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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 September 2023.

Authorised by
Marcia Venegas | Company Secretary

3 October 2023

MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for September 2023

MFF advises that its approximate monthly NTA per share as at 30 September 2023 was $3.405 pre-tax ($3.398 as at 30 June 2023), and $2.937 after providing for tax[1] ($2.912 as at 30 June 2023). The figures are cum the increased fully franked final dividend of 5 cents per share declared at the end of July.

In September MFF had sales approaching 2% of portfolio value, mostly in the first half of the month, and purchases of 2% of portfolio value (more heavily weighted to the second half of the month). As mentioned at the recent AGM, these were unrelated to changes in business fundamentals but were reactions to price movements and ordinary portfolio adjustments (risks/opportunities). Overall equity market indices declined around 5% in the month. MFF's primary feature remains its combination of shareholding interests in extraordinary businesses with sustainable competitive advantages and above average sustainable growth rates, acquired on satisfactory terms. Some value-based purchase opportunities continued in September in our focus areas, although we did not add any new businesses to the portfolio.

In the month, the US 10-year bond yields (commonly regarded as a key "risk free" benchmark useful for asset valuations) closed month end at approximately 4.6% p.a. rising from approximately 4.1% p.a. in the month. Data in the month, showed falling inflation (disinflation) particularly concurrent data from companies such as Costco and deflation with the reversal of some price increases for traditional staples including consumer goods. Recent market yield movements are impacted by US Government deficit bond supply catch up and impacts of quantitative tightening, and headline inflation by the OPEC plus oil embargo to help fund the Russian war and expected Aramco share sale, prior to oil price impacts from nascent supply responses. For MFF interest rate levels remain below our hurdles for investments, and we are concentrated in companies that earn multiples of these levels on their capital, and with well above average prospects for future earnings growth. The interest rate levels remain within the ranges during traditional interest rate cycles and enable opportunities to acquire listed business interests at more favourable prices than otherwise, as professional investors adjust upwards their risk-free rates and related hurdles/discount factors.

The risk and portfolio discussions from the AGM at the end of the month won't be repeated. Current features include tighter access to capital, regulatory oversteps and emerging business pressures in many economies around the world. Even in the US which remains the strongest major economy, many small businesses continue struggling as cash pressures build on them and consumers. Banks tightened credit during Q2 2023 and continued in Q3, and of course the Regulators have proposed draconian new capital and reporting requirements to cut off access to capital even further in regulated entities. Time and again over the years, this results in disasters as capital moves to unregulated excess. This time, bad outcomes likely will be exacerbated by excessive official interest rate rises impacting with lagged but cumulative effects. Across many continents, the unrelenting myriad of anti-business anti-growth ideologies dominated regulators and politicians continue to dampen initiatives, risk taking and opportunities with cumulative, deleterious effects. In the US, the regulatory idealogues commenced antitrust actions against both Alphabet and Amazon, with some novel aspects, and of course uncertain judicial and commercial outcomes. In the month the US administration favoured union double digit wage and other demands, shutting major auto manufacturers whilst transitory inflation continued to be fueled by unfunded fiscal projects requiring more expensive borrowings.

All holdings in the portfolio as at 30 September 2023 are shown in the table that follows (shown as percentages of investment assets).

	%		%
MasterCard	11.8	Prosus	1.7
Visa	11.1	Intercontinental Exchange	1.6
Amazon	10.8	Lloyds Banking Group	1.4
Alphabet Class C	7.3	DBS Group	1.4
Microsoft	6.6	United Overseas Bank	1.3
Home Depot	6.5	Oversea - Chinese Banking	1.1
Alphabet Class A	6.1	United Health Group	1.1
American Express	5.9	US Bancorp	0.9
Meta Platforms	5.6	Lowe's	0.7
Bank of America	5.5	RB Global	0.4
Flutter Entertainment	2.5	JP Morgan Chase	0.4
CVS Health	2.3	Allianz	0.2
HCA Healthcare	2.0	Schroders	0.1
CK Hutchison	2.0	L'Oreal	0.1
Morgan Stanley	1.8		

Although we remain very cautious about all currencies and maintain our negative views on the AUD over extended periods, we continue to move money into AUD in advance of obligations, including in September. Net debt shown as a percentage of investment assets was approximately 14.7% as at 30 September 2023. AUD net cash was 5.9% (taxes, other expenses, buybacks and dividends are paid in AUD), USD net debt 9.6% and Euro, GBP, HKD and SGD borrowings totalled approximately 11.0% of investment assets as at 30 September 2023 (all approximate). Key currency rates for AUD as at 30 September 2023 were 0.645 (USD), 0.610 (EUR) and 0.529 (GBP) compared with rates for the previous month which were 0.648 (USD), 0.597 (EUR) and 0.511 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

3 October 2023

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

All figures are unaudited and approximate.