

Net tangible assets ("NTA") per share

	29 May 2026 ¹	30 June 2025
NTA per share (pre-tax) ²	\$4.811	\$5.021
NTA per share (post-tax) ³	\$4.125	\$4.167

1. Figures are unaudited and approximate.

2. 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.

3. 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 FY26 dividends (100% franked)	21.0 cps
<ul style="list-style-type: none"> Interim – paid 11 May 2026 Final – intendedⁱ 	10.0 cps 11.0 cps
Dividends paid or declared from 2016	99.5 cps
<ul style="list-style-type: none"> Including the value of franking creditsⁱⁱ 	142.1 cps
Franking credit balance per share at last financial reporting date ⁱⁱⁱ	45.2 cps
Tax paid since 30 June 2025	\$111.3 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 31 December 2025.

Portfolio Manager Update

Outside of rising equity markets, risks rose and negatives again multiplied in May, reflecting wars, energy, inflation, and interest rates as well as customary if not heightened recent concerns about geopolitical tensions and socialist and populist policies impacting businesses and consumer sentiment. Nevertheless, skilled workers, businesses, entrepreneurs, and technologists continued to make advances in many significant parts of the world.

Corporate results and outlook statements in the month were also positive overall with 'resilient' describing recent results and short-term outlooks notwithstanding (in many cases) adverse implications of actions of Governments. Key US indices rose around another 5% in May, reflecting continued investor optimism and multipliers, particularly around technology (see below), and broader market speculation fueled by stimulus effects, positive business revenues and capital investments, profit margins, and wealth effects.

Risks include steadily increasing tail risks in economies and markets. Currently such risks are felt more by analytical investors who continue to have regard to fundamental longer-term valuations, rather than momentum/black-box driven strategies, passive indices and those with shorter time frames. The replacement of fundamental analysis with price chasing has been customary in market recoveries post-GFC and in past eras. For some investors, the case for shorter time horizons may become stronger in later stages of up cycles and early stages of corrections.

Extraordinary technological advances may have added US\$1 trillion to near term revenues at 80% incremental margins (reflecting shortages as well as technological attributes). Even if 'only' 7x or 8x pre-tax multiples are applied to the incremental margins, the market value uplift for the sellers is extreme, even before unlisted unicorns list on exchanges. If for accounting purposes the paying companies depreciate the US\$1 trillion over 6 or 7 years, the overall increase in aggregate reported (and normalised) profits is also significant. Multiples do not adjust away the different treatments and significantly increase aggregate market values, even before anticipated future profit benefits.

Importantly, these massive expenditures are being financed by markets and not yet crowded out by Government profligacy. For example, yield promoters are leveraging up the future cashflows to sell 4-8% yields, which in time may give very attractive capital returns to the hyper-scalers (who, as anchor tenants, also: 1) will ultimately assess and determine their preferred facilities and technologies, 2) stand to benefit if speculative building becomes excess, and 3) benefit if commoditisation of chips, other inputs, and models follows patterns of previous technology advances). Typically, disruption of companies and workers does not derail aggregate upward market moves when new technology captures public investor imagination. Current markets appear likely to absorb the early stages of IPO and escrow release volumes.

MFF benefits from some of the current activity as it seeks to build the portfolio on attractive terms, whilst paying increased fully franked dividends, but MFF is largely detached from the hottest areas of tech shortages. In May, MFF maintained its net cash and significant additional balance sheet capacity, as well as ongoing portfolio liquidity. MFF aims for the portfolio of very high-quality businesses to continue to be held on satisfactory (or better) terms and continued to benefit from earnings growth, including from technology enablers and beneficiaries.

Two months ago, a positive central case was posited that the middle east war ends and the impact is somewhat less than previous decades oil shocks given the smaller fossil energy contribution to global GDP. This has not occurred and, as time elapses, numerous increasingly negative scenarios become more plausible. Extensive damage has been done to energy and transport infrastructure and flow on effects are numerous from energy price rises and shortages, particularly as inflation and Government spending are not controlled. Confidence in Government is falling, not only in fictional Utopia where massive complex tax rises are spun as a political answer to these and other crises. Pressures are being piled upon tax paying workers and small businesses, without even obvious relief as real tax impacts are increased by inflation.

While corporate and household debt levels are satisfactory in many parts of the world, future commitments and current expenditures make Government funding burdensome to debt markets and future taxpayers and may impede potential economic growth, particularly as the technology build out continues. Future stagnation and inflation are being discussed concurrently. In these circumstances, companies with sustainable competitive advantages and prospects for profitable growth remain very valuable for portfolios (primarily subject to prices). Of course, few companies can be sustained winners, particularly in periods of change and of heightened risks. Pricing power and cycles continue to be very important for businesses/investors, alongside technology impacts (which in addition to disruption, inevitably include cost blowouts for many users of technology).

Rising interest rates across Government, corporate and alternative securities continue to weigh on asset price calculations. Month over month in May, the US Government 10-year bond trading yield rose moderately to approximately 4.44% p.a. from approximately 4.37% p.a. and was as high as 4.68% p.a. as recently as 19 May 2026.

Watchfulness remains warranted and the further elevated 30-year US rate continues to exert pressure on housing.

For another month, worries continue in less stable, less economically diversified countries, and risks may have worsened for long-dated non-inflation protected assets, particularly as most are vulnerable to Government/political interference. Where cracks will appear is rarely clear in advance, although risk probabilities are rising. Hedging/margin losses and multiplied market inflicted impacts are inevitable from time to time, having been multiplied damages, for example, during the 1970s bear markets, October 1987, 1994 derivatives, the LTCM crisis, the Asian financial crisis, the internet and tech infrastructure bubbles unwinds 2000–2003, the GFC and in the UK pension bust 2022 post the budget statement. Even absent disasters, value might become a more important factor if inflation remains higher and interest rates rise rather than fall.

Businesses around the world are using technology to save money, improve efficiency, become more effective, and increase customer satisfaction. For Governments, their scale, numerous regulatory processes, and direct interfaces with the public/businesses, create substantial opportunities from technology adoption, including artificial intelligence. In housing, for example, many parts of approval processes could be standardised and automated, reducing timeframes from months and years to weeks (or a few months). Such opportunities may give rise to meaningful supply increases, cost savings and tangible benefits to businesses, renters and prospective buyers (eg first time buyers), while potentially reducing Government administrative growth and burdens. These opportunities are not limited to large nations. Government adoption and use of current technology is available for even smaller countries and may also result in skill benefits and cluster benefits for societies generally. Announcements and initiatives this month, including in Singapore, indicate that some engaged jurisdictions are seeking to move forward.

The largest listed holdings in the Group's portfolio as at 29 May 2026 are shown in the table that follows (shown as percentages of investment assets, including net cash). Equity in group subsidiaries are not included in the table.

	%		%
Alphabet Class A	9.6	DBS Group	2.5
Amazon	8.2	Blackstone Group	2.0
MasterCard	7.9	KKR & Co	1.9
Visa	7.9	Oversea - Chinese Banking	1.8
Bank of America	7.1	United Overseas Bank	1.6
Meta Platforms	6.9	US Bancorp	1.5
American Express	6.2	Alphabet Class C	0.9
Microsoft	6.0	Dicks Sporting Goods	0.9
Home Depot	5.1	Allianz	0.9
United Health Group	4.5	CK Hutchison	0.8
L1 Group	3.1	Montaka Global Fund - Active ETF (ASX:MOGL)	0.7
Lowe's	3.0	CVS Health	0.7
Lloyds Banking Group	2.6	Prosus	0.5

Net cash shown as a percentage of investment assets (including net cash) was approximately 4.0% as at 29 May 2026. AUD cash was 4.2% (taxes, other expenses and dividends are paid in AUD), USD cash 0.8%, SGD cash 0.1%, GBP borrowings 0.5%, Euro borrowings 0.4% and HKD borrowings 0.2% of investment assets as at 29 May 2026 (all approximate). Key currency rates for AUD as at 29 May 2026 were 0.720 (USD), 0.617 (EUR) and 0.534 (GBP) compared with rates for the previous month which were 0.719 (USD), 0.613 (EUR) and 0.529 (GBP).

Yours faithfully,

Chris Mackay

Portfolio Manager

1 June 2026

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