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In accordance with ASX Listing Rule 3.13.3, please find attached a copy of the Chairman's Address and the Managing Director/Portfolio Manager's Comments.

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Ladies and Gentlemen

I welcome everyone to the 2020 Annual General Meeting of MFF Capital Investments Limited. Although we are not meeting in person we are coming together virtually to update you on MFF, to conduct our AGM and to hear your comments and answer your questions. Particularly given the format today, our prepared remarks touch on some of the questions received in advance, rather than waiting for the Q+A section.

The resilience of MFF, our portfolio and the businesses in which we are invested were tested in 2019/20. MFF completed the year in an excellent financial position, after paying increased ordinary dividends and a very sizeable special dividend, and MFF achieved a 'mark to market' net profit as you will hear in the financial results which we will detail later.

Before I discuss the Portfolio and associated Risks, I would like to say a few words on board composition and our Board renewal process. Last year our excellent inaugural Chairman, Dick Warburton, retired after many years of

valuable stewardship. John and Andy have continued as Non Executive Directors alongside Peter, Robert and me who joined the Board last year. Today Andy Hogendijk retires from the Board and retires as Chairman of MFF's Audit and Risk Committee. His contribution and service for MFF have been invaluable. He leaves MFF in an excellent financial and risk position and he will be missed. We wish him a long and happy retirement.

On a personal note I have been pleased with the composition and workings of the Board during this COVID-19 pandemic. Despite the fresh challenges in 2020, strong governance and disciplined decision-making combined with the excellent base built up in previous years allowed for another positive year.

I will now return to the Portfolio and associated risks. MFF's portfolio appreciated materially in the first 8 months of fiscal 2020 before the sharpest market downturn since the Great Depression. Markets rose strongly in the final 3 months of 2019/2020. Central banks reduced record low interest rates even further and injected trillions of dollars of liquidity into economies. Economies and businesses were pressured and risks associated with the sustained low investment rates and high asset prices increased again.

MFF finished the financial year with cash and cash equivalents of approximately \$680 million, after cash tax payments of approximately \$129 million and dividends (net of reinvestment) of approximately \$107 million. The board and management remained focused on risk controls during the year. Whilst we expect sensible opportunities for reinvestment over time of our significant cash balances, we continue to caution against heightened investor expectations, and we do so again today.

Each year MFF and our shareholders discuss ESG, which your Board firmly believes covers a broad range of important issues. The true scope of ESG is far wider and is of increasing importance to all companies in which we invest. Last year our discussions highlighted climate, the importance of which was sadly demonstrated over summer. Climate change and associated issues remain prominent when we consider our portfolio companies. We are also pleased that Magellan has also announced some of its ESG fund initiatives might become available to the investing public in Australia and New Zealand.

The Board remains pleased with the composition of the portfolio and we consider MFF's risk standards and investment process continue to be well maintained. The Board remains very supportive and pleased with Chris Mackay as MFF's Portfolio Manager and his disciplined approach on executing our

strategy. Chris will shortly provide details on the financial results, the portfolio, market opportunities and risks and other risks.

The Directors have declared a fully franked dividend of 3 cents per share, to be paid in November 2020. The Board also advised its intention to increase the rate of the six monthly dividend, within the next 3 year period, to 5 cents per share, subject to corporate, legal and regulatory considerations, with continued operation of the Dividend Reinvestment Plan (at zero discount).

During the year a special fully franked dividend of 20 cents per share was paid, as was the interim dividend of 2.5 cents per share fully franked.

The Board continues to consider a range of matters in setting dividend policy. These include MFF's continuing strong investment returns on our retained capital and recent increases in taxes we have paid (which increase franking credits). We continue to welcome shareholder feedback, including from shareholders who prefer us not to raise the dividend and for us to retain capital given the strong investment returns over time.

In addition to portfolio returns and risk controls, our focus is on shareholder returns. In recent years, shareholders who exercised the MFF Options at the adjusted price of 99.64 cents or participated in the rights issue at \$1.60 have seen solid gains in asset backing and shareholder returns. MFF's share price has mostly traded between our post tax NTA figure and our pre-tax NTA figure, and thus shareholder return has broadly tracked the after-tax portfolio returns or been moderately better.

In September 2020 MFF issued to MFF shareholders, at no cost, Options on a 1:5 basis to acquire additional MFF ordinary shares at an exercise price of \$2.60 each, up until their expiry date of 31 October 2022. The Options are transferable and trade on the ASX with code MFFOA. The Options have increased capital flexibility for MFF as well as providing additional choices for our shareholders, with the issue being pro rata and shareholders having plenty of time in which to decide what to do as appropriate for their circumstances. I want to thank the Magellan team who worked extremely well in bringing together the documentation, as did lawyers to the issue, Hamilton Locke. I also thank our registry Boardroom and the brokers Bell Potter and Taylor Collison who have provided contact details for shareholder queries in the Option document.

MFF continues to have a very strong balance sheet, with liquid investments, and ready access to debt and equity markets (both of which remain favourable). Previous severe recessions have produced some attractive investment opportunities, although, I note as always, circumstances this time may be different.

MFF's main expense in the financial year was corporate tax with details noted earlier. Overall, our other expenses were in line with the previous year. As mentioned at last year's AGM MFF paid its final performance fee in 2020 to Magellan Asset Management, our key service provider, and we now revert to a quarterly fixed price.

As highlighted in previous years, MFF provides regular, very high levels of transparency about MFF, its portfolio, decisions made, prospects and risks, in addition to detailed statutory information so that investors can make informed decisions about their investments. We release detailed figures each week including pre and post-tax figures, updates in relation to the portfolio holdings, as well as extensive monthly commentaries.

We welcome the questions we have received during the year and those specifically for the meeting. We have sought to address many in the formal comments and will address follow up questions in Q+A.

My positive early impressions from last year have been confirmed regarding the operations of the MFF board and management. The Magellan teams that support MFF are very professional. The Board is extremely experienced and is very engaged. We all have clear access to the auditors, the Magellan support teams and to its management. The alignment of MFF with the Directors is very strong, and the Company does not incur any outlay on Board or Executive bonuses or share or option plans as we do not have any of them.

I now invite Chris Mackay to make some remarks and we look forward to your questions.

Thank you Annabelle. This is the strangest of years. Today you will hear again about Quality Value Focus Adaptation and Risk Controls as we seek to protect and grow the company's capital. In addition we are optimistic and particularly so about the young

for MFF to keep a really strong relationship with Magellan and particularly with their younger groups of professionals, the real workers in any successful organization. The professional teams at Magellan and the analysts here and at the other groups we interact with are of the very highest quality; smart, detailed oriented, realistic but optimistic. Not entitled and privileged but keen to learn.

Our experiences, interactions and the data make us optimistic about the best of investment management in Australia. We are optimistic about the opportunities for MFF. Today is not to talk about passive management, except to say that it was a very good idea for a long while, but risks are higher at higher prices as nothing exceeds like success. In current markets many are making the obvious mistake of reaching for yield, but others are making the mistake of focusing on the investment management cost rather than the huge risk of investing in some of the many thousands of indices or ETFs at excessive valuations, and holding stocks that may have been pumped up as part of the index process. Risk must be heeded when Apple, the company with the highest market capitalization in the world, fell by over US\$500billion or over 22% in less than 3 weeks in September. The smart money IPOs of so called Unicorns, earn no profits, little revenues but billions of market capitalizations and exorbitant promoter fees. They result in index funds having to sell their biggest holdings such as Apple, regardless of price, to make room for them. Index bond funds also continue to have systemic issues and are subject to regular outflows, particularly high yield funds.

I endorse Annabelle's comments regarding Andy Hogendijk. MFF, our shareholders and I have been wonderfully served by our non executive Directors and no one has done more or been more important than Andy. He is calm considered insightful and firmly independent as well as being very risk aware, whether the situation is calm or stressful. MFF wanted questioning, knowledgeable and experienced Directors, and Andy asks the most important question whenever it needs to be asked...Why? He speaks in a measured respectful manner but carries a firm resolve. I wish him wonderful health and a long and happy retirement.

Our Board has collaborated very well. It respects and encourages different viewpoints and sensible debate. Getting to right answers is far more important than who is right. Andy and the other Directors have dealt very well with some important issues and decisions for the benefit of shareholders.

Adaptation remains a key factor in managing the company's portfolio. We responded to business cycles/elevated market prices and were able to pay the special dividend. Although we did not anticipate the timing or severity of Covid or a similar pandemic, we were prepared for dangers. Our assessment initially focused on Asia where Singapore, Hong Kong, South Korea and elsewhere responded promptly, following the SARS precedents. As it spread globally, other countries were less prepared. We reacted to protect capital and retain flexibility

for favourable opportunities within and outside our quality, very liquid and resilient portfolio.

The portfolio sales associated with the special dividend were important. They reflected the very hot market and business environment, particularly in USA where the administration was chasing growth as its absolute priority. Incidentally the median income in the US rose in 2019 by 6.8% the greatest amount since figures were first collected half a century ago. We were concerned about future cyclical impacts upon businesses including interest rates.

Covid has changed many things, with severe downdrafts impacting many people and businesses, especially smaller businesses that do not dominate stock market indices. On the other hand, the likely duration has been extended of the up cycle for businesses if vaccines are successful. Inflation is far less of a medium term concern than in early 2020 and productive technology changes accelerated markedly. The underlying value of many of the best businesses are now higher, even as many others are struggling.

The bonus issue of Options gives shareholders choices and time to suit their own preferences for their MFF investments. Market prices for options typically include time value as well as intrinsic value, and this has been the case for MFF options. Options are exercised the proceeds add to MFF's flexibility to make investments over the medium term. The Board's decisions to increase fully franked dividends and to target further increases over time are also intended to benefit shareholders.

Financial Results

MFF recorded a net profit of \$25.1 million for the year ended 30 June 2020 after allowing for full tax on realized and unrealized gains. We remain cautious about emphasizing pre-tax figures for the reasons we have discussed in the past. The pre-tax figure was \$35.8 million. Andy and I have always thought it NUTS for investors that the funds industry emphasizes pretax figures, as whether tax is paid by the Company (as for an investment company) or upon distribution (as for a trust), tax is a real factor in successful investment.

For many months this financial year our main decisions were whether to realise some of our higher priced quality companies or continue with their cyclical, market and structural benefits. We sought to assess 'late cycle' market and business risks and paid an increasing tax burden. In the closing months of this fiscal year we focused on capital preservation whilst maintaining core pieces of our quality portfolio. At year end our portfolio remains well positioned for the longer term with resources to address opportunities.

An obvious cost of our capital preservation priority has been the significant tax payments the Chairman noted. Another has been the 30% appreciation in the AUD against the USD since the lows in March. Another has been not getting

top dollar for sales of some businesses that have benefitted from the massive stimulus and have coped better than feared with the pandemic and lockdowns. Overall, our processes worked well, including our efficient reduction in MFF's significant weighting to cyclical and market related businesses, that was successful for MFF for many years. When we list the full portfolio shortly you will see that we have not yet added materially to these exposures. There is still plenty of economic pain amidst the opportunities. Overnight, the US Federal Reserve extended the restriction on share buybacks and cap on dividends for even the extremely well capitalized US major banks.

MFF's portfolio remains focused upon advantaged businesses with the portfolio supported by our excellent financial position and portfolio liquidity. As at 30 June 2020 the \$1,362 million of Total Equity reflected \$680 million of cash and cash equivalents. Investments at market value were \$865 million. The deferred tax liability (reflecting unrealized gains) was \$180 million. As at 30 June 2020 MFF's imputation credits were approximately \$120 million which enable dividends to be fully franked.

Low and zero interest rates make businesses overall far more expensive than in previous decades (ie higher market prices) as they force yield chasing, they inflate bubbles and momentum and allow higher borrowings to inflate results of even lesser quality companies.

MFF must protect itself and seek returns through process and risk controls. MFF shareholders understand that markets fluctuate and that MFF's results are assessed on a 'mark to market' basis. Longer term shareholders are well aware of the extraordinary opportunities that came during and after the financial crisis. We have no idea whether comparable opportunities will repeat during and after this pandemic, but we are searching for sensible places to allocate capital and have been seeing a few sensible opportunities in recent weeks.

We are unconstrained by time and accept periodic 'mark to market' losses as a [hopefully temporary] cost for out of favour opportunities. We prefer to focus on high Quality businesses with prospects for profitable growth at satisfactory or more attractive prices. We seek to combine objective analysis with patience and action where appropriate.

Short term market movements of a year or so do not predict the future, and shorter periods obviously do not, beyond temporary momentum correlation in securities and currency markets. Successful long term business investment is not a series of short-term periods. Investment complexity and risks increase as other investors become more confident, buoyed by their recent successes, chase short term results and forget Quality and Value. We detach and wait for opportunities combining focus and patience with occasional action.

Despite our large cash holdings, we are not fans of cash other than for the opportunities it brings. Refer to our discussions over many years noting the benefits of wonderful businesses in comparison with cash.

We believed that 2nd and subsequent waves of Covid and lockdowns/social distancing were more probable than not once the transmissibility was clear. This has recently put more pressure on businesses and some pressure on markets. However much progress has been made over the last 7 months in testing and tracing, treatments, therapeutics, less overwhelmed hospitals and scope to return to activities, even prior to wide availability of vaccines.

Arguably worst case and tail risk concerns relating to the Covid have reduced in recent months, and this factors into our portfolio management and assessment of opportunity costs.

There appear to be opportunities for sensible investments in some excellent companies that are virtually certain to get through even devastating relapses in Covid, have sensible upside as the world adjusts post Covid, as well as sensible valuations. Last year we noted that it may become important to look more closely at smaller and medium sized companies particularly following any major downturn. The technology acceleration in 2020 and numerous business and consumer adaptations illustrate this importance, although major companies that dominate indices have successfully adapted their businesses and technologies this year.

Current Portfolio

That brings us to the current portfolio. On the screen we are showing all our investments as at 30 September 2020 (as percentages of investment assets plus cash).

Holding	%	Holding	%
Visa	18.1	Intercontinental Exchange	0.8
MasterCard	17.3	Lloyds Banking Group	0.8
Home Depot	9.6	Lowe's	0.8
CVS Health	3.2	US Bancorp	0.7
Facebook	2.6	Mitsui & Co	0.6
Berkshire Hathaway Class B	2.5	Sumitomo Corp	0.5
Microsoft	2.1	Schroders	0.4
CK Hutchison	1.6	HCA Healthcare	0.2
Flutter Entertainment	1.5	Ritchie Bros Auctioneers	0.2
Berkshire Hathaway Class A	1.4	Marubeni	0.1
L'Oreal	1.2	Wells Fargo	0.1
JP Morgan Chase	1.1	Morgan Stanley	0.1
Prosus	0.9	Magellan High Conviction Trust	0.1
Itochu	0.9	Alphabet	0.1
Mitsubishi	0.8	PM Capital Global Opportunities Fund	*
Asahi Group	0.8	Bank of America	*

** less than 0.1%*

In very recent market conditions, we have increased our number of holdings, and the breadth of activities and domicile geographies. The categorizations and approaches that Peter Lynch used as the most successful mutual fund manager are again important in our view. The 15 criteria Philip Fisher suggested for the most successful growing companies are appropriate again, culminating in growing total addressable markets and adjacencies (in today's terminology).

MFF seeks to maintain its discipline in holding excellent businesses with continuing profitable growth prospects and sensible risk/reward tradeoffs. We want future winners, and this may include current winners with ongoing opportunities for profitable growth. Projected growth inevitably meets new adaptations, competition and entropy. Regulatory risks including price controls are countervailing factors that must be assessed objectively. We continue to assess and accept cyclicity where market prices and probabilities are appropriate. In all cases prices matter.

A summary of all our purchases and sales during the year is contained in the notes to the Accounts. Since year end we reacted to the zero interest rates on bank deposits by moving a proportion of our cash equivalents to short dated US Government Treasury bills all of which mature in less than 90 days from today. More importantly we have added long term positions in leading companies operating in most corners of the world.

We remain positive about the ongoing strong prospects and strategies for both Visa and MasterCard. We are not looking to increase their weightings and we cut modestly as the special dividend and other factors lifted their percentages higher (of course as their market prices are multiples of our cost prices, their after tax weightings are lower). Our other large holding, Home Depot, again

materially exceeded our expectations, including more than 25% same store sales growth for the most recent quarter.

More recently we have bought some positions in world leading conglomerates, including Berkshire Hathaway and CK Hutchison. Berkshire recently disclosed that it had bought more than US\$10 billion of shares in itself and in 5 leading Japanese conglomerate trading houses, both purchases we consider sensible. In recent years we have discussed potential opportunities in technology platforms, and trends accelerated this year. Prosus is now a European conglomerate with huge interests in technology platforms particularly in China, elsewhere in Asia and Europe and together with its parent Naspers is the most valuable group ever to come from South Africa.

We have long favoured traditional companies that use technology smarter than competitors, with many improving customer service and customer satisfaction at the same time as cutting costs. Our major bank holdings adopted technology and captured significant market shares in recent years, and this continued in 2020. This year companies such as Flutter, L'Oreal and Ritchie Brothers, have captured significant gains in market share (and share of customer minds) as the leading global digital companies in their industries.

Shareholders ask about some of our very small holdings, and why we have them. Sometimes it reflects our usual process of easing into and out of positions and/or cycles or prices moving. We also have reminders to focus on certain characteristics or patterns, and to keep broad learning from changes, market movements and business performances.

We continue to look for advantaged smaller to medium sized companies with sensible longer term prospects at reasonable prices, for inclusion in the portfolio. We strongly favour higher probabilities of positive outcomes, and this has continued to limit our risk appetite in these spaces. A number of the current 'winners' became crowded in the year as punters, Indices, ETFs and momentum traders all piled alongside sensible fundamental investors reacting to zero interest rates and cost of capital calculations based off the US 10 year treasury yield of approximately 0.6%. Our price discipline is aided by periodic bouts of panic such as when we bought them very heavily in Q4 2018. Businesses and investors have guide posts from history including more than 3 decades of ultra-low interest rates in Japan.

Price fluctuations are inevitable, and markets as a whole and for individual securities fluctuate well beyond what might objectively be rational economically. As value investors we have a duration advantage, for example we can look to the next decade, likely beyond Covid, and we can react when market prices for equities are 'wrong' from time to time, and can buy or sell accordingly, or do nothing. If our processes are sensible, MFF is able to acquire interests in high quality businesses at prices well below their underlying values, particularly during downward moves.

Pricing formula stupidity also gives value investors opportunities. Recent analysis had leading property valuations at 2-3% yields with all or almost all debt funding available in major markets. However, if the same cash flows/properties were owned via the best quality property owner companies in the world, the Latin symbols reflecting price fluctuations meant that otherwise sensible investors with full information were only willing to pay less than half of underlying asset values. Illiquid unlisted assets marked to market by unscrupulous promoters lead to transfer of wealth away from the pension funds and other investors.

We also recognize that ESG issues are right to the forefront and worldwide movements against racism and discrimination having grown stronger. Many of our companies are showing true leadership on many of these issues and performing far better than Governments. Many are adaptable and they and their employees and suppliers are making huge contributions to their societies.

We continue to prefer investing in likely business winners for the medium term. By the way, those companies are mostly best able to assist front line workers, their employees, suppliers and communities. Some have been excellent partners for smaller businesses which generally have had less capacity to deal with the impacts of the health crisis and shutdowns. Governments have introduced price controls, draconian anti-growth interventions and reallocations away from big business and more are probable. US Governments have failed to address basic efficiency requirements for decades and even Italian Governments responded better in rebuilding infrastructure after the Genoa bridge tragedy.

For many years we searched for businesses, or large shareholdings which might produce strong future growing cash flows for us. Currently we have no active prospects in these categories. Difficult and high prices became worse in the past year. There are huge amounts of capital and optimism chasing quick returns from smaller companies. We prefer the risk reward tradeoffs of investing in our quality alternatives via market prices. We also prefer the liquidity benefits of moving our portfolios as needed in response to technological and other changes. In current markets we are conscious of the need to take risk, and not just hide out of concern for the negatives. Our approach increases the probabilities of us taking sensible levels of risk with appropriate reward potential. Of course, we also prefer simplicity to greater complexity.

The likelihood of sensible risk adjusted returns is increased by focus on processes, regular adaptation and a medium to longer term focus without broader agendas. Dealing with changing current realities is less dangerous than broad longer term forecasts as multiple variables intervene (including flows of competition and capital to hot sectors). We are unconstrained by size and have no desire for any particular size.

We are optimistic about the younger generations. In the US it is strongly arguable that they are less self obsessed than the Baby boomers. Overall, they are far better educated and almost all are digitally aware. It remains rational to be optimistic for the very long term notwithstanding the choices in the first week of November, complete failures in infrastructure and reforms, and increasing geopolitical problems everywhere. Opportunities, innovation and productivity help change lives for the positive and present opportunities for billions, notwithstanding huge and increasing challenges. Demographics are becoming more favourable and younger generations are already grabbing the batons, as the most skilled, educated and arguably talented generations. An estimate is that there are approximately 1 million more small businesses in the US in 2020 than 2019 (31.7m up from 30.7m per Advocacy.sba.gov).

Last year we made detailed comments regarding our approach to currencies, and these comments remain applicable. We also comment regularly in the monthly releases, particularly noting analysis and patience when currency movements are unfavourable.

Our assets comprise international equities. As longer-term shareholders are aware, we have not hedged the currency exposures. We believe that this profile might offer some possible risk mitigation benefits, as currency movements are a primary transmission mechanism for risk adjustments in the world economy. During the last quarter of fiscal 2020 currency movements were particularly painful as Central bank stimulus, Chinese infrastructure spending and recovery confidence encouraged 'risk on' for the AUD and weakening of the USD. Momentum operates for a time in currency markets but eventually supply and demand move with other factors.

Our long term concerns have increased in the last year for the currencies of most countries, with the possible exception of the very largest countries/blocs. We are not predicting repeats of the Asian currency and broader emerging markets crises, but they are more likely in the medium term than 12 months ago, whereas the positions of USA, China and Europe have improved in relative terms. The medium term position for Australia has weakened in relative and absolute terms despite valuable iron ore price and volume strength. Last year we noted some of the leading research: fluctuations amongst major currencies have usually not been cumulative in recent decades whereas returns from the highest quality businesses compound.

If we make material changes to the foreign exchange positions, we will include details in the subsequent ASX announcements to inform shareholders.

We are all grateful for the Board's leadership given the challenges ahead. The Board also join me in thanking the team at MAM who continue to look after us with their professional skills, positive attitudes and much needed patience. We

congratulate the MAM team on their high standards and very considerable achievements.

I will hand back to Annabelle and we would be happy to address questions.