the DRP and BSP (at zero discount).

Imputation Credits

At 31 December 2024, the Company's total available imputation credits (based on a tax rate of 30%) were $165,263,000 (December 2023: $127,086,000).

6. Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the period other than as disclosed in this report.

7. Subsequent Events

In the latest release to the ASX on 28 January 2025, the Company reported a NTA per ordinary share as at 24 January 2025, as follows:

	24 Jan 2025 $[1]	31 Dec 2024 $[2]
Pre-tax NTA per ordinary share	**5.259**	**5.083**
Net tax liabilities per ordinary share	**0.971**	**0.922**
Post-tax NTA per ordinary share	**4.288**	**4.161**

[1] The NTA per ordinary share reported to the ASX is approximate and not reviewed by Ernst & Young ("EY").
[2] NTA per ordinary share reviewed by EY (refer Note 7).

Other than the above matters and those disclosed throughout this Directors' Report, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

8. Other

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Directors’ Report

for the half year ended 31 December 2024

Rounding of Amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission’s *Corporations (Rounding in Financial/ Directors’ Reports) Instrument 2016/191* and consequently amounts in the Directors’ Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of the Directors.

Annabelle Chaplain AM
Chairman

Chris Mackay
Managing Director and
Portfolio Manager

Sydney
30 January 2025

Building a better
working world

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Auditor's Independence Declaration to the Directors of MFF Capital Investments Limited

As lead auditor for the review of the Interim Financial Report of MFF Capital Investments Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Ernst & Young

Stacey Hooper
Partner

30 January 2025

Portfolio Manager's Report

for the half year ended 31 December 2024

Dear Shareholder,

MFF's mark to market profits for the six months to 31 December 2024 fiscal 2024 are detailed elsewhere in the Financial Statements. MFF's $381.5m net profit after tax for the half-year (after allowing full 30% tax on unrealised as well as realised gains) continues to grow capital (if marks to market and capital are sustained) and builds on the mark to market profits of recent years. Of course, half-year and one-year results are less important for MFF shareholders than sustained growth in capital and in fully franked dividend payments, over the medium to longer-term. MFF benefits from compounding of unrealised gains, which are reflected partly in the increase of the deferred tax liability in the six months by $136 million (the deferred tax liability as at 31 December 2024 of $526.4 million is equivalent to 21.7 % of MFF's net assets at that date).

Although the six months profit figures were high in dollar terms, the relevant challenge is to sustain and grow MFF's values from each higher starting point. Past performance does not indicate future performance, although investment processes and focus over time are cumulative and may create/reflect patterns. Starting from MFF's fiscal 2012 (which represented an important modification in our approach and processes), 10 of the 13 years recorded double digit investment returns (ranging from 12.0% to 40.3%) on starting net assets after providing for income tax at the full 30% rate on unrealised gains as well as realised profits. The latest six-monthly investment returns were double digits without the need for annualising. MFF's $412.4m net assets at 30 June 2013 (shortly prior to separating from Magellan) have grown to $2,423.6m at 31 December 2024. Dividends declared, cash taxes paid and deferred tax liability all exceed starting net assets whereas cumulative expenses are well below that level.

Looking forward, there are grounds for optimism as we expect equity markets over the next decade to again allow opportunities for compound growth for some disciplined value/quality focussed active business investors, even after economic and market downturns which are inevitable. Cumulative compound returns have been possible in the past from businesses and should be again despite headwinds. Optimism is enhanced validly if the Montaka Global acquisition completes and they achieve sustained investment out performances as has occurred in the latest 2 calendar years. Their focus on sustained investment excellence is their primary task, and the key factor if they are to have future success. Past performance is no indicator of future performance. Full materials should be read and professional financial adviser advice taken in relation to any investment, obviously including Montaka Global and/or MFF.

The businesses that comprise MFF's portfolio companies are advantaged. We believe that they have high probabilities of maintaining their competitive advantages and of achieving well above average levels of profitable growth over the medium term. In addition to benefitting from ongoing business compounding from previous purchases (usually held for many years), MFF also benefits from periodic portfolio purchases at attractive prices. Additionally, MFF sells portfolio companies from time to time, usually to raise capital for future opportunities and to fund taxation, dividends, the on-market share buy-back and other expenses. In order to meet the objective of satisfactory or better returns over the next decade or so, MFF must adapt, as the winning businesses of the next decade will include some of the past winners, and market prices for businesses and other assets will inevitably fluctuate. Recent advances in technology and in funds management processes might benefit MFF itself, for example in filtering for potentially attractive businesses. It may be possible to view the intended acquisition of Montaka Global in that context.

Overview of the latest six months

For another six months, there were relatively few changes to the MFF portfolio. We are concentrated in exceptional companies and consider that market valuations remained satisfactory. We continue to believe that predictable sustainable profitable growth may remain relatively scarce across economies; relatively speaking it may become more valuable for investors and conversely many sectors and companies are expected to feel increased competition, margin and pricing pressures. We continue to be very happy with the business performance of the portfolio companies. Many have again increased market shares and at least maintained longer-term prospects. As was the case 12 months ago we are concerned about relentless increases in regulatory risks and expect in the future to at least partially trade off business quality against regulatory risks. Whilst current economic conditions in the US appear relatively benign (see below) we are less sanguine relative to consensus than 12 months ago as market prices are higher and speculative excess builds.

As usual in the absence of disasters, the mark to market financial results for the six months are of limited importance, as are most six-month results. Past decisions created the quality and mix of the portfolio. Large tax payments were a consequence of profitable sales during the period. Significant MFF dividends also occurred in the six months.

As usual, future decisions will include the extent to which MFF should build up liquidity, for example in market upturns in 2025, and possibly for risk management. We also continued to take action to reduce the significant nominal percentages of Visa and MasterCard, currently the third and fourth largest holdings, with closely related activities.

For many years we have had few opportunities that we regarded as excellent, and opportunity cost assessments for after tax proceeds of sale against future possible opportunities were always difficult. Eventually this will change, at which time active Quality/Value based decisions might be favoured.

Portfolio Manager's Report

for the half year ended 31 December 2024

MFF will continue to be managed for medium term outcomes, including the payment of fully franked dividends to shareholders (this has become more important as the shareholder base ages) and growth in portfolio capital values, and MFF seeks to avoid permanent loss of capital. MFF is a company and pays considerable tax in Australia which allows for franked dividends, based on current legislation.

Results, Performance, Dividends and Expenses Table

Some shareholders and advisers have requested "performance figures" for MFF. The MFF Board agreed to the inclusion of a table of factual data and calculations from MFF's audited/reviewed statutory accounts over a medium-term period, provided that the presentation was non-promotional.

The table that follows includes eight and a half years from 1 July 2016 (immediately post Brexit vote). Markets fluctuate, and MFF has successfully held much of the portfolio for the entire period (11 of the then 15 largest holdings) and hence, period to period results must also fluctuate. Over the period, aggregates for after tax gains, for taxes paid, and for dividends paid are far more meaningful than periodic fluctuations. MFF aims to continue to benefit from market fluctuations and does not hurt aggregate performance over time by seeking to "manage" volatility. Of course, extrapolation is both illogical and dangerous. Past performance does not represent future performance.

Obviously, figures quoted by index providers and fund managers are usually flattered by excluding the impact of taxation for holders. In Australia, MFF pays income tax, generates franking credits and pays fully franked dividends. Over the last eight and a half years, MFF has declared fully franked dividends of $442 million, paid income tax of $337.8 million and bought back and cancelled $43.1 million MFF shares. MFF also managed capital growth over this period, with net profits of $1,841.7 million after (30%) income tax on unrealised gains as well as realised profits, starting from net assets of $786.4 million. The figures are included in the table that follows. Note that since 1 July 2016, approximately $146.5 million of shares were issued from exercise of options.

Period Ended[1]	Net Profit/ (Loss) After Income Tax $'m	Opening Statutory Net Assets $'m	After Tax "Performance Indicator" %[2]	Share Buy-back m	Dividends Declared $'m[3]	Dividend Yield Indicator %[4]	Cash Tax Paid $'m	Closing Franking Account $'m	Expenses Excluding Income Tax and Interest $'m[5]	Expenses Indicator %[6]
30 Jun 17	158.8	786.4	20.2	-	10.0	1.3	3.9	1.3	9.4	1.2
30 Jun 18	240.0	953.1	25.2	-	16.2	1.7	18.0	11.0	7.0	0.7
30 Jun 19	218.6	1,238.2	17.7	-	19.0	1.5	41.6	45.6	7.0	0.6
30 Jun 20	25.1	1,443.6	1.7	-	139.0	9.6	129.4	118.0	8.0	0.6
30 Jun 21	217.5	1,361.9	16.0	-	37.2	2.7	3.4	106.9	6.9	0.5
30 Jun 22	(170.8)	1,593.6	(10.7)	-	43.8	2.7	14.6	104.1	7.0	0.4
30 Jun 23	323.6	1,424.9	22.7	25.6	55.0	3.9	31.1	114.0	5.6	0.4
30 Jun 24	447.4	1,687.3	26.5	17.5	75.2	4.5	60.0	146.8	4.2	0.2
31 Dec 24[7]	381.5	2,071.0	18.4	-[8]	46.6[9]	2.3	35.8	165.3	2.3	0.1
	1,841.7			43.1	442.0		337.8			

1 Figures are rounded, approximate and not audited.
2 Net Profit/(Loss) After Income Tax Expense divided by opening statutory net assets.
3 At declaration date, dividends include DRP/BSP. All dividends fully franked except 2017 interim (1 cent per share franked to 85%).
4 Dividends Declared divided by opening statutory net assets.
5 MFF was not required to pay performance fees to Magellan from 31 December 2019. MFF also does not pay cash or other incentives or grant any stock awards to staff or board members.
6 Expenses (excluding Income tax and Interest) divided by opening statutory net assets.
7 Six month period ended 31 December 2024 (not annualised). December results are reviewed not audited.
8 During the period ended 31 December 2024, the Company did not purchase on-market, and cancel, any ordinary shares, (refer Note 5 to the Financial Statements).
9 The proposed interim dividend is based on the number of shares on issue at 31 December 2024.

Portfolio and Market Commentary as at 31 December 2024

Our views on the portfolio and other details were summarised in the December 2024 NTA release to the ASX on 2 January 2025 as follows (with minor editing from original release).

"MFF advises that its approximate monthly NTA per share as at 31 December 2024 was $5.084 pre-tax ($4.284 as at 30 June 2024), and $4.161 after providing for tax[1] ($3.574 as at 30 June 2024). The pre-tax NTA figures each month are after deducting taxes paid by MFF (including $4.2m paid for December and $18.8m paid 2 December 2024 for the fiscal 2024 top up). The difference between pre-tax and post-tax NTA figures for MFF (mid hundreds of $millions) reflects substantial (mid $1-2 billion) unrealised gains built up over years, with deferred taxes being balance sheet non-current liabilities at the full 30% tax rate [note: that market prices do not guide fair value assessments, except for accounting purposes].

Approximately $142.857 of net profits taxed at 30% rates are required to match $100 of gains recorded by indices and trusts without direct tax impacts. As MFF has sustained compounding gains, with a high proportion of unrealised gains, standard broker and other comparisons routinely understate MFF to a significant, increasingly greater degree. MFF has built many years equivalents of profit reserves and franking credits from Australian taxes to meet future dividend requirements (based upon existing legislation) at considerable direct cost (over $300m cash taxes paid in recent years) and at material cost to compounding which otherwise would have benefitted MFF's figures. As at 30 June 2024 MFF's franking credits were $148.8m (25.34 cents per share) and updated figures will be included with the half yearly results later in the month.

For MFF, December was another month of very little direct portfolio activity with sales of about 1.1% of portfolio value, and no purchases. 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 $600m of capacity and significant portfolio liquidity, in the case of better opportunities, for which patience usually helps. Whilst we (and the overwhelming majority of market participants) see benign to positive current US business conditions, which may ignite broader melt ups in market prices, disciplined processes will require/cause ongoing portfolio changes, including sales, to reflect fluctuations in market prices, business dynamics, risks and opportunity cots.

Objective skepticism is necessary but difficult during conditions featuring sustained bullish MOMO FOMO (see below) and speculation, when visualizing preconditions to prevent extreme failure is crowded out by hubris and overconfidence, and genuine excitement for the uses and potential of new technology in many fields from medical research and agriculture to transportation. Alphabet announced that it added over 100 new languages to core digital services to provide information access for another 500m people. The three cloud mega providers continue adding services/revenue streams to core offerings. Although markets reflect true earnings/cashflows over extended periods, the dominance of narratives may extend into year after year to disconnect market participants and their money from reality.

Whilst listed markets have issues and many prices are elevated in comparison to history, strains are building and may become far more damaging elsewhere. Why? What next? are relevant questions for most economic and market activities, particularly when influential and impressive pitches take oxygen from analysis for emotion as they are being sold. Key aspects of the "wisdom of crowds" hurt as markets fluctuate with sentiment. Also, there are areas of finance where recent stability invites easy profits and excess, which eventually damages future stability (a few are noted below).

Areas to watch include some so-called emerging markets (and declining badly/imprudently governed pressured more mature economies). Some already have to protect currencies [and attempt to not suffer exploding inflation/diminished living standards from higher local currency import prices], as the appreciating USD attracts capital flows.

Recent and ongoing unwindings of disasters of past M+As will be no hurdle for 2025 and future misguided overconfident M+A allocations of shareholders' money as Directors are presented with narratives/arguments framed self servingly as choices 1. on the quest for growth; 2. to avoid obsolescence as disruption, competition, and regulation bite; and 3. whilst some reduced regulation permits.

Debt refinancing markets have been open/extremely benign to end 2024, but more leveraged companies need more refinancings over the next two years and demands from governments increase to new record levels. Periodically (and currently) ignored by yield seekers are the unevenness and opacity of debt markets (perhaps apparent, ironically, in bond index failures to exclude big losers, whereas market capitalization equity indices have active investors cleanse their indices) with asymmetric risks/returns (success from par is getting money back). Still nascent regulatory failures have allowed accelerating multiplication of private credit formats raised with fees and artificially low bad debts inflating "performance data", outside the heavily regulated excess capital holding traditional banking system.

Also, currently some of the best story tellers reprise the waves of junk bonds, derivatives and similar past "successes" and now narrate that their fees super charged illiquid non transparent investments are superior. Bubbles are becoming greater and more risky/damaging in non public markets as money chases money and derivative trades are already multiplying to create "product" blessed by the sages gaming the rating agency rules and processes (as occurred prior to past crises). The story tellers absolutely tap into and create their legendary zeitgeist necessary for the grand scale with suspended belief that this time is unique and past examples have limited precedent value. Even the great financial crisis is now a generation ago. They easily exploit elite society, including financial professionals' and HNW envy and frustration that meme, crypto, index, option and other "less qualified" seeming punters have massively outperformed their returns, for some since Covid but others for longer. At the same time cognitive dissonance compounds with their increased unhappiness despite their massive elite overreach via/including nanny state regulations as Europe, Canberra and elsewhere regulate, spend, tax and legislate detracting from productivity, squash entrepreneurship and damage non subsidized non favoured businesses.

In December comments from major companies were unusually benign. There has been a lack of preannouncement profit warnings, and many are more upbeat than usual about short term prospects. Mostly this is noise for companies and investments we consider, with their time frames in decades rather than months. However, there are various multiplier and cyclical effects that need to be factored in when considering results, with extrapolation from favourable conditions particularly in growth traps, even more damaging than value traps. Also in December, refocuses/pivots towards the US accelerated, sentiment measures rose for entrepreneurs in the US, and near-term risk-taking by institutions and other portfolio investors were reinforced. This positivity was reflected in the increase in the USD in the month (4%+ v AUD as investors also moved capital after the government with fringe parties jammed through record impacts of regulations and legislation at end November). Caution about future inflation and deficits (often the flip side) drifted into medium and longer dated bond prices.

Momentum (MOMO) and fear of missing out (FOMO) risk seeking catch cries continued to be augmented by younger traders' you only live once (YOLO). Market prices are obvious sentiment indicators, and hence fluctuate far more than underlying business values. Of course, downturns in market prices yield more bargains than when sentiment is elevated. Some rebalancing is expected to start 2025 via so called professional investors, away from [i.e. selling] price appreciated US equity markets, and many others will have waited beyond 2024 year end to realise sizable capital gains. Short term forecasters will have opinions on the impact such selling has on market sentiment [in general, changes in the composition of public ownership and marginal prices paid do not impact the businesses of the vast majority (by value) of companies that do not need equity capital or have businesses which directly participate in markets].

MFF's long-standing investment objectives are to maximise compound, risk-adjusted after-tax returns for its shareholders and to minimise the risk of permanent capital loss. The investment process requires sensible allocation of capital and patience from the portfolio manager and shareholders, to seek to achieve consistent processes leading to outcomes which reflect the benefits of compounding. The core investment philosophy underpinning these objectives is built on taking a medium to long term view focusing on outstanding companies trading below their intrinsic values. We must not squander a "return on luck", and some benefits usually accrue during strongly rising markets, and full market and economic cycles require process and prior preparation. MFF needs to be able to weather dramatic changes in markets which may be more possible if not inevitable given severe budget stresses, policy capriciousness, geopolitical events, and inevitable future challenges.

Technology excellence is compulsory for companies aspiring to be sustained winners in their fields for 2025 and beyond. Technology, including AGI, has demonstrated major value adding use cases in areas including fraud control/responses, in coding for better data analysis and in better segmented digital messaging and spending opportunities where massive audiences spend their time. For various companies this enables responsible growth to be achievable with risk controls prioritized including automation, and customer satisfaction being deliverable. Such companies have scope to adopt the Kahneman insight (lived by Bezos and Berkshire) that a significant majority of people fear losses far more than they value gains and hence risks are viewed more clearly than growth, as fear of failure becomes fulfilling. However, if controls and processes are in place, including with technology and skilled focused humans, responsible growth and even flywheels might be achievable, although it is not automatic for companies to chase lifelong learning and master ongoing varied challenges available to small teams and individuals. An insightful parallel is the advice and leading by example to deal with fear of failure and develop cumulative skills from a successful experienced actor to a younger star with decades ahead i.e. "advice to other actors and younger people is 'keep going, do everything, try everything and really not to be afraid… Is this going to work? Are people going to like it?' Who cares?".

For MFF to succeed over the next decade we need a significant proportion of our capital to be allocated towards companies that have high probabilities of achieving sustained responsible growth. Corporate adoption of technology is not slowing, and it is not obvious that the proportion/number of sustained high return on capital, profitably growing "winners" will increase [losers from previous technological changes have been easier to identify and were more plentiful than initially expected]. Success for MFF requires exposure to beneficiaries of disruption but few of the losers.

Most likely, deep research expertise of Montaka Global (existing and adapting, deepening, and broadening) will aid in some allocations to future winners as well as current winners, and few allocations to fading previous successes.

The longer sweep of history indicates that it may be overoptimistic to expect China's recently repurposed Marxist controlled economy to pivot meaningfully towards consumption, including the frivolous consumption that Xi considers typifying the "declining" west allowing greater freedoms to choose. As China seeks to re-purpose away from the property and infrastructure bubbles fueled by state borrowing, Xi's December year end edict included "In 2025, we will fully complete the '14th Five-Year Plan.' It is necessary to implement more proactive policies, focus on high-quality development, promote high-level scientific and technological self-reliance …"

We are focussed on margins of safety in our portfolio businesses, and this includes targeting businesses with sustainable competitive advantages, well above average prospects for future profitable growth, sensible opportunities for profitable adjacencies and diversification against capricious regulators and political processes, and competitive intensity. Our portfolio is concentrated in businesses with services, networks and products that meet high levels of deliverables for millions of customers and look after employees. We have been cautious about business risks and do not believe that (possibly temporary) lowered equity market volatilities, higher indices or other extraneous matters not pertaining to sustainable business quality, should distract from rising not falling risks. We also require margins of safety in market prices to assist in risk management as well as subsequent upside. Margins of safety become smaller as equity prices rise, except in unusual cases where more than offset by greater improvements in underlying business advantages. These objectives, investment philosophy and processes guide portfolio construction, with adjustments for changing prices and other circumstances.

The US changes in direction gave short term impetus to some regulators and bureaucrats before they are replaced to advance their causes as they challenge major productive companies. Malaise deepened in Europe including French and UK budgetary issues, further demonstrations in the Merkel memoir and beyond of the "end of the German miracle", and ongoing collapses in productivity reflecting socially indulgent non-economic Canadian, Australian and UK politicos by way of examples. The US announcement of a Department of Government Efficiency was welcomed by taxpayers, as around the world many politicians, regulators, other bureaucrats, activist judiciaries have fought to enact ideological but anti-business anti-growth priorities (as share of Government spending rises and per capita GDP and other economic measures fall). Perhaps ironically (given elite control fetishes), unplanned, untethered immigration and (unsurprisingly) sticky inflation expectations, continued in December, including from major ideologically driven Government spending on election targeted handouts and "future" projects [many off balance sheet, and in the US accelerated pre inauguration]. Overcoming sensible bipartisan precedent extending over recent largely dormant decades as inflation now threatens political perks/privileges, interventionist actions aimed to curb central bank independence for short term political fixes.

The massive overcapacity export drive from the CCP, and the actions of the incoming US administration will impact 2025 and likely beyond. Also, it is optimistic to expect that wider CCP issues will fade away for citizens, businesses or externally.

For some the feared/ongoing so-called decline of the west is manifest in nanny states moves to strict legal liability predicated "no harm no loss" rather than sensible innovation and business risk taking. This has consequences in lower growth, lower productivity, more bureaucrats, and lawyers, as well as productive younger citizens leaving states and countries. Politicians mirror previous interventionist failures, fail to reverse interventions whilst new are imposed, waste inefficiency and spend unfettered with Finance Departments not fighting capital city bureaucratic bloat, thousands of small businesses collapsing under the weight of regulations and labor laws, repressed consumers stressed by direct and indirect [indexed] taxes, energy and other elevated costs of living, uncompetitive corporate tax rates and bracket creep smashing incentives to work [beyond the need to work to meet untethered inflation]. Without any effective Treasury/Finance Department productivity counterpoint, fully entitled leaders gloat at the political expediency of passing bills, reverse past sensible reforms they opposed, target short term re-election gimmicks whilst adding thousands of hours and more of multicoloured tape and complexity.

Currency markets (along with bond markets) are sometimes reliable early signals and must be watched, as market pressures manifest in varied ways, after reactions to policy decisions and how to pay or borrow for promises. Overall, competent central Government administrations are unlikely to become easier or more prevalent. Bad government policies including significant express and implied forward commitments make future electoral decisions more difficult, as policy reversals cause pain and have costs.

Whilst we continue to fear that momentum will test us all, as bullish conditions continue, there are identifiable risks well beyond large equity markets (including illiquid asset pools and derivatives). Widespread, apparently easy, gains have permeated the zeitgeist and, later in bull markets are as likely as not to accelerate. More mature bull markets separate people from valuable assets. Of course, downturns [cycles] are to be expected. Additional margins of safety are necessary for sensible investors and businesses.

Portfolio Manager's Report

for the half year ended 31 December 2024

All holdings in the portfolio as at 31 December 2024 are shown in the table that follows (shown as percentages of investment assets).

	%		%
Amazon	12.8	United Overseas Bank	1.5
MasterCard	10.6	HCA Healthcare	1.3
Visa	9.6	Oversea - Chinese Banking	1.3
American Express	8.1	US Bancorp	1.3
Meta Platforms	7.8	United Health Group	0.9
Bank of America	7.7	Lowe's	0.6
Alphabet Class A	7.3	CVS Health	0.6
Alphabet Class C	6.6	Intercontinental Exchange	0.4
Microsoft	6.4	Prosus	0.4
Home Depot	6.3	RB Global	0.2
Flutter Entertainment	2.7	Schroders	0.1
DBS Group	1.9	Allianz	*
Lloyds Banking Group	1.7	L'Oreal	*
CK Hutchison	1.7	** less than 0.1%*	

Net cash shown as a percentage of investment assets was 1.1% as at 31 December 2024. AUD net cash was 6.2% (taxes, other expenses, buybacks and dividends are paid in AUD), USD net debt 1.4% and Euro, GBP, HKD and SGD borrowings totalled approximately 3.7% of investment assets as at 31 December 2024 (all approximate). Ongoing cumulative manifest anti business anti growth interventionist, extremely hard to reverse, pro-inflation policies may predicate risks of further currency weakness/ further benefits from not hedging to AUD. Key currency rates for AUD as at 31 December 2024 were 0.619 (USD), 0.598 (EUR) and 0.494 (GBP) compared with rates for the previous month which were 0.651 (USD), 0.617 (EUR) and 0.513 (GBP).

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

MFF releases regular portfolio and investment information to the ASX including the weekly NTA details, as well as monthly NTA updates and commentary. The January 2025 NTA is scheduled to be released to the ASX on 3 February 2025.

Yours faithfully,

Chris Mackay
Portfolio Manager

Sydney
30 January 2025

Statement of Profit or Loss and Comprehensive Income

for the half year ended 31 December 2024

	Note	31 Dec 2024 $'000	31 Dec 2023 $'000
Investment Income			
Dividend and distribution income		**16,058**	15,601
Interest income		**3,658**	2,473
Net change in fair value of investments[1]		**543,172**	192,309
Net gains/(losses) on foreign currency cash and borrowings		**(11,037)**	14,089
Net gains/(losses) on foreign exchange settlements & contracts		**(38)**	(438)
Total Net Investment Income/(Loss)		**551,813**	224,034
Expenses			
Services fees		**600**	600
Finance costs – interest expense		**4,552**	13,327
Managing Director's salary		**825**	825
Non-Executive Directors' fees		**150**	150
Long service leave statutory expense		**14**	38
Registry fees		**61**	84
ASX listing, clearing and settlement fees		**99**	82
Transaction costs		**24**	117
Employment related taxes		**52**	52
Fund administration and operational costs		**53**	51
Auditor's remuneration		**60**	64
Legal and professional fees		**328**	-
Other expenses		**60**	108
Total Expenses		**6,878**	15,498
Profit/(Loss) Before Income Tax Expense		**544,935**	208,536
Income tax (expense)/benefit		**(163,472)**	(62,566)
Net Profit/(Loss) After Income Tax Expense		**381,463**	145,970
Other comprehensive income		**-**	-
Total Comprehensive Income/(Loss)		**381,463**	145,970
Basic Earnings/(Loss) Per Share (cents)	6	**65.72**	25.24
Diluted Earnings/(Loss) Per Share (cents)	6	**65.72**	25.24

[1] Includes realised and unrealised gains/(losses) on investments.

The above Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Financial Position

as at 31 December 2024

	Note	31 Dec 2024 $'000	30 Jun 2024 $'000
Current Assets			
Cash and cash equivalents	3	**49,629**	89,448
Investments	4	**2,928,379**	2,556,235
Receivables		**698**	748
Prepayments		**109**	20
Total Current Assets		**2,978,815**	2,646,451
Total Assets		**2,978,815**	2,646,451
Current Liabilities			
Payables		**547**	436
Current tax payable		**11,107**	21,152
Borrowings	3	**16,837**	163,193
Total Current Liabilities		**28,491**	184,781
Non-Current Liabilities			
Net deferred tax liability		**526,373**	390,339
Provision for long service leave		**304**	291
Total Non-Current Liabilities		**526,677**	390,630
Total Liabilities		**555,168**	575,411
Net Assets		**2,423,647**	2,071,040
Equity			
Contributed equity	5	**716,316**	706,971
Profits reserve		**1,232,124**	1,232,124
Retained profits		**475,207**	131,945
Total Equity		**2,423,647**	2,071,040

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Changes in Equity

for the half year ended 31 December 2024

	Note	31 Dec 2024 $'000	31 Dec 2023 $'000
Contributed Equity			
Balance at the Beginning of the Period		**706,971**	710,695
Transactions with owners in their capacity as owners:			
Shares issued under Dividend Reinvestment Plan	5	**9,345**	6,240
Shares acquired under buy-back	5	**-**	(17,495)
Transaction costs on shares acquired under buy-back net of tax	5	**-**	(25)
Transaction costs on shares issued under BSP net of tax	5	**-**	(14)
Balance at the End of the Period		**716,316**	699,401
Retained Profits			
Balance at the Beginning of the Period		**131,945**	191,801
Total comprehensive income/(loss)		**381,463**	145,970
Dividends paid	2	**(38,201)**	(27,238)
Balance at the End of the Period		**475,207**	310,533
Profits Reserve			
Balance at the Beginning of the Period		**1,232,124**	784,768
Balance at the End of the Period		**1,232,124**	784,768
Total Equity		**2,423,647**	1,794,702

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Cash Flows

for the half year ended 31 December 2024

	Note	31 Dec 2024 $'000	31 Dec 2023 $'000
Cash Flows from Operating Activities			
Dividends and distributions received (net of withholding tax)		**14,381**	13,881
Interest received		**3,761**	2,473
Payments for purchase of equity investments		**(27,070)**	(125,369)
Proceeds from sale of equity investments		**198,099**	215,539
Net realised gain/(loss) on foreign exchange settlements and contracts and cash		**(38)**	(438)
Services fees paid		**(600)**	(600)
Tax paid		**(35,829)**	(25,449)
Other expenses paid		**(1,722)**	(1,618)
Net Cash Inflow/(Outflow) from Operating Activities		**150,982**	78,419
Cash Flows From Financing Activities			
Net proceeds/(repayments) of borrowings		**(157,393)**	4,534
Interest paid		**(4,552)**	(13,327)
Payment for share buy-back	5	**-**	(17,495)
Payment of transaction costs on shares acquired under buy-back		**-**	(36)
Payment of transaction costs on shares issued under BSP		**-**	(20)
Dividends paid (net of DRP)		**(28,856)**	(20,998)
Net Cash Inflow/(Outflow) from Financing Activities		**(190,801)**	(47,342)
Net increase/(decrease) in cash and cash equivalents		**(39,819)**	31,077
Cash and cash equivalents at the beginning of the period	3	**89,448**	28,248
Cash and Cash Equivalents at the End of the Period	3	**49,629**	59,325

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

Notes to the Financial Statements

for the half year ended 31 December 2024

Overview

This interim financial report is for MFF Capital Investments Limited ("MFF" or the "Company") for the period ended 31 December 2024. The principal accounting policies adopted in the preparation of the interim financial report are set out below. These policies, applied to the annual financial statements, have been consistently applied to the period presented, unless otherwise stated.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia, whose securities are publicly traded on the ASX.

Assets and liabilities with recovery or settlement dates within 12 months after the balance date (current) and more than 12 months after the balance date (non-current) are presented separately in the Statement of Financial Position.

1. Basis of Preparation

The condensed interim financial report for the period ended 31 December 2024 is a general purpose financial report and has been prepared in accordance with AASB 134: *Interim Financial Reporting, Corporations Act 2001* and other mandatory professional reporting requirements. It is presented in Australian dollars ("$") and was approved by the Board of Directors on 30 January 2025. The Directors have the power to amend and reissue the financial report.

This condensed interim financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2024 Annual Report and any public announcements made by the Company during the period ended 31 December 2024 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

1.1. Accounting Policies

The accounting policies adopted in the preparation of this interim financial report are contained within the notes to which they relate. The policies adopted in the preparation of this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period.

1.2. New and Amended Accounting Standards

The Company has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at balance date. Unless it is early adopted, AASB 18 *Presentation and Disclosure in Financial Statements*, issued on 14 June 2024, will first apply to the Company in the financial year ending 30 June 2028. The Directors of MFF have yet to assess the impact of this new standard on the Company's financial statements. No other accounting standards, interpretations or amendments that have been issued are expected to have a material impact on the Company's financial statements.

1.3. Rounding of Amounts

All amounts in the interim financial report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise stated in accordance with the Australian Securities & Investments Commission's *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

1.4. Critical Accounting Estimates and Judgements

In applying the Company's accounting policies, a number of estimates and assumptions have been made concerning the future. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

As all investments are valued with reference to listed quoted prices and the Company's cash and borrowing facility continue to be held at strongly rated financial institutions, the Company's financial assets and liabilities are not subject to significant judgement or complexity.

2. Dividends

Dividends paid by the Company during the period are:

	31 Dec 2024 $'000	31 Dec 2023 $'000
Fully franked final dividend for the period ended 30 June 2024 (7.0 cent per ordinary share) paid 1 November 2024	**38,201**	-
Fully franked final dividend for the period ended 30 June 2023 (5.0 cent per ordinary share) paid 3 November 2023	**-**	27,238
Total Dividends Paid During the Period	**38,201**	27,238
Dividends forgone via BSP	2,362	1,654

All dividends were fully franked at the corporate tax rate of 30%.

Dividend Declared

In addition to the final dividend for the year ended 30 June 2024 paid during the period, on 30 January 2025, the Directors declared a fully franked interim dividend, for the period ended 31 December 2024, of 8.0 cents per ordinary share (December 2023: fully franked interim dividend of 6.0 cents per ordinary share), which will be paid on 14 May 2025. The amount of the proposed dividend, based on the number of ordinary shares on issue at 31 December 2024, is $46,601,000. The DRP and BSP will operate in conjunction with this dividend (at zero discount).

The Directors' intention is to propose a final dividend of 8.0 cents per ordinary share, fully franked, for the period ending 30 June 2025 (June 2024: fully franked final dividend of 7.0 cents per ordinary share), subject to corporate, legal and regulatory considerations, with continued operation of the DRP and BSP (at zero discount).

A dividend payable to shareholders is only recognised in the Statement of Financial Position if the dividend is declared, by the Directors, on or before the end of the period, but not paid at balance date. Accordingly, the interim dividend is not recognised as a liability at balance date.

The DRP and BSP will operate in conjunction with this dividend and no discount will be applied.

Dividend Reinvestment Plan

The Company's DRP was available to eligible shareholders during the period ended 31 December 2024. Under the terms of the DRP, eligible shareholders are able to elect to reinvest their dividends in additional MFF shares, free of any brokerage or other transaction costs. Shares are issued and/or transferred to DRP participants at a predetermined price, less any discount that the Directors may elect to apply from time to time. No discount has been applied to shares issued under the DRP during the period ended 31 December 2024. The DRP issue price is equal to the volume weighted average market price of all Company shares sold in the ordinary course of trading on the ASX during the five trading day period commencing from the day the Company's shares go ex-dividend or other period as determined by the Board. Refer to Note 5 for details of ordinary shares issued under the DRP during the period.

Bonus Share Plan

Under the terms of the BSP, eligible shareholders may elect to forego all or part of their dividend, and instead receive additional fully paid MFF shares, issued as bonus shares, free of any brokerage or other transaction costs. For the purposes of calculating the number of bonus shares to be issued under the BSP, the BSP price is equal to the volume weighted average market price of all Company shares sold in the ordinary course of trading on the ASX during the five trading day period commencing from the day the Company's shares go ex-dividend or other dates as determined by the Board, less any discount that the Directors may elect to apply from time to time.

Imputation Credits

	31 Dec 2024 $'000	31 Dec 2023 $'000
Imputation credits at balance date	**165,263**	127,086
Imputation credits that will arise from the payment of income tax payable	**11,107**	16,296
Total imputation credits available for subsequent reporting periods based on a tax rate of 30% (December 2023: 30%)	**176,370**	143,382

Notes to the Financial Statements

for the half year ended 31 December 2024

3. Cash and Cash Equivalents, and Net Interest Bearing Borrowings

	31 Dec 2024 $'000	30 Jun 2024 $'000
Cash at bank - denominated in Australian Dollars	**49,629**	89,448
Total Cash	**49,629**	89,448
Set-Off Cash and Borrowings with MLI		
Cash - denominated in Australian Dollars	**133,033**	65,386
Borrowings - denominated in British Pounds	**(37,316)**	(77,328)
Borrowings - denominated in Hong Kong Dollars	**(68,878)**	(62,676)
Borrowings - denominated in US Dollars	**(41,795)**	(60,169)
Borrowings - denominated in Euros	**(458)**	(27,898)
Borrowings - denominated in Singapore Dollars	**(1,335)**	(428)
Borrowings - denominated in Japanese Yen	**(75)**	(68)
Borrowings - denominated in Canadian Dollars	**(13)**	(12)
Net Borrowings with MLI	**(16,837)**	(163,193)

The Company holds cash at bank, which is at call and subject to floating interest rates, with an Australian bank. The foreign currency cash balances, which are held with Merrill Lynch International ("MLI"), a wholly owned subsidiary of Bank of America, are demand deposits and also subject to floating interest rates.

Set-Off Arrangement

The foreign currency cash balances held with MLI are set-off against the borrowings drawn under the multi-currency financing facility provided by Merrill Lynch Markets (Australia) Pty Limited ("MLMA") (refer below). The Company and MLI intend to net settle and are permitted to do so under the terms of the facility. At 31 December 2024, the Company's borrowings with MLI of $149,870,000 (June 2024: $228,579,000) have been presented net of the Company's cash deposits held with MLI of $133,033,000 (June 2024: $65,386,000). As a result, a net borrowings position with MLI of $16,837,000 (June 2024: net borrowings $163,193,000) is included in borrowings in the Statement of Financial Position.

Multi-Currency Financing Facility

The Company has a multi-currency financing facility with MLMA. Amounts drawn as borrowings are repayable on written demand. The financing facility is a service provided under the International Prime Brokerage Agreements ("IPBA") between the Company and MLI. The IPBA provides MLI with a fixed charge over the Company's right, title and interest in the assets held in custody with MLI (listed in Note 4), as security for the performance of its obligations under the IPBA.

4. Investments and Derivatives

The Company discloses the fair value measurements of financial assets and financial liabilities using a three level fair value hierarchy to reflect the source of valuation inputs used when determining the fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The Company invests in securities and rights in listed entities. The fair value of these investments is based on the closing price for the security as quoted on the relevant exchange;

Level 2: valuation techniques using market observable inputs, either directly or indirectly. The fair value of assets and liabilities with short-term maturities is valued at the amount at which the asset or liability could be exchanged in a current transaction between willing parties. The fair value of variable-rate receivables/borrowings is based on parameters such as interest rates and individual creditworthiness of the investee company; and

Level 3: valuation techniques using unobservable market data with the fair value based on a Directors' valuation.

The Company does not hold any Level 2 or Level 3 assets. There have been no transfers between any of the three levels in the hierarchy during the half year and the Company's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

Notes to the Financial Statements

for the half year ended 31 December 2024

Details of Investments

	Domicile	31 Dec 2024 Holding	30 Jun 2024 Holding	31 Dec 2023 Holding	31 Dec 2024 Value $'000	30 Jun 2024 Value $'000
Listed Equity Securities (Level 1)						
Amazon	i	**1,056,179**	1,127,818	1,215,438	**374,247**	326,347
Mastercard	i	**364,310**	372,224	396,973	**309,836**	245,879
Visa	i	**553,538**	590,179	659,076	**282,549**	231,945
American Express	i	**495,079**	523,405	638,684	**237,316**	181,470
Meta Platforms	i	**241,619**	230,564	261,658	**228,491**	174,073
Bank of America	i	**3,195,774**	3,231,873	3,063,771	**226,850**	192,456
Alphabet Class A	i	**700,322**	700,322	700,322	**214,118**	191,006
Alphabet Class C	i	**631,079**	669,255	753,619	**194,109**	183,806
Microsoft	i	**275,417**	272,846	285,046	**187,496**	182,599
Home Depot	i	**293,332**	299,662	319,184	**184,290**	154,459
Flutter Entertainment	ii	**189,839**	218,220	239,764	**79,565**	59,747
DBS Group	iii	**1,081,133**	1,097,133	885,194	**55,961**	43,383
Lloyds Banking Group	ii	**45,926,235**	50,042,348	41,581,586	**50,890**	51,850
CK Hutchison	v	**5,691,500**	5,691,500	5,506,000	**49,110**	40,824
United Overseas Bank	iii	**1,020,723**	1,046,723	936,123	**43,904**	36,232
HCA Healthcare	i	**78,547**	132,151	142,560	**38,078**	63,573
Oversea - Chinese Banking	iii	**1,865,099**	1,920,099	1,742,999	**36,854**	30,612
US Bancorp	i	**474,322**	498,149	406,568	**36,642**	29,612
UnitedHealth Group	i	**33,618**	37,930	31,210	**27,467**	28,923
Lowe's	i	**45,435**	49,719	52,219	**18,111**	16,412
CVS Health	i	**233,994**	180,197	330,623	**16,965**	15,935
Intercontinental Exchange	i	**54,095**	194,782	206,612	**13,019**	39,925
Prosus	vi	**174,873**	273,226	838,104	**11,216**	14,583
RB Global	i	**49,198**	86,340	92,465	**7,168**	9,872
Schroders	ii	**371,622**	367,711	367,711	**2,433**	2,532
Allianz	vii	**2,399**	242	10,220	**1,187**	101
L'Oreal	iv	**887**	887	887	**507**	584
Morgan Stanley	i	**-**	48,721	363,592	**-**	7,090
JP Morgan Chase	i	**-**	1,336	37,153	**-**	405
Total Investments					**2,928,379**	2,556,235

No other securities were bought or sold by the Company in the periods shown.

Stock Exchange Domicile

The relevant stock exchange pertaining to each investment is as follows:

i	United States	iii	Singapore	v	Hong Kong	vii	Germany
ii	United Kingdom	iv	France	vi	Netherlands		

Notes to the Financial Statements

for the half year ended 31 December 2024

Foreign Exchange Rates

The Australian Dollar exchange rates against the following currencies (London 4.00pm rates) are:

	31 Dec 2024	30 Jun 2024
US Dollar	**0.61915**	0.66785
Euro	**0.59792**	0.62314
Hong Kong Dollar	**4.80953**	5.21417
British Pound	**0.49437**	0.52832
Singapore Dollar	**0.84464**	0.90510

5. Contributed Equity

	6 Months to 31 Dec 2024 Number of Securities	12 Months to 30 Jun 2024 Number of Securities	6 Months to 31 Dec 2024 $'000	12 Months to 30 Jun 2024 $'000
Ordinary Shares				
Opening balance	**579,478,636**	580,044,338	**706,971**	710,695
Shares issued under DRP:				
3 November 2023	**-**	2,126,719	**-**	6,240
14 May 2024	**-**	2,159,081	**-**	7,570
1 November 2024	**2,419,853**	-	**9,345**	-
Shares issued under BSP:[1]				
3 November 2023	**-**	563,776	**-**	-
14 May 2024	**-**	566,712	**-**	-
1 November 2024	**611,737**	-	**-**	-
Shares bought back on-market and cancelled	**-**	(5,981,990)	**-**	(17,495)
Transaction costs on shares acquired under buy-back net of tax	**-**	-	**-**	(25)
Transaction costs on shares issued under BSP net of tax	**-**	-	**-**	(14)
Total Contributed Equity	**582,510,226**	579,478,636	**716,316**	706,971

[1] Under the terms of the BSP, eligible shareholders may elect to forego all or part of their dividend, and instead receive additional fully paid MFF shares, issued as bonus shares. BSP shares are issued at zero value to the Company.

Ordinary Shares

Fully paid ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Company in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

Dividend Reinvestment Plan and Bonus Share Plan

Refer to Note 2 for details on the DRP and BSP.

On-Market Buy-back

On 16 January 2023, an on-market buy-back of up to 30,000,000 MFF shares for a 12 month period ended 31 January 2024 was announced. On 16 January 2024, the on-market buy-back of up to 46,010,920 MFF shares was extended for a 12 month period ending 31 January 2025. On 30 January 2025, the Board decided not to extend the buy-back.

During the period ended 31 December 2024, the Company did not purchase on-market, and cancel, any ordinary shares.

Notes to the Financial Statements

for the half year ended 31 December 2024

6. Earnings per Share

Basic earnings per share is calculated as net profit/(loss) after income tax expense for the period divided by the weighted average number of ordinary shares on issue. Diluted earnings per share is calculated by adjusting the basic earnings per share to take into account the effect of any costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	31 Dec 2024	31 Dec 2023
Basic Earnings Per Share (cents)	**65.72**	25.24
Diluted Earnings Per Share (cents)	**65.72**	25.24
Weighted Average Number of Ordinary Shares		
Weighted average number of ordinary shares on issue used in calculating basic and diluted EPS	**580,467,198**	578,386,251
Earnings Reconciliation		
Net profit after income tax expense used in the calculation of basic and diluted EPS ($'000)	**381,463**	145,970

7. Net Tangible Assets per Ordinary Share

The following table shows the NTA per ordinary share presented in the Statement of Financial Position as at 31 December 2024 reported to the ASX on 2 January 2025 and the NTA per ordinary share at 30 June 2024.

	31 Dec 2024 $		30 Jun 2024 $	
	Pre-tax	Post-tax	Pre-tax	Post-tax
ASX Reported NTA per Ordinary Share[1]	**5.084**	**4.161**	4.285	3.574
NTA per Ordinary Share[2]	**5.083**	**4.161**	4.284	3.574

[1] The NTA per ordinary share reported to the ASX includes estimates for accrued expenses and tax liabilities.
[2] The NTA per ordinary share refers to the net assets of the Company presented in the Statement of Financial Position, including the net current and deferred tax liabilities/assets, divided by the number of ordinary shares on issue at that date.

The movement between the ASX reported NTA per share and the NTA per share represents period end adjustments, rounding and updating of tax balances.

8. Contingent Assets, Contingent Liabilities and Commitments

At balance date, the Company has no material contingent assets, liabilities or commitments (June 2024: nil).

9. Segment Information

The Company's investments are managed on a single portfolio basis, and are in one business segment being equity investment, and in one geographic segment being Australia. The Company continues to have foreign exposures as it invests in companies which operate internationally.

Notes to the Financial Statements

for the half year ended 31 December 2024

10. Subsequent Events

On 2 October 2024, the Company announced its intention to acquire Montaka Global Investments ("Montaka") which includes the investment manager of the ASX-listed funds, Montaka Global Extension Fund (ASX code: MKAX) and Montaka Global Long Only Equities Fund (ASX code: MOGL). On 17 January 2025, the Company executed a Share Sale Agreement for the acquisition and completion of the acquisition is expected to occur in February 2025. The purchase price is negligible and the immediate financial impact of the acquisition is not expected to be material for the Company.

In the latest release to the ASX on 28 January 2025, the Company reported NTA per share as at 24 January 2025 as follows:

	24 Jan 2025 $[1]	31 Dec 2024 $[2]
Pre-tax NTA per ordinary share	**5.259**	**5.083**
Net tax liabilities per ordinary share	**0.971**	**0.922**
Post-tax NTA per ordinary share	**4.288**	**4.161**

[1] The NTA per ordinary share reported to the ASX is approximate and not reviewed by Ernst & Young ("EY").
[2] NTA per ordinary share reviewed by EY (refer Note 7).

Other than the above matters and those disclosed throughout this financial report, the Directors are not aware of any matter or circumstance not otherwise dealt with in this interim financial report that has significantly or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future periods.

Directors' Declaration

for the half year ended 31 December 2024

In the Directors' opinion:

a. the Financial Statements and Notes set out on pages 13 to 23 are in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the financial position of MFF Capital Investments Limited as at 31 December 2024 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and

   ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

b. there are reasonable grounds to believe that MFF Capital Investments Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the period ended 31 December 2024.

Signed in accordance with a resolution of the Directors.

Annabelle Chaplain AM
Chairman

Chris Mackay
Managing Director and
Portfolio Manager

Sydney
30 January 2025

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Independent Auditor's Review Report to the Members of MFF Capital Investments Limited

Conclusion

We have reviewed the accompanying Interim Financial Report of MFF Capital Investments Limited (the Company), which comprises the statement of financial position as at 31 December 2024, and the statement of profit or loss and comprehensive income, the statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of the Company does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the Annual Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Stacey Hooper
Partner

Sydney
30 January 2025

Corporate Information

for the half year ended 31 December 2024

Directors

Annabelle Chaplain AM - Chairman
Robert Fraser
Chris Mackay - Managing Director and Portfolio Manager
Peter Montgomery AM

Company Secretary

Kathy Molla-Abbasi

Registered Office

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Auditor

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Sydney NSW 2000

Share Registrar

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Email: magellan@boardroomlimited.com.au

Securities Exchange Listing

Australian Securities Exchange code (ordinary shares): MFF

Website

www.mffcapital.com.au