



MFF

CAPITAL INVESTMENTS LIMITED

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***MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for June 2017***

Please find enclosed MFF's monthly NTA per share for June 2017.

***Geoffrey Stirton
Company Secretary***

3 July 2017

**MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for June 2017**

MFF advises that its approximate monthly NTA per share as at 30 June 2017 was \$2.324 pre-tax, (\$1.914 pre-tax as at 30 June 2016) and \$1.978 after providing for tax¹ (mostly deferred). If all of the remaining MFF 2017 options had been exercised by 30 June 2017, the pre-tax NTA would have been reduced by approximately 14.6 cents per share (and the approximate post tax figure by approximately 10.8 cents per share). The MFF 2017 options are well in the money with expiry approaching.

There has been no change in our positive outlook for MFF's portfolio companies. During the latest six and twelve months we also maintained a positive view of our portfolio companies in comparison with cash, risks, investment alternatives and market prices (which have appreciated with investors' increased awareness of, and short term focus upon, improved economic conditions in most geographies). Global technology, Chinese and other property, strength in Europe and in much of Asia have driven economic growth. Market price appreciation above 20% for the year exceeded increases in underlying value, and at least some future benefits have been brought forward (higher market prices equate to lower future returns, higher capital risk, lower margins of safety and mean that potential benefits from deferred tax liabilities are relatively lower than when market prices were lower).

Our processes continue to include consideration of business risks (the market impacts of disruption, digitalization and globalization required some portfolio changes in addition to those made in previous years). Our market and portfolio risk processes also continued to include emphasis on competitively advantaged, satisfactorily priced, liquid holdings with sufficient trading volumes to allow movement in response to changes. Our short term portfolio appreciation might have been better without these constraints, but they may prove more valuable as market cycles progress.

These are not the times in market cycles when extremely advantaged companies are extremely out of favor and inexpensive. Our processes have constrained MFF from chasing performance, and alternatives with momentum from different geographies, expertise and industries, more dynamic smaller companies and some relatively cheaper companies where prices benefit from 'catch up'.

During June the US Federal Reserve approved increased dividend and capital return plans for major US credit based financial companies, including banks in the MFF portfolio. They also increased benchmark short term interest rates. To date, disruption from the rate rises has been very limited in the bond, currency and equity markets and in broader economies.

Holdings as at 30 June 2017 with market values of 0.9% or more of the portfolio are shown in the table below (shown as percentages of investment assets).

Holding	%
Visa	11.9
Home Depot	10.3
MasterCard	10.1
Bank of America	9.8
Lowe's	9.1
Wells Fargo	7.7
US Bancorp	5.2
HCA Healthcare	5.1
JP Morgan Chase	4.5
CVS Health	4.1
Lloyds Banking Group	3.3

Holding	%
S&P Global	2.4
BlackRock	2.3
Alphabet	2.3
Microsoft	2.2
Bank of New York Mellon	1.9
Facebook	1.3
United Overseas Bank	1.1
Oversea - Chinese Banking	1.0
DBS Group	1.0
CapitaLand	0.9

Net debt as a percentage of investment assets was approximately 5.8% as at 30 June 2017. AUD net debt was 2.7%, GBP net debt 2.1%, USD net debt 1.0% and other currency borrowing/cash exposures were below 1% of investment assets as at 30 June 2017 (all approximate). Key currency rates for AUD as at 30 June 2017 were 0.7671 (USD), 0.6725 (EUR) and 0.5905 (GBP), compared with rates for the previous month which were 0.7445 (USD), 0.6620 (EUR) and 0.5767 (GBP).

Yours faithfully,



Chris Mackay
Portfolio Manager

3 July 2017

¹ Net tax liabilities are tax liabilities less tax assets, and are partially in respect of realised gains.

All figures are unaudited and approximate.