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 January 2022.

Authorised by
Marcia Venegas | Company Secretary

1 February 2022

MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for January 2022

MFF advises that its approximate monthly NTA per share as at 31 January 2022 was $3.535 pre-tax ($3.279 as at 30 June 2021), and $2.999 after providing for tax[1] ($2.805 as at 30 June 2021). Figures are cum the 3.5 cents per share fully franked interim dividend which was declared in January 2022 (3.0 cents per share fully franked for the comparable period last year). MFF's financial statements for the period ended 31 December 2021 were released in January and included details of MFF's Net Income, Cash Flows and Balance Sheet. Directors also reiterated their intention to increase the rate of the six monthly fully franked dividends from the current rate of 3.5 cents per share to 5.0 cents per share by the final dividend for the year ended 30 June 2023, subject to corporate, legal, and regulatory considerations, with continued operation of the DRP (at zero discount).

MFF portfolio continuity continued in January. Elsewhere, bubbles and unwinds combined with the Federal Reserve, fear, forced selling and algorithms to provide headlines and some market price volatility. Sales were about 0.7% of investment assets and purchases approximately 3% (additions to existing holdings with no new positions). The entire portfolio is shown below. MFF's major holdings remain extremely profitable and extremely advantaged. December results from investee companies were again exceptional.

Overall, December results were more mixed. There is evident inflation and cost/margin pressures, as well as demand shifts connected with inventory builds and pandemic effects. Apparent lack of underlying growth is causing some leading consumer companies to cut advertising and staff to meet short term targets. Fiscal and monetary tailwinds have eased and are beginning to reverse, and expected geopolitical impacts are again rising, including possible demand and productivity impacts of the CCP reweighting away from entrepreneurs towards SOEs. Socialist and environmental political, regulatory and government actions are becoming more impactful in Europe and elsewhere; well beyond party or policy labels, and well beyond direct and indirect impacts of energy policies, attempts to redress income inequalities and COVID responses with increased official authorities. Interest rates rose in January and yield curves flattened, and we continued to seek to understand risks and scenarios, and whether/where portfolio action might be warranted. There are countervailing factors, including likely underestimation of the release into economies of wealth effects from strong markets and corporate earnings, from record venture capital and private equity monies, as well as from savings built during COVID restrictions.

MFF continues to have structural advantages allowing focus upon rolling 3-to-5-year periods without needing to meet popular opinions, as investors panic or otherwise act contrary to their own longer-term interests. If future stages of bubble unwinds eventuate, they may provide some encouragement to search amongst the detritus for quality businesses at reasonable prices. Inevitably such opportunities will include out of favour businesses, and investor unpopularity or short term focus may allow margins of safety in purchase price and in business quality, if analysis is correct and subsequent business management (and luck) are satisfactory or better.

For some time in prevailing market and interest rate conditions, we have had a primary focus on seeking to avoid major permanent losses of capital, and this continues. MFF's reinvestment of proceeds built up in the early stages of COVID focussed upon higher probability positive outcomes in markets that we considered lacked quality bargains comparable to those available during and after the GFC. A decent proportion of our Covid purchases have now been unwound profitably. Going forward, we hope for better quality bargains. Nevertheless, our buying in January was concentrated on quality, profitable, growing, core company holdings at prices we perceived to be satisfactory rather than bargains. Our portfolio and capital structure allow us to fund purchases from previous, current and future sales of non core holdings, and from other capital resources. We continue to look for market prices which enable such sales to provide funding for future better quality, better value purchases, at the cost of regular tax payments and the cost of cash balances and/or an underutilised balance sheet.

All holdings in the portfolio as at 31 January 2022 are shown in the table that follows (shown as percentages of investment assets).

	%		%
MasterCard	14.8	Intercontinental Exchange	1.8
Visa	14.7	Allianz	1.7
Amazon	9.5	Lloyds Banking Group	1.6
Home Depot	8.2	JP Morgan Chase	1.4
Alphabet Class C	7.3	United Overseas Bank	1.1
Meta Platforms	5.9	DBS Group	1.0
CVS Health	4.6	Oversea - Chinese Banking	0.9
Microsoft	4.1	Lowe's	0.9
Bank of America	3.9	Ritchie Bros Auctioneers	0.5
Alphabet Class A	2.8	HCA Healthcare	0.5
Prosus	2.7	US Bancorp	0.5
Asahi Group	2.4	Schroders	0.4
CK Hutchison	2.3	Sonic Healthcare	0.3
Flutter Entertainment	2.0	United Health Group	0.1
Morgan Stanley	1.9	L'Oreal	0.1

Net debt shown as a percentage of investment assets was approximately 1.8% as at 31 January 2022. AUD net cash was 1.1% (taxes, other expenses and dividends are paid in AUD whilst proceeds of MFF Options (ASX ticker: MFFOA) exercises are received in AUD), USD debt was 1.9% and other currency borrowing/cash/net receivables exposures were below 1% of investment assets as at 31 January 2022 (all approximate). Key currency rates for AUD as at 31 January 2022 were 0.705 (USD), 0.629 (EUR) and 0.525 (GBP) compared with rates for the previous month which were 0.727 (USD), 0.639 (EUR) and 0.537 (GBP).

Yours faithfully

Chris Mackay
Portfolio Manager

1 February 2022

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

All figures are unaudited and approximate.
Figures are not adjusted for unexercised MFF Options (MFFOA).