Monthly NTA and Portfolio Update

October 2026

Net tangible assets ("NTA") per share

	30 October 2026[1,2]	30 June 2026
NTA per share (pre-tax)[3]	**$4.906**	$4.999
NTA per share (post-tax)[4]	**$4.219**	$4.254

1. *Figures are unaudited and approximate.*
2. *October figures are after payment of 11 cent per share fully franked 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 – paid 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	$36.2 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

October was another month to test MFF's focuses upon Quality, Value, duration, margins of safety and patience, which continue to underpin MFF's processes for anticipating and responding to risks and opportunities. October equity markets (and debt/credit markets) included pronounced contrasts between 1) algorithmic/programmatic trading and pockets of panic replacing greed, which scared many, as market fluctuations led into Halloween, 2) extreme excellence in management of high-quality companies over years, compounding profitable growth, and, 3) divergent funding risks and debt/equity valuation prospects/realities. Although somewhat obvious or pronounced in the month, the cumulative effects over years really matter for businesses and their investors, including MFF.

In October MFF maintained net cash (after paying cash tax and dividends) and retains significant additional balance sheet capacity. Portfolio activity was again moderate for MFF in the month. MFF also continues to retain high portfolio liquidity as it weighs (current and possible future) opportunities against cash and portfolio holdings. MFF continues to favour its current portfolio of companies, which are likely to have sustained profitable growth at broadly sensible prices (having regard to current factors including interest rates).

October was another month when corporate updates and related disclosures for portfolio companies were again positive overall and some met or exceeded elevated expectations. Despite interest rate, cost-of-living and inflationary pressures biting widely, customer and corporate resilience remained a feature for many, along with more opportunities for capital expenditures related to future expectations for profitable growth. Wars, riots, and political/judicial/administrative damage continue to impact. Underlying tensions/problems do not appear to have been overcome by political change and election realities.

Debt market participants have increased concern levels for months, and mini panics occurred during October, even in some major sovereign bonds. Underlying issues remain unresolved, including: 1) massive supply from rollovers of debt and new issuance, 2) increased demand for funds for Governments and technology capital expenditures, 3) as sovereign interest costs increase, fiscal balances worsen and policy choices of spending austerity, or even discipline, have direct and indirect economic impacts, and 4) most central banks are raising interest rates in response to sustained inflation. To date, populist and socialist political will has failed to take advantage of recent relatively strong economic growth, has raised expectations misleadingly, and worsened future burdens. Benefits from globalisation including subdued inflation and broader growth face headwinds. Europe (in particular) is struggling publicly with damage to sectors including its manufacturing from the CCP's mercantilist response to China's sustained domestic involution after its property and credit bubbles via dumping some of its excess production into Europe.

The myriads of issues confronting businesses and other economic participants continue to grow, as do true opportunities in some cases. Successful, resilient businesses anticipate, adapt, and overcome obstacles if possible. Some of the best (non-tech) company managements started taking action a decade or more ago on digital/AI risks and opportunities. For MFF risk assessment is not simply a checklist, although in our reporting we list and categorise some repeat factors. Obviously, in portfolio construction we continue to favour better quality investments perceived to have sustainable profitable 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 (for example European energy supply and cost pressures reflect combined impacts including, supplier dependency, the wars and energy transition regulations). Positive and negative examples of multipliers from artificial intelligence development dominate documents for multibillion dollar debt and equity offers, and community and political backlashes increase impacts (including in the US elections tomorrow). Some of the worst disasters might be mitigated via significant "margins of safety" (low prices for extreme quality businesses with growth prospects underpinned by sustainable advantages) which also materially increase prospects for success over time, provided advantages have duration and holdings are held.

Volatility in the generally higher interest rates across Government, corporate and alternative securities continued to be important and weigh on sentiment, supply and demand and asset price calculations. Month over month in October, the US Government 10-year bond trading yield fell to approximately 4.93% p.a. from approximately 5.29% p.a., after being above the September close during the month. Shorter rates were volatile as they held higher recent levels, and official rates were raised by more central banks. Higher yields continue to be sought by debt providers, and bankruptcies and restructurings are happening. Interest rates have returned to levels where movements are important for debt funding and rollover availability, investment returns, and asset prices. Market participants anticipating productivity from technology to reduce inflation likely have lower interest rate expectations for the medium-term, other things equal.

Larger listed holdings in the Group's portfolio as at 30 October 2026 are shown in the table that follows (shown as percentages of investment assets, including net cash. Excludes various smaller holdings). Equity in group subsidiaries are not included in the table. Figures are approximate.

	%		%
MasterCard	10.1	Lowe's	2.9
Visa	9.7	DBS Group	2.4
Amazon	7.3	Lloyds Banking Group	2.4
Alphabet Class A	6.9	Blackstone Group	2.1
Microsoft	6.9	KKR & Co	1.9
Bank of America	6.9	Oversea - Chinese Banking	1.9
American Express	6.3	US Bancorp	1.6
Home Depot	5.2	United Overseas Bank	1.5
United Health Group	4.8	Other holdings	9.7
L1 Group	3.3	Net Cash	6.2

Net cash shown as a percentage of investment assets (including net cash) was approximately 6.2% as at 30 October 2026. AUD cash was 6.6% (taxes, other expenses and dividends are paid in AUD), SGD cash 0.3%, Euro cash 0.1%, GBP borrowings 0.3%, HKD borrowings 0.4% and USD borrowings 0.2% of investment assets as at 30 October 2026 (all approximate). Key currency rates for AUD as at 30 October 2026 were 0.704 (USD), 0.630 (EUR) and 0.525 (GBP) compared with rates for the previous month which were 0.696 (USD), 0.612 (EUR) and 0.524 (GBP).

Yours faithfully,

Chris Mackay
Portfolio Manager
2 November 2026

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