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

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

***Geoffrey Stirton  
Company Secretary***

Friday, March 1, 2019

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

MFF advises that its approximate monthly NTA per share as at 28 February 2019 was \$2.977 pre-tax, (\$2.762 pre-tax as at 30 June 2018) and \$2.493 after providing for tax<sup>1</sup>. Figures are cum dividend (1.5 cents per share fully franked payable in May 2019).

Portfolio activity increased somewhat in February from the very low levels which have been common for MFF. Equity market prices and investor sentiment continued to rise from the December lows and conditions also continued to improve in a majority of debt and other readily tradeable markets. Debt markets remain closely watched one year after extrapolated consensus expected US ten year rates at much higher levels. Portfolio sales were approximately 9.1% of portfolio value and purchases approximately 1.4% in the month. Our increased investment capacity might allow for opportunities from business and price fluctuations, and possibly from increased dispersion in business/price movements in comparison with recent years where indices (and MFF) have been favoured with broad, sustained large capitalisation company market price appreciation. Our focus remains on comparisons between price and value, with reluctance to stray too far down the quality curve as current economic cycles progress. Our large holdings continue to have sustainable business advantages and opportunities for profitable growth, and we consider that they remain satisfactorily priced. We expect future returns from current prices for markets in aggregate (and for this group) to be far below the returns from this group over the last decade.

Prices for securities of many individual companies fluctuated in response to negative or positive news well beyond general market movements. Core professional investor sentiment continues to include high levels of risk aversion as, in aggregate, professional investors seek to avoid perceived career/agency risks; for example increasing numbers have reverted to 'model' decisions whilst factoring in perceptions in relation to the economic/business news (e.g. whether or not some economic data suggest that the slowdown in various economies in Q4 2018 is passing). Elsewhere, ongoing 'easy money' ensured that renewed speculation returned, seeking yields and returns along with temporary, partial triumph of hope, and denial of reality. We have had no new positions for about a year (and no core positions for some years) and continued to reduce the temporary cash substitute consumer positions from the end of Q1 2018.

February was busy for individual company and broader business information. Outlook statements accompanying results were far more qualified or cautious than those in recent years. Some of this reflects cyclical changes and sentiment, others more structural or secular changes. Business cases for individual companies continue to be subject to high levels of competition, often competitors with technological and funding strengths. Regulatory and political risks remain elevated for most leading companies in most industries, and may be increasing in the political cycles. Risks remain elevated for periodic disruptions to consumer spending and (small) business activity, with sensitivity to interest rate rises (aggregate debt levels are high, although servicing is satisfactory at low interest rate levels), income disruption and commodity/other price increases, as well as impacts when housing and other asset prices fall.

Circumstances surrounding this market price recovery might be somewhat different from previous market recoveries in recent years, partly reflecting the higher prevailing market prices. Momentum investing was favoured for a number of years; so far, it is not obviously most favoured in this price recovery.

MFF's net debt percentage reduced reflecting the higher market prices and net sales, and currency positions were materially unchanged in the month. The monthly figures also reflect ongoing tax instalment payments (which reduce pre-tax figures).

Holdings as at 28 February 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	14.9	CVS Health	2.6
MasterCard	14.2	Blackrock	2.2
Home Depot	9.8	DBS Group	1.9
Bank of America	8.9	United Overseas Bank	1.7
JP Morgan Chase	6.5	Oversea - Chinese Banking Corp	1.3
Alphabet	6.2	Facebook	1.3
Lowe's	4.4	Coca Cola	1.1
HCA Healthcare	4.3	Capitaland	0.8
S&P Global	4.0	Kraft Heinz	0.8
Wells Fargo	3.9	AECOM	0.8
US Bancorp	3.7	Microsoft	0.7
Lloyds Banking Group	3.1		

Net debt as a percentage of investment assets was approximately 2.2% as at 28 February 2019. AUD net cash (including short term bank deposit) was 1.7%, GBP net debt 0.6%, USD net debt 3.1% and other currency borrowing/cash exposures were below 1% of investment assets as at 28 February 2019 (all approximate). Key currency rates for AUD as at 28 February 2019 were 0.7115 (USD), 0.6248 (EUR) and 0.5349 (GBP), compared with rates for the previous month which were 0.7292 (USD), 0.6355 (EUR) and 0.5543 (GBP).

Yours faithfully,



Chris Mackay  
Portfolio Manager

Friday, March 1, 2019

<sup>1</sup> 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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