MFF CAPITAL INVESTMENTS LIMITED

Level 36, 25 Martin Place
Sydney NSW 2000 AUSTRALIA

General: +61 2 9235 4887
Facsimile: +61 2 9235 4800
Website: www.mffcapital.com.au
ABN: 32 121 977 884

29 July 2024

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

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

MFF Capital Investments Limited ("MFF") hereby lodges the following documents relating to the year ended 30 June 2024:

- Appendix 4E; and
- Annual Report incorporating the Chairman’s Letter, Portfolio Manager’s Report and Annual Financial Report.

Yours sincerely,

Authorised by
Marcia Venegas | Company Secretary

Appendix 4E

MFF Capital Investments Limited

ABN 32 121 977 884

Annual Report

Results for Announcement to the Market for the year ended 30 June 2024

				30 Jun 2024 $'000	30 Jun 2023 $'000
Total net investment income/(loss)	Up by	38%	to	**666,594**	484,611
Net profit/(loss) after income tax expense	Up by	38%	to	**447,356**	323,575

				30 Jun 2024 $'000	30 Jun 2023 $'000
Net assets	Up by	23%	to	**2,071,040**	1,687,264

Net Tangible Assets ("NTA") Per Share

	30 Jun 2024	30 Jun 2023
Pre-tax NTA per share	**$4.284**	$3.398
Net tax (liability)/asset per share	**($0.710)**	($0.489)
Post-tax NTA per share	**$3.574**	$2.909

Dividends

	Cents per share	Franked at 30% Cents per share
Interim dividend (paid 14 May 2024)	**6.0**	**6.0**
Final dividend	**7.0**	**7.0**
Final dividend dates:		
Ex-dividend date:		8 October 2024
Record date:		9 October 2024
DRP and BSP election date:		10 October 2024
Payment date:		1 November 2024

The Dividend Reinvestment Plan ("DRP") and Bonus Share Plan ("BSP") will operate in respect of the final dividend and no discount will be applied.

Brief explanation of results:

The Company recorded a pre-tax profit of $639,080,000 (June 2023: $462,236,000) and a net profit after income tax of $447,356,000 (June 2023: $323,575,000) for the period ended 30 June 2024. Basic earnings per share were 77.35 cents (June 2023: 55.34 cents).

The Company reported a pre-tax NTA of $4.284 per share (before net tax liabilities of $0.710 per share) as at 30 June 2024 compared with $3.398 per share (before net tax liabilities of $0.489 per share) as at 30 June 2023. The Company also reported a post-tax NTA of $3.574 per share as at 30 June 2024 compared with $2.909 per share as at 30 June 2023.

On 29 July 2024, the Directors declared a fully franked final dividend, for the period ended 30 June 2024, of 7.0 cents per share (June 2023: fully franked final dividend of 5.0 cents per share), which will be paid on 1 November 2024. MFF Directors intend to increase the rate of the six-monthly dividend to 8 cents per share for the period ending 31 December 2024, subject to corporate, legal, taxation and regulatory considerations at the time. The Directors also intend to continue the operation of both the DRP and BSP (each at zero discount).

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

Financial Report

This report is based on the 30 June 2024 Annual Report which has been audited by Ernst & Young.

MFF Capital Investments Limited

Annual Report

For the year ended 30 June 2024

ABN 32 121 977 884

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Chairman's Letter

for the year ended 30 June 2024

On behalf of the Board, it is my pleasure to write to you in the Annual Report of MFF Capital Investments Limited ("MFF" or the "Company") for the year ended 30 June 2024. We encourage you to take the time to read the Portfolio Manager's Report and Financial Statements which follow.

Investment Objectives and Philosophy

MFF's long-standing investment objectives are to maximize compound, risk-adjusted after-tax returns for its shareholders while minimizing the risk of permanent capital loss. The core investment philosophy underpinning these objectives is built on taking a medium to long-term view focusing on outstanding companies which are considered to be trading below their intrinsic value. Portfolio activity in Financial Year 2024 has been consistent with these objectives and investment philosophy. MFF has maintained significant holdings in businesses with very strong market positions and high market liquidity. MFF materially reduced net borrowings from already prudent levels whilst paying increased fully franked dividends and buying back MFF shares under an on-market buy-back.

If disciplines and processes are maintained, market fluctuations should continue to benefit MFF over the medium to longer term as they have done in the past. While it is pleasing to be able to highlight a very satisfactory performance in fiscal 2024, the focus for MFF remains resolutely upon business risks and opportunities. It is increasingly clear that the impacts from judicial, regulatory and legislative actions and from sustained rises in central bank determined short-term interest rates have not ended and MFF remains cautious despite the near-term financial results, and its outstanding portfolio. Leading companies within MFF's portfolio like Microsoft and Alphabet will continue to benefit from investments in artificial intelligence (or "AI") and technology. However, the MFF Board is cognizant of the need to adapt in order to meet the Company's investment objectives which will require deeper analysis potentially across a wider range of companies.

Financial Results, Markets and Portfolio Overview

The Company uses "mark to market" accounting for both investments and foreign exchange and the net profit for the financial year principally reflects upward movements in the market value of MFF's investments in the financial year (please refer to Statement of Profit or Loss and Comprehensive Income). The Company's profit or loss starts each new financial year at zero, based off the market values at the end of the previous financial year. Therefore, significant fluctuations in reported year to year results are to be expected. This financial year MFF recorded a net profit after tax of $447.4 million (June 2023: net profit after tax of $323.6 million). The net profit before income tax was $639.1 million (June 2023: net profit before income tax was $462.2 million). MFF's net profit after tax was approximately 26.5% of MFF's net assets as at 1 July 2023.

The Company's balance sheet and financial flexibility remain strong. At year end, MFF's $2,071.0 million of total equity comprised retained profits and profits reserve of $1,364.0 million and contributed equity of $707.0 million. Investments at market value were $2,556.2 million. The deferred tax liability was approximately $390.3 million (this relates to unrealised portfolio gains). Borrowings less cash and cash equivalents were $73.7 million (please refer to Statement of Financial Position). The portfolio remains concentrated in companies with large volumes of daily trading relative to MFF's holdings (in other words, almost all of MFF's portfolio holdings are very liquid, or capable of being converted rapidly to cash if necessary).

Dividends and distribution income received by MFF in the financial year increased by approximately $9.6 million (from approximately $29.2 million to approximately $38.8 million). However, MFF does not target particular levels of dividend receipts from portfolio companies (many of which have superb records in reinvesting their profits rather than paying them out as dividends). Ultimately the quality of the portfolio, the success of the businesses, and the astuteness or otherwise of portfolio purchase prices will be reflected in future mark to market figures.

During the financial year, MFF paid cash dividends of approximately $46.0 million (net of dividend reinvestment and bonus share plan elections of approximately $17.5 million) and cash tax payments of approximately $60.0 million. Interest paid was $23.3 million and interest received was $5.8 million. $17.5 million was spent on buying back on-market 5,981,990 MFF shares (please refer to Statement of Cash Flows).

Operating expenses (excluding interest and income tax) were well contained at $4.2 million this financial year against $5.6 million last year. Increased interest and income tax caused total operating expenses to rise. The allowance for income tax (mostly deferred) increased, as a result of the increase in unrealised mark to market gains during the year. There is a current liability for tax payable of $21.2 million as a result of taxable income during the year (please refer to Statement of Financial Position), in addition to the $60.0 million paid in cash for corporate income tax during the financial year (please refer to Statement of Cash Flows). Tax payments are direct corporate outflows and reduce MFF's pre-tax assets. In addition to corporate income tax, other taxes and charges include foreign dividend withholding tax and GST.

All investments held at the end of the period are listed in Note 6 of the Financial Statements. Details about the portfolio and currency positions and discussions of markets are included in the Portfolio Manager's Report (page 15). In the Financial Statements and other shareholder communications, the Company seeks to provide shareholders with very high levels of transparency about MFF, investment portfolio decisions, prospects and risks, in addition to detailed statutory information. The Company provides prompt monthly and weekly updates to shareholders (also released to the ASX), including regular details on cash/debt levels, portfolio changes and current market fluctuations.

Currency is an important factor for an internationally focused company, such as MFF. MFF marks to market currency movements across all assets and liabilities. For fiscal 2024 currency was not a material impact for MFF and the AUD/USD exchange rate finished at a level comparable to the start of the year.

Dividends and Capital Structure

The Company's financial position underpins the Directors' declaration today of a fully franked final dividend of 7.0 cents per share, compared with a fully franked final dividend of 5.0 cents per share last year. This year's final dividend will be paid in November 2024, with both the Dividend Reinvestment Plan and Bonus Share Plan to operate (at zero discount). During the year the Company paid fully franked dividends totalling 11.0 cents per share in November 2023 and May 2024.

In recent years MFF has regularly increased its fully franked dividends. In addition to the increased final dividend, Directors today confirmed details of the path and timing for a further increase under MFF's ongoing dividend policy. MFF Directors intend to increase the rate of the six-monthly dividend to 8 cents per share for the period ending 31 December 2024. The Directors also intend to continue the operation of both the Dividend Reinvestment Plan and Bonus Share Plan (at zero discount).

MFF expects dividends to continue to be fully franked, in the absence of legislative or similar changes. As at 30 June 2024, available franking credits for the final dividend and future dividends were approximately $146.8 million (approximately 25.34 cents per share) (refer Note 2). Of course, all future dividends are subject to corporate, legal, taxation and regulatory considerations at the time.

In addition to dividend policy, Directors regularly consider capital management as part of overall capital allocation, with many considerations including market prices and conditions for equity and debt (for MFF and generally), and trading in MFF shares. The Board implemented an on-market buy-back from the time of the release of the 2024 Interim Report on 16 January 2023. For the latest financial year, MFF bought back and cancelled approximately 5,981,990 million MFF shares at a cost of approximately $17.5 million (10.0 million MFF shares at a cost of approximately $25.6 million for the 2023 financial year). Whilst share buy-backs have positive and negative aspects for a company in MFF's current position, the Board considers that in the long term shareholders may benefit, provided buy-back prices per share are value accretive for remaining shareholders, and subject to comparison with other capital usages over time.

The Board intends to maintain its prudent approach to the balance sheet and risk and capital management policies, consistent with maintaining the Company's capacity to pay future dividends in accordance with MFF's dividend policy. The Board considers that MFF's retained funds have been put to good use with strong medium-term returns that have funded fully franked dividends and built capital, and the portfolio continues to be focused upon quality companies, some of which have appreciated materially from MFF's cost prices (hence the sizable, deferred tax liability noted above). Furthermore, the Company remains small from the perspective of the investment universe. MFF has access to debt markets (which remain favourable) and borrowing within MFF's risk controls has again been disciplined and beneficial in the most recent 12 months. The Board has maintained the limit on borrowing at 20% of investments (at the time of borrowing). MFF has liquid investments and retains flexibility to fund further investments from the sale of existing investments (subject to paying taxes on gains).

A long-standing important policy consideration for the Board in assessing any equity or similar issue continues to be to ensure that shareholders have equal opportunity to participate in entitlements or bonus option issues, including the opportunity to realise market value for entitlements or options. The Board intends to maintain this policy.

The Company's capital structure has an advantage that in times of stress, MFF is not forced to sell investments to meet redemption requests. Conversely, however, the Company has not had the very material benefits of steady inflows in the generally rising markets in recent years. Over the years MFF has periodically sold existing investments to fund new investments and expects to do so in the future. The Company's opportunity cost is high when selling high quality existing investments with above average medium-term growth prospects, thereby incurring tax on accrued gains, in order to buy replacement investments of similar or inferior quality. Although these principles remain true, the Portfolio Manager has often observed that markets are also cyclical and that higher prices mean more realisations for MFF than when prices are low.

MFF's focus on its strengths, including portfolio allocation and risk management, has meant MFF has been cautious about acting upon its long-held goal to identify large holding(s) in one or more competitively advantaged, strongly cash generative businesses that might provide meaningful flows of income where the Company would have control over the allocation of capital generated. Time has

Chairman's Letter

for the year ended 30 June 2024

elapsed, and the year 2035 is as close as today was when MFF separated its investments focus from Magellan Financial Group in 2013. Adaptation will be required for decent results in markets over this future period.

MFF's investment approach remains focused and disciplined and the current investment portfolio is well-positioned. Attractive opportunities to add to the MFF portfolio will again emerge over time with the appropriate deep research in sensible focus areas.

Annual General Meeting

My fellow directors and I look forward to welcoming those of you who can join the Annual General Meeting on 2 October 2024. The Notice of Annual General Meeting will be dispatched to shareholders in the coming weeks. Finally, I thank all shareholders for their continuing support and involvement with MFF and, as always, welcome discussion and your feedback.

Yours faithfully,

Annabelle Chaplain AM
Chairman

Sydney, 29 July 2024

Directors' Report

for the year ended 30 June 2024

The Directors of MFF Capital Investments Limited ("MFF" or the "Company") submit their annual report in respect of the period ended 30 June 2024.

1. 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") (ASX code: MFF).

2. Principal Activity

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

3. Dividends

Final and Interim Dividends

During the period the Company paid the final dividend for the prior period ended 30 June 2023 of $27,238,000 (5.0 cents per share) and the interim dividend for the period ended 31 December 2023 of $32,618,000 (6.0 cents per share), both fully franked (refer Note 2 to the Financial Statements).

On 5 September 2023, the Company introduced a Bonus Share Plan ("BSP") where eligible shareholders may elect to forego all or part of their dividend, and instead receive additional fully paid MFF shares, issued as bonus shares. Further detail is available in the BSP Rules on the MFF website, www.mffcapital.com.au.

On 29 July 2024, the Directors declared a fully franked final dividend, for the period ended 30 June 2024, of 7.0 cents per share (June 2023: fully franked final dividend of 5.0 cents per share), which will be paid on 1 November 2024. The amount of the proposed dividend, based on the number of shares on issue at 30 June 2024, is $40,564,000. The Dividend Reinvestment Plan ("DRP") and BSP will operate in conjunction with this dividend and no discount will be applied.

Imputation Credits

At 30 June 2024, the Company's total available imputation credits (based on a tax rate of 30%) were $146,818,000 (June 2023: $114,019,000).

4. Review of Financial Results and Operations

Financial Results for the Period

The Company recorded a pre-tax profit of $639,080,000 (June 2023: $462,236,000) and a net profit after income tax of $447,356,000 (June 2023: $323,575,000) for the period ended 30 June 2024. Basic earnings/(loss) per share were 77.35 cents (June 2023: 55.34 cents).

The Company reported pre-tax net tangible assets ("NTA") of $4.284 per share (before net tax liabilities of $0.710 per share) as at 30 June 2024 compared with $3.398 per share (before net tax liabilities of $0.489 per share) as at 30 June 2023. The Company also reported a post-tax NTA of $3.574 per share as at 30 June 2024 compared with $2.909 per share as at 30 June 2023.

As markets will always be subject to fluctuations, the investment performance and results of the past period to 30 June 2024 should not be considered to be representative of results and returns in future financial periods.

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, an extension of the on-market buy-back of up to 46,010,920 MFF shares for a 12 month period ending 31 January 2025, was announced.

During the period ended 30 June 2024, the Company purchased on-market, and cancelled, 5,981,990 shares, at a total cost of $17,495,000. Subsequent to balance date and up until 19 July 2024, the Company did not purchase any shares on-market.

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 15) and detailed in the Financial Statements.

Business Risks

The principal risks, that have been identified for the Company, are investment and operational risk. The Company is exposed to investment risk, as a listed investment company, by investing capital in assets that are not risk free (refer Note 11 to the Financial Statements). Operational risk includes regulatory, outsourcing, cyber security and key person risk. The Company's risk management framework, which is overseen by the Audit and Risk Committee, has been designed to monitor, review and continue to improve risk management for the Company.

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 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.

The Company sets out its portfolio holdings at 30 June 2024 in the Portfolio Manager's Report (this information was also released to the ASX on 1 July 2024 as part of the June 2024 monthly NTA release), and additional detail on the portfolio is set out in Note 6 to the Financial Statements.

The Company's capital structure is detailed in Note 8 to the Financial Statements.

5. Likely Developments and Expected Results of Operations

The Company will continue to pursue its principal investment objectives which are to maximize compound, risk-adjusted after-tax returns for its shareholders and to minimize the risk of permanent capital loss.

The methods of operating the Company are not expected to change in the foreseeable future.

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 22 July 2024, the Company reported NTA per share as at 19 July 2024 as follows:

	19 Jul 2024 $[1]	30 Jun 2024 $[2]
Pre-tax NTA per share	**4.323**	**4.284**
Net tax liabilities per share	**(0.721)**	**(0.710)**
Post-tax NTA per share	**3.602**	**3.574**

1 The NTA per share reported to the ASX is approximate and not audited by EY.
2 NTA audited by EY (refer Note 14).

Other than the above matters and the proposed dividend detailed at Section 3, 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 Company's operations, the results of those operations or the state of affairs of the Company in future financial periods.

8. Directors and Secretary

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

Secretary

Marcia Venegas was Company Secretary during the period and up to the date of this report.

There are no other officers of the Company.

Information on Directors and Secretary

The following information is current as at the date of this report.

Annabelle Chaplain AM

Chairman of the Board, Independent Non-executive Director and member of the Audit and Risk Committee.

Annabelle Chaplain was appointed as a Non-executive Director with effect from 21 May 2019 and Chairman with effect from 1 August 2019. Annabelle brings extensive experience in a range of industry sectors including financial services, industrials, infrastructure and retail. She has more than 25 years' experience as a director of government bodies and publicly listed, private and not for profit companies.

Annabelle is a Director of Seven Group Holdings Limited (since November 2015) and Super Retail Group Ltd (since March 2020). She is also non-executive Director of the Australian Ballet and Chairman of The Society of the Sacred Advent Schools Pty Ltd. Annabelle was previously Chairman of Canstar Pty Ltd, a leading intermediary in finance in Australia and New Zealand, a Director of Downer EDI Ltd and Credible Labs Inc.

In 2015, Annabelle was awarded Griffith University Business School's Outstanding Alumnus of the year and in 2016, in recognition of her distinguished service to banking, finance and the community. She was appointed an AM in the General Division of the Order of Australia in the Australia Day Honours in 2020.

Annabelle is a Fellow of the Australian Institute of Company Directors and holds an MBA from the University of Melbourne.

Robert Fraser

Independent Non-executive Director and Chairman of the Audit and Risk Committee.

Robert Fraser was appointed as a Non-executive Director with effect from 21 May 2019. Robert is a company director and corporate adviser with 35 years of investment banking experience, specialising in mergers and takeovers, corporate and financial analysis, capital management, equity capital markets and corporate governance.

Robert is currently the Managing Director of TC Corporate Pty Limited, the corporate advisory division of Taylor Collison Limited stockbrokers of which he is a Director and Principal. He is the Non-executive Chairman of ARB Corporation Limited (Non-executive Director since February 2004 and Chairman since September 2022). Robert is also a Non-executive Director of FFI Holdings Limited (since October 2011) and Supply Network Limited (since April 2024), as well as Non-executive Director (since April 2014) and Chairman (since June 2019) of Magellan Asset Management Limited (Responsible Entity and main operating subsidiary of Magellan Financial Group Limited). He was previously Non-executive Director (April 2014 – August 2023), Senior Independent Director (April 2014 - February 2022) and Deputy Chairman (February 2022 – August 2023) of Magellan Financial Group Limited. He is the President of the Muscular Dystrophy Association of New South Wales.

Robert has Bachelor of Economics and Bachelor of Laws (Hons) degrees from the University of Sydney and is also qualified as a licensed business broker, licensed real estate agent and a registered Tax (financial) Adviser.

Chris Mackay

Managing Director and Portfolio Manager.

Chris Mackay was appointed Managing Director and Portfolio Manager of the Company on 1 October 2013. He is a Director of Seven Group Holdings Limited (appointed June 2010) and was a Director of Consolidated Media Holdings (formerly Publishing and Broadcasting) from 2006 until its takeover by News Corporation in November 2012.

Chris has considerable experience in business management, business assessment, capital allocation, risk management and investment. He became an investment banker in 1988, after being a corporate and banking lawyer, and has broad experience in the financial and corporate sectors.

Chris co-founded Magellan after retiring as Chairman of the investment bank UBS Australasia in 2006, having previously been its Chief Executive Officer. He was a member of the Federal Treasurer's Financial Sector Advisory Council and the Business Council of Australia, and a director of the International Banks & Securities Association.

Peter Montgomery AM

Independent Non-executive Director and member of the Audit and Risk Committee.

Peter Montgomery was appointed as a Non-executive Director on 21 May 2019. Peter is a graduate in law from Sydney University and is a Sydney solicitor. Peter has had a wide ranging multi decade business career which includes extensive public company experience both as a director and a substantial shareholder in public and private companies whose activities have included radiology, aged care, retirement villages, contract oil and gas drilling, funds management, land development and operating tourism businesses.

Peter has had an extensive career in sport both as an athlete, and Australian and global roles as an honorary official, including being the Foundation President of the World Olympians Association. Peter received an Order of Australia Medal in 1986 and was awarded an AM in 2006.

Marcia Venegas

Company Secretary

Marcia Venegas has been the Chief Risk Officer, Chief Compliance Officer and Company Secretary of Magellan since November 2015. Prior to Magellan, Marcia was Chief Compliance Officer at Platinum Asset Management Limited in Sydney and held senior roles including Chief Compliance Officer at Dodge & Cox in the US. Marcia brings more than 20 years' experience in the financial services industry in Australia and the US, during which time she has been responsible for national and international regulatory requirements, the development and maintenance of governance, risk and compliance frameworks, licensing, proxy voting, training and liaising with regulators, auditors and clients. Marcia holds a Bachelor of Arts from the University of Wollongong.

Directors' Meetings

The number of Board meetings, including meetings of Board Committees, held during the period ended 30 June 2024 and the number of those meetings attended by each Director are set out below:

	While A Director of the Board		While a Member of the Audit & Risk Committee	
	Held	**Attended**	**Held**	**Attended**
Annabelle Chaplain AM	9	9	5	5
Robert Fraser	9	9	5	5
Chris Mackay[1]	9	9	-	-
Peter Montgomery AM	9	9	5	5

[1] Mr Mackay is not a member of the Audit and Risk Committee.

Directors' Interests

The interests of Directors in the shares of the Company are detailed on page 12.

9. Remuneration Report (Audited)

This Remuneration Report outlines the remuneration arrangements of the Company for the period ended 30 June 2024. It details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons and corporate entities having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly.

KMP, being the Independent Non-executive Directors and the Managing Director (who is the Company's sole employee and Portfolio Manager), are listed in the table below:

		Term as KMP
Non-Executive Directors		
Annabelle Chaplain AM	Chairman	Full Year
Robert Fraser	Director	Full Year
Peter Montgomery AM	Director	Full Year
Executive Director		
Chris Mackay	Managing Director/Portfolio Manager	Full Year

The Board does not grant options or rights to KMP as part of their remuneration under the Company's remuneration policy. The Remuneration Report has been prepared and audited against the disclosure requirements of the *Corporations Act 2001*.

Remuneration of Independent Non-Executive Directors

The Independent Non-executive Directors are remunerated by the Company. It is the policy of the Board to remunerate at market rates commensurate with the responsibilities borne by the Independent Non-executive Directors. The remuneration of the Independent Non-executive Directors is not linked to the performance or earnings of the Company.

The Independent Non-executive Directors' base remuneration is reviewed annually and remained unchanged during the period ended 30 June 2024. The following table outlines the Independent Non-executive Directors' fees for the Board and Audit and Risk Committee for the period ended 30 June 2024:

		Fees ($)
Board	Chairman	110,000
	Independent Non-executive Director	70,000
Audit and Risk Committee	Chairman	25,000
	Member	12,500

Retirement Benefits

The Company does not provide retirement benefits (other than superannuation) to the Independent Non-executive Directors.

Other Benefits

The Company does not provide other benefits and incentives to the Independent Non-executive Directors.

Remuneration of Managing Director

The Managing Director is remunerated by the Company. It is the policy of the Board to remunerate at market rates commensurate with the responsibilities borne by the Managing Director. The remuneration of the Managing Director is not linked to the performance or earnings of the Company. Refer to Employment Agreement on page 12 for further details.

Details of Remuneration

The total amount paid or payable to the Directors by the Company during the period is detailed below:

		Short Term Benefits	Post Employment Benefits	Other Benefits	Total Benefits
		Salary	Super-annuation	Long Service Leave	
		$	$	$[1]	$
Independent Non-Executive Directors					
Annabelle Chaplain AM	**2024**	**110,360**	**12,140**	**-**	**122,500**
	2023	110,860	11,640	-	122,500
Robert Fraser	**2024**	**95,000**	**-**	**-**	**95,000**
	2023	95,000	-	-	95,000
Peter Montgomery AM	**2024**	**74,324**	**8,176**	**-**	**82,500**
	2023	74,660	7,840	-	82,500
Managing Director					
Chris Mackay	**2024**	**1,622,600**	**27,400**	**51,263**	**1,701,263**
	2023	1,474,698	25,302	24,240	1,524,240
Total KMP remunerated by the Company	**2024**	**1,902,284**	**47,716**	**51,263**	**2,001,263**
	2023	1,755,218	44,782	24,240	1,824,240

[1] Other benefits are comprised of long service leave statutory expense. The amount disclosed in this column is the movement in the provision for long service leave during each period.

Service Agreements

Remuneration and other terms of employment for the Independent Non-executive Directors are formalised in service agreements with the Company.

Annabelle Chaplain AM, Chairman of the Board, Independent Non-executive Director and member of the Audit and Risk Committee.

- Commenced on 21 May 2019 and appointed Chairman 1 August 2019
- No term of agreement is set. Subject to the Director being re-elected by shareholders of the Company
- Base salary, inclusive of superannuation, for the period ended 30 June 2024 of $122,500.

Robert Fraser, Independent Non-executive Director and Chairman of the Audit and Risk Committee.

- Commenced on 21 May 2019
- No term of agreement is set. Subject to the Director being re-elected by shareholders of the Company
- Base salary for the period ended 30 June 2024 of $95,000.

Peter Montgomery AM, Independent Non-executive Director and member of the Audit and Risk Committee.

- Commenced on 21 May 2019
- No term of agreement is set. Subject to the Director being re-elected by shareholders of the Company
- Base salary, inclusive of superannuation, for the period ended 30 June 2024 of $82,500.

Employment Agreement

Remuneration and other terms of employment for the Managing Director are formalised in an employment agreement with the Company.

Chris Mackay, Managing Director and Portfolio Manager.

On 1 October 2013, Mr Mackay was appointed Managing Director and Portfolio Manager of the Company. Mr Mackay entered into an employment contract. Under the terms of the contract, which continues indefinitely until terminated, Mr Mackay:

- receives fixed compensation structured as a total employment cost package of $1,650,000 per annum (inclusive of superannuation), which may be received as a combination of cash, non-cash benefits and superannuation contributions and is subject to periodic review;
- is not entitled to receive short term incentive payments; and
- is restrained from soliciting clients, employees or agents of the Company or related parties for a period of six months' after termination of employment.

The contract may be terminated by the Company at any time without notice for cause. Mr Mackay may terminate the contract at any time by providing the Company with not less than six months written notice. The Company may terminate the contract at any time by providing six months' written notice or providing payment in lieu of that notice.

Shareholdings

The number of shares held in the Company at 30 June 2024 by the KMP is as follows:

	Balance 30 Jun 2022	Additions/ (Disposals)	Balance 30 Jun 2023	Additions/ (Disposals)	Balance 30 Jun 2024
Annabelle Chaplain AM	441,136	35,454	476,590	**31,266**	**507,856**
Robert Fraser	598,413	-	598,413	**(286,428)**[1]	**311,985**
Chris Mackay	103,220,860	8,960,333	112,181,193	**4,031,751**[2]	**116,212,944**
Peter Montgomery AM	358,576	12,620	371,196	**29,060**	**400,256**

[1] Disposal relates to a holding in which Mr Fraser no longer has a relevant interest.
[2] Includes a reduction of 284,376 shares to exclude holdings of his now adult children, in which Mr Mackay no longer has a relevant interest.

10. Other

Indemnification and Insurance of Directors and Officers

The Company insures the Directors and Officers of the Company in office to the extent permitted by law for losses, liabilities, costs and charges in defending any legal proceedings arising out of their conduct while acting in the capacity as Directors and Officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

During the period, the Company paid insurance premiums to insure the Directors and Officers of the Company. The terms of the contract prohibit the disclosure of the premiums paid.

Auditor

Ernst & Young ("EY") continues in office in accordance with section 327 of the *Corporation Act 2001*.

Non-Audit Services

During the period, EY, the Company's auditor, has performed other services in addition to its statutory duties. Details of the amounts paid or payable to the auditor are set out in Note 10 to the Financial Statements.

The Directors, in accordance with advice received from the Audit and Risk Committee, are satisfied that the provision of those non-audit services during the period by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied, considering the nature and quantum of the non-audit services, that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

Directors’ Report

for the year ended 30 June 2024

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure that they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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 the following page.

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, 29 July 2024

Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

As lead auditor for the audit of the Financial Report of MFF Capital Investments Limited for the financial year ended 30 June 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 audit;

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

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

Ernst & Young

Ernst & Young

Clare Sporle
Partner

Sydney, 29 July 2024

Portfolio Manager's Report

for the year ended 30 June 2024

Dear Shareholder,

MFF's mark to market profits for fiscal 2024 are detailed in the Chairman's Letter and elsewhere in the Financial Statements. Although positive, 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.

The table on page 17 indicates an after tax investment return for the 2024 financial year of 26.5% on starting Net Assets after providing for income tax at the full 30% rate on unrealised gains as well as realised profits. MFF benefits from compounding of unrealised gains, which are reflected partly in the increase of the deferred tax liability in fiscal 2024 by $112.2 million (the deferred tax liability as at 30 June 2024 of $390.3 million is equivalent to 18.8% of MFF's Net Assets at that date).

Although this year's profit figures were MFF's highest 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 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.

Looking forward, there are strong grounds for optimism. 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. We also believe that the market prices for the portfolio are satisfactory, even after the MFF portfolio benefitted from significant increases in market prices in fiscal 2024. 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.

2024 Results and Current Position

Despite fiscal 2024 having numerous economic, geopolitical and other challenges including the ongoing kinetic military actions, the advancing early stages of an emerging cold war between superpowers and the "record" rapid increase in official interest rates, there is little about the composition of the MFF portfolio or the companies' competitive positions that changed materially. The advantaged companies maintained their advantages with many headwinds and some tailwinds.

Portfolio changes were modest with no new company purchases and no material sales. MFF maintained its fiscal disciplines whilst paying taxes, paying dividends, buying back MFF shares on market (and cancelling them) and paying other expenses. Market participant mood swings from fear to greed caused price changes which allowed some buying and selling. Being able to ignore prognostications on the so-called macro forces at play advantages index investors and some active investors. MFF's full portfolio, including all securities bought or sold, and details of the changes (shown in six monthly blocks) are included in Note 6 to the accounts.

Calendar 2022 seems a lifetime ago but it allowed us to acquire more holdings in outstanding companies on satisfactory or attractive terms. MFF has benefited from the market price rebounds in 2023 and 2024 for a number of these companies. Additionally, many of these outstanding companies continued to improve their competitive positions. Some competitors have withdrawn or reduced the competitiveness of offers. More importantly, our portfolio companies sustain massive value creating investments (particularly in skills and technology), broaden customer offers to attractive adjacencies and reduce costs of doing business, whilst improving customer satisfaction. The businesses of our excellent portfolio companies improved further.

Headwinds associated with political and regulatory pressures continued to increase over the last 12 months. Overall, though, the aggressive implementation of multitudes of anti-business measures was matched for our portfolio by advances via technologies related to digitisation, cloud and computing power and to some extent by strong market positions (in these early stages of the battles). Whilst many investors have chosen lower quality or more risky investments (and struggle in difficult economic and funding conditions), we maintain our portfolio of quality businesses notwithstanding expectations that these headwinds will grow. Implementation of many regulations continues to be damaging to progress and outmoded despite some decent intentions. Our emphasis on larger, hugely profitable companies has in part benfitted from their greater capacity to adapt to excessive regulation (including often where it directly targeted them) in comparison with smaller companies, which might have done better without the excessive regulatory burdens. Terrible banking regulation was predictable after the financial crisis, continues to focus on previous issues (such as capital and liquidity requirements) and not massive growth in non-bank lending funded by unprotected investors and the electronic runs on deposits to bigger institutions (ignored in latest "stress tests") as politicians are often distracted by naïve ideology from factional and student politics (with repeated damage around the world by populists as well as socialists). They and even non ideologically dominated regulators are not incentivised to ask the obvious "And then what?" despite history from Savings and Loans and past crises. Regulators and politicians "have the pen", subject to even more dangerous interventionist judges (US Supreme Court et al). Hence no battle should be regarded as a sustained victory for capitalist opportunities or personal freedom in prevailing societal norms [without even considering totalitarian regimes].

In summary: 1) our portfolio companies continue to be beneficiaries of technology, although of course monitoring is active as new advances may cause circumstances to change very rapidly; 2) on balance, in fiscal 2024 MFF may have again benefitted from the current zeal towards regulatory overreach, and, more clearly, MFF benefitted from competitors withdrawing sub-economic activities; and 3) material risks have not dissipated.

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 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 years, MFF has declared fully franked dividends of $395.4 million, paid income tax of $302.0 million and bought back and cancelled $43.1 million MFF shares. MFF also managed capital growth over this period, with net profits of $1,460.2 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.

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. Care should be taken when looking at tables of pre-tax numbers for indices and trusts if MFF is included. Inevitably they are unadjusted for MFF's $302 million tax paid (over just the last eight years), and this is distorting given starting net assets of $786.4 million.

Portfolio Manager's Report

for the year ended 30 June 2024

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 2017	158.8	786.4	20.2	-	10.0	1.3	3.9	1.3	9.4	1.2
30 Jun 2018	240.0	953.1	25.2	-	16.2	1.7	18.0	11.0	7.0	0.7
30 Jun 2019	218.6	1,238.2	17.7	-	19.0	1.5	41.6	45.6	7.0	0.6
30 Jun 2020	25.1	1,443.6	1.7	-	139.0	9.6	129.4	118.0	8.0	0.6
30 Jun 2021	217.5	1,361.9	16.0	-	37.2	2.7	3.4	106.9	6.9	0.5
30 Jun 2022	(170.8)	1,593.6	(10.7)	-	43.8	2.7	14.6	104.1	7.0	0.4
30 Jun 2023	323.6	1,424.9	22.7	25.6	55.0	3.9	31.1	114.0	5.6	0.4
30 Jun 2024	447.4	1,687.3	26.5	17.5[7]	75.2[8]	4.5	60.0	146.8	4.2	0.2
	1,460.2			43.1	395.4		302.0		55.1	

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 During the period ended 30 June 2024, the Company purchased on-market, and cancelled, 5,981,990 shares, at a total cost of $17,495,000 (refer Note 8 to the Financials Statements).
8 The amount of the proposed final 2024 dividend is based on the number of shares on issue at 30 June 2024.

Portfolio and Market Commentary as at 30 June 2024

Our views on the portfolio and other details were summarised in the June 2024 NTA release to the ASX on 1 July 2024 as follows (with minor editing from original release).

"MFF advises that its approximate monthly NTA per share as at 28 June 2024 was $4.285 pre-tax ($3.398 as at 30 June 2023), and $3.574 after providing for tax[1] ($2.912 as at 30 June 2023). The pre-tax NTA figures each month are after deducting taxes paid by MFF. Profits before income tax of slightly over $142.857m are required for each $100m of NPAT, reflecting MFF's tax rate of 30% of pre-tax profits. For the 2024 financial year, pre-tax profit of modestly over $600m ($462.2m for fiscal 2023) reduces to closer to $420m ($323.6m for fiscal 2023), after allowing for tax on unrealised as well as realised gains. Increased unrealised gains increase the difference between pre-tax and post-tax NTA figures for MFF. Deferred taxes are true balance sheet liabilities.

Although yearly figures, and certainly monthly and shorter-term figures, are at least largely meaningless, longer term figures for MFF arguably support the "proof of concept" of disciplined investment processes focussed upon Quality and Value whilst seeking to protect shareholder capital. MFF's portfolio weightings towards profitable growth (rather than "deep value" favoured for periods last century) in recent markets have contributed to capital compounding, but are always subject to review (opportunity costs, price/value etc) particularly given concentrated market price re-ratings, competition, margin, political/regulatory, technology and other risks. Value traps are terrible but fallen growth stocks offer much less capital protection.

MFF must adapt to increase probabilities of producing decent results in the period to 2035. MFF has discussed at recent AGMs our expectation that the portfolio would have to be widened to include smaller companies, with large future addressable markets but less entrenched current positions and possibly narrower "verticals". Almost certainly to the benefit of the portfolio in recent years, we have not added any new such businesses, or lower quality deep value opportunities, although we have searched for and considered many. Over the next decade or so past winners will not all be future winners, and likely there will be major differences, but winning cohorts might again be quite narrow, which will require broader more diverse input and analysis for MFF. Conditions will not repeat and likely will be less favourable, reducing the proportion of GDP going to profits whereas during the last decade US official corporate tax rates dropped by 14 percentage points to 21% and interest rates averaged historical lows for short and longer durations. MFF requires clear focus in the current market environment marked by a return to asset price speculation across productive (and unproductive) asset classes, despite interest rates and inflation being stubbornly higher than in the historically extraordinary previous period and building pressures (economic, social, political, geopolitical).

MFF seeks to embrace market volatility and does not manage for short term or "presentation" figures. Many more attractive purchase opportunities become available during panics, whilst periods of higher prices require sales (and prompt tax cash payments). Our results over many years have been enhanced because we are unconstrained (temperamentally or by rules) from embracing out of favour situations where momentum [MOMO] and fear of missing out [FOMO] are absent, but prices and margins of safety are more attractive, provided there is business Quality. Each year MFF starts at zero, based upon a full "mark to market". Recent portfolio price appreciation REDUCES margins of safety and future returns irrespective of how momentum players and promoters might delude. However, the sustained market appreciation has allowed MFF to rebuild capital availability to in excess of $500m within our prudent gearing/balance sheet rules, whilst paying increased fully franked dividends and buying back shares on satisfactory terms for ongoing shareholders.

Cumulative tax becomes larger for MFF in periods of strong price appreciation (such as now), current tax payments are high, and we have paid/accrued over $300m in cash taxes from the start of Covid. No respite in June as MFF cash tax paid was almost $8.6m and this obviously reduced pre-tax NTA for the month. Comparative period to period "pre-tax" figures for indices and pass through trusts do not assume any tax incidence and most likely provide comparable measures of performance between indices and pass through trusts across periods, whereas they do not provide comparable measures of performance across periods between themselves and significant tax paying companies such as MFF. Of course, a little analysis is required in considering any "performance figures" particularly in promotional environments.

Although franking credits do not compensate for tax paid, we note that MFF's 31 December 2023 accounts showed a franking credit balance of approximately $127.1m (approximately 22 cents per share) and MFF's franking balance is higher as at 30 June 2024. MFF Directors have increased MFF's fully franked dividends in recent periods, and announced with the half yearly results, their intention to increase the rate per share of the six-monthly dividend to 7.0 cents fully franked for the period ending 30 June 2024, subject to corporate, legal and regulatory considerations, with continued operation of the DRP and BSP (at zero discount). A clear majority of MFF's shareholders by number (of those who have provided feedback) have supported the steadily increasing fully franked dividends declared by MFF. In continuing this approach, franking credits are not the constraining factor, and MFF's capital is managed to make available AUD funds for the increasing dividends (and tax payments necessitated by sales). Attendees at MFF AGMs have discussed the attributes of dividends compared with MFF's retention of capital for reinvestment in outstanding businesses, with its compounding benefits.

Relative inactivity has remained a positive for a portfolio with the characteristics of MFF. MFF has maintained its investments in a portfolio of extraordinary businesses with sustainable competitive advantages and above average sustainable profitable growth rates, acquired on satisfactory terms. Higher prices for portfolio holdings reduce margins of safety and future returns, importantly caveated (to date) that portfolio companies' business successes primarily determine whether MFF's portfolio achieves sustained success. Over time, compound increasing cashflows and strong returns on capital prevail, even with ongoing very conservative assumptions on future interest rates and (within limits) against higher market prices. The portfolio companies produce world class business and short-term financial performances, combined with massive ongoing investments in technology and skills to increase competitiveness and advantages for the future. Overall, we believe that such sustained excellence continues to at least justify the increased market valuations attributed to most of MFF's portfolio holdings, although margins of safety are reduced, and various competitive pressures are expected to increase. Overearning continues as an important risk for portfolio companies, and some bad June reports (outside the portfolio) increase the urgency of wider spreading concerns. Balanced against these trends is that for MFF some significant portfolio companies have built such advantages that their networks, products and services might enjoy both volume and pricing growth for longer periods than previously anticipated. June again saw many very adverse market reactions to weaker results than forecast, across a range of industries, and consumer weakness.

Businesses continue cutting costs where possible as growth rates slow under stagflationary pressures, and previously important companies are being bankrupted as they seek to cope with increased legislative and regulatory burdens, taxes, and charges as well as competition and other customary business pressures. Australia may again be a canary despite past complacency perhaps warranted by sustained decades of high commodity prices across wider ranges of mineral exports, as stagflation may be more entrenched (absent recession/severe market panic), compounded by policy and structural factors (including centralised wages/benefits/labour, automated taxes and charges at indexation plus, federation misdirection accelerated via Covid by state Governments deprioritising historical fiscal prudence; not being comparable with the US Federal system including states favouring businesses with lower taxes, regulatory support and stricter fiscal limits, daily record regulatory burdened bankruptcies, Treasury incentives that favour bracket creep, high comparative marginal taxes and corporate tax rates, rental and energy cost failures, oligopoly business structures and an otherwise attractive forced retirement savings system continuing to reduce liquidity/transparency [and value focus] of investments, whilst increasing risks of systemic real capital reversals unless future market conditions remain unusually favourable). Prudence is warranted rather than complacency for market participants and for political bodies in middle ranking and smaller economies; for example, recent warnings from the UK 2022 debt and equity market meltdown around forced margin calls for long dated pension funds, France June 2024 moves into more dangerous territory, and despite low volatility the current re-emergence in benign markets of "hedging losses" which in standard adverse market cycles crystallized unexpected liquidity mismatches and bankruptcies.

Portfolio Manager's Report

for the year ended 30 June 2024

For MFF in June sales were about 0.6% of portfolio value, with purchases about 0.1% (another year passed without a single new portfolio company). MFF increased its very considerable balance sheet strength in recent months in the generally appreciating markets and remains unpressured to increase or reduce portfolio holdings in aggregate or individually. The speculative booms and promotional activity continue and arguably accelerated again in June with tools in the promoters' playbooks inducing many to chase. Yield seeking continues to lead to return free risk for some investors in promoted credit and similar debt markets (other than for promoters). Ongoing unabated USD strength continued to add to emerging market inflation and currency risks including because of disruptive speculative flows (the Yen returned to weaker levels before interventions).

MFF is not forecasting but seeking to maintain process focus and disciplines. Subsequent studies will likely confirm (as Kahneman and Munger observed) that digital trading second to minute, increases activity and addiction, and confidence temporarily, but precludes successful longer-term results, other than for the few algorithmic firms acting as croupiers. In recent years MFF has very profitably focussed on outstanding Quality at perceived Value, whilst examining many smaller and potentially emerging companies. Minimising foreseeable business risks, underpinned by the focus on higher probability sustained growth/successful businesses, has been valuable in considering portfolio construction and composition, as technological changes and regulatory burdens have been less disadvantageous for some large companies than for earlier cohorts of large companies [overall, smaller companies, "riskier" businesses and emerging markets have underperformed in recent years]. Past market cycles may caution against forecasting losers to become winners, as business conditions become more difficult. For MFF the base case against which opportunities are compared, is that our portfolio of Quality, advantaged businesses, compounds over time, whilst Value applies patience, focus and process to give us mispriced securities with decent probabilities for profitable gains, as the market has done for decades, albeit irregularly. Rarely but sometimes these Value opportunities are in businesses that we then hold for a decade or more. Mostly they are in very good businesses that are mispriced, but without the extraordinary profit compounding potential for the decade plus extraordinary focus group.

We fear that momentum will test us all. Apparently easy gains may well continue and are as likely as not to accelerate. Being out of touch may become polite criticism. Participants will likely not undertake pre mortems where they subsequently regret trying too hard to invest in equities in extended bull market conditions, paid too much for [temporary] Winners, did not sell at attractive prices, held on to loser businesses despite disconfirming evidence, and felt that anti-business populist and totalitarian regimes might help their returns. We will likely join the subsequent chorus in arguing that we should have better adhered to common sense processes and risk controls. In our case we hope to have available resources to deploy as opportunities become very attractive. Although not many take heed of its wisdom, if the 2024 updated edition of The Intelligent Investor were instead a 2024 IPO, it would be marketed with the high price and scarcity that (ironically) multiplied the resale value of another book of reason, Klarman's Margin of Safety.

As noted repeatedly in recent months, we remain less sanguine than other market participants as the Federal Reserve continues holding its artificial (but hugely influential) interest rates too high for too long. Many speculators and other economic and market participants have commenced adjusting to the moderately higher interest rates, higher for longer has become much closer to consensus. In contrast to its relatively limited impact (so far) upon market participants and wealthy boomers/retirees, the real burden is upon poorer people, less able to cope even after major cutbacks in spending. Hopefully, some mitigation is ahead. Very modest strains in refinancing have been overshadowed by the ongoing bull markets in equities and other assets. As to politics, June farce descended at an accelerated dangerous pace and leaves ample that is better left unsaid, and gaping holes in which totalitarians (and lesser, self-interested socialists/populists and business leeches and vultures), capriciously help themselves. Systemic resilience will be tested further as the reinforcements of easy good decisions and good actors, are replaced by difficult circumstances exacerbated by increased inequalities, debt burdens, bad choices and paradigms requiring winners/losers. More mature bull markets separate people from valuable assets (in hindsight), with old methods and new and with whatever terminology as Galbraith described the Bezzle in his seminal Great Crash, Munger added the Febezzle which others described as "trickle down" and to include cyclical overearning.

Portfolio Manager's Report

for the year ended 30 June 2024

All holdings in the portfolio as at 28 June 2024 are shown in the table that follows (shown as percentages of investment assets).

	%		%
Amazon	**12.8**	Intercontinental Exchange	**1.6**
Mastercard	**9.6**	United Overseas Bank	**1.4**
Visa	**9.1**	Oversea - Chinese Banking	**1.2**
Bank of America	**7.5**	US Bancorp	**1.2**
Alphabet Class A	**7.5**	UnitedHealth Group	**1.1**
Alphabet Class C	**7.2**	Lowe's	**0.6**
Microsoft	**7.1**	CVS Health	**0.6**
American Express	**7.1**	Prosus	**0.6**
Meta Platforms	**6.8**	RB Global	**0.4**
Home Depot	**6.0**	Morgan Stanley	**0.3**
HCA Healthcare	**2.5**	Schroders	**0.1**
Flutter Entertainment	**2.3**	L'Oreal	*
Lloyds Banking Group	**2.0**	JP Morgan Chase	*
DBS Group	**1.7**	Allianz	*
CK Hutchison	**1.6**	* less than 0.1%	

Net debt shown as a percentage of investment assets was approximately 2.9% as at 28 June 2024. AUD net cash was 6.1% (taxes, other expenses, buybacks and dividends are paid in AUD), USD net debt 2.4% and Euro, GBP, HKD and SGD borrowings totalled approximately 6.6% of investment assets as at 28 June 2024 (all approximate). Key currency rates for AUD as at 28 June 2024 were 0.668 (USD), 0.623 (EUR) and 0.528 (GBP) compared with rates for the previous month which were 0.665 (USD), 0.613 (EUR) and 0.522 (GBP).

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

Previous discussions of currency positioning will not be repeated as the key principles remain broadly unchanged. Little should be read into changes in the composition of borrowings. The AUD cash is aimed to represent at least 12 months of foreseeable AUD payments. The Yen borrowings were to offset currency risk on the positions. HKD borrowings have slightly lower costs than USD borrowings and the currencies are "pegged" but have different risk profiles. Euro and GBP borrowings are encouraged, other things being equal, by their longer-term economic prospects, although short term sticky inflation may attract interest rate purchasers.

Similarly, the key points discussed previously regarding MFF's funding remain broadly unchanged, including: 1) borrowing amidst inflationary conditions; 2) foreseeable after-tax interest costs are not an impediment to sensible borrowing by MFF for long term quality businesses given MFF's prudent borrowing limits, even assuming further material interest rate increases; and 3) debt is currently less expensive than equity for existing equity holders.

Portfolio Manager's Report

for the year ended 30 June 2024

MFF releases regular portfolio and investment information to the ASX including the weekly NTA details, as well as monthly NTA updates and commentary. The July 2024 NTA is scheduled to be released to the ASX on 1 August 2024.

Yours faithfully,

Chris Mackay

Chris Mackay
Portfolio Manager

Sydney
29 July 2024

Statement of Profit or Loss and Comprehensive Income

for the year ended 30 June 2024

	Note	30 Jun 2024 $'000	30 Jun 2023 $'000
Investment Income			
Dividend and distribution income		**38,830**	29,182
Interest income		**6,099**	2,034
Net change in fair value of investments		**615,035**	473,997
Net gains/(losses) on foreign currency cash and borrowings	4	**6,832**	(21,050)
Net gains/(losses) on foreign exchange settlements & contracts		**(202)**	448
Total Net Investment Income/(Loss)		**666,594**	484,611
Expenses			
Services fees	13	**1,200**	2,600
Finance costs – interest expense	4	**23,299**	16,740
Managing Director's salary		**1,650**	1,500
Non-executive Directors' fees		**300**	300
Long service leave statutory expense		**51**	24
Registry fees		**146**	175
ASX listing, clearing and settlement fees		**180**	192
Transaction costs		**190**	129
Employment related taxes		**104**	96
Fund administration and operational costs		**94**	99
Auditor's remuneration	10	**84**	74
Regulatory levy		**38**	56
Withholding tax not recoverable		**44**	199
Other expenses		**134**	191
Total Expenses		**27,514**	22,375
Profit/(Loss) Before Income Tax Expense/(Benefit)		**639,080**	462,236
Income tax (expense)/benefit	3	**(191,724)**	(138,661)
Net Profit/(Loss) After Income Tax Expense/(Benefit)		**447,356**	323,575
Other comprehensive income		**-**	-
Total Comprehensive Income/(Loss)		**447,356**	323,575
Basic Earnings/(Loss) Per Share (cents)	9	**77.35**	55.34
Diluted Earnings/(Loss) Per Share (cents)	9	**77.35**	55.34

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 30 June 2024

	Note	30 Jun 2024 $'000	30 Jun 2023 $'000
Current Assets			
Cash and cash equivalents	4	**89,448**	28,248
Investments	6	**2,556,235**	2,300,972
Receivables	5	**748**	422
Prepayments		**20**	20
Total Current Assets		**2,646,451**	2,329,662
Total Assets		**2,646,451**	2,329,662
Current Liabilities			
Payables	7	**436**	445
Current tax payable		**21,152**	5,128
Borrowings	4	**163,193**	358,423
Total Current Liabilities		**184,781**	363,996
Non-Current Liabilities			
Net deferred tax liability	3	**390,339**	278,162
Provision for long service leave	7	**291**	240
Total Non-Current Liabilities		**390,630**	278,402
Total Liabilities		**575,411**	642,398
Net Assets		**2,071,040**	1,687,264
Equity			
Contributed equity	8	**706,971**	710,695
Profits reserve		**1,232,124**	784,768
Retained profits		**131,945**	191,801
Total Equity		**2,071,040**	1,687,264

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 year ended 30 June 2024

	Note	30 Jun 2024 $'000	30 Jun 2023 $'000
Contributed Equity			
Balance at the Beginning of the Period		**710,695**	722,390
Transactions with owners in their capacity as owners:			
Securities issued under DRP	8	**13,810**	11,905
Shares issued on exercise of options	8	**-**	2,079
Shares acquired under buy-back	8	**(17,495)**	(25,641)
Transaction costs on shares acquired under buy-back net of tax	8	**(25)**	(38)
Transaction costs on shares issued under BSP net of tax	8	**(14)**	-
Balance at the End of the Period		**706,971**	710,695
Retained Profits			
Balance at the Beginning of the Period		**191,801**	241,353
Total comprehensive income/(loss)		**447,356**	323,575
Transfer to profits reserve	1.10	**(447,356)**	(323,575)
Dividends paid	2	**(59,856)**	(49,552)
Balance at the End of the Period		**131,945**	191,801
Profits Reserve			
Balance at the Beginning of the Period		**784,768**	461,193
Transfer from retained earnings	1.10	**447,356**	323,575
Balance at the End of the Period		**1,232,124**	784,768
Total Equity		**2,071,040**	1,687,264

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 year ended 30 June 2024

	Note	30 Jun 2024 $'000	30 Jun 2023 $'000
Cash Flows from Operating Activities			
Dividends and distributions received (net of withholding tax)		**35,284**	26,828
Interest received		**5,809**	2,034
Payments for purchase of equity investments		**(170,900)**	(179,458)
Proceeds from sale of equity investments		**530,691**	324,503
Net realised gain/(loss) on foreign exchange settlement contracts and cash		**(202)**	448
Services fees paid	13	**(1,200)**	(3,370)
Tax paid		**(60,012)**	(31,078)
Other expenses paid		**(2,977)**	(2,857)
Net Cash Inflow/(Outflow) from Operating Activities	4	**336,493**	137,050
Cash Flows From Financing Activities			
Net proceed/(repayment) of borrowings	4	**(188,398)**	(64,013)
Proceeds on exercise of options	8	**-**	2,079
Payment for shares acquired under buy-back	8	**(17,495)**	(25,641)
Payment of transaction costs on shares acquired under buy-back		**(36)**	(54)
Payment of transaction costs on shares issued under BSP		**(19)**	-
Interest paid	4	**(23,299)**	(16,740)
Dividends paid (net of DRP)		**(46,046)**	(37,647)
Net Cash Inflow/(Outflow) from Financing Activities		**(275,293)**	(142,016)
Net increase/(decrease) in cash and cash equivalents		**61,200**	(4,966)
Cash and cash equivalents at the beginning of the period		**28,248**	33,214
Cash and Cash Equivalents at the End of the Period	4	**89,448**	28,248

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 year ended 30 June 2024

Overview

This annual financial report is for MFF Capital Investments Limited ("MFF" or the "Company") for the period ended 30 June 2024. The principal accounting policies adopted in the preparation of the 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 financial report for the period ended 30 June 2024 is a general purpose financial report and has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and other mandatory professional reporting requirements. It is presented in Australian Dollars ("$") and was approved by the Board of Directors on 29 July 2024. The Directors have the power to amend and reissue the financial report.

1.1. Compliance with International Financial Reporting Standards

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

1.2. Historical Cost Convention

This financial report has been prepared on a going concern basis and under the historical cost convention except for assets which are measured at fair value.

1.3. Accounting Policies

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

The Company has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at balance date.

1.4. New and Amended Accounting Standards

There are no new accounting standards, amendments to existing standards or interpretations that are effective as of 1 July 2023 that have a material impact on the amounts recognised by the Company in the prior periods or will affect the current or future periods.

1.5. Segment Reporting

An operating segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different to those of other segments.

The Managing Director and Portfolio Manager makes the investment decisions for the Company and the Company's operating segments are determined based on information reviewed by the Portfolio Manager to make investment decisions. The Portfolio Manager manages the Company's investments on a portfolio basis and considers the Company operates in a single operating segment.

1.6. Foreign Currency Translation

The functional and presentation currency of the Company as determined in accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates* is the Australian Dollar. Transactions denominated in foreign currencies are translated into Australian Dollars at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian Dollars at the foreign currency closing exchange rate ruling at the balance date.

Foreign currency exchange differences arising on translation, and realised gains and losses on disposals or settlements of monetary assets and liabilities, are recognised in the Statement of Profit or Loss and Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian Dollars at the foreign currency closing exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented separately in the Statement of Profit or Loss and Comprehensive Income.

Notes to the Financial Statements

for the year ended 30 June 2024

1.7. Investment Income

Dividend Income

Dividend income is recognised on the applicable ex-dividend date gross of withholding tax. Foreign dividends received are recognised net of withholding tax in the Statement of Cash Flows.

Net Change in Fair Value of Investments

Realised and unrealised gains and losses on investments measured at fair value through profit or loss are recognised in the Statement of Profit or Loss and Comprehensive Income. The net change in fair value does not include dividend income.

Interest Income

Interest income is recognised on an accruals basis using the effective interest rate method. If revenue is not received at balance date, it is included in the Statement of Financial Position as a receivable and carried at amortised cost.

1.8. Expenses

All expenses are recognised in the Statement of Profit or Loss and Comprehensive Income on an accruals basis.

Directors' Fees

Directors' fees (including superannuation) and related employment taxes are included as an expense in the Statement of Profit or Loss and Comprehensive Income as incurred. Information regarding the Directors' remuneration is provided in the Remuneration Report (refer to the Directors' Report on pages 10 and 11).

Finance Costs

The basis on which finance costs incurred on borrowings is recognised is included in Note 4.

1.9. Goods and Services Tax

Revenue, expenses and assets (with the exception of receivables) are recognised net of the amount of Goods And Services Tax ("GST"), except when GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of that purchase or as an expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position as a receivable or payable.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from financing activities which are recoverable from, or payable to the taxation authority, is presented as operating cash flow.

1.10. Profits Reserve

The profits reserve consists of current and/or prior period profits transferred from retained earnings that are preserved for future dividend payments. The profits reserve will reduce when dividends are paid from this reserve.

1.11. Rounding of Amounts

All amounts in the Financial Statements 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*.

1.12. 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:

	30 Jun 2024 $'000	30 Jun 2023 $'000
For the Period Ended 30 June 2024:		
Fully franked final dividend for 2023 (5.0 cent per share) paid 3 November 2023	**27,238**	-
Fully franked interim dividend for 2024 (6.0 cent per share) paid 14 May 2024	**32,618**	-
For the Period Ended 30 June 2023:		
Fully franked final dividend for 2022 (4.0 cent per share) paid 4 November 2022	**-**	23,403
Fully franked interim dividend for 2023 (4.5 cent per share) paid 12 May 2023	**-**	26,149
Total Dividends Paid During the Period	**59,856**	49,552
Dividends forgone via BSP	**3,641**	-

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

Dividend Declared

In addition to the above dividends paid during the period, on 29 July 2024 the Directors declared a final dividend of 7.0 cents per share, fully franked at the corporate tax rate of 30% in respect of the period ended 30 June 2024. The amount of the proposed dividend, based on the number of shares on issue at 30 June 2024, is approximately $40,564,000 and will be paid on 1 November 2024.

A dividend payable to shareholders is only recognised if the dividend is declared, by the Directors, on or before the end of the period, but not paid at balance date. Accordingly, the final 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 30 June 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. 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, 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 30 June 2024. Refer to Note 8 for details of shares issued under the DRP during the period.

Bonus Share Plan

On 5 September 2023, the Company introduced a BSP. 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. No discount has been applied to shares issued under the BSP during the period ended 30 June 2024. Refer to Note 8 for details of shares issued under the BSP during the period.

Imputation Credits

	30 Jun 2024 $'000	30 Jun 2023 $'000
Imputation credits at balance date	**146,818**	114,019
Imputation credits that will arise from the payment of income tax payable	**21,152**	5,128
Total imputation credits available for subsequent reporting periods based on a tax rate of 30% (June 2023: 30%)	**167,970**	119,147

At balance date, imputation credits per share are 25.34 cents (June 2023: 19.66 cents).

3. Income Tax

The income tax expense/benefit for the period is the tax payable/receivable on the current period's taxable income based on the current income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for all deductible temporary differences and unused tax losses carried forward to the extent that it is probable that future taxable amounts will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of any deferred income tax assets is reviewed at each balance date and recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised only to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and for which the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

	30 Jun 2024 $'000	30 Jun 2023 $'000
(a) Income Tax (Expense) / Benefit Attributable to the Period, Payable on Operating Profit, is as Follows:		
Profit/(loss) before income tax expense	**639,080**	462,236
Prima facie income tax (expense)/benefit on net profit at 30%	**(191,724)**	(138,671)
Permanent differences	**-**	11
Prior year (under)/over provision	**-**	(1)
Income Tax (Expense) / Benefit reported in the Statement of Profit or Loss and Comprehensive Income	**(191,724)**	(138,661)
(b) Major Components of Income Tax Benefit / (Expense) are:		
Current income tax expense	**(79,523)**	(28,143)
Deferred income tax (expense)/benefit:		
Origination and reversal of temporary differences	**(112,201)**	(110,518)
Income Tax (Expense) / Benefit reported in the Statement of Profit or Loss and Comprehensive Income	**(191,724)**	(138,661)
(c) Deferred Tax Asset/(Liability)		
Deferred tax liability balances comprise temporary differences attributable to:		
Amounts recognised in the Statement of Financial Position:		
Deferred tax liability from changes in fair value of investments	**(390,397)**	(278,225)
Deferred tax liability from future foreign income tax offsets	**(55)**	(42)
Deferred tax liability from unrealised foreign currency gains	**(43)**	(43)
Deferred tax asset from accrued expenses and transaction costs	**156**	148
Total Net Deferred Tax Asset/(Liability)	**(390,339)**	(278,162)

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

Cash and Cash Equivalents

Cash includes cash at bank and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Borrowings

The transaction costs directly related to the borrowings are recognised in the Statement of Profit or Loss and Comprehensive Income. Borrowings are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Finance costs include interest expense related to the borrowings which are expensed in the Statement of Profit or Loss and Comprehensive Income using the effective interest method.

	30 Jun 2024 $'000	30 Jun 2023 $'000
Cash at bank - denominated in Australian Dollars	**89,448**	28,248
Set-Off Cash and Borrowings with MLI		
Cash - denominated in Australian Dollars	**65,386**	58,815
Borrowings - denominated in British Pounds	**(77,328)**	(98,409)
Borrowings - denominated in Hong Kong Dollars	**(62,676)**	(55,785)
Borrowings - denominated in US Dollars	**(60,169)**	(189,169)
Borrowings - denominated in Euros	**(27,898)**	(50,374)
Borrowings - denominated in Singapore Dollars	**(428)**	(23,414)
Borrowings - denominated in Japanese Yen	**(68)**	(75)
Borrowings - denominated in Canadian Dollars	**(12)**	(12)
Net Borrowings with MLI	**(163,193)**	(358,423)

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 30 June 2024, the Company's borrowings with MLI of $228,579,000 (June 2023: $417,238,000) have been presented net of the Company's cash deposits held with MLI of $65,386,000 (June 2023: $58,815,000). As a result, a borrowings position of $163,193,000 (June 2023: borrowings $358,423,000) 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 (refer Note 6), as security for the performance of its obligations under the IPBA.

Reconciliation of Borrowings arising from Financing Activities

	30 Jun 2024 $'000	30 Jun 2023 $'000
Financing facility borrowings at the beginning of the period	**(358,423)**	(401,386)
Net (proceeds)/repayment of borrowings	**188,398**	64,013
Foreign exchange movement	**6,832**	(21,050)
Financing Facility Borrowings at the end of the Period	**(163,193)**	(358,423)

Notes to the Financial Statements

for the year ended 30 June 2024

Reconciliation of Net Cash Inflow/(Outflow) from Operating Activities

	30 Jun 2024 $'000	30 Jun 2023 $'000
Net profit/(loss) after income tax expense	**447,356**	323,575
Net gain/(loss) on foreign currency cash and borrowings	**(6,832)**	21,050
Finance costs - interest expense	**23,299**	16,740
Net change in fair value of investments	**(255,263)**	(328,932)
(Increase)/decrease in receivables and prepayments	**(326)**	827
Increase/(decrease) in payables and provisions	**42**	(734)
Increase/(decrease) in deferred taxes on transactions costs	**16**	16
Increase/(decrease) in current and deferred taxes	**128,201**	104,508
Net Cash Inflow/(Outflow) from Operating Activities	**336,493**	137,050

Non-Cash Financing And Investing Activities

Shares issued to satisfy dividends under the DRP and shares issued in lieu of dividends under the BSP are shown in Note 8.

5. Receivables

Receivables comprise amounts due from brokers for sales of assets unsettled at balance date, dividends and trust distributions declared but not yet received, and reclaimable taxes. Receivables relating to the sale of investments are usually settled between two and five days after trade date. Receivables are recognised and carried at amortised cost using the effective interest rate method and adjusted for changes in foreign exchange rates where applicable. A provision is deducted from receivables for uncollectible amounts based on expected credit losses, if applicable. Expected credit losses are calculated as the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The Company applies the simplified approach for receivables whereby the loss allowance is based on lifetime expected credit losses at each balance date.

	30 Jun 2024 $'000	30 Jun 2023 $'000
Dividends receivable	**311**	238
Interest receivable	**290**	-
Outstanding settlements	**-**	20
GST receivable	**77**	73
Foreign tax recoverable	**70**	91
Total Receivables	**748**	422
Denomination of current receivables by currency:		
US Dollars	**381**	323
Australian Dollars	**367**	73
Euro	**-**	26
Total Receivables	**748**	422

Ageing Analysis of Receivables

At balance date, the Company's receivables, excluding recoverable GST and foreign withholding tax, were due within 0 to 30 days (June 2023: 0 to 30 days). Recoverable GST is due within 30 to 90 days (June 2023: 30 to 90 days). Foreign withholding tax is due within 2 to 5 years dependent on the jurisdiction (June 2023: 2 to 5 years). No amounts are impaired or past due at 30 June 2024 or 30 June 2023.

6. Investments and Derivatives

The Company classifies its equity securities, derivative assets and derivative liabilities as financial assets and liabilities at fair value through profit or loss.

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 as follows:

- 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 are 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 non-market observable data with the fair value for investments 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 period and the Company’s policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the period.

Transaction costs directly attributable to the acquisition of investments are expensed in the Statement of Profit or Loss and Comprehensive Income as incurred. Changes in the fair value of investments are recognised in the Statement of Profit or Loss and Comprehensive Income. When investments are disposed, the net gain or loss on sale is recognised in the Statement of Profit or Loss and Comprehensive Income on the date of sale.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities as movements in the fair value of these securities represent the Company’s main income generating activity.

The fair value of equity securities traded in active markets is based on their quoted market prices at balance date without any deduction for estimated future selling costs. The quoted market price used for securities held by the Company is the closing price for the security as quoted on the relevant stock exchange. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques including recent arm’s length market transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques commonly used by market participants.

Derivatives are contracts whose value is derived from one or more underlying price, index or other variable. Derivatives are included in the Statement of Financial Position as an asset when the fair value at balance date is positive and classified as a liability when the fair value at balance date is negative.

Notes to the Financial Statements

for the year ended 30 June 2024

Details of Investments

	Domicile	30 Jun 2024 Holding	31 Dec 2023 Holding	30 Jun 2023 Holding	30 Jun 2024 Value $'000	30 Jun 2023 Value $'000
Listed Equity Securities (Level 1)						
Amazon	i	**1,127,818**	1,215,438	1,280,547	**326,347**	250,781
Mastercard	i	**372,224**	396,973	477,273	**245,879**	281,997
Visa	i	**590,179**	659,076	762,870	**231,945**	272,166
Bank of America	i	**3,231,873**	3,063,771	2,682,604	**192,456**	115,622
Alphabet Class A	i	**700,322**	700,322	700,322	**191,006**	125,935
Alphabet Class C	i	**669,255**	753,619	842,939	**183,806**	153,189
Microsoft	i	**272,846**	285,046	295,965	**182,599**	151,413
American Express	i	**523,405**	638,684	539,535	**181,470**	141,196
Meta Platforms	i	**230,564**	261,658	279,085	**174,073**	120,321
Home Depot	i	**299,662**	319,184	332,229	**154,459**	155,042
HCA Healthcare	i	**132,151**	142,560	88,732	**63,573**	40,454
Flutter Entertainment	ii	**218,220**	239,764	210,402	**59,747**	63,493
Lloyds Banking Group	ii	**50,042,348**	41,581,586	37,745,418	**51,850**	31,425
DBS Group	iii	**1,097,133**	885,194	829,794	**43,383**	29,024
CK Hutchison	v	**5,691,500**	5,506,000	5,506,000	**40,824**	50,506
Intercontinental Exchange	i	**194,782**	206,612	213,322	**39,925**	36,239
United Overseas Bank	iii	**1,046,723**	936,123	836,723	**36,232**	26,007
Oversea - Chinese Banking	iii	**1,920,099**	1,742,999	1,635,399	**30,612**	22,293
US Bancorp	i	**498,149**	406,568	389,195	**29,612**	19,318
UnitedHealth Group	i	**37,930**	31,210	21,118	**28,923**	15,248
Lowe's	i	**49,719**	52,219	52,219	**16,412**	17,706
CVS Health	i	**180,197**	330,623	481,936	**15,935**	50,051
Prosus	vi	**273,226**	838,104[1]	321,152	**14,583**	35,325
RB Global	i	**86,340**	92,465	126,068	**9,872**	11,363
Morgan Stanley	i	**48,721**	363,592	300,894	**7,090**	38,603
Schroders	ii	**367,711**	367,711	351,100	**2,532**	2,932
L'Oreal	iv	**887**	887	2,887	**584**	2,021
JP Morgan Chase	i	**1,336**	37,153	171,723	**405**	37,520
Allianz	vii	**242**	10,220	10,824	**101**	3,782
Total Investments					**2,556,235**	2,300,972

[1] Effective 18 September 2023, holders received a bonus issue of 1.17960 shares for every 1 share held.

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

During the period 1,303 listed security transactions were made, incurring brokerage costs of $43,057.

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 year ended 30 June 2024

Foreign Exchange Rates

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

	30 Jun 2024	30 Jun 2023
US Dollar	**0.66785**	0.66565
Euro	**0.62314**	0.61013
Hong Kong Dollar	**5.21417**	5.21643
British Pound	**0.52832**	0.52358
Singapore Dollar	**0.90510**	0.90086

7. Payables

Payables comprise trade creditors and accrued expenses owing by the Company at balance date. Amounts due to brokers relating to the purchase of investments are usually settled between two and five days after trade date. Trade creditors are unsecured and usually paid within 30 days of recognition. Payables and accruals are recognised at amortised cost, using the effective interest rate method, at the point where the Company becomes obliged to make payments in respect of the purchase of these goods and services.

	30 Jun 2024 $'000	30 Jun 2023 $'000
Current Liabilities		
Services fees payable (including GST)	**330**	330
Accrued expenses	**106**	115
Total Current Liabilities	**436**	445
Non-Current Liabilities		
Provision for long service leave	**291**	240
Total Non-Current Liabilities	**291**	240
Total Payables	**727**	685
Denomination of payables by currency:		
Australian Dollars	**727**	685
Total Payables	**727**	685

Employee Entitlements

Employee entitlements comprise the Managing Director's salary and Non-executive Directors' fees.

Liabilities for employee entitlements are recognised in accrued expenses and are measured at the amounts expected to be paid when the liabilities are settled. A liability expected to be settled within 12 months from balance date is recognised in current liabilities.

Employee entitlements are included in payables in the Statement of Financial Position and expensed in the Statement of Profit or Loss and Comprehensive Income when the employee entitlements to which they relate are recognised in liabilities.

Long Service Leave

Liabilities for long service leave are recognised when employees reach a qualifying period of continuous service. Non-current liabilities are measured as the present value of expected future payments and are expected to be paid after 12 months of balance date.

8. Contributed Equity

The Company's shares are classified as equity and recognised at the value of consideration received by the Company. Incremental costs directly attributable to the issue of new shares and options are recognised in equity as a deduction, net of tax. Where the Company purchases its own issued shares under a buy-back, the consideration paid, including any directly attributable transaction costs, is deducted from contributed equity.

	30 Jun 2024 Number of Securities	30 Jun 2023 Number of Securities	30 Jun 2024 $'000	30 Jun 2023 $'000
Shares				
Opening balance	**580,044,338**	584,359,089	**710,695**	722,390
Shares issued under DRP:				
4 November 2022	**-**	2,716,219	**-**	6,286
12 May 2023	**-**	2,198,457	**-**	5,619
3 November 2023	**2,126,719**	-	**6,240**	-
14 May 2024	**2,159,081**	-	**7,570**	-
Shares issued under BSP:				
3 November 2023[1]	**563,776**	-	**-**	-
14 May 2024[1]	**566,712**	-	**-**	-
Shares issued on exercise of Options	**-**	799,503	**-**	2,079
Shares bought back on-market and cancelled	**(5,981,990)**	(10,028,930)	**(17,495)**	(25,641)
Transaction costs on shares acquired under buy-back net of tax	**-**	-	**(25)**	(38)
Transaction costs on shares issued under BSP net of tax	**-**	-	**(14)**	-
Total Contributed Equity	**579,478,636**	580,044,338	**706,971**	710,695
MFF 2022 Options				
Opening balance	**-**	81,926,543	**-**	-
Shares issued from exercise of options during period	**-**	(799,503)	**-**	-
Options lapsed 31 October 2022	**-**	(81,127,040)	**-**	-
Total MFF 2022 Options	**-**	-	**-**	-

[1] BSP shares are issued at zero value to the Company.

Shares

Fully paid 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. 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.

MFF 2022 Options

Each eligible shareholder of the Company received one option for every five shares held at 27 August 2020 for nil consideration. A total of 109,928,551 options were issued by the Company on 3 September 2020. On 31 October 2022, the MFF 2022 Options expired and 81,127,040 unexercised options lapsed. Shares issued on exercise of the options ranked equally with all other shares from the date of issue.

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, an extension of the on-market buy-back of up to 46,010,920 MFF shares for a 12 month period ending 31 January 2025, was announced.

During the period ended 30 June 2024, the Company purchased on-market, and cancelled, 5,981,990 shares, at a total cost of $17,495,000. Subsequent to balance date and up until 19 July 2024, the Company did not purchase any shares on-market.

Notes to the Financial Statements

for the year ended 30 June 2024

9. Earnings per Share

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

	30 Jun 2024	30 Jun 2023
Basic Earnings/(Loss) Per Share (cents)	**77.35**	55.34
Diluted Earnings/(Loss) Per Share (cents)	**77.35**	55.34
Weighted Average Number of Shares		
Weighted average number of shares on issue used in calculating basic and diluted EPS	**578,378,342**	584,672,007
Earnings Reconciliation		
Net profit/(loss) after income tax expense used in the calculation of basic and diluted EPS ($'000)	**447,356**	323,575

As the Company has no potential dilutive units, basic and diluted EPS are equal.

10. Auditor's Remuneration

Amounts received or due and receivable by the auditor of the Company, Ernst & Young Australia:

	30 Jun 2024 $	30 Jun 2023 $
EY		
Fees for audit and review of statutory financial reports	**71,495**	64,955
Fees for other services:[1]		
Taxation compliance services[2]	**9,000**	9,000
Taxation advisory services[3]	**4,000**	-
	84,495	73,955
% of non-audit fees paid to auditor	**15.4%**	12.2%

[1] Categorised as non-audit services.
[2] Review of the Company's income tax return.
[3] Review of draft BSP booklet.

External Auditor

The Audit & Risk Committee’s work consists of overseeing the relationship with the Company's external auditor including safeguarding independence and approving non-audit fees and its appointment.

The external audit was last put out to tender in 2018, which aligned to the auditor’s 10 year anniversary, and EY was reappointed auditor as it scored highest across all requirements and the Board was satisfied that appropriate safeguards were in place to ensure the required independence of EY. The Company outsourced the tender process to its services provider, Magellan Asset Management Limited ("MAM"), however the Company's Audit & Risk Committee retained ultimate authority over the tender process, audit firm evaluation and recommendation of the selection to the Board. Ms Clare Sporle has served as lead audit partner since August 2019. In accordance with the *Corporations Act 2001*, the next rotation of the lead partner is planned to occur after the completion of the 30 June 2024 financial year audit.

Separately, the Audit & Risk Committee formally evaluates the performance of the auditor annually and with no agreed tenure in the agreement with EY, an audit tender can be called at any time.

11. Capital and Financial Risk Management

Financial Risk Management

The Company's investing activities expose it to various types of risk including: credit risk, liquidity and refinancing risk, price risk, currency risk and interest rate risk.

Investment Limitations

The Company is subject to investment and borrowing limitations which may change from time to time, as determined by the Directors. These limitations include:

- individual investments comprising the investment portfolio will not exceed 10% at cost (or higher amount authorised by the board, with a 12% limit in respect of a very small number of holdings) of the investment portfolio value of the Company at the time of the investment; and
- at time of borrowing, total borrowings must not exceed 20% of the Company's investments at market value.

The Company did not use derivatives or undertake short selling during the period ended 30 June 2024. The use of derivatives and short selling has never been used by the Company since inception. The circumstances of their use are subject to Board approval and currently derivatives are permitted only where the Portfolio Manager considers that a derivative is preferable to purchasing share capital, in accordance with the investment objectives and philosophy and short selling is permitted only in relation to implementing hedges of underlying investments or merger arbitrage relating to a portfolio investment. The Portfolio Manager and Board periodically consider whether derivatives might potentially offer some hedging protection for the portfolio. To date, the Company's potential partial offsets to some portfolio risks have included the Company's currency positions to the extent that they have been inversely correlated.

Capital Management

The Board of Directors is committed to prudent capital management and a conservative approach to protect shareholder value in all market conditions. The Company's capital consists of contributed equity, retained profits and a profits reserve to preserve the Company's capacity to pay future dividends, consistent with the dividend policy. The Company is not subject to any externally imposed capital requirements.

The Company recognises that its capital position and market prices will fluctuate in accordance with market conditions and, in order to adjust the Company's capital structure, it may vary the amount of dividends paid, issue new shares or options from time to time, or buy-back its own shares.

Credit Risk

Credit risk refers to the financial loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and the risk of loss is implicitly provided for in the carrying value of financial assets and liabilities when valued at fair value. The maximum exposure to credit risk at balance date is therefore the carrying amount of financial assets recognised in the Statement of Financial Position.

The Company's key credit risk exposure is to MLI and MLMA. The services provided by MLI under an IPBA include clearing and settlement of transactions, securities lending, acting as custodian for most of the Company's assets and may also provide financing services to the Company. The Company has granted MLI a fixed charge over the Company's right, title and interest in the assets held in custody with MLI, as security for the performance of its obligations under the IPBA. The Company is in the process of adding an addendum to the IPBA, whereby each of the Company's securities held by MLI (refer Note 6), may be used by MLI for rehypothecation (essentially for its own purposes, similar to the way a bank utilises unrestricted cash deposits) up to a total value of 140% of the Company's indebtedness measured in US Dollars, whereupon such securities will become the property of MLI and the Company will have a right against MLI for the return of equivalent securities.

In the event of MLI becoming insolvent, the Company would rank as an unsecured creditor and, to the extent MLI has exercised a right of use over the Company's securities, the Company may not be able to recover such equivalent securities in full. Cash which MLI holds or receives on behalf of the Company (refer Note 4) is not segregated from MLI's own cash and therefore may be used by MLI in the course of its business.

At balance date, the credit quality of Bank of America / Merrill Lynch's senior debt is rated by Standard & Poor's as being A- and by Moody's as being A1 (30 June 2023: A- and A1 respectively). MLI and MLMA are wholly owned subsidiaries of Bank of America which disclosed net assets attributable to common stockholders as at 30 June 2024 of approximately US $267.3 billion. Bank of America does not guarantee the obligations in respect of either MLI or MLMA.

Notes to the Financial Statements

for the year ended 30 June 2024

The Company has cash at bank with National Australia Bank ("NAB"). At balance date NAB's senior debt is rated by Standard & Poor's as being AA- and by Moody's as being Aa2 (30 June 2023: AA- and Aa3 respectively).

The Company also minimises credit risk by investing and transacting with counterparties that are reputable and have acceptable credit ratings determined by a recognised rating agency, and by regularly monitoring receivables on an ongoing basis.

Liquidity and Refinancing Risk

Liquidity risk refers to the risk that the Company will not have sufficient funds to settle liabilities or obligations on the due date or will be forced to sell financial assets at a value which is less than they are worth.

A key component of liquidity risk is refinancing risk, which may arise in the unlikely event that MLMA demanded repayment of the borrowings at short notice under the terms of the multi-currency facility (refer Note 4). The Directors are confident that borrowings could be repaid via settlement proceeds from the sale of part of the Company's highly liquid investment portfolio, even in the unlikely event that the Company was unable to achieve satisfactory terms for refinancing elsewhere. At balance date, net borrowings repayable on demand were $163,193,000 (June 2023: $358,423,000).

Maturities of Financial Liabilities

At balance date, the Company's financial liabilities comprise payables which mature in 0 to 30 days (June 2023: 0 to 30 days) and borrowings which are repayable on written demand (June 2023: repayable on written demand) (refer Note 4).

Price Risk

Price risk refers to the risk that the value of the Company's investment portfolio will fluctuate as a result of changes in market prices of individual investments and/or the market as a whole. The Company's investments are carried at fair market value with changes recognised in the Statement of Profit or Loss and Comprehensive Income. Price risk is managed by ensuring that all activities are transacted in accordance with the Company's Investment Policy and within approved limits (refer Financial Risk Management on page 37).

Over the past 10 years, the annual movement in the major global share indices (S&P 500 and MSCI) has varied between +31.92% and -6.48% (in AUD) and +40.79% and -14.34% (in USD). This range of yearly performances of markets may not be a reliable guide to future performances, and the Company's investment portfolio does not attempt to mirror the global indices, but this very wide range of historic movements in the indices provides an indication of the magnitude of equity price movements that could occur within the portfolio over the next 12 months.

The impact of equity price movements, expressed in percentage terms, on the net profit reported by the Company, is essentially linear. For illustrative purposes, each 5% incremental increase in the market prices of the Company's investment portfolio, compared with that at balance date, would increase the total equity and net profit after tax by approximately $89,468,000 (June 2023: $80,534,000) and each 5% incremental decrease would have an equal and opposite impact.

Currency Risk

The Company holds the following types of assets and liabilities for which fair value changes arise as a result of movements in foreign exchange rates:

- cash and borrowings denominated in a foreign currency (refer Note 4);
- financial assets and liabilities denominated in a foreign currency (refer to note 6); and
- dividend/distribution receivables and outstanding receivable/payable settlements for sales/purchases relating to these financial assets.

The following table presents the Company's foreign currency denominated assets and liabilities translated into Australian Dollars, at balance date and, for illustrative purposes, the potential impact on the Company's total equity and net profit after tax, had the Australian Dollar strengthened by 10% against the foreign currencies in which the Company transacts (with all other variables held constant):

	Assets and Liabilities Denominated in Foreign Currency			
	US Dollars		Other	
	30 Jun 2024 $'000	Increase/ (Decrease) $'000	30 Jun 2024 $'000	Increase/ (Decrease) $'000
Investments	**2,275,787**	**159,305**	**280,448**	**19,631**
Receivables	**381**	**27**	**-**	**-**
Payables	**-**	**-**	**-**	**-**
Borrowings	**(60,169)**	**(4,212)**	**(168,410)**	**(11,789)**
10% impact on Net Profit/(Loss) After Income Tax and Total Equity		**155,120**		**7,842**

	Assets and Liabilities Denominated in Foreign Currency			
	US Dollars		Other	
	30 Jun 2023 $'000	Increase/ (Decrease) $'000	30 Jun 2023 $'000	Increase/ (Decrease) $'000
Investments	2,034,164	142,391	266,808	18,677
Receivables	323	23	26	2
Payables	-	-	-	-
Borrowings	(189,169)	(13,242)	(228,069)	(15,965)
10% impact on Net Profit/(Loss) After Income Tax and Total Equity		129,172		2,714

A 10% decline in the Australian Dollar against these foreign currencies would have an equal and opposite impact on the Company's net profit after tax and total equity. Currency movements may not be correlated and no offsetting impacts are assumed for the purposes of the sensitivity analysis.

Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's exposure to interest rate risk relates primarily to cash balances and interest bearing borrowings as follows:

	Interest Rate %	30 Jun 2024 Cash & Cash Equivalents/ (Borrowings) $'000	Interest Rate %	30 Jun 2023 Cash & Cash Equivalents/ (Borrowings) $'000
Australian Dollars	**4.30**	**89,448**	4.05	28,248
Total Cash		**89,448**		28,248
Australian Dollars	**4.23**	**65,386**	3.97	58,815
British Pounds	**(5.95)**	**(77,328)**	(5.68)	(98,409)
Hong Kong Dollars	**(5.36)**	**(62,676)**	(5.68)	(55,785)
US Dollars	**(6.07)**	**(60,169)**	(5.82)	(189,169)
Euros	**(4.41)**	**(27,898)**	(4.15)	(50,374)
Singapore Dollars	**(4.20)**	**(428)**	(4.54)	(23,414)
Japanese Yen	**(0.83)**	**(68)**	(0.68)	(75)
Canadian Dollars	**(5.53)**	**(12)**	(5.50)	(12)
Total Net Cash/(Borrowings) with MLI		**(163,193)**		(358,423)

Sensitivity Analysis

The sensitivity of the Company's net profit after tax and total equity to a reasonably possible upwards or downwards movement in interest rate risk, assuming all other variables remain constant is set out as follows:

	30 Jun 2024 +1% $'000	30 Jun 2024 -1% $'000	30 Jun 2023 +1% $'000	30 Jun 2023 -1% $'000
Cash and cash equivalents	**626**	**(626)**	198	(198)
Borrowings	**(1,142)**	**1,142**	(2,509)	2,509
Impact on Net Profit/(Loss) After Tax and Total Equity	**(516)**	**516**	(2,311)	2,311

12. Related Parties

Key Management Personnel

The KMP of the Company comprise the Independent Non-executive Directors and the Managing Director for the periods ended 30 June 2024 and 30 June 2023.

Remuneration of Key Management Personnel

The following remuneration was paid or payable by the Company to the KMP, during the period:

	30 Jun 2024 $	30 Jun 2023 $
Short term benefits	**1,902,284**	1,755,218
Post-employment benefits	**47,716**	44,782
Other benefits	**51,263**	24,240
Total	**2,001,263**	1,824,240

Further details of remuneration paid to the Directors are disclosed in the Remuneration Report in the Directors' Report.

Notes to the Financial Statements

for the year ended 30 June 2024

13. Services Fees

MAM provides administrative services to the Company in accordance with the Services Agreement between the Company and MAM. During the prior period, an amendment to the Services Agreement resulted in a reduction in the services fees from 1 January 2023. Services fees are payable in arrears.

For the period ended 30 June 2024, services fees paid/payable (inclusive of GST) totalled $1,200,000 (June 2023: $2,600,000).

14. Net Tangible Assets per Share

The following table shows the NTA per share presented in the Statement of Financial Position as at 30 June 2024 and the NTA per share reported to the ASX on 1 July 2024.

	30 Jun 2024 $		30 Jun 2023 $	
	Pre-tax	**Post-tax**	**Pre-tax**	**Post-tax**
ASX Reported NTA per Share[1]	**4.285**	**3.574**	3.398	2.912
NTA per Share[2]	**4.284**	**3.574**	3.398	2.909

[1] ASX reported NTA per share as at 28 June 2024, being the last business day of the period, includes estimates for accrued expenses and tax liabilities.
[2] The NTA per 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 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.

15. Contingent Assets, Contingent Liabilities and Commitments

At balance date, the Company has no material contingent assets, contingent liabilities or commitments (June 2023: nil).

16. Segment Information

The Company's investments are managed on a single portfolio basis (refer Note 1.5), 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.

17. Subsequent Events

In the latest release to the ASX on 22 July 2024, the Company reported NTA per share as at 19 July 2024 as follows:

	19 Jul 2024 $[1]	30 Jun 2024 $[2]
Pre-tax NTA per share	**4.323**	**4.284**
Net tax liabilities per share	**(0.721)**	**(0.710)**
Post-tax NTA per share	**3.602**	**3.574**

[1] The NTA per share reported to the ASX is approximate and not audited by EY.
[2] NTA audited by EY (refer Note 14).

Other than the above and items disclosed throughout this financial report, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Company's operations, the results of its operations, or the Company's state of affairs in future financial periods.

Consolidated Entity Statement

Disclosure of subsidiaries and their country of tax residence, as required by section 295(3A) of the *Corporations Act 2001* does not apply to the Company, as the Company is not required by Australian Accounting Standards to prepare consolidated financial statements.

Directors' Declaration

for the year ended 30 June 2024

In the Directors' opinion:

a. the Financial Statements and Notes set out on pages 22 to 41 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 30 June 2024 and of its performance for the period ended on that date; and

   ii. complying with Australian Accounting Standards, International Financial Reporting Standards as disclosed in Note 1.1, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

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; and

c. the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001*, set out on page 42, is true and correct.

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 30 June 2024.

Signed in accordance with a resolution of the Directors.

Annabelle Chaplain AM
Chairman

Chris Mackay
Managing Director and
Portfolio Manager

Sydney
29 July 2024

Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

Report on the audit of the financial report

Opinion

We have audited the financial report of MFF Capital Investments Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the 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 APES110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) together with the ethical requirements that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. Investment existence and valuation

Why significant

The Company has a significant investment portfolio consisting primarily of listed equities. As at 30 June 2024, the value of these listed equities totalled $2,556.2m and was 96.6% of the total assets of the Company.

As disclosed in the Company's accounting policy, described in Note 6 of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.

Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, valuation of the investment portfolio was considered a key audit matter

How our audit addressed the key audit matter

Our audit procedures included the following:

Assessed the effectiveness of the controls relating to the recognition and valuation of investments.

Obtained and assessed the assurance report on the controls of the Company's administrator in relation to Fund Administration Services for the year ended 30 June 2024, and evaluated the auditor's qualifications, competence, objectivity and the results of their procedures.

Agreed all investment holdings, including cash accounts, to third party confirmations as at 30 June 2024.

Assessed the fair value of all investments in the portfolio held at 30 June 2024 to independently sourced market prices.

We assessed the adequacy of the disclosures included in Note 6 and 11 of the financial report in accordance with the requirements of Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 12 of the directors' report for the period ended 30 June 2024. In our opinion, the Remuneration Report of MFF Capital Investments Limited for the period ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Clare Sporle
Partner

Sydney, 29 July 2024

Shareholder Information

for the year ended 30 June 2024

Shareholder Information

Distribution of Shareholders

The distribution of shareholders of the Company as at 19 July 2024 is as follows:

	Holders	Number of Shares	%
1-1,000	1,954	830,918	0.14
1,001-5,000	2,869	8,004,254	1.38
5,001-10,000	2,296	17,211,010	2.97
10,001-100,000	6,047	186,151,284	32.12
100,001 and over	660	367,281,170	63.39
Total	**13,826**	**579,478,636**	**100.0**
Number of holders with less than a marketable parcel	311	7,483	0.00

Twenty Largest Shareholders

The names of the 20 largest shareholders of the Company as at 19 July 2024 are as follows:

	Number of Shares	%
Magellan Equities Pty Limited	63,679,878	10.99
HSBC Custody Nominees (Australia) Limited	41,472,602	7.16
Christopher John Mackay	29,945,940	5.17
Naumov Pty Ltd	20,206,802	3.49
Netwealth Investments Limited <Wrap Services A/C>	17,916,075	3.09
BNP Paribas Nominees Pty Ltd <Barclays>	11,594,406	2.00
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	4,651,342	0.80
Citicorp Nominees Pty Limited	4,121,827	0.70
Mutual Trust Pty Ltd	3,353,359	0.58
Wallbay Pty Ltd <Abell Unit Account>	2,874,016	0.50
Netwealth Investments Limited <Super Services A/C>	2,686,485	0.46
Magellan Equities Pty Limited <Magellan Super Fund A/C>	2,327,784	0.40
Melbourne Business School Limited	2,180,000	0.38
Riflerange Trading Co Pty Ltd	1,913,512	0.33
Glenn Bates Consulting Pty Ltd <Bates Ballard Super A/C>	1,774,820	0.31
Gold Tiger Investments Pty Ltd	1,505,750	0.26
Invia Custodian Pty Limited <Bozwald Pty Ltd A/C>	1,480,203	0.25
Evenhall Proprietary Limited <The Pb 2004 Family A/C>	1,451,725	0.25
Jetan Pty Ltd	1,392,081	0.24
Liangrove Media Pty Limited	1,378,398	0.24
Total Shares held by the 20 Largest Shareholders	**217,907,005**	**37.60**
Total Shares on Issue	**579,478,636**	**-**

Substantial Shareholders

The shareholders appearing on the Company's Register of Substantial Shareholders as at 19 July 2024 are as follows:

	Number of Shares
Christopher Mackay and Associates	116,212,944[1]

[1] As disclosed in the latest Appendix 3Y dated 31 May 2024.

Share Capital

All issued shares carry one vote per share and carry the right to dividends.

Corporate Information

for the year ended 30 June 2024

Directors

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

Company Secretary

Marcia Venegas

Registered Office

Level 36
25 Martin Place
Sydney NSW 2000
Telephone: +61 2 9235 4887
Fax: +61 2 9235 4800
Email: info@magellangroup.com.au

Auditor

EY
200 George Street
Sydney NSW 2000

Share Registrar

Boardroom Pty Limited
Level 8
210 George Street
Sydney NSW 2000
Telephone: 1300 005 016 (Australia), +61 2 9290 9600 (International)
Fax: +1300 653 459
Email: magellan@boardroomlimited.com.au

Securities Exchange Listing

Australian Securities Exchange code (shares): MFF

Corporate Governance Statement

The Corporate Governance Statement for MFF can be found in the 'Our Business' section at www.mffcapital.com.au.

Website

www.mffcapital.com.au