MFF Capital Investments

Net tangible assets ("NTA") per share

	31 August 2026[1,2]	30 June 2026
NTA per share (pre-tax)[3]	**$5.130**	$4.999
NTA per share (post-tax)[4]	**$4.341**	$4.254

1. *Figures are unaudited and approximate.*
2. *Cum 11.0 cent per share fully franked final dividend.*
3. *Pre-tax NTA figures are shown after tax paid (reflected in cash balances) and adjusted for any current tax instalment payable. Taxes paid and adjusted impact pre-tax NTA comparisons with trusts and indices. Tax paid in the financial year is set out in the table below.*
4. *Post-tax NTA includes net tax liabilities consisting of current tax liabilities and deferred tax liabilities, less deferred tax assets.*

Dividends, franking and tax

Expected dividends (100% franked)	
• FY26 Final – *payable 29 October 2026*	11.0 cps
• FY27 Interim – *intended*[i]	12.0 cps
Dividends paid or declared from 2016	110.5 cps
• Including the value of franking credits[ii]	157.8 cps
Franking credit balance per share at last financial reporting date[iii]	45.9 cps
Tax paid since 30 June 2026	$5.5 million

[i] Intention subject to prevailing corporate, legal, tax and regulatory considerations. [ii] Refer to website for historical franking levels, 100% franked since 2017. [iii] As at 30 June 2026.

Portfolio Manager Update

Some of the supports for major equity markets were tested and held in August, such as continued strong earnings results and the positive outlook for spending on data centres, AI and technology (with material multipliers) and the stimulus effects of Government deficits. Retesting will continue and inflation, interest rates/bond markets, private credit, and debt levels remain focus areas along with concerns about politics/geopolitics and continued excess gambling and speculation, as the northern hemisphere returns from summer. August included markets basically untroubled by the completion of the multibillion-dollar extraordinary unwinding of a twenty-something leveraged risk portfolio, alongside many more wary professional investors, retirees and near-retirees concerned to seek to 'protect' asset bases and income/spending streams. Populist and socialist politics are impacting major non-authoritarian democracies and long-term economic prospects, including US mid-term elections' full spectrum false assertions and promises and electoral bribes. Meanwhile, Wall Street has developed and is selling billions and billions of dollars of products for the speculators, for 'protection' and particularly for AI and other unicorn beneficiaries.

Activity was again modest for MFF in August. The AUD rise/USD fall continued in August with a moderate overall negative impact on monthly figures. MFF remains focused upon its processes and priority areas with emphasis upon Value and Quality. We continue to favour companies likely to have sustained profitable growth at sensible prices (having regard to factors including interest rates). August was another month when corporate results and related disclosures for portfolio companies were again positive overall and exceeded many expectations. Despite cost-of-living and inflationary pressures biting widely, resilience remained a feature for many, along with profitable growth. Companies that did not borrow to expand when interest rates were rock bottom are now expanding.

Broad general comments made last month were not obviated by time, actions, or the northern summer, and remain crucial. Key debates continue around 1) scale, returns and direct/indirect impacts of the accelerating and historically unprecedented global capital expenditure on artificial intelligence and related technologies; 2) direct/indirect impacts of accelerating populist, socialist and authoritarian movements with policy, legislative, executive, regulatory and judicial interventions, including related geopolitical/global actions including kinetic, cyber and undiplomatic wars, economic dumping and coercion/bullying as well as fiscal imprudence and capricious, complicated taxation and rules dampening incentives and productivity; 3) sustained cumulative adverse inflationary impacts upon costs of living, interest rates, corporate margins (particularly impacting small-medium enterprises and major employers in aggregate) and workplace relations, together causing negative after-tax incomes (with unindexed bracket creep) and damaging consumer confidence measures; 4) continuing elevated overall speculation and prices in asset markets, some increased caution in capital flows and allocations (including segments of institutional) together with increasing volatility, supply of equity and complex risk products and divergence; and 5) the differing composite and specific impacts of these issues upon individuals and businesses as well as countries and regions, with increasing, possibly systemic, risks in some emerging markets.

Business excellence is extraordinary, including leadership and vision, detailed execution, skilled courage in adoption of technology and true management quality amplified by favourable competitive and other conditions including scale and financing advantages across the portfolio. Business cannot operate in a vacuum. Public squalor (a concept Galbraith described) bites deeper and recent US administrations have not accessed such leadership and management excellence, and Westminster democracies have struggled with second rate vested interests or time servers (except perhaps in war crises) as long described by many including Donald Horne.

For some months, market participants have been concerned about the duration and extent of the unprecedented technology capital expenditure and whether the hyperscalers would earn returns on their investments. August concluded with market participants having, overall, more benign views about large parts of the current and future expenditure (duration, magnitude, competitive intensity, and return prospects), although views remain disparate across market and industry perspectives/participants. Headwinds remain, however, including for free cashflow shortcuts which do not separate maintenance capital expenditure from possible returns on growth capital expenditure components.

In August, alongside modest activity, MFF maintained its net cash and significant additional balance sheet capacity, as well as ongoing portfolio liquidity. MFF's processes continue to be focused upon increasing probabilities for sustained success by eliminating the vast majority of market prices and businesses from focus. Our preference is combinations of value and quality with duration advantages (i.e. businesses with probabilities of sustainable success). We seek significant "margins of safety" (low prices for extreme quality businesses with growth prospects underpinned by sustainable advantages) which materially increase prospects for success over time, provided holdings can extend for duration. Very little has changed for MFF in recent months. Specifically in portfolio construction we continue to favour better quality investments perceived to have sustainable profit growth prospects (even at higher recent interest rate levels). Duration, magnitude, multipliers, competitive intensity (technology, domestic and international), Government, judicial and regulatory interventions, subsequent impacts and second order effects are just some variables. More and more examples of multipliers are emerging from the boom in artificial intelligence development, with community and political backlash also having an impact.

Rising interest rates across Government, corporate and alternative securities returned in July and continue to weigh on asset price calculations. Month over month in August, the US Government 10-year bond trading yield rose modestly to approximately 4.75% p.a. from approximately 4.74% p.a. with upward pressures requiring the Chairman of the Federal Reserve to jawbone markets as yields rose across durations from very short to long. Australia, UK and the US continue to have materially more expensive interest rates than Italy, France, Germany and Japan. Higher yields are sought as policy settings and actions concern debt investors, as they do in some emerging markets.

Inflation analysis has become more important for analysts, academics and investors, and damaging for household budgets and savers/investors seeking to provide for future risks and obligations. Complex adaptive systems such as economies and inflation do not lend themselves to single variables or explanations. Oil price supply shocks have been associated with months of higher inflation and more sustained inflationary problems. Similarly for permissive monetary policies, with velocity of money being a variable. Similarly for fiscal ill-discipline, capital expenditure booms and transmission mechanisms chasing higher wages/benefits, higher consumption taxes linked to CPI and business price increases. Economy openness matters with deflationary scale exports and dumping of subsidised steel, cars and other manufacturing forcing out domestic production but with the benefit of lower input, end costs, and spot CPI (at least temporarily, until tariff and other retaliations and when denuding of domestic industry allows scale manufacturer cartels to price). Currently the combination of factors may have inflation risks in the US being neutral to upwards but at least modestly sustained above the 2% Federal Reserve target [but with bullying political pressure to stare into the headlights or blink downwards]. In smaller more regulated, centralised economies, there are more serious risks of further sustained embedding at the top or above a 2-3% target range, on top of recent cumulative 20% inflation (i.e. reduction in the purchasing power of money). Concurrent performative and anti-business impediments are causing/contributing to economic dampening effects including exploding Government project spending impacting productivity, slow adoption of AI to maintain sector employment and conditions, elevated bankruptcies and company failures and punitive marginal taxes encourage young talent to move overseas.

Capital Investments

Listed holdings in the Group's portfolio as at 31 August 2026 are shown in the table that follows (shown as percentages of investment assets, including net cash and excluding various smaller holdings). Equity in group subsidiaries are not included in the table.

	%		%
MasterCard	8.9	DBS Group	2.4
Visa	8.6	Blackstone Group	2.3
Bank of America	8.0	KKR & Co	2.0
Alphabet Class A	8.0	Oversea - Chinese Banking	1.9
Amazon	7.4	US Bancorp	1.5
Microsoft	6.4	United Overseas Bank	1.4
American Express	6.1	CK Hutchison	1.0
Home Depot	4.9	Allianz	0.9
United Health Group	4.2	Alphabet Class C	0.8
L1 Group	3.7	Montaka Global Fund - Active ETF (ASX:MOGL)	0.8
Meta Platforms	3.5	CVS Health	0.7
Lowe's	2.7	Prosus	0.6
Lloyds Banking Group	2.6		

Net cash shown as a percentage of investment assets (including net cash) was approximately 4.4% as at 31 August 2026. AUD cash was 3.7% (taxes, other expenses and dividends are paid in AUD), SGD cash 1.2%, USD cash 0.2%, GBP borrowings 0.3%, HKD borrowings 0.3%, and Euro borrowings 0.1% of investment assets as at 31 August 2026 (all approximate). Key currency rates for AUD as at 31 August 2026 were 0.717 (USD), 0.617 (EUR) and 0.529 (GBP) compared with rates for the previous month which were 0.702 (USD), 0.610 (EUR) and 0.522 (GBP).

Yours faithfully,

Chris Mackay
Portfolio Manager
1 September 2026

For more information, visit www.mffcapital.com.au

RECEIVE KEY COMPANY AND INVESTMENT UPDATES

Click below to stay up to date with MFF's latest activities via email.

SUBSCRIBE

This announcement is authorized by Muli Zhou Company Secretary of MFF Capital Investments Limited. IMPORTANT INFORMATION: All figures used in this announcement are unaudited and approximate. MFF Capital Investments Limited ABN 32 121 977 884 (MFF) has prepared the information in this document. This document is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. Past performance is not a reliable indicator of future performance. This document has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs and MFF does not offer financial advice in any form whatsoever, expressly or implied. To the extent anyone attempts to imply general financial product advice is contained in this document, it is by MFF as a corporate authorised representative of Montaka Global Pty Ltd ABN 62 604 878 533 AFSL 516 942.