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MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for February 2018

Please find enclosed MFF's monthly NTA per share for February 2018.

Geoffrey Stirton
Company Secretary

1 March 2018

MFF CAPITAL INVESTMENTS LIMITED

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Net Tangible Assets ('NTA') per share for February 2018

MFF advises that its approximate monthly NTA per share as at 28 February 2018 was $2.600 pre-tax, ($2.324 pre-tax as at 30 June 2017) and $2.156 after providing for tax[1] (mostly deferred). These figures are cum dividend (1.5 cents per share fully franked payable in May 2018). MFF is a company subject to tax at the corporate level and detail in relation to current tax liabilities was included in the half yearly results and in last month's NTA release. Tax instalment payments in the month of approximately 0.4 cents per share reduced pre-tax NTA figures and increased the approximate franking credit balance to 1.8 cents per share.

MFF's portfolio remains concentrated in long term holdings in outstanding businesses with aggregate market prices considerably above our cost prices. Their competitive positions, prospects for profitable business growth and market prices/valuations have remained satisfactory or better, and it continued to be sensible to retain the positions. Deferred tax liabilities become current when positions are sold as these circumstances change, or when perceived better opportunities require funding or sales are made for portfolio/risk management. In February there were no portfolio sales and overall portfolio changes were modest.

We retain our very positive views about the portfolio companies and their prospects. Technology and globalization are benefitting almost all of them. Their scale and profitability materially exceed leading businesses from previous decades. We expect that earnings and cash flow after tax and all charges for the portfolio companies easily exceeded US$10 billion for the 28 days. Overall corporate results for our portfolio companies and broader markets were very positive, although for the second month we felt that corporate reports from a few portfolio companies evidenced increased competitive and cost pressures or failed to meet raised market expectations. Increased ongoing dividends, and some special dividends announced during the month increase the probability that aggregate portfolio dividends received by MFF in fiscal 2018 will approximate fiscal 2017 notwithstanding our meaningfully lower net invested levels.

During the month we added a few new small positions, mostly in companies that we had previously sold after considering prospects for profitable growth and risks in comparison with price, and/or because our portfolio was more focused upon relatively out of favour risk positions (including US financials and markets companies). In deciding to buy we considered that their better business disciplines, pressured share prices, some currency benefits and our portfolio balance changes (less out of favour risk positions), appeared to outweigh increasing competitive and technology headwinds. We have very moderate expectations for these positions. They are in the (at best) modest risk, moderate return categories referenced in the December 2017 NTA release. In this regard, cash remains unattractive, although we value its optionality particularly during market fluctuations. In recent years our portfolio goals have included a direct comparison with cash, and we continue to maintain the portfolio's liquidity and gross profitability aspects with considerable balance sheet flexibility, as the market cycles continue.

The market fluctuations also enabled us to add to a small number of the larger positions. Interest rates remain in focus (see discussion last month), and the benchmark US ten year bond yield moved from about 2.7% to 2.9% p.a. in the month. The US Government infrastructure package was released in the month but did not receive wide support. In contrast the corporate reaction is increasingly positive to the US corporate tax cuts enacted at the end of 2017. In contrast to equity market fluctuations and interest rate concerns, there were numerous announcements around the world of new business initiatives, premises/factories, M+A (including counterbids and hostile takeovers), debt and equity raisings and record funding for private equity. Leading economic indicators and real estate prices continued to be very strong as did consumer and corporate confidence measures. Developments in China continue to be significant.

Details of our currency positions are shown below. We increased the AUD cash on hand modestly for AUD dividends, tax and other expenses. The USD has continued to be weak since the tax cuts, and this continues to impact our monthly NTA figures. We continue to hold cash balances almost exclusively in USD, and not to apply currency hedges to the portfolio holdings (however many have global revenues and earnings, and generally have satisfactory pricing power). Refer to previous discussions for our rationale which remains broadly unchanged.

Holdings as at 28 February 2018 with market values of 0.5% or more of the portfolio are shown in the table below (shown as percentages of investment assets including net cash).

Holding	%
Visa	13.3
MasterCard	11.9
Home Depot	10.1
Bank of America	9.3
Lowe's	7.9
JP Morgan Chase	4.9
Wells Fargo	4.4
HCA Healthcare	4.4
Alphabet	4.1
US Bancorp	3.8
Lloyds Banking Group	3.3
Facebook	3.1

Holding	%
CVS Health	2.8
DBS Group	1.5
United Overseas Bank	1.4
S&P Global	1.3
Oversea - Chinese Banking	1.3
AECOM	0.9
Capitaland	0.9
Kraft Heinz	0.6
Coca Cola	0.5
Apple	0.5
Schroders	0.5

Net cash as a percentage of investment assets including net cash was approximately 6.5% as at 28 February 2018. AUD net cash was 0.4%, GBP net debt 2.5%, USD net cash 8.5% and other currency borrowing/cash exposures were below 1% of investment assets as at 28 February 2018 (all approximate). Key currency rates for AUD as at 28 February 2018 were 0.7793 (USD), 0.6389 (EUR) and 0.5656 (GBP), compared with rates for the previous month which were 0.8098 (USD), 0.6500 (EUR) and 0.5694 (GBP).

Yours faithfully,

Chris Mackay

Chris Mackay
Portfolio Manager

1 March 2018

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

All figures are unaudited and approximate.

Important note
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