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

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

Authorised by
Kathy Molla-Abbasi | Company Secretary

1 April 2025

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

MFF advises that its approximate monthly NTA per share as at 31 March 2025 was $4.832 pre-tax[1] ($4.284 as at 30 June 2024), and $4.032 after providing for tax[2] ($3.574 as at 30 June 2024). The pre-tax NTA figures each month are after deducting taxes paid by MFF (including $35.8m cash taxes paid in the half year to 31 December 2024 and $20.95m in March 2025). Cash tax payments reduce pre-tax NTA compared with pre-tax figures for indices and trusts. Obviously, MFF shareholders also do not get the benefit of MFF's compounding on cash taxes paid. MFF has benefited from compounding of unrealised gains, which are reflected partly in the increase over time of the deferred tax liability to $526.4m million as at 31 December 2024 (equivalent to 21.7 % of MFF's net assets at that date). $1.43 of pre-tax earnings are required for $1.00 of after-tax earnings at the 30% corporate tax rate. MFF targets sustained growth in capital and in fully franked dividend payments, over the medium to longer-term (in January MFF increased the fully franked half year dividend by 33.3% to 8 cents per share fully franked).

MFF's portfolio companies remain advantaged, and have achieved excellent returns on invested capital, year after year. We have maintained disciplined processes, successfully focused on both goals of compounding capital and seeking to avoid permanent capital loss. MFF aims for its investors and Montaka Global's unitholders to achieve meaningful financial independence demonstrated by tangible, valuable results (usually in conjunction with their financial planners and advisers). Noise and short term factors and comparisons need to be filtered to avoid being massive distractions from core goals and processes. Our portfolio companies are extremely profitable, and cash generative. They have sustainable advantages and strong prospects for above average profitable growth over the medium term. Their capacities to adapt to policy changes are well above average, although their breadth and success mean they are targeted by Governments seeking revenues, reinforcing power and/or simply because their businesses matter for societies.

Value (acquisitions at attractive prices) and Quality (compounding growth) underpin the medium to longer term analytical focus. Uncertainty and instability characterize current conditions, and the portfolio is well placed to weather inflation and deflation, increasingly capricious rules, regulations and tariffs/taxes and damaging Government reactions. MFF's largest position, built over time, is its dry powder of cash and prudent borrowing capacity representing well over double each of the largest two equity holdings (Alphabet and Amazon). The extreme liquidity of the portfolio remains a key advantage; obviously, if opportunities become better than holdings or risks/valuations change (consider the cumulatively significant, profitable sales, and taxes paid over recent months). A quality portfolio means that MFF is never under pressure to act; patient accumulation and long-term retention of a portfolio of outstanding companies allows sensible opportunity cost comparisons over extended time periods (sales need not be followed immediately by replacement purchases, "rotations" typically distract and detract from quality and performance over the medium term). We need a share of only the small percentage of companies that sustain compound gains over time, as, for example, technology and competition disrupt advantages.

Our actions are not always in tandem with median market participants. Hence volatility has benefitted us over time. Repeatedly, many market participants chase short term gains, promoters advocate what is hot or areas where objective probabilities are unfavourable (possibly because "lottery type" payoffs and optimistic narratives are alluring). Core principles and checklists require saying no again and again. Overconfidence is unlikely to be rewarded permanently, this time. Fear and greed are alongside short termism. Option and crypto trading continued to lead activity in many accounts; remarkable in a month with panic after price falls to "protect capital until uncertainty is cleared", by selling portfolio holdings in very decent businesses. Professional investors expressed fears of momentum reversals and downgrades for the next quarter or two and contributed to negative equity market sentiment and/but lower prices.

In March MFF had portfolio sales of about 0.4% of portfolio value and purchases of about 0.7%. MFF continued moderate sales at the start of the month in preparation for future opportunities. We are cautious buyers and reluctant sellers as our holdings are overwhelmingly in outstanding businesses which increase in value over time (with profitable growth characteristics that meaningfully outperform average businesses). We have over $700m of capacity and significant portfolio liquidity, in the case of better opportunities, for which patience usually helps. During the month there were pronounced fluctuations in sentiment, mostly in response to political and geopolitical events, and consensus became less positive about US business conditions. However, markets for foreign exchange, debt financing and bonds did not evidence meaningful stresses in the month [the US Government 10-year bond trading yield was fairly constant month over month at 4.2-4.25% p.a.].

Obvious risk factors remain elevated. Significant political and economic disruptions by USA and the CCP accelerated in February putting pressure on countries, citizens, and businesses around the world. Even the respective charm offensives were power laden, for example pressuring foreign businesses, investors and executives to ignore detentions and extreme pressure on HK business success and foreign debt providers to forget that they received fractions from bankrupted state favoured property players.

Under pressure reactions around the globe included mixes of emotion, rhetoric, CCP discussions and retaliatory tariffs. Options are limited for smaller countries. Perhaps misguided rhetoric and policy complacency might occur. Politicians may continue previous paths including the dangerous embrace/imposition of low return Government intervention and deficit spending with anti-business socialist policies and populist targeting of voter handouts. The ongoing, accelerating global CCP dumping of massive over production has some, but less than proportional, attention, as the negative US image dominates. Post WW2 goodwill and belief in multinational institutions continues to be manipulated alongside fundamental erosion.

Politicians turning to intervention continue to amplify the disappointment they cause, on most continents, whether they are mediocre intellectually ill-equipped current or former socialists enacting and inflicting multiple invasive regulations and anti-business anti-growth agendas on burdened small and medium business enterprises, or populists and dictators with their own excessive egos and agendas. Governing is becoming harder, with few targeting old fashioned responsible growth, and instead falling for ill targeted unfunded election bribes which hamper productivity. Public sector unions fight to overpower the few attempts to reduce regulations and obstructionist regulators, but do not even start when finance ministers' districts and factions represent the unions and other big Government project vested interests. Governing for the benefit of populations is difficult, and continuation of the 30 years or so of pressure on median real incomes might become even harder, given increased Government and societal indebtedness further challenged by inflation entrenching excessive Government spending on preferred agendas, technologies impacting median incomes and weaker market forces. Uncommon are better quality governments, long term intelligent planning and focus, constant diligence underpinned by fair, cohesive, accepted societal contributions/sacrifices.

All listed holdings in the portfolio as at 31 March 2025 are shown in the table that follows (shown as percentages of investment assets, including net cash). The Montaka Global investment at cost rounds to 0.0%.

	%		%
Amazon	10.8	United Overseas Bank	1.7
MasterCard	10.1	HCA Healthcare	1.6
Visa	9.5	Oversea - Chinese Banking	1.4
Bank of America	7.6	US Bancorp	1.2
American Express	7.5	United Health Group	1.0
Meta Platforms	6.3	CVS Health	0.9
Alphabet Class A	6.2	Lowe's	0.6
Home Depot	6.2	Prosus	0.3
Microsoft	5.9	Intercontinental Exchange	0.3
Alphabet Class C	5.1	RB Global	0.3
Flutter Entertainment	2.4	Schroders	0.1
Lloyds Banking Group	2.4	L'Oreal	*
DBS Group	2.2	Allianz	*
CK Hutchison	1.8	** less than 0.1%*	

Net cash shown as a percentage of investment assets (including net cash) was approximately 6.3% as at 31 March 2025 (after the approximately $20.95m (3.6 cents per share) cash tax paid in March). AUD net cash was 6.3% (taxes, other expenses and dividends are paid in AUD), USD net cash 3.5% and Euro, GBP, HKD and SGD borrowings totalled approximately 3.5% of investment assets as at 31 March 2025 (all approximate). Short term and longer-term currency rates are impacted by many factors (on both sides of the currency equivalences). These include ongoing cumulative manifest anti-business anti-growth interventionist, extremely hard to reverse, pro-inflation policies and US enacting tariffs. Other factors which may predicate ongoing currency weakness or benefits from not hedging to AUD include 1 the damaging election related orgy of unfunded ongoing spending promises and 2 outdated Federation structures hampering productivity and competition between states. Even with negative focus on the USA, companies concerned about corporate taxes and policies in California (for example) can move to states with pro-business agendas and zero state corporate taxes including Florida and Texas with economy sizes comparable to the whole of Australia. Key currency rates for AUD as at 31 March 2025 were 0.623 (USD), 0.577 (EUR) and 0.483 (GBP) compared with rates for the previous month which were 0.622 (USD), 0.598 (EUR) and 0.494 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

1 April 2025

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

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

All figures are unaudited and approximate.