



MFF

CAPITAL INVESTMENTS LIMITED

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

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

***Geoffrey Stirton
Company Secretary***

1 August 2017

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

MFF advises that its approximate monthly NTA per share as at 31 July 2017 was \$2.262 pre-tax, (\$2.324 pre-tax as at 30 June 2016) and \$1.926 after providing for tax¹ (mostly deferred). If all of the remaining MFF 2017 options had been exercised by 31 July 2017, the pre-tax NTA would have been reduced by approximately 13.3 cents per share (and the approximate post tax figure by approximately 9.8 cents per share). The July 2017 figures are cum dividend (1c per share fully franked payable November 2017).

Overall conditions remained very favourable for asset owners. The June period corporate results released to date show broad strength in revenues and earnings across most geographies and many industries, and overall corporate/economic growth has been stronger than increased expectations. Market strength over the last 12 months reflects, and is supported by, these earnings and growth as well as continuing low interest rates.

Current earnings and company outlook statements are important but imperfect lead indicators for future earnings/cashflows (upon which valuations are based and which are compared with market prices). The data indicate that overall global economic/business/consumer activity is accelerating, with technology spending and China/other property continuing as significant high economic multiplier growers, and new business formation and corporate investment ticking up. Of course, the mixes vary between cyclical and structural factors in earnings strength, and 'overall' is very different to 'all'.

As well as the economic and business cycles, distinct investment market cycles are developing. Recently, investors have reduced weightings to cash (and increased borrowings) and further increased risk asset exposures, according to the financial companies' June reporting. There have been accelerations in primary activity in markets, capital raisings by alternative, venture, private equity and index funds, property/private equity recycling and corporate control transactions. Dry powder and confidence are at very high levels in markets with positive recent performance, including markets where participants do not focus on day to day price changes.

MFF's activity in the month (reflected in the table and other details below) principally involved moderate risk repositioning rather than major negative or positive views on valuations or prospects, or materially changed inputs (except the near term more favourable business outlooks and some market price changes). MFF maintains significant exposures to economic growth, and moderately increased weightings to multinationals in recent months.

Weakness in the USD was also notable in the month, and the negative impact on MFF's figures was magnified by the AUD strength. MFF's per share figures will also continue to have a headwind from dilution, until the expiry of the exercise period for the MFF Options at the end of October. Taxes and similar charges, which reduce pre-tax NTA when paid (including \$6.7 million current tax liability as at 30 June 2017), were set out in the 2017 Annual Report.

Holdings as at 31 July 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	12.6
MasterCard	10.4
Home Depot	9.9
Bank of America	9.6
Lowe's	9.0
Wells Fargo	7.0
US Bancorp	4.7
HCA Healthcare	4.5
JP Morgan Chase	4.5
CVS Health	4.0
Alphabet	3.4

Holding	%
Lloyds Banking Group	3.3
Facebook	2.7
Microsoft	2.3
S&P Global	2.2
BlackRock	1.3
Bank of New York Mellon	1.3
United Overseas Bank	1.1
Tencent	1.1
Oversea - Chinese Banking	1.1
DBS Group	1.0
CapitaLand	1.0

Net debt as a percentage of investment assets was approximately 6.6% as at 31 July 2017. AUD net debt was 5.1%, GBP net debt 2.4%, USD net cash 1.0% and other currency borrowing/cash exposures were below 1% of investment assets as at 31 July 2017 (all approximate). Key currency rates for AUD as at 31 July 2017 were 0.7984 (USD), 0.6771 (EUR) and 0.6056 (GBP), compared with rates for the previous month which were 0.7671 (USD), 0.6725 (EUR) and 0.5905 (GBP).

Yours faithfully,

A handwritten signature in black ink that reads 'Chris Mackay' in a cursive script.

Chris Mackay
Portfolio Manager

1 August 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.