



MFF

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***MFF Capital Investments Limited ('MFF')
Net Tangible Assets ('NTA') per share for March 2019***

Please find enclosed MFF's monthly NTA per share for March 2019.

**Marcia Venegas
Company Secretary**

01 April 2019

MFF Capital Investments Limited ('MFF') **Net Tangible Assets ('NTA') per share for March 2019**

MFF advises that its approximate monthly NTA per share as at Friday March 29, 2019 was \$3.015 pre-tax (\$2.762 as at 30 June, 2018), and \$2.516 after providing for tax¹. Figures are cum dividend (1.5 cents per share fully franked payable in May 2019).

March was another month of minor changes in MFF's portfolio composition. We continue to regard prices as satisfactory in the circumstances although, overall, less attractive for buyers than in December. The advantaged business positions of the larger holdings continued.

Over the past year the previous consensus, for extrapolated higher interest rates, has weakened. Further, in March US and elsewhere bond market consensus for interest rates appeared to move firmly towards lower for longer, and institutional equity and bond investors worried about prospects for sustained lower economic growth. Institutional investors who worried a year ago that US ten year bond yields would increase rapidly from about 3.25% p.a. are now worried that falling rates of about 2.4% p.a. might signal collapsing economic growth. We are cautious about the new, changing consensus views (and reluctant to increase implied valuations by decreasing long term asset value discount rates). In time there should be sensible opportunities if prices diverge sufficiently from reality.

In recent decades in various markets, sustained low interest rates have been associated with unsustainable asset prices and related excesses in the broader economies. During the month major institutional investors announced major increases in allocations to the private equity sector which is already funded at record levels, and the first of the current round of major 'unicorn' technology IPOs commenced trading at a solid premium to the increased IPO price. State budgets and consumption are expected to benefit, and trickle down effects may spread more widely than generally perceived. Funding is already abundant for venture capital, start-ups and private equity and further 'success' likely creates its own momentum. Rewards for 'easy money' encourage flows. Increased equity and debt issuance is foreseeable, and if over time it is substantial, sustained and exceeds increased demand, it impacts broader market prices.

In contrast, career/agency risks and business pressures continued to increase in the month for active managers of public equities, particularly traditional value based managers. Core professional investor sentiment continues to include high levels of risk aversion, and their downward [short term] revisions in earnings outlooks might be too conservative, particularly if the usual multiplier effects kick in from low interest rates, asset price growth and momentum. Across many industries and many geographies, company outlook updates released during the month were weaker, as were central bank and Government updates. In addition to typical cyclical factors, 'disruption' is happening and remains a key concern along with political risks.

Holdings as at 29 March 2019 with a market value of 0.5% or more of the portfolio are shown in the table below (shown as a percentage of investment assets).

Holding	%	Holding	%
Visa	15.4	CVS Health	2.5
MasterCard	14.5	Blackrock	2.1
Home Depot	9.9	DBS Group	2.0
Bank of America	8.4	United Overseas Bank	1.9
JP Morgan Chase	6.4	Oversea - Chinese Banking Corp	1.5
Alphabet	6.4	Coca Cola	1.2
Lowe's	4.4	Facebook	1.1
S&P Global	4.1	Capitaland	0.9
HCA Healthcare	4.0	Kraft Heinz	0.8
Wells Fargo	3.8	AECOM	0.7
US Bancorp	3.6	Microsoft	0.7
Lloyds Banking Group	3.0		

Net debt as a percentage of investment assets was approximately 3.4% as at 29 March 2019. AUD net cash (including short term bank deposit) was 2.1%, GBP net debt 0.8%, USD net debt 3.9% and other currency borrowing/cash exposures were below 1% of investment assets as at 29 March 2019 (all approximate). Key currency rates for AUD as at 29 March 2019 were 0.710 (USD), 0.633 (EUR) and 0.545 (GBP) compared with rates for the previous month which were 0.711 (USD), 0.625 (EUR) and 0.535 (GBP).

Yours faithfully,



Chris Mackay
Portfolio Manager

01 April 2019

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

All figures are unaudited and approximate.

Important note

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