



CAPITAL INVESTMENTS LIMITED

MLC Centre
Level 36, 19 Martin Place
Sydney NSW 2000 AUSTRALIA

General: +61 2 9235 4888
Facsimile: +61 2 9235 4800
Website: www.mffcapital.com.au
ABN: 32 121 977 884

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

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

***Geoffrey Stirton
Company Secretary***

Wednesday, 1 August 2018

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

MFF advises that its approximate monthly NTA per share as at 31 July 2018 was \$2.850 pre-tax, (\$2.762 pre-tax as at 30 June 2018) and \$2.355 after providing for tax¹. Figures are cum dividend (1.5 cents per share fully franked payable in November 2018).

Results for MFF portfolio companies reported during the month were at record levels for most companies, particularly the larger holdings. Full details of the portfolio, including all holdings at any time in the previous year, were set out in the MFF results released in the month.

MFF's results also included structural, cyclical and market factors relevant to management of the portfolio, as well as company specific factors. Specifically, MFF is subject to substantial tax payments during 2018/19, including the \$23.31 million current tax liability, a 2019 instalment of \$1.4 million paid in July and subsequent instalments through the year. These taxes, as well as fees, charges, other expenses and dividends require cash in AUD, and reduce the portfolio assets and the pre-tax NTA figures.

In recent months, and in the results, we have detailed current factors and challenges including higher market prices (refer to those releases). Prices matter as MFF has choices whether to hold, sell (and pay taxes) or buy more of either or both of the longer term holdings or the balance of the portfolio. As an equity investor MFF takes business equity risk, and takes market equity risk (which often amplifies changes in businesses and may be unfavourable for short or longer periods). Upwards and downwards ratings of companies, industries and geographies, and changes in ratings, are constant characteristics of markets, and of the noise which surrounds markets and businesses.

Net cash as a percentage of investment assets was approximately 0.7% as at 31 July 2018. AUD net cash was 1.7%, GBP net debt 1.3%, USD net cash 0.6% and other currency borrowing/cash exposures were below 1% of investment assets as at 31 July 2018 (all approximate). Although the overall currency positioning remains unchanged, we continued to move amounts to AUD in anticipation of tax and other AUD payments. Key currency rates for AUD as at 31 July 2018 were 0.7434 (USD), 0.6354 (EUR) and 0.5667 (GBP). compared with rates for the previous month which were 0.7389 (USD), 0.6328 (EUR) and 0.5596 (GBP).

Yours faithfully,

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

Chris Mackay
Portfolio Manager

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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