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 January 2025.

Authorised by
Kathy Molla-Abbasi | Company Secretary

3 February 2025

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Net Tangible Assets ('NTA') per share for January 2025

MFF advises that its approximate monthly NTA per share as at 31 January 2025 was $5.392 pre-tax ($4.284 as at 30 June 2024), and $4.381 after providing for tax[1] ($3.574 as at 30 June 2024). The pre-tax NTA figures each month are after deducting taxes paid by MFF (including $35.8m paid in cash in the half year to 31 December 2024). During the month MFF announced net profits after tax of $381.5m for the December half, largely due to mark to market portfolio gains (corporate tax at the 30% was provided against unrealised as well as unrealised gains; pre-tax profits were $544.9m). MFF further strengthened its excellent financial position with net assets increasing to $2,423.6m as at half year end (from $2,071.0m as at 30 June 2024). MFF benefits from compounding of unrealised gains, which are reflected partly in the increase of the deferred tax liability in the six months by $136 million (the deferred tax liability as at 31 December 2024 of $526.4 million was equivalent to 21.7 % of MFF's net assets at that date). Of course, half-year and one-year results are less important for MFF shareholders than sustained growth in capital and in fully franked dividend payments, over the medium to longer-term. Whilst always being cautious when viewing past performance data(particularly for short periods), if you see broker or adviser tables you should adjust pre-tax indices and other pre-tax fund figures for tax rates ($1.43 of pre-tax earnings is required for $1.00 of after tax earnings at the 30% corporate tax rate). Of course, past performance is no indicator of future performance, extrapolation is very dangerous and fluctuations in asset prices are inevitable.

MFF Directors declared a 33.3% increase in the fully franked dividend for the half year to 8 cents per share fully franked. MFF has built many years equivalents of profit reserves and franking credits from Australian taxes to meet future dividend requirements (based upon existing legislation) at considerable direct cost (well over $300m cash taxes paid in recent years) and at material cost to compounding which otherwise would have benefitted MFF's asset backing and other figures. As at 31 December 2024 MFF's franking credits were $165.3m (approximately 28.38 cents per share).

For MFF, January was another month of very little direct portfolio activity with sales of about 2.5% of portfolio value, and no purchases. MFF continues moderate sales in preparation for future opportunities. We are cautious buyers and reluctant sellers as our holdings are overwhelmingly in outstanding businesses which increase in value over time (with profitable growth characteristics that meaningfully outperform average businesses). We have over $600m of capacity and significant portfolio liquidity, in the case of better opportunities, for which patience usually helps. Whilst consensus continues for benign to positive US business conditions, which may ignite broader melt ups in market prices, disciplined processes will require/cause ongoing portfolio changes, including sales, to reflect fluctuations in market prices, business dynamics, risks and opportunity cots.

In January, quarterly and half yearly results announcements evidenced outstanding management in many cases(not only for US based companies), buoyant markets in many but not all cases and further disruption particularly from competition, technology, and regulations. MFF continued to receive a return from its legacy portfolio allocations with most portfolio results and outlook statements in January again reflecting outstanding competitive positions and, in some cases, real flywheels of advantages. Our focus on Quality and Value with patience may continue to give some small respite from numerous risk factors.

Extensive recent MFF comments will not be repeated, with obvious risk factors (and prices) remaining elevated. Politicians continued to disappoint 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 agendas. The Chancellor of the UK appears to have decided to offer a contrast, with a new mantra for responsible growth as the only way to help more in the UK escape the malaise and (in early days) acting to reduce regulations and obstructionist regulators. 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.

All holdings in the portfolio as at 31 January 2025 are shown in the table that follows (shown as percentages of investment assets, including net cash).

	%		%
Amazon	12.3	United Overseas Bank	1.4
MasterCard	10.0	HCA Healthcare	1.3
Visa	9.0	Oversea - Chinese Banking	1.2
Meta Platforms	8.0	US Bancorp	1.2
American Express	7.9	United Health Group	0.9
Bank of America	7.6	CVS Health	0.7
Alphabet Class A	7.3	Lowe's	0.6
Alphabet Class C	6.2	Intercontinental Exchange	0.4
Home Depot	6.2	Prosus	0.3
Microsoft	5.8	RB Global	0.2
Flutter Entertainment	2.6	Schroders	0.1
DBS Group	1.8	Allianz	*
Lloyds Banking Group	1.8	L'Oreal	*
CK Hutchison	1.5	** less than 0.1%*	

Net cash shown as a percentage of investment assets was 3.5% as at 31 January 2025. AUD net cash was 6.6% (taxes, other expenses, buybacks and dividends are paid in AUD), USD net cash 0.4% and Euro, GBP, HKD and SGD borrowings totalled approximately 3.5% of investment assets as at 31 January 2025 (all approximate). Ongoing cumulative manifest anti business anti growth interventionist, extremely hard to reverse, pro-inflation policies and US enacting tariffs may predicate risks of further currency weakness/ further benefits from not hedging to AUD. Key currency rates for AUD as at 31 January 2025 were 0.624 (USD), 0.600 (EUR) and 0.502 (GBP) compared with rates for the previous month which were 0.619 (USD), 0.598 (EUR) and 0.494 (GBP).

Yours faithfully

Chris Mackay

Chris Mackay
Portfolio Manager

3 February 2025

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

All figures are unaudited and approximate.