

1 November 2024

ASX Limited  
ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**MFF Capital Investments Limited (“Company”)  
Chairman’s Letter**

Pursuant to ASX Listing Rule 3.17.1 please find attached a letter from the Chairman of the Company, Ms. Annabelle Chaplain AM, which was mailed to shareholders today.

The Chairman’s letter annexes the Company’s ASX announcement titled “MFF intended acquisition of Montaka Global” dated 2 October 2024. The enclosed version corrects a typographical error in the original announcement regarding Montaka Global Investment’s (“**Montaka Global**”) approximate funds under management.

The Chairman’s letter also annexes Montaka Global’s September Quarter unitholder update (not attached). The update is available from the ASX Announcements Platform (ASX: MOGL and ASX: MKAX) and on Montaka Global’s website.

Authorised by

**Marcia Venegas | Company Secretary**



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Dear MFF Shareholder

We are delighted that the MFF fully franked dividend for the latest six months was increased to 7 cents per share, details of which are enclosed.

In recent years, MFF has regularly increased its fully franked dividends. In addition to the increased final dividend, Directors have confirmed that they intend to increase the rate of the six-monthly dividend to 8 cents per ordinary share with the next interim results (expected to be announced towards the end of January 2025). The Board also intends to continue the operation of the Dividend Reinvestment Plan and the Bonus Share Plan (each at zero discount). MFF expects dividends to continue to be fully franked, in the absence of legislative or similar changes. As of 30 June 2024, available franking credits for the final dividend and future dividends were approximately \$146.8 million (approximately 25.3 cents per ordinary share). Of course, in each case, dividends are subject to corporate, legal, taxation and regulatory considerations at the time.

At our recent Annual General Meeting, MFF announced its intention to acquire Montaka Global Investments. We are confident that Montaka Global will become a valuable addition to MFF and its shareholders over the medium term and beyond. We have included a copy of our Announcement to the ASX and a copy of Montaka Global's latest investment report for the quarter ended 30 September 2024.

Montaka Global is a global fund manager with offices in New York and Sydney managing approximately \$280 million across three main funds (including two exchange traded funds which are tradeable on Australian exchanges under the stock symbols MOGL and MKAX). MFF expects to acquire the main Montaka Global businesses for a nominal consideration on an effectively debt free basis, with completion targeted for the first quarter of 2025.

At our AGM we also noted that "Montaka Global will have MFF's same complete flexibility to invest where Price/Value and Quality are best, with objective independence. Their focus on returns for their unitholders is paramount and they will have plenty of opportunities to allocate capital to businesses with high probabilities of generating present value future cashflows well in excess of market prices. If they become excellent and sustain excellence, they will well serve unitholders, become a wonderful partner for advisers and investors, attract well deserved attention, and MFF will benefit. Successful Montaka will attract and develop wonderful talent for decades, an employer for careers of choice. MFF's future success requires diverse input, the best talent, ideas and application; this has underpinned our past and is mandatory for the future."

We plan to hold an in person and telephonic MFF shareholder presentation and Q+A session. This will include portfolio and market updates and introduce some of the Montaka Global team, so shareholders can hear their perspectives as well our portfolio manager. This is subject to the Montaka Global acquisition completing as intended. Details will be advised around the time of our interim results and interim dividend declaration in late January 2025. All shareholders will be welcome to attend the briefing.

Thank you for your continued interest and investment in MFF Capital Investments Limited.

Yours faithfully

**Annabelle Chaplain AM**

Chairman, MFF Capital Investments Limited

2 October 2024

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## **MFF STRENGTHENS RESEARCH FOCUS WITH INTENDED ACQUISITION OF MONTAKA GLOBAL**

At its Annual General Meeting today, MFF Capital Investments Limited (“**MFF**”) will announce that it is expanding and strengthening its research team, focus and capabilities with the intended acquisition of Montaka Global Investments (“**Montaka Global**”). Montaka Global is a global fund manager with offices in New York and Sydney with approximately \$280 million of funds under management across three main funds (including two exchange traded funds which are tradeable on Australian exchanges under the stock symbols MOGL and MKAX).

Under MFF’s ownership Montaka’s primary focus will be its research and portfolio management systems and processes to target long term results for unitholders in the funds it manages. Montaka’s existing senior investment team of Andy Macken, Chris Demasi and Amit Nath will continue in their respective roles as CIO/Portfolio Manager, Portfolio Manager and Director of Research at Montaka Global. All staff will be retained by Montaka Global and its funds will operate independently of MFF, which will continue to be managed by its existing portfolio manager.

Montaka Global’s long term research led portfolio approach is consistent with, complementary to and expands upon MFF’s successful approach. Whilst the MFF and Montaka Global portfolios share commonalities, independent focused research is a strength and 7 of MOGL’s 10 largest holdings as at 31 August 2024 were not held by MFF (including KKR and Blackstone, the two largest holdings, and Spotify and Salesforce). Opportunity costs matter and Montaka’s unit trust structures do not directly incur tax on profitable sales and have lower direct opportunity costs for portfolio managers in assessing existing profitable holdings against new opportunities. More generally, MFF considers that broadening its research team, expanding its research capabilities, better using research technology and being open to opportunities in addition to its existing portfolio “winners”, will be a successful adaptation and likely increase the probability of achieving satisfactory returns over the medium and longer terms.

MFF and Montaka Global have both focused upon high quality companies (with sustainable competitive advantages and above average prospects of future profitable cash flow growth) at satisfactory prices (or better). Montaka Global has successfully identified and researched important structural economic and business transformations with significant investment opportunities, including companies that have expanded into profitable adjacencies which enhance customer experiences and core businesses.

In addition to portfolio management, MFF considers that Montaka Global's focus on unit trusts is sensible and complementary to MFF. Public unit trusts and companies have pooling and other benefits for investors compared with investors' direct holdings, including materially reduced paperwork (domestic and overseas) and investors do not incur direct tax for each profitable sale decision. Public unit trusts, including exchange traded unit trusts, may offer sensible choices for, and better meet some needs and characteristics of, some investors and their advisers. Montaka Global's unit trusts are not companies, which are taxed directly, and company investment decisions have direct tax considerations (MFF incurs significant direct tax when selling "winners"). MFF's 2024 Annual Report showed that MFF had deferred net tax liabilities of approximately \$391 m reflecting unrealised portfolio gains, after paying cash taxes of approximately \$302 m (principally on realised gains) and declaring franked dividends of approximately \$395 m since 2016.

Another important structural feature is that exchange traded trusts (including Montaka Global's) are targeted to trade closely around pre-tax net assets, and operate under a globally leading disclosure regime.

MFF intends to acquire the Montaka Global businesses, on an effective debt free basis, for nominal consideration, from vendors being Mackay family interests and Montaka Global staff interests. The acquisition is scheduled to complete in early 2025, subject to final binding agreements and customary preconditions. MFF expects to add to Montaka Global's administrative teams over time and free up some of the investment professionals' time. The financial impact of the acquisition on MFF is expected to be immaterial at Montaka Global's current scale. Future public releases of the insightful Montaka Global research may be more limited, with a focus upon Montaka Global unitholders.

MFF's Chairman, Annabelle Chaplain, will lead the discussion of MFF's intended Montaka Global acquisition at MFF's Annual General Meeting to be held today at 10.30am. Chris Demasi one of the principals of Montaka Global will be in attendance. Ms Chaplain also wished to thank MFF's main service provider, Magellan Asset Management, which is providing assistance to MFF in the acquisition including a review of Montaka Global's business.

Montaka Global's recent September Quarter unitholder update for MOGL and MKAX unitholders will be available from the ASX Announcements Platform (ASX: MOGL and ASX: MKAX) and on Montaka's website. MFF shareholders can request a copy of this update by contacting MFF on (02) 9235 4887.

*Authorised by*

The Board of MFF Capital Investments Limited

**Disclaimer**

Extrapolation of returns is dangerous and illogical. Past returns are not indicative of future returns. Holdings by Montaka Global and/or MFF may be changed at any time. MFF and Montaka Global do not provide investment advice and nothing in this release or elsewhere is to be regarded as investment advice. No attempt has been made to understand the personal circumstances of any reader of this release and readers are responsible for their own decisions including their own professional advice.