

Investment objective

Aims to achieve a long-term total return (before fees and expenses) that exceeds the MSCI World ex Australia Index, in \$A unhedged with net dividends reinvested (**Benchmark**).

Key information

Fund details	
APIR code	MAQ0404AU
mFund code	MPS03
Inception date	17 November 2004
Investment manager	Independent Franchise Partners LLP (London, UK)
Fund size	\$1,672.9m
Distribution frequency	Annually
Management fee*	1.38% pa
Minimum investment (Direct)	\$20,000
Unit prices and spreads	macquarie.com.au/unit_prices

*Read the Product Disclosure Statement for more details on fees and costs.

Fund performance to 31 December 2020

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	0.71	0.59	-0.50	1.09
3 months (%)	4.09	3.73	5.68	-1.95
1 year (%)	4.04	2.61	5.73	-3.12
3 years (% pa)	11.83	10.31	11.15	-0.84
5 years (% pa)	10.97	9.46	10.93	-1.47
7 years (% pa)	13.42	11.88	11.63	0.25
Since inception (% pa)	11.97	10.45	7.74	2.71

Past performance is not a reliable indicator of future performance.

Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions.

Total net Fund returns are quoted after the deduction of fees and expenses. Due to individual circumstances, your net returns may differ from the net returns quoted above.

Top 10 stocks*

Stock	Sector	Industry	Holding (%)
Nintendo Co Ltd	Communication services	Entertainment	6.30
British American Tobacco	Consumer staples	Tobacco	5.58
Novartis Ag	Health care	Pharmaceuticals	4.70
Nestle Sa	Consumer staples	Food Products	4.67
Philip Morris International	Consumer staples	Tobacco	4.54
Fox Corp	Communication services	Media	4.39
Oracle Corp	Information technology	Software	3.91
Corteva Inc	Materials	Chemicals	3.67
Bristol-Myers Squibb Co	Health care	Pharmaceuticals	3.61
Reckitt Benckiser Group	Consumer staples	Household Products	3.42
Total number of stocks			31

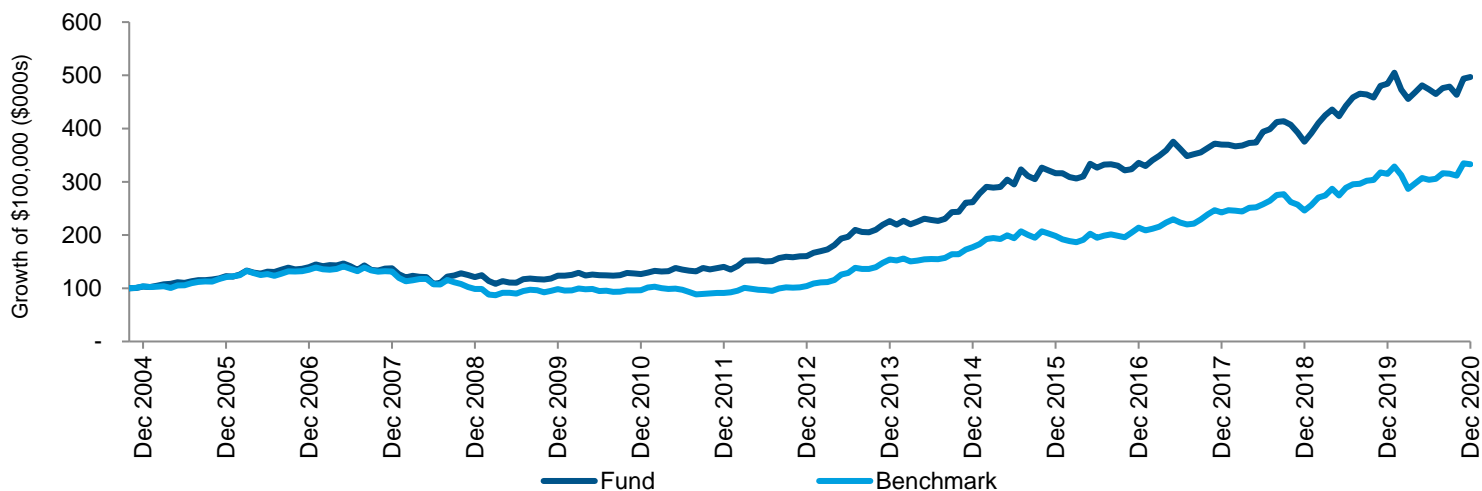
*The information in this table is as at end of month, three months prior to the date of this report.

IFP Global Franchise Fund

Macquarie Professional Series

Monthly report – 31 December 2020

Growth of \$100,000 since inception

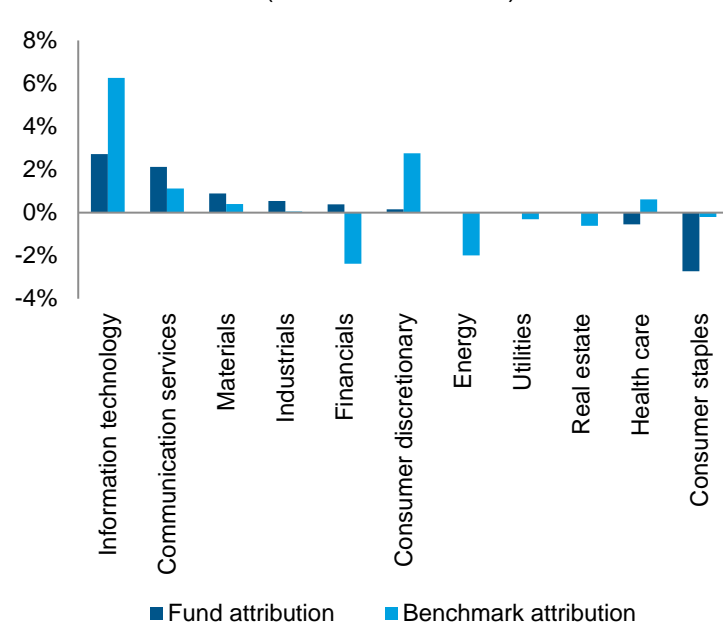


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Sector weights

Sector	Fund (%)	Benchmark (%)
Consumer staples	22.82	7.65
Communication services	20.84	9.04
Information technology	17.30	22.48
Health care	13.95	12.99
Consumer discretionary	9.68	12.31
Financials	6.64	12.33
Materials	4.51	4.17
Energy	1.20	2.68
Industrials	0.00	10.61
Utilities	0.00	3.17
Real estate	0.00	2.55
Cash	3.05	0.00
Total	100	100

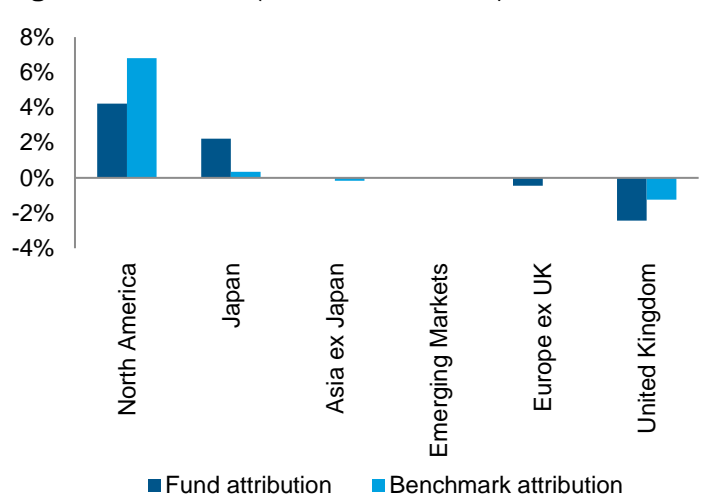
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	60.36	70.73
Europe ex UK	17.07	15.43
United Kingdom	11.91	4.42
Japan	7.61	7.98
Asia ex Japan	0.00	1.45
Cash	3.05	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned 0.59% in December 2020, compared with a return for the Benchmark of -0.50%, with a rising Australian dollar offsetting what proved to be another strong month for global equities.
- There was dispersion in sector returns in December, with several cyclical sectors including Consumer Discretionary, Financials, and Materials rising, while Utilities, Industrials and Consumer Staples moved lower. For the Fund, the largest contributors to relative performance were holdings in Consumer Staples, including Philip Morris and Imperial Brands, and in Communication Services, such as Nintendo. The largest relative detractors were holdings in Financials, including S&P Global, and the Fund's sole holding in the Materials sector, Corteva.
- Nintendo was among the top individual contributors to performance in December. Retail sales data for the Switch and Switch Lite consoles demonstrated their continued market leadership and strong momentum through the key holiday selling period. This was despite the launch of rival games consoles by Sony (PlayStation 5) and Microsoft (Xbox Series X and S) in November. Anticipation is also growing regarding the launch of the next generation Switch console in 2021, along with a number of accompanying software titles.
- Western Union was among the top individual detractors from performance in December. There was no material company specific news during the month, however Western Union's large in-person money transfer business has been hurt by COVID-19 related disruption. By contrast, the company's digital money transfer services are now a ~\$1bn annual run rate revenue business and growing strongly. Overall company revenues should recover in 2021 if economic activity improves.
- There were no initial purchases or final sales within the portfolio during the month.
- Franchise Partners' investment approach offers several features relevant to the current market environment; in particular, the defining characteristic of companies held by the Fund is their possession of a dominant intangible asset, such as a brand, patent, or intellectual property. Such an asset can place a company in a stronger market position and allow it to weather periods of economic uncertainty.

For more information speak to your financial adviser, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarie.com

Important information

Weights and attribution breakdown for sector, stocks and region are sourced from Macquarie and Factset.

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFS Licence 238321 is the issuer of units in, and responsible entity of the Fund.

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