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

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

Please find enclosed MFF's monthly NTA per share for April 2024.

Authorised by
Marcia Venegas | Company Secretary

1 May 2024

MFF CAPITAL INVESTMENTS LIMITED

MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for April 2024

MFF advises that its approximate monthly NTA per share as at 30 April 2024 was $4.160 pre-tax ($3.398 as at 30 June 2023), and $3.473 after providing for tax[1] ($2.912 as at 30 June 2023). 30 April 2024 NTA figures are ex dividend (6.0 cents per share fully franked, payable 14 May 2024). MFF's 31 December 2023 accounts showed a franking credit balance of approximately $127.1 million (approximately 22 cents per share). Given tax payments so far in calendar 2024 (including $5.1m paid for April 2024), and adjusting for the fully franked dividend being paid this month, the franking balance will likely be 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.

For another month MFF benefited from past portfolio decisions. Most importantly, whilst much happened in the world, MFF maintained its investments in a portfolio of extraordinary businesses with sustainable competitive advantages and above average sustainable profitable growth rates, acquired on satisfactory terms. In recent months we have noted that higher prices for portfolio holdings reduce margins of safety and future returns although caveated 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 against higher market prices and ongoing very conservative assumptions on future interest rates. In April, the portfolio companies produced world class business and short-term financial performances, combined with massive investments in technology and skills to increase competitiveness and advantages for the future. Overall, such sustained excellence continues to at least justify the increased market valuations attributed to most of MFF's portfolio holdings. Last Quarter we discussed "overearning" risks for portfolio companies; it continues as an important issue, albeit 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.

We did very little in markets in April with sales of about 0.25% of portfolio value, and a smaller fraction by way of purchases. MFF increased its very considerable balance sheet strength in recent months in the generally appreciating markets, and is unpressured to increase or reduce portfolio holdings in aggregate or individually. Markets might have become more interesting for potential purchases by the end of April with some individual falls well exceeding weaker overall equity markets and some individual companies punished for short term factors whilst longer term positions may have strengthened. However, one month and moderately higher interest rates do not end speculative booms built on sustained low interest rates, and real and perceived technology advances. Yield seeking continues to lead to return free risk for some investors in promoted credit and similar debt markets (other than for promoters), ongoing Chinese difficult reality denials and unabated USD strength adds to emerging market inflation and currency risks including because of disruptive speculative flows.

MFF is not forecasting, but seeking to maintain process focus and disciplines. 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 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.

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. Notwithstanding that many speculators and other economic and market participants have adjusted to the moderately higher interest rates, this view became much closer to consensus in April. In contrast to its relatively limited impact 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.

Some benefits of the US system include separation of powers which currently means a lower overall tax burden (Governments with less constrained power more easily take bracket creep, user pays regulatory systems and lack individual states competing for businesses and skilled workers) and somewhat less Federal regulatory intervention (rarely do US Governments boast about passing hundreds of laws [and imposing many thousands of regulatory obligations on small businesses and others struggling in the economy]). The lower overall tax burden requires more market funding of deficits than otherwise and imposed constraints on administrations in the 1990s. Lower tax burdens also allow for a greater proportion of market influenced capital allocations. Market forces in capital and labour markets may again assist in reducing the duration and severity of inflationary impacts from the sustained Federal US fiscal deficits, without concomitantly high market interest rates. Outright deflation has become more prevalent in US goods markets (and in China) and major companies such as McDonalds and Wal-Mart note increased pressures on less affluent consumers.

In many countries, domestic political mediocrity (or worse), and geopolitical challenges arguably are amounting to more than "noise". Fortunately interested shareholders again had plenty of uplifting company source material to access, including individual company results. Many might also accept the logic that "[nothing] is as important as it seems at the time" and reflect upon previous challenging times in history. Surely November of Kennedy's assassination was worse, adding an aged (55!) unpopular leader being sworn in, markets being shut down, the threat of nuclear war was absolutely real, blue chip corporate scandal, policy induced recession threats, steel price pressures and tariff issues, 91% and 70% top personal marginal and corporate tax rates, deadly civil protests, a major kinetic war with opposing combatants supported by global powers with fundamentally different ideologies, and an inflationary bust including the Great Society ahead.

In April 2024, although of less concern, it was difficult to ignore the negative socialist/populist political self-interested feeding of entitlements and grievances, as well as Dads Army cabinet incompetence in the face of unforeseen or "newly arrived" events. Watch is needed as some democracies arguably are moving away from leaders' relatively benign "Oh. Magoo, you've done it again" type of self-importance and failures, to parodying Orwell's Animal Farm.

Costs of living and other vital concerns encouraged initial enthusiasm for populist/socialist slogans and handouts but become debased by politics and new power. Not even massive ramp ups of dumped excess Auto and other manufacturing capacity into Europe, and demonstrated pacts with Russia, have enabled the dots to be connected between ongoing negative, accelerating, deterioration of conditions for European populations (in particular, but not exclusively) from bad policy decisions/ideologies and emasculated world bodies. To date and foreseeably, the excess capacity is (at least) disinflationary overall and provides deflationary benefits for consumers (but not shareholders or workers in affected industries). Domestic as well as global politics are more unpredictable than for decades, as balances are very difficult for societies juggling to increase opportunities, reduce inequality/lift living standards with small/large businesses and households that have been very unequally impacted by healthcare costs, rent, construction, other capital costs, interest rates, energy, food, and other inflation, whilst also seeking decent per capita growth in globally competitive markets. Multiple bankruptcies in Australia and elsewhere continued, and more are inevitable, with authorities struggling to shift blame, and control ramifications. In contrast, MFF's portfolio companies remain well placed to weather inflation and deflation, increasingly adverse rules, regulations, and taxes.

All holdings in the portfolio as at 30 April 2024 are shown in the table that follows (shown as percentages of investment assets).

	%		%
Amazon	12.0	DBS Group	1.7
MasterCard	9.9	CK Hutchison	1.6
Visa	9.3	Intercontinental Exchange	1.5
American Express	8.4	United Overseas Bank	1.4
Bank of America	7.0	Oversea - Chinese Banking	1.2
Alphabet Class C	6.9	United Health Group	1.1
Alphabet Class A	6.7	US Bancorp	1.0
Microsoft	6.2	CVS Health	0.7
Home Depot	5.9	Lowe's	0.7
Meta Platforms	5.8	RB Global	0.4
HCA Healthcare	2.4	Schroders	0.1
Flutter Entertainment	2.4	L'Oreal	*
Morgan Stanley	1.9	JP Morgan Chase	*
Lloyds Banking Group	1.9	Allianz	*
Prosus	1.7	** less than 0.1%*	

Net debt shown as a percentage of investment assets was approximately 7.2% as at 30 April 2024. AUD net cash was 7.2% (taxes, other expenses, buybacks and dividends are paid in AUD), USD net debt 2.7% and Euro, GBP, HKD and SGD borrowings totalled approximately 11.7% of investment assets as at 30 April 2024 (all approximate). Key currency rates for AUD as at 30 April 2024 were 0.649 (USD), 0.607 (EUR) and 0.519 (GBP) compared with rates for the previous month which were 0.652 (USD), 0.604 (EUR) and 0.516 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

1 May 2024

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

All figures are unaudited and approximate.

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