MFF Capital Investments Limited

Interim Report

For the half year ended 31 December 2023

ABN 32 121 977 884

Contents

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by MFF Capital Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

for the half year ended 31 December 2023

The Directors of MFF Capital Investments Limited ("MFF" or the "Company") submit their interim report in respect of the period ended 31 December 2023.

1. Directors

The following persons were Directors of the Company during the period and up to the date of this report:

		Appointed
Annabelle Chaplain AM	Chairman & Independent Non-executive Director	21 May 2019
Robert Fraser	Independent Non-executive Director	21 May 2019
Chris Mackay	Managing Director and Portfolio Manager	29 September 2006
Peter Montgomery AM	Independent Non-executive Director	21 May 2019

2. Company Overview

The Company is a listed public company incorporated in Australia. Its principal place of business is Level 36, 25 Martin Place, Sydney, New South Wales, 2000.

The Company's shares are listed on the Australian Securities Exchange (ASX code: MFF).

3. Principal Activity

The principal activity of the Company is the investment in a minimum of 20 exchange listed international or Australian companies.

4. Review of Financial Results and Operations

Financial Results for the Period

The Company recorded a pre-tax profit of $208,536,000 (December 2022: pre-tax profit $28,605,000) and a net profit after income tax of $145,970,000 (December 2022: $20,043,000) for the period ended 31 December 2023. Basic earnings per share were 25.24 cents (December 2022: 3.42 cents). MFF 'marks to market' its investment portfolio and the results principally reflect movements in the market prices of the portfolio.

The Company had pre-tax net tangible assets ("NTA") of $3.664 per ordinary share (before net tax liabilities of $0.552 per ordinary share) as at 31 December 2023 compared with $3.398 per ordinary share (before net tax liabilities of $0.489 per ordinary share) as at 30 June 2023. The Company had a post-tax NTA of $3.112 per ordinary share as at 31 December 2023 compared with $2.909 per ordinary share as at 30 June 2023.

Operations – Portfolio and Activities

The Company's financial results, investment returns, portfolio composition and changes during the period are summarised in the Portfolio Manager's Report (refer page 7) and detailed in the Financial Statements.

Strategy and Future Outlook

The Company is invested in equities, mainly denominated in foreign currencies. As equity and currency markets continue to be subject to fluctuations, it is not meaningful or prudent to provide a detailed outlook statement or statement of expected results of operations.

The Company provides regular updates in the weekly and monthly NTA announcements, which can be found in the Australian Securities Exchange ("ASX") announcements and in the investor centre section of the MFF website, www.mffcapital.com.au. Releases to shareholders and the ASX have included discussions in relation to the Company's investment processes and some investee companies from time to time.

The Company sets out its portfolio holdings at 31 December 2023 in the Portfolio Manager's Report (this information was also released to the ASX on 2 January 2024 as part of the December 2023 monthly NTA release), and further details are provided in Note 4 to the Financial Statements.

The Company's capital structure is detailed in Note 5 to the Financial Statements.

5. Dividends

Final and Interim Dividends

The Company paid the final dividend for the prior period ended 30 June 2023 of $27,238,000 (5.0 cents per ordinary share) fully franked on 3 November 2023.

On 5 September 2023, the Company introduced a Bonus Share Plan ("BSP") where eligible shareholders may elect to forego all or part of their dividend, and instead receive additional fully paid MFF shares, issued as bonus shares. Further detail is available in the BSP Rules on the MFF website, www.mffcapital.com.au.

On 25 January 2024, the Directors declared a fully franked interim dividend, for the period ended 31 December 2023, of 6.0 cents per ordinary share (December 2022: fully franked interim dividend of 4.5 cents per ordinary share), which will be paid on 14 May 2024. The amount of the proposed dividend, based on the number of ordinary shares on issue at 31 December 2023, is $34,605,000. The Dividend Reinvestment Plan ("DRP") and BSP will operate in conjunction with this dividend and no discount will be applied for the DRP.

On 25 January 2024, the Directors also announced their intention to increase the rate per share of the six monthly dividend to 7.0 cents fully franked for the period ending 30 June 2024, subject to corporate, legal and regulatory considerations, with continued operation of the DRP and BSP (at zero discount).

Imputation Credits

At 31 December 2023, the Company's total available imputation credits (based on a tax rate of 30%) were $127,086,000 (December 2022: $105,362,000).

6. Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the period other than as disclosed in this report.

7. Subsequent Events

In the latest release to the ASX on 22 January 2024, the Company reported a NTA per ordinary share as at 19 January 2024, as follows:

	19 Jan 2024 $[1]	31 Dec 2023 $[2]
Pre-tax NTA per ordinary share	3.873	3.664
Net tax liabilities per ordinary share	0.615	0.552
Post-tax NTA per ordinary share	3.258	3.112

[1] The NTA per ordinary share reported to the ASX is approximate and not reviewed by Ernst & Young ("EY").
[2] NTA per ordinary share reviewed by EY (refer Note 7).

Other than the above matters and the proposed dividend detailed at Section 5, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

Directors' Report

for the half year ended 31 December 2023

8. Other

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Rounding of Amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission's *Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and consequently amounts in the Directors' Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of the Directors.

Annabelle Chaplain AM
Chairman

Chris Mackay
Managing Director and
Portfolio Manager

Sydney
25 January 2024

Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of MFF Capital Investments Limited

As lead auditor for the review of the Interim Financial Report of MFF Capital Investments Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Ernst & Young

Clare Sporle
Partner

Sydney
25 January 2024

Portfolio Manager's Report

for the half year ended 31 December 2023

Dear Shareholder,

Overview of the latest six months

For another six months, there were relatively few changes to the MFF portfolio. We are concentrated in exceptional companies and consider that market valuations remained satisfactory. We continue to believe that predictable sustainable profitable growth may remain relatively scarce across economies; relatively speaking it may become more valuable for investors and conversely many sectors and companies are expected to feel increased competition, margin and pricing pressures. We continue to be very happy with the business performance of the portfolio companies. Many have again increased market shares and at least maintained longer-term prospects. We remain concerned about relentless increases in regulatory risks and expect in the future to at least partially trade off business quality against regulatory risks. Twelve months ago, we were less concerned about cyclical negatives for many of our portfolio companies, and we continue with this perspective. A year ago we noted that MFF had increased its market exposure in calendar 2022 with some possible upsides as markets had "materially downgraded companies perceived as longer dated growth companies (i.e. applied higher discount rates to estimates of future earnings given the higher and rising interest rate context) and multiplied the downgrades where markets have moved from strong secular growth to cyclicality (cloud computing, software, digital advertising and ecommerce are examples)".

Markets in the latest six months were again dominated by reactions upwards and downwards by market participants to the rhetoric and actions of central banks, particularly the US Federal Reserve, related to increasing policy interest rates and Quantitative Tightening (whereby the Federal Reserve tightens liquidity/money supply by reducing its holdings of US government securities and other securities). By the end of December, we had commenced some portfolio sales to increase liquidity and provide for future optionality.

As usual in the absence of disasters, the mark to market financial results for the six months are of limited importance as are most six-month results. Past decisions created the quality and mix of the portfolio. Large tax payments were a consequence of profitable sales during the period. Significant MFF dividends and share buy-backs also occurred in the six months.

As usual, future decisions will include the extent to which MFF should build up liquidity, for example in market upturns in 2024, and possibly for risk management. We also continued to take action to reduce the significant nominal percentages of Visa and MasterCard, currently the third and fourth largest holdings, with closely related activities.

As mentioned at the 2023 AGM, we continue examining many opportunities across a range of company sizes, some of which may have to wait until future market washups which provide opportunities as even quality companies are sometimes "thrown out" in market bottoming processes. Of course, volatility is a feature, and potential gains for longer term holders require purchase of quality in the face of panic and adverse sentiment (prices and price momentum may be terrible) and vice versa (at least to some extent as resources are limited).

For many years we have had few opportunities that we regarded as excellent, and opportunity cost assessments for after tax proceeds of sale against future possible opportunities were always difficult. Eventually this will change, at which time active Quality/Value based decisions might be favoured.

Results, Performance, Dividends and Expenses Table

Shareholders and advisers have requested "performance figures" for MFF. In 2023 the MFF Board agreed to the inclusion of a table of factual data and calculations from MFF's audited/reviewed statutory accounts over a medium-term period, provided that the presentation was non promotional. The table that follows includes 7.5 years from 1 July 2016 (immediately post Brexit vote). Markets fluctuate, and MFF has successfully held much of the portfolio for the entire period (11 of the then 15 largest holdings) and hence, period to period results must also fluctuate. Over the period aggregates for after tax gains, for taxes paid, and for dividends paid are in the hundreds of millions of dollars and are far more meaningful than periodic fluctuations. MFF aims to continue to benefit from market fluctuations and not hurt aggregate performance over time by seeking to "manage" volatility. Of course, extrapolation is both illogical and dangerous. Past performance does not represent future performance.

MFF will continue to be managed for medium-term outcomes, including the payment of fully franked dividends to shareholders (this has become more important as the shareholder base ages) and growth in portfolio capital values, and MFF seeks to avoid permanent loss of capital. MFF is a company and pays considerable tax in Australia which allows for franked dividends, based on current legislation.

Portfolio Manager's Report

for the half year ended 31 December 2023

Period Ended[1]	Net Profit/ (Loss) After Income Tax $'m	Opening Statutory Net Assets $'m	After Tax "Performance Indicator" %[2]	Share Buy-back m	Dividends Declared $'m[3]	Dividend Yield Indicator %[4]	Cash Tax Paid $'m	Closing Franking Account $'m	Expenses Excluding Income Tax and Interest $'m[5]	Expenses Indicator %[6]
30 Jun 17	158.8	786.4	20.2	-	10.0	1.3	3.9	1.3	9.4	1.2
30 Jun 18	240.0	953.1	25.2	-	16.2	1.7	18.0	11.0	7.0	0.7
30 Jun 19	218.6	1,238.2	17.7	-	19.0	1.5	41.6	45.6	7.0	0.6
30 Jun 20	25.1	1,443.6	1.7	-	139.0	9.6	129.4	118.0	8.0	0.6
30 Jun 21	217.5	1,361.9	16.0	-	37.2	2.7	3.4	106.9	6.9	0.5
30 Jun 22	(170.8)	1,593.6	(10.7)	-	43.8	2.7	14.6	104.1	7.0	0.4
30 Jun 23	323.6	1,424.9	22.7	25.6	55.0	3.9	31.1	114.0	5.6	0.4
31 Dec 23[7]	146.0	1,687.3	8.7	17.5[8]	34.6	2.1	25.4	127.1	2.2	0.1
	1,158.8				354.8		267.4			

1 Figures are rounded, approximate and not audited.
2 Net Profit/(Loss) After Income Tax Expense divided by Opening Statutory Net Assets.
3 All dividends fully franked except 2017 interim (1 cent per share franked to 85%).
4 Dividends Declared divided by Opening Statutory Net Assets.
5 MFF was not required to pay performance fees to Magellan from 31 December 2019. MFF also does not pay cash or other incentives or grant any stock awards to staff or board members.
6 Expenses (excluding Income tax and Interest) divided by Opening Statutory Net Assets.
7 Six month period ended 31 December 2023 (not annualised). December results are reviewed not audited.
8 During the period ended 31 December 2023, the Company purchased on-market, and cancelled, 5,891,990 ordinary shares, at a total cost of $17,495,000 (refer Note 5 to the Financials Statements).

Portfolio and Market Commentary as at 31 December 2023

Our views on the portfolio and other details were summarised in the December 2023 NTA release to the ASX on 2 January 2024 as follows (with minor editing from original release).

"MFF advises that its approximate monthly NTA per share as at 31 December 2023 was $3.665 pre-tax ($3.398 as at 30 June 2023), and $3.129 after providing for tax ($2.912 as at 30 June 2023). The currency impact over the month and the latest 6 months was approximately 2.5% adverse for stated figures. The 30 June 2023 accounts for MFF indicated pockets of potential value which have not been diminished in the latest 6 months. These include $104 million of franking credits (after final 2023 dividend), $976.6 million of retained profits and profits reserve and the deferral benefit of $278.2 million net deferred tax liability [figures as at 30 June 2023]. Over the seven years to 30 June 2023, MFF declared fully franked dividends of $320.2 million, paid Income Tax of $242 million and bought back and cancelled 10 million MFF shares costing $25.6 million. MFF also managed capital growth over this period, with Net Profits of $1,012.8 million after (30%) Income Tax on unrealised gains as well as realised profits, starting from Net Assets of $786.4 million.

MFF's net gains in the most recent 6 months (after providing for full 30% tax on both realized and unrealized gains) are unlikely to be far away from global indices which do not have any allowance for tax. In MFF's case the monthly pre-tax figures are actual figures and for December 2023 are after paying approximately $8 million in Australian tax, which will assist future dividend franking. In addition to seeking sustained capital growth over medium term and longer periods, MFF has paid out significant fully franked dividends which have been increased regularly. MFF recommenced an on-market share buyback in January 2023. This increased market liquidity for sellers and added modestly to per share values for continuing shareholders. Although most shareholders are positive about MFF dividends, the failure to retain the cash paid out reduced historic returns, particularly as MFF does not have separate business earnings to fund future purchases and has sporadically raised limited equity (and only on pro rata equal opportunity terms).

MFF's primary feature remains its combination of shareholding interests in extraordinary businesses with sustainable competitive advantages and above average sustainable profitable growth rates, acquired on satisfactory terms. MFF is a long-term holder of advantaged businesses with moderate recycling of investments (mostly related to market prices and risk management and to provide for funding of alternative opportunities). In the month, continuing rebounds in bond markets (see below) and the return of animal spirits and more widespread speculation in equity markets were features and MFF had sales of approximately 4% of portfolio value and negligible purchases.

Lack of change was again the primary feature. For the vast majority of portfolio actions (and inaction), we want them to be value adding in their own right. Unusually, MFF's overall results will be better over time if the selling in December was unnecessary, too early, wrong. We were acting on possible future opportunity costs (i.e. to increase future resources for possible future opportunities) and not even for "risk management" purposes [MFF's borrowing levels were already prudent] beyond some reduction in correlated concentrated investments (albeit superior Quality and satisfactory or better Value). Of course, momentum was against our actions; buyers were everywhere for almost everything, including those who had been sellers at lower prices. MFF has focused on companies in very liquid markets where price liquidity risks and frictional costs (ex-tax) are minimal, and MFF processes almost always include easing in and easing out during active position sizing, enabling modest mitigation/better pricing during sustained contrary momentum. Past MFF reports discussed momentum, including its self-reinforcing tendencies for customary persistence in many markets, its short-term focus and significant risks compared with fundamental medium-longer term price/value/quality analysis [into 2022, momentum, subsidies and experts extolled Benjamin Braddock into solar and rare earths such as lithium, and even benchmark Brent oil and producers had strong price momentum which more than reversed with time].

MFF is not predicting [the elite at Davos January and promoters provide more than enough possibly contrary indicator predictions] but preparing patiently for when opportunities might be very attractive. In December, rampant, desperate yield seeking was joined by aggressive risk taking in the guise of return seeking. Obviously, overall, higher prices for the same assets reduce future returns, and, logically, lower asset returns should be accompanied with less risk taking. Across broad sample sets, the best returns are when prices are the lowest with the fewest buyers. In October debt focused professional investors were overwhelmed from buying bond duration by career risks and related factors but by December they had trillions of dollars of demand for these assets at materially higher prices (and actively sought hundreds of billions of dollars of additional risk which had been shunned at far lower prices less than a quarter before).

Regulated banks continue aggressively shedding credit related risks to eager unregulated entities, some of which are funded by promotional selling to risk unaware yield seekers. Unlike under the post GFC reforms originators are not even always required to retain risk exposure. Chasing fees and volumes, more of these Upstarts are also originating aggressively (commissions) and lack even basic credit skills (tech is not yet a complete substitute for credit, and obviously failed in early 2023). Inevitably, aspects of this will end very badly. Secondary, and tertiary impacts must be considered even if avoiding direct involvement with illiquid assets/daily liquidity related products.

In December there were few formal updates from portfolio companies or directly relevant to the portfolio. Overall, when considering a broader array of companies across various geographies, we were less positive about many updates than reflected in subsequent market action. We believe that more examples are evident of diminished pricing power, competition, margin pressure and subdued consumer and business demand. Even the two-edged sword of Government spending saw some constraints which must increase as increased interest costs meet increased Government debt, meet dreadful increases in regulatory interventions and lawyers' picnics, meet higher taxation and resistance in the context of geopolitical pressures and destabilized democracies heading off to elections. We are less confident than the newfound bullish consensus about the possibilities of avoiding negative outcomes after the belated recent realization by central banks of approaching or actual disinflation and deflation and related damage particularly in Europe (CCP incentives to crank up manufacturing exports are years in advance of any WTO action expected to be ignored anyway). As usual it is easier to expect that individual company results and outlooks will not all be positive. In this context, investors hoping for 1995, 1998 or 1999 sunlit uplands might be indulging similarly to those in the very late 1960s early 1970s.

We continue reviewing whether market context might make it sensible to be more active rather than less active with the portfolio. Of course, assessment must continue with urgency about whether portfolio companies are likely to continue with their successes for profitable growth. At the recent AGM we again highlighted potential future winners (which include many of the current winners as the curse of scale is not biting some companies as hard as in past decades) and work continues. Valuations matter, and the 1982-2021 sugar hit from sustained reductions in interest rates cannot repeat. On the other hand, rigid supporters of traditional value investing relying on reversion to means may be underweighting impacts upon traditional company profits, prospects and values from the internet, cloud, smart phones, globalization, and data, even before the latest artificial intelligence. Currently there appear to be far more challenged businesses than sustained winners, and some major 20th century leaders have been challenged.

No discussion is required of near-term economic data which showed widening economic cracks, more signs of deflation and much disinflation. Of course, such data fluctuates widely and does not predict even short periods as significant shifts in sentiment and activity become more common. Real rates are rising and traders remain fearful about difficulties for US Treasury when issuing long dated bonds in markets that are prone to hedge fund and other manipulation and swings as they are far less liquid than they would have been with better regulation of banks, less bad central bank interventions and absent geo-political issues which are balkanizing some buying away from western Government issuers. Confidence should not be supported by the recent ridiculous movements in the US 10-year bond yields (commonly regarded as a key "risk free" benchmark useful for asset valuations) which closed month end at approximately 3.88% p.a. falling from approximately 4.34% p.a. in the month (and 4.93% p.a. two months ago) against recent peaks of above 5% p.a., lows for the year under 3.3% p.a. and almost unchanged year on year. The US (and other Government) deficits and multiple trillion-dollar funding requirements remain in focus. This volatility upset equity investors required to adjust their asset priced models by changing their "base" discount rates and to fudge their "equity risks premia" to agree with whatever equity action they needed.

Portfolio Manager's Report

for the half year ended 31 December 2023

For MFF, interest rate levels remain below our hurdles for investments, and we are concentrated in companies that earn multiples of these levels on their capital, and with well above average prospects for future earnings growth. The interest rate levels remain within usual ranges during traditional interest rate cycles and provided MFF with opportunities to acquire listed business interests at more favourable prices than otherwise.

We continue not to be dismissive of risk factors such as impacts of escalation of the 2 wars, and that the Federal Reserve continues to fail to realise that historical theoretical economic models are outdated (2023 inflation is not 1970s demand inflation) and keeps short term rates too high for far too long and inflicts more damage which escalates. The manipulation of key bond market prices probably continues until stopped by events and intervention, with wider impacts for equity markets and to economic activity (if interested see discussions of reflexivity and actions cause reactions). Incidentally, the inverse yield curve indicator of recessions in past decades (which was never stated as causal) may be less relevant, as the short-term rate has been set artificially since the 911, GFC and Covid interventions. Overall, the risks of errors remain high including because most political systems are under increasing pressures exacerbated by populism and internal fissures and possible commodity price risks from geopolitical events. Even in the US which remains the strongest major economy, many small businesses continue struggling as cash pressures build on them and consumers. Banks tightened credit during Q2 2023 and continued in Q3 and Q4, and of course the Regulators have proposed draconian new capital and reporting requirements to cut off access to capital even further in regulated entities. Time and again over the years, this results in disasters as capital moves to unregulated excess. This time, even with the changed Federal Reserve rhetoric, bad outcomes likely will be exacerbated by excessive official interest rate rises impacting with lagged but cumulative effects. Across many continents, the unrelenting myriad of anti-business anti-growth ideologies dominated regulators and politicians continue to dampen initiatives, risk taking and opportunities with cumulative, deleterious effects. In the US, the regulatory idealogues continued antitrust and other pernicious actions against virtually all successful companies, including major tech companies, with some novel aspects, and of course uncertain judicial and commercial outcomes.

Focus has been key for processes to increase probabilities of satisfactory or better financial results for MFF since at least the GFC review and 2012 changes. For the portfolio and more broadly, saying NO is fundamental to focus. Of course societal and other pressures require compromise, with some immediate costs and often more dramatic opportunity and other costs accruing over years. The H2 2022 focus on value and quality was a necessary "catch up" amidst myriad noise and sub-optimal distractions followed by current (possibly early) portfolio action in preparation for future risks and opportunities.

All holdings in the portfolio as at 31 December 2023 are shown in the table that follows (shown as percentages of investment assets).

	%		%
Amazon	**11.3**	CVS Health	**1.6**
Visa	**10.5**	Lloyds Banking Group	**1.5**
MasterCard	**10.4**	Prosus	**1.5**
American Express	**7.3**	DBS Group	**1.4**
Home Depot	**6.8**	United Overseas Bank	**1.2**
Microsoft	**6.6**	US Bancorp	**1.1**
Alphabet Class C	**6.5**	Oversea - Chinese Banking	**1.1**
Bank of America	**6.3**	United Health Group	**1.0**
Alphabet Class A	**6.0**	Lowe's	**0.7**
Meta Platforms	**5.7**	JP Morgan Chase	**0.4**
Flutter Entertainment	**2.6**	RB Global	**0.4**
HCA Healthcare	**2.4**	Allianz	**0.2**
Morgan Stanley	**2.1**	Schroders	**0.1**
CK Hutchison	**1.8**	L'Oreal	*****
Intercontinental Exchange	**1.6**	* less than 0.1%	

Although we remain very cautious about all currencies and maintain our negative views on the AUD over extended periods (exacerbated by commodity boom complacency, ongoing disfunction, asymmetry and unaccountability at multiple levels of Federation and numerous recent anti-business actions) , we continue to move money into AUD in advance of obligations, including in December.

Net debt shown as a percentage of investment assets was approximately 12.1% as at 31 December 2023. AUD net cash was 5.8% (taxes, other expenses, buybacks and dividends are paid in AUD), USD net debt 6.4% and Euro, GBP, HKD and SGD borrowings totalled approximately 11.5% of investment assets as at 31 December 2023 (all approximate). Key currency rates for AUD as at 31 December 2023 were 0.682 (USD), 0.618 (EUR) and 0.535 (GBP) compared with rates for the previous month which were 0.663 (USD), 0.608 (EUR) and 0.524 (GBP)."

Portfolio Manager's Report

for the half year ended 31 December 2023

MFF releases regular portfolio and investment information to the ASX including the weekly NTA details, as well as monthly NTA updates and commentary. The January 2024 NTA is scheduled to be released to the ASX on 1 February 2024.

Yours faithfully,

Chris Mackay
Portfolio Manager

Sydney
25 January 2024

Statement of Profit or Loss and Comprehensive Income

for the half year ended 31 December 2023

	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
Investment Income			
Dividend and distribution income		**15,601**	12,520
Interest income		**2,473**	543
Net change in fair value of investments[1]		**192,309**	37,245
Net gains/(losses) on foreign currency cash and borrowings		**14,089**	(11,101)
Net gains/(losses) on foreign exchange settlements & contracts		**(438)**	520
Total Net Investment Income/(Loss)		**224,034**	39,727
Expenses			
Services fees		**600**	2,000
Finance costs – interest expense		**13,327**	7,579
Managing Director's salary		**825**	750
Non-Executive Directors' fees		**150**	132
Long service leave statutory expense		**38**	12
Registry fees		**84**	83
ASX listing, clearing and settlement fees		**82**	105
Transaction costs		**117**	22
Employment related taxes		**52**	48
Fund administration and operational costs		**51**	49
Auditor's remuneration		**64**	45
Other expenses		**108**	297
Total Expenses		**15,498**	11,122
Profit/(Loss) Before Income Tax Expense		**208,536**	28,605
Income tax (expense)/benefit		**(62,566)**	(8,562)
Net Profit/(Loss) After Income Tax Expense		**145,970**	20,043
Other comprehensive income		**-**	-
Total Comprehensive Income/(Loss)		**145,970**	20,043
Basic Earnings/(Loss) Per Share (cents)	6	**25.24**	3.42
Diluted Earnings/(Loss) Per Share (cents)	6	**25.24**	3.42

[1] Includes realised and unrealised gains/(losses) on investments.

The above Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Financial Position

as at 31 December 2023

	Note	31 Dec 2023 $'000	30 Jun 2023 $'000
Current Assets			
Cash and cash equivalents	3	**59,325**	28,248
Investments	4	**2,393,922**	2,300,972
Receivables		**10,605**	422
Prepayments		**112**	20
Total Current Assets		**2,463,964**	2,329,662
Total Assets		**2,463,964**	2,329,662
Current Liabilities			
Payables		**1,455**	445
Current tax payable		**16,296**	5,128
Borrowings	3	**348,867**	358,423
Total Current Liabilities		**366,618**	363,996
Non-Current Liabilities			
Net deferred tax liability		**302,367**	278,162
Provision for long service leave		**277**	240
Total Non-Current Liabilities		**302,644**	278,402
Total Liabilities		**669,262**	642,398
Net Assets		**1,794,702**	1,687,264
Equity			
Contributed equity	5	**699,401**	710,695
Profits reserve		**784,768**	784,768
Retained profits		**310,533**	191,801
Total Equity		**1,794,702**	1,687,264

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Changes in Equity

for the half year ended 31 December 2023

	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
Contributed Equity			
Balance at Beginning of Period		**710,695**	722,390
Transactions with owners in their capacity as owners:			
Securities issued under Dividend Reinvestment Plan	5	**6,240**	6,286
Shares issued on exercise of options	5	**-**	2,079
Shares acquired under buy-back	5	**(17,495)**	-
Transaction costs on shares acquired under buy-back net of tax	5	**(25)**	-
Transaction costs on shares issued under BSP net of tax	5	**(14)**	-
Balance at End of Period		**699,401**	730,755
Retained Profits			
Balance at Beginning Of Period		**191,801**	241,353
Total comprehensive income/(loss)		**145,970**	20,043
Dividends paid	2	**(27,238)**	(23,403)
Balance at End of Period		**310,533**	237,993
Profits Reserve			
Balance at Beginning of Period		**784,768**	461,193
Balance at End of Period		**784,768**	461,193
Total Equity		**1,794,702**	1,429,941

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Cash Flows

for the half year ended 31 December 2023

	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
Cash Flows from Operating Activities			
Dividends and distributions received (net of withholding tax)		**13,881**	11,469
Interest received		**2,473**	516
Payments for purchase of equity investments		**(125,369)**	(66,399)
Proceeds from sale of equity investments		**215,539**	90,544
Net realised gain/(loss) on foreign exchange settlements and contracts and cash		**(438)**	520
Services fees paid		**(600)**	(2,000)
Tax paid		**(25,449)**	(11,215)
Other expenses paid		**(1,618)**	(1,617)
Net Cash Inflow/(Outflow) from Operating Activities		**78,419**	21,818
Cash Flows From Financing Activities			
Net proceeds/(repayments) of borrowings		**4,534**	6,790
Interest paid		**(13,327)**	(7,579)
Payment for share buy-back	5	**(17,495)**	-
Payment of transaction costs on shares acquired under buy-back		**(36)**	-
Payment of transaction costs on shares issued under BSP		**(20)**	-
Dividends paid (net of DRP)		**(20,998)**	(17,117)
Proceeds on exercise of options	5	**-**	2,079
Net Cash Inflow/(Outflow) from Financing Activities		**(47,342)**	(15,827)
Net increase/(decrease) in cash and cash equivalents		**31,077**	5,991
Cash and cash equivalents at beginning of period	3	**28,248**	33,214
Cash and Cash Equivalents at End of Period	3	**59,325**	39,205

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

Notes to the Financial Statements

for the half year ended 31 December 2023

Overview

This interim financial report is for MFF Capital Investments Limited ("MFF" or the "Company") for the period ended 31 December 2023. The principal accounting policies adopted in the preparation of the interim financial report are set out below. These policies, applied to the annual financial statements, have been consistently applied to the period presented, unless otherwise stated.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia, whose securities are publicly traded on the ASX.

Assets and liabilities with recovery or settlement dates within 12 months after the balance date (current) and more than 12 months after the balance date (non-current) are presented separately in the Statement of Financial Position.

1. Basis of Preparation

The condensed interim financial report for the period ended 31 December 2023 is a general purpose financial report and has been prepared in accordance with AASB 134: *Interim Financial Reporting, Corporations Act 2001* and other mandatory professional reporting requirements. It is presented in Australian dollars ("$") and was approved by the Board of Directors on 25 January 2024. The Directors have the power to amend and reissue the financial report.

This condensed interim financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2023 Annual Report and any public announcements made by the Company during the period ended 31 December 2023 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

1.1. Accounting Policies

The accounting policies adopted in the preparation of this interim financial report are contained within the notes to which they relate. The policies adopted in the preparation of this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period.

The Company has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at balance date.

1.2. New and Amended Accounting Standards

There are no new accounting standards, amendments to existing standards or interpretations that are effective as of 1 July 2023 that have a material impact on the amounts recognised by the Company in the prior periods or will affect the current or future periods.

1.3. Rounding of Amounts

All amounts in the interim financial report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise stated in accordance with the Australian Securities & Investments Commission's *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

1.4. Critical Accounting Estimates and Judgements

In applying the Company's accounting policies, a number of estimates and assumptions have been made concerning the future. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

As all investments are valued with reference to listed quoted prices and the Company's cash and borrowing facility continue to be held at strongly rated financial institutions, the Company's financial assets and liabilities are not subject to significant judgement or complexity.

2. Dividends

Dividends paid by the Company during the period are:

	31 Dec 2023 $'000	31 Dec 2022 $'000
Fully franked final dividend for the period ended 30 June 2023 (5.0 cent per ordinary share) paid 3 November 2023	**27,238**	-
Fully franked final dividend for the period ended 30 June 2022 (4.0 cent per ordinary share) paid 4 November 2022	**-**	23,403
Total Dividends Paid During the Period	**27,238**	23,403
Dividends forgone via BSP	1,654	-

All dividends were fully franked at the corporate tax rate of 30%.

Dividend Declared

In addition to the final dividend for the year ended 30 June 2023 paid during the period, on 25 January 2024 the Directors declared an interim dividend of 6.0 cents per ordinary share, fully franked at the corporate tax rate of 30% in respect of the period ended 31 December 2023. The amount of the proposed dividend, based on the number of ordinary shares on issue at 31 December 2023, is approximately $34,605,000 and will be paid on 14 May 2024.

On 25 January 2024, the Directors also announced their intention to increase the rate per share of the six monthly dividend to 7.0 cents fully franked for the period ending 30 June 2024, subject in each case, to corporate, legal and regulatory considerations, with continued operation of the DRP and BSP (at zero discount).

A dividend payable to shareholders is only recognised in the Statement of Financial Position if the dividend is declared, by the Directors, on or before the end of the period, but not paid at balance date. Accordingly, the interim dividend is not recognised as a liability at balance date.

The DRP and BSP will operate in conjunction with this dividend and no discount will be applied.

Dividend Reinvestment Plan

The Company's DRP was available to eligible shareholders during the period ended 31 December 2023. Under the terms of the DRP, eligible shareholders are able to elect to reinvest their dividends in additional MFF shares, free of any brokerage or other transaction costs. Shares are issued and/or transferred to DRP participants at a predetermined price, less any discount that the Directors may elect to apply from time to time. No discount has been applied to shares issued under the DRP during the period ended 31 December 2023. The DRP issue price was revised on 5 September 2023, and is equal to the volume weighted average market price of all Company shares sold in the ordinary course of trading on the ASX during the five trading day period commencing from the day the Company's shares go ex-dividend or other period as determined by the Board. Refer to Note 5 for details of ordinary shares issued under the DRP during the period.

Bonus Share Plan

On 5 September 2023, the Company introduced a BSP. Under the terms of the BSP, eligible shareholders may elect to forego all or part of their dividend, and instead receive additional fully paid MFF shares, issued as bonus shares, free of any brokerage or other transaction costs. For the purposes of calculating the number of bonus shares to be issued under the BSP, the BSP price is equal to the volume weighted average market price of all Company shares sold in the ordinary course of trading on the ASX during the five trading day period commencing from the day the Company's shares go ex-dividend or other dates as determined by the Board, less any discount that the Directors may elect to apply from time to time.

Imputation Credits

	31 Dec 2023 $'000	31 Dec 2022 $'000
Imputation credits at balance date	**127,086**	105,362
Imputation credits that will arise from the payment of income tax payable	**16,296**	7,777
Total imputation credits available for subsequent reporting periods based on a tax rate of 30% (December 2022: 30%)	**143,382**	113,139

3. Cash and Cash Equivalents, and Net Interest Bearing Borrowings

	31 Dec 2023 $'000	30 Jun 2023 $'000
Cash at bank - denominated in Australian Dollars	**59,325**	28,248
Total Cash	**59,325**	28,248
Set-Off Cash and Borrowings with MLI		
Cash - denominated in Australian Dollars	**78,823**	58,815
Borrowings - denominated in US Dollars	**(153,199)**	(189,169)
Borrowings - denominated in British Pounds	**(113,084)**	(98,409)
Borrowings - denominated in Euros	**(76,626)**	(50,374)
Borrowings - denominated in Hong Kong Dollars	**(56,562)**	(55,785)
Borrowings - denominated in Singapore Dollars	**(28,132)**	(23,414)
Borrowings - denominated in Japanese Yen	**(75)**	(75)
Borrowings - denominated in Canadian Dollars	**(12)**	(12)
Net Borrowings with MLI	**(348,867)**	(358,423)

The Company holds cash at bank, which is at call and subject to floating interest rates, with an Australian bank. The foreign currency cash balances, which are held with Merrill Lynch International ("MLI"), a wholly owned subsidiary of Bank of America, are demand deposits and also subject to floating interest rates.

Set-Off Arrangement

The foreign currency cash balances held with MLI are set-off against the borrowings drawn under the multi-currency financing facility provided by Merrill Lynch Markets (Australia) Pty Limited ("MLMA") (refer below). The Company and MLI intend to net settle and are permitted to do so under the terms of the facility. At 31 December 2023, the Company's borrowings with MLI of $427,690,000 (June 2023: $417,238,000) have been presented net of the Company's cash deposits held with MLI of $78,823,000 (June 2023: $58,815,000). As a result, a net borrowings position with MLI of $348,867,000 (June 2023: net borrowings $358,423,000) is included in borrowings in the Statement of Financial Position.

Multi-Currency Financing Facility

The Company has a multi-currency financing facility with MLMA. Amounts drawn as borrowings are repayable on written demand. The financing facility is a service provided under the International Prime Brokerage Agreements ("IPBA") between the Company and MLI. The IPBA provides MLI with a fixed charge over the Company's right, title and interest in the assets held in custody with MLI (listed in Note 4), as security for the performance of its obligations under the IPBA.

Notes to the Financial Statements

for the half year ended 31 December 2023

4. Investments and Derivatives

The Company discloses the fair value measurements of financial assets and financial liabilities using a three level fair value hierarchy to reflect the source of valuation inputs used when determining the fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The Company invests in securities and rights in listed entities. The fair value of these investments is based on the closing price for the security as quoted on the relevant exchange;

Level 2: valuation techniques using market observable inputs, either directly or indirectly. The fair value of assets and liabilities with short-term maturities is valued at the amount at which the asset or liability could be exchanged in a current transaction between willing parties. The fair value of variable-rate receivables/borrowings is based on parameters such as interest rates and individual creditworthiness of the investee company; and

Level 3: valuation techniques using unobservable market data with the fair value based on a Directors' valuation.

The Company does not hold any Level 2 or Level 3 assets. There have been no transfers between any of the three levels in the hierarchy during the half year and the Company’s policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

Notes to the Financial Statements

for the half year ended 31 December 2023

Details of Investments

	Domicile	31 Dec 2023 Holding	30 Jun 2023 Holding	31 Dec 2022 Holding	31 Dec 2023 Value $'000	30 Jun 2023 Value $'000
Listed Equity Securities (Level 1)						
Amazon	i	**1,215,438**	1,280,547	1,283,331	**270,643**	250,781
Visa	i	**659,076**	762,870	879,298	**251,470**	272,166
MasterCard	i	**396,973**	477,273	528,150	**248,132**	281,997
American Express	i	**638,684**	539,535	517,717	**175,351**	141,196
Home Depot	i	**319,184**	332,229	328,130	**162,106**	155,042
Microsoft	i	**285,046**	295,965	331,616	**157,088**	151,413
Alphabet Class C	i	**753,619**	842,939	853,520	**155,650**	153,189
Bank of America	i	**3,063,771**	2,682,604	1,685,493	**151,179**	115,622
Alphabet Class A	i	**700,322**	700,322	687,199	**143,369**	125,935
Meta Platforms	i	**261,658**	279,085	316,425	**135,732**	120,321
Flutter Entertainment	ii	**239,764**	210,402	245,170	**62,443**	63,493
HCA Healthcare	i	**142,560**	88,732	72,222	**56,552**	40,454
Morgan Stanley	i	**363,592**	300,894	347,997	**49,689**	38,603
CK Hutchison	v	**5,506,000**	5,506,000	5,245,500	**43,247**	50,506
Intercontinental Exchange	i	**206,612**	213,322	210,700	**38,888**	36,239
CVS Health	i	**330,623**	481,936	448,638	**38,259**	50,051
Lloyds Banking Group	ii	**41,581,586**	37,745,418	35,311,542	**37,063**	31,425
Prosus	vi	**838,104**[1]	321,152	437,561	**36,613**	35,325
DBS Group	iii	**885,194**	829,794	588,094	**32,857**	29,024
United Overseas Bank	iii	**936,123**	836,723	757,623	**29,589**	26,007
US Bancorp	i	**406,568**	389,195	117,361	**25,788**	19,318
Oversea - Chinese Banking	iii	**1,742,999**	1,635,399	1,455,499	**25,174**	22,293
UnitedHealth Group	i	**31,210**	21,118	3,562	**24,080**	15,248
Lowe's	i	**52,219**	52,219	52,219	**17,031**	17,706
JP Morgan Chase	i	**37,153**	171,723	185,428	**9,262**	37,520
RB Global[2]	i	**92,465**	126,068	126,968	**9,064**	11,363
Allianz	vii	**10,220**	10,824	88,186	**4,003**	3,782
Schroders	ii	**367,711**	351,100	1,056,495	**2,953**	2,932
L'Oreal	iv	**887**	2,887	2,887	**647**	2,021
Asahi Group	viii	**-**	-	912,200	**-**	-
Total Investments					**2,393,922**	2,300,972

[1] Effective 18 September 2023, holders received a bonus issue of 1.17960 shares for every 1 share held.
[2] Effective 23 May 2023, Ritchie Bros. Auctioneers Incorporated changed its name to RB Global Inc.

No other securities were bought or sold by the Company in the periods shown.

Stock Exchange Domicile

The relevant stock exchange pertaining to each investment is as follows:

i	United States	iii	Singapore	v	Hong Kong	vii	Germany
ii	United Kingdom	iv	France	vi	Netherlands	viii	Japan

Foreign Exchange Rates

The Australian Dollar exchange rates against the following currencies (London 4.00pm rates) are:

	31 Dec 2023	30 Jun 2023
US Dollar	**0.68235**	0.66565
British Pound	**0.53526**	0.52358
Singapore Dollar	**0.90009**	0.90086
Euro	**0.61771**	0.61013
Hong Kong Dollar	**5.32816**	5.21643
Japan	**96.19800**	96.20972

5. Contributed Equity

	6 Months to 31 Dec 2023 Number of Securities	12 Months to 30 Jun 2023 Number of Securities	6 Months to 31 Dec 2023 $'000	12 Months to 30 Jun 2023 $'000
Ordinary Shares				
Opening balance	**580,044,338**	584,359,089	**710,695**	722,390
Shares issued under DRP:				
4 November 2022	**-**	2,716,219	**-**	6,286
12 May 2023	**-**	2,198,457	**-**	5,619
3 November 2023	**2,126,719**	-	**6,240**	-
Shares issued under BSP:[1]				
3 November 2023	**563,776**	-	**-**	-
Shares bought back on-market and cancelled	**(5,981,990)**	(10,028,930)	**(17,495)**	(25,641)
Transaction costs on shares acquired under buy-back net of tax	**-**	-	**(25)**	(38)
Transaction costs on shares issued under BSP net of tax	**-**	-	**(14)**	-
Shares issued on exercise of options	**-**	799,503	**-**	2,079
Total Contributed Equity	**576,752,843**	580,044,338	**699,401**	710,695
MFF 2022 Options				
Opening balance	**-**	81,926,543	**-**	-
Shares issued from exercise of options during period	**-**	(799,503)	**-**	-
Options lapsed 31 October 2022	**-**	(81,127,040)	**-**	-
Total MFF 2022 Options	**-**	-	**-**	-

1 On 5 September 2023, the Company introduced a BSP. Under the terms of the BSP, eligible shareholders may elect to forego all or part of their dividend, and instead receive additional fully paid MFF shares, issued as bonus shares.

Ordinary Shares

Fully paid ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Company in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

MFF 2022 Options

Each eligible shareholder of the Company received one option for every five ordinary shares held at 27 August 2020 for nil consideration. A total of 109,928,551 options were issued by the Company on 3 September 2020. On 31 October 2022, the MFF 2022 Options expired and 81,127,040 unexercised options lapsed. Ordinary shares issued on exercise of the options ranked equally with all other ordinary shares from the date of issue.

Dividend Reinvestment Plan and Bonus Share Plan

Refer to Note 2 for details on the DRP and BSP.

Notes to the Financial Statements

for the half year ended 31 December 2023

On-Market Buy-back

On 16 January 2023, an on-market buy-back of up to 30,000,000 MFF ordinary shares for a 12 month period ending 31 January 2024 was announced. During the period ended 31 December 2023, the Company purchased on-market, and cancelled, 5,981,990 ordinary shares, at a total cost of $17,495,000.

Subsequent to balance date, on 16 January 2024, an extension of the on-market buy-back of up to 46,010,920 MFF ordinary shares for a 12 month period ending 31 January 2025 was announced. Also subsequent to balance date and up until 24 January 2024, the Company did not purchase any shares.

6. Earnings per Share

Basic earnings per share is calculated as net profit/(loss) after income tax expense for the period divided by the weighted average number of ordinary shares on issue. Diluted earnings per share is calculated by adjusting the basic earnings per share to take into account the effect of any costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	31 Dec 2023	31 Dec 2022
Basic Earnings Per Share (cents)	**25.24**	3.42
Diluted Earnings Per Share (cents)	**25.24**	3.42
Weighted Average Number of Ordinary Shares		
Weighted average number of ordinary shares on issue used in calculating basic EPS	**578,386,251**	585,605,357
Weighted average number of ordinary shares on issue used in calculating diluted EPS	**578,386,251**	585,605,357
Earnings Reconciliation		
Net profit after income tax expense used in the calculation of basic and diluted EPS ($'000)	**145,970**	20,043

The MFF 2022 options issued on 3 September 2020 were considered to be potential ordinary shares until they expired on 31 October 2022, and as a result, the options were included in the determination of diluted earnings per share to the extent they were dilutive up until that date (refer Note 5).

7. Net Tangible Assets per Ordinary Share

The following table shows the NTA per ordinary share presented in the Statement of Financial Position as at 31 December 2023 reported to the ASX on 2 January 2024 and the NTA per ordinary share at 30 June 2023.

	31 Dec 2023 Pre-tax $	31 Dec 2023 Post-tax $	30 Jun 2023 Pre-tax $	30 Jun 2023 Post-tax $
ASX Reported NTA per Ordinary Share[1]	**3.665**	**3.129**	3.398	2.912
NTA per Ordinary Share[2]	**3.664**	**3.112**	3.398	2.909

1 The NTA per ordinary share reported to the ASX includes estimates for accrued expenses and tax liabilities.
2 The NTA per ordinary share refers to the net assets of the Company presented in the Statement of Financial Position, including the net current and deferred tax liabilities/assets, divided by the number of ordinary shares on issue at that date.

The movement between the ASX reported NTA per share and the NTA per share represents period end adjustments, rounding and updating of tax balances.

8. Contingent Assets, Contingent Liabilities and Commitments

At balance date, the Company has no material contingent assets, liabilities or commitments (June 2023: nil).

9. Segment Information

The Company's investments are managed on a single portfolio basis, and are in one business segment being equity investment, and in one geographic segment being Australia. The Company continues to have foreign exposures as it invests in companies which operate internationally.

Notes to the Financial Statements

for the half year ended 31 December 2023

10. Subsequent Events

In the latest release to the ASX on 22 January 2024, the Company reported NTA per share as at 19 January 2024 as follows:

	19 Jan 2024 $[1]	31 Dec 2023 $[2]
Pre-tax NTA per ordinary share	**3.873**	**3.664**
Net tax liabilities per ordinary share	**0.615**	**0.552**
Post-tax NTA per ordinary share	**3.258**	**3.112**

[1] The NTA per ordinary share reported to the ASX is approximate and not reviewed by Ernst & Young ("EY").
[2] NTA per ordinary share reviewed by EY (refer Note 7).

Other than the above matters and those disclosed throughout this financial report, the Directors are not aware of any matter or circumstance not otherwise dealt with in this interim financial report that has significantly or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future periods.

Directors' Declaration

for the half year ended 31 December 2023

In the Directors' opinion:

a. the Financial Statements and notes set out on pages 12 to 23 are in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the financial position of MFF Capital Investments Limited as at 31 December 2023 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and

   ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

b. there are reasonable grounds to believe that MFF Capital Investments Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving declarations that mirror section 295A of the *Corporations Act 2001* and are recommended by the ASX Corporate Governance Principles and Recommendations.

Signed in accordance with a resolution of the Directors.

Annabelle Chaplain AM
Chairman

Chris Mackay
Managing Director and
Portfolio Manager

Sydney
25 January 2024

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Review Report to the Members of MFF Capital Investments Limited

Conclusion

We have reviewed the accompanying Interim Financial Report of MFF Capital Investments Limited (the Company), which comprises the statement of financial position as at 31 December 2023 and the statement of profit or loss and comprehensive income, the statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of the Company does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the Annual Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Clare Sporle
Partner

Sydney
25 January 2024

Corporate Information

for the half year ended 31 December 2023

Directors

Annabelle Chaplain AM - Chairman
Robert Fraser
Chris Mackay - Managing Director and Portfolio Manager
Peter Montgomery AM

Company Secretary

Marcia Venegas

Registered Office

Level 36
25 Martin Place
Sydney NSW 2000
Telephone: +61 2 9235 4887
Fax: +61 2 9235 4800
Email: info@magellangroup.com.au

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Share Registrar

Boardroom Pty Limited
Level 8
210 George Street
Sydney NSW 2000
Telephone: 1300 005 016 (Australia), +61 2 9290 9600 (International)
Fax: +1300 653 459
Email: magellan@boardroomlimited.com.au

Securities Exchange Listing

Australian Securities Exchange code (ordinary shares): MFF

Website

www.mffcapital.com.au