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ASX Limited  
ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

## **MFF STRENGTHENS RESEARCH FOCUS WITH INTENDED ACQUISITION OF MONTAKA GLOBAL**

At its Annual General Meeting today, MFF Capital Investments Limited ("**MFF**") will announce that it is expanding and strengthening its research team, focus and capabilities with the intended acquisition of Montaka Global Investments ("**Montaka Global**"). Montaka Global is a global fund manager with offices in New York and Sydney with approximately \$260 million of funds under management across three main funds (including two exchange traded funds which are tradeable on Australian exchanges under the stock symbols MOGL and MKAX).

Under MFF's ownership Montaka's primary focus will be its research and portfolio management systems and processes to target long term results for unitholders in the funds it manages. Montaka's existing senior investment team of Andy Macken, Chris Demasi and Amit Nath will continue in their respective roles as CIO/Portfolio Manager, Portfolio Manager and Director of Research at Montaka Global. All staff will be retained by Montaka Global and its funds will operate independently of MFF, which will continue to be managed by its existing portfolio manager.

Montaka Global's long term research led portfolio approach is consistent with, complementary to and expands upon MFF's successful approach. Whilst the MFF and Montaka Global portfolios share commonalities, independent focused research is a strength and 7 of MOGL's 10 largest holdings as at 31 August 2024 were not held by MFF (including KKR and Blackstone, the two largest holdings, and Spotify and Salesforce). Opportunity costs matter and Montaka's unit trust structures do not directly incur tax on profitable sales and have lower direct opportunity costs for portfolio managers in assessing existing profitable holdings against new opportunities. More generally, MFF considers that broadening its research team, expanding its research capabilities, better using research technology and being open to opportunities in addition to its existing portfolio "winners", will be a successful adaptation and likely increase the probability of achieving satisfactory returns over the medium and longer terms.

MFF and Montaka Global have both focused upon high quality companies (with sustainable competitive advantages and above average prospects of future profitable cash flow growth) at satisfactory prices (or better). Montaka Global has successfully identified and researched important structural economic and business transformations with significant investment opportunities, including companies that have expanded into profitable adjacencies which enhance customer experiences and core businesses.

In addition to portfolio management, MFF considers that Montaka Global's focus on unit trusts is sensible and complementary to MFF. Public unit trusts and companies have pooling and other benefits for investors compared with investors' direct holdings, including materially reduced paperwork (domestic and overseas) and investors do not incur direct tax for each profitable sale decision. Public unit trusts, including exchange traded unit trusts, may offer sensible choices for, and better meet some needs and characteristics of, some investors and their advisers. Montaka Global's unit trusts are not companies, which are taxed directly, and company investment decisions have direct tax considerations (MFF incurs significant direct tax when selling "winners"). MFF's 2024 Annual Report showed that MFF had deferred net tax liabilities of approximately \$391 m reflecting unrealised portfolio gains, after paying cash taxes of approximately \$302 m (principally on realised gains) and declaring franked dividends of approximately \$395 m since 2016.

Another important structural feature is that exchange traded trusts (including Montaka Global's) are targeted to trade closely around pre-tax net assets, and operate under a globally leading disclosure regime.

MFF intends to acquire the Montaka Global businesses, on an effective debt free basis, for nominal consideration, from vendors being Mackay family interests and Montaka Global staff interests. The acquisition is scheduled to complete in early 2025, subject to final binding agreements and customary preconditions. MFF expects to add to Montaka Global's administrative teams over time and free up some of the investment professionals' time. The financial impact of the acquisition on MFF is expected to be immaterial at Montaka Global's current scale. Future public releases of the insightful Montaka Global research may be more limited, with a focus upon Montaka Global unitholders.

MFF's Chairman, Annabelle Chaplain, will lead the discussion of MFF's intended Montaka Global acquisition at MFF's Annual General Meeting to be held today at 10.30am. Chris Demasi one of the principals of Montaka Global will be in attendance. Ms Chaplain also wished to thank MFF's main service provider, Magellan Asset Management, which is providing assistance to MFF in the acquisition including a review of Montaka Global's business.

Montaka Global's recent September Quarter unitholder update for MOGL and MKAX unitholders will be available from the ASX Announcements Platform (ASX: MOGL and ASX: MKAX) and on Montaka's website. MFF shareholders can request a copy of this update by contacting MFF on (02) 9235 4887.

*Authorised by*

The Board of MFF Capital Investments Limited

**Disclaimer**

Extrapolation of returns is dangerous and illogical. Past returns are not indicative of future returns. Holdings by Montaka Global and/or MFF may be changed at any time. MFF and Montaka Global do not provide investment advice and nothing in this release or elsewhere is to be regarded as investment advice. No attempt has been made to understand the personal circumstances of any reader of this release and readers are responsible for their own decisions including their own professional advice.