MFF CAPITAL INVESTMENTS LIMITED

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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 April 2025.

*Authorised by*
***Kathy Molla-Abbasi | Company Secretary***

1 May 2025

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

MFF advises that its approximate monthly NTA per share as at 30 April 2025 was $4.604 pre-tax ($4.284 as at 30 June 2024), and $3.853 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 approximately $74.5m cash taxes paid in the financial 9 months to 31 March 2025 and $3.25m in April 2025). Cash tax payments reduce pre-tax NTA compared with pre-tax figures for indices and trusts (MFF pre-tax NTA per share reduced by tax paid year to date by approximately 13.4 cents). Obviously, MFF shareholders also do not get the benefit of MFF's compounding on cash taxes paid. MFF targets sustained growth in capital and in fully franked dividend payments, over the medium to longer-term and the April figures are ex dividend (8 cents per share fully franked, payable this month).

In April MFF had portfolio sales of about 1.1% of portfolio value and purchases of about 1.4%. We are cautious buyers and reluctant sellers as we are price/value sensitive and in our view, our holdings are overwhelmingly in outstanding businesses which are probable to increase in value over time (with profitable growth characteristics that meaningfully outperform average businesses). For some months through early 2025, MFF was a moderate but persistent net seller in the rising and record equity markets which increased market prices for various of our holdings. Sales are done on assessments at the times of individual business values against market prices, risks, and future opportunity costs. MFF does not purport to "market time" core holdings by selling and then hoping to buy later at lower prices, even if that occasionally occurs with subsequent market volatility. Alongside the sales, MFF has maintained a $2 billion plus portfolio of sustainably advantaged, extraordinary businesses. MFF has built cash and capacity of over $700m, after tax payments and accruals, on the significant realised gains. MFF also has significant portfolio liquidity, in the case of better opportunities or changes in risk probabilities/other parameters.

Our businesses remain extraordinarily profitable and sustainably advantaged, as reflected in almost universally positive quarterly updates and outlook statements released in the month for almost half of the portfolio. MFF's focus remains on ongoing assessments of portfolio business qualities, risks and valuations, and opportunity cost assessments of the portfolio (overall and components). USD billions of profits from millions or billions of repeat consumers are common for MFF portfolio companies; sometimes reality is inconsistent with noise and other commentary. MFF's largest holding Alphabet reported USD34.5 billion of NPAT for the 3 months to end March 2025 (what enables a quarter after tax to equate to a Top 20 ASX market capitalisation?). Extraordinary is a correct description for the businesses/networks built, maintained, and enhanced, for management skills, for capital allocation and for responses to political, regulatory, and geopolitical damage. Most importantly, adaptation is required for MFF to succeed over the next decade and more, as future winners must be identified and business success pursued, and active reviews of potential acquisitions continue.

Broad risk factors remain elevated. During the month there were pronounced fluctuations in sentiment and market prices, mostly in response to political and geopolitical events. Risk and uncertainty became even more common expressions. Consensus became far less positive about US business conditions, and profit warnings numerous. Overall, however, markets for foreign exchange, debt financing and bonds operated effectively given the very meaningful stresses in the month [the US Government 10-year bond trading yield actually fell month over month from 4.2-4.25% p.a. to approximately 4.16% p.a.].

Some fundamental principles may become less trite in the current times of tumult. Obviously, market risks and opportunities for principals and agents reflect varied preparation, perspectives, constraints and choices. 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). 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 better placed than any typical mix of businesses 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. The extreme liquidity of the portfolio remains a key advantage; obviously, if opportunities become better than holdings or risks/valuations change. 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, sustained high returns on invested capital typically outperform "rotations" over time). We need a share of only the small percentage of companies that sustain compound gains over time. Our actions are not always in tandem with median market participants. Hence volatility has benefitted us over time. 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.

Professional investors expressed fears of momentum reversals and as part of their forced focus on short term, downgrades for the next quarter or two, and contributed to negative equity market sentiment and lower prices.

Political reactions matter over time, and challenges are of real and increasing importance. Post WW2 goodwill and belief in multinational institutions continues to be weakened with manipulations amplifying the fundamental erosion from US actions. Alliances of democracies are under pressure as alternatives and their proxies fill voids and shamelessly propaganderise e.g. "free trade", even whilst continuing to bully and discriminate including with ongoing, accelerating global dumping of massive over production (record recent trade surpluses), rather than rebalancing to consumption. Contrary to 1990s optimism, entry into the WTO, other global bodies and increased country wealth, has not inclined leaders of single party states to democratise power.

Effective capital markets fund themselves globally and are vulnerable well beyond supply chains and trade flows. Trade barriers and subsidies built up over decades by mercantilism and cheating on undertakings and other obligations, have shifted manufacturing (in particular), and cannot simply be reversed in response to US populist actions not supported by economic understanding or regard to consequences and reactions. Country by country damages and consequences are unclear but deeper inflation, recession and stagflation become more probable over days and weeks without resolution. Other countries lack the benefit of the immense inherent advantages built up over recent centuries by the USA (which has more but not infinite capacity for losses from bad policies). Backlashes to US populism by advanced economy nations may include some countries and groups acting to improve economies, recognising and responding sensibly to their challenged competitive positions and stagnant per capita standards of living. However, more "quick fix" electoral wins are expected, with populists and former and current socialists pursuing unsuccessful policies which damage over the medium to longer term, including low return capricious sub scale Government interventions, more debt and deficit spending, along with anti-business socialist policies and populist targeting of voter handouts [eventually] funded by increased taxes on productive businesses. The intra US exodus from high tax, high regulatory states, left behind service depletion, and funding gaps, foreshadow possible consequences elsewhere over time. Uncommon are better quality governments, long term intelligent planning and focus, constant diligence underpinned by fair, cohesive, accepted societal contributions/shared sacrifices.

All listed holdings in the portfolio as at 30 April 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%.

| | % | | % |
|---|---|---|---|
| MasterCard | 10.1 | United Overseas Bank | 1.7 |
| Amazon | 9.5 | HCA Healthcare | 1.6 |
| Visa | 9.5 | Oversea - Chinese Banking | 1.4 |
| American Express | 7.5 | US Bancorp | 1.2 |
| Bank of America | 7.4 | United Health Group | 1.1 |
| Alphabet Class A | 6.5 | CVS Health | 0.9 |
| Microsoft | 6.4 | Lowe's | 0.7 |
| Meta Platforms | 6.3 | Prosus | 0.3 |
| Home Depot | 6.2 | Intercontinental Exchange | 0.3 |
| Alphabet Class C | 5.3 | RB Global | 0.3 |
| Flutter Entertainment | 2.7 | L'Oreal | 0.2 |
| Lloyds Banking Group | 2.5 | Schroders | 0.1 |
| DBS Group | 2.1 | Allianz | * |
| CK Hutchison | 1.9 | ** less than 0.1%* | |

Net cash shown as a percentage of investment assets (including net cash) was approximately 6.1% as at 30 April 2025. AUD net cash was 6.4% (taxes, other expenses and dividends are paid in AUD), USD net cash 3.4% and Euro, GBP and HKD borrowings totalled approximately 3.6% of investment assets as at 30 April 2025 (all approximate). Recent USD strength reversed somewhat in April as relatively standard, anti-business anti-growth Government actions and policies were outgunned by US tariff policy and execution failures. Key currency rates for AUD as at 30 April 2025 were 0.640 (USD), 0.563 (EUR) and 0.479 (GBP) compared with rates for the previous month which were 0.623 (USD), 0.577 (EUR) and 0.483 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

1 May 2025

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

All figures are unaudited and approximate.