

IFP Global Franchise Fund

Macquarie Professional Series

Monthly report – 31 October 2022

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	\$1,609.6m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000
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 October 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	7.41	7.31	7.81	-0.50
3 months (%)	0.73	0.41	1.68	-1.27
1 year (%)	2.26	0.96	-4.33	5.29
3 years (% pa)	10.64	9.20	8.88	0.32
5 years (% pa)	11.91	10.43	10.38	0.05
7 years (% pa)	10.48	9.00	9.53	-0.53
Since inception (% pa)	11.97	10.46	7.90	2.56

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.

The management fee was reduced to 1.28% pa from 14 May 2021.

Top 10 stocks*

Stock	Sector	Industry	Holding (%)
British American Tobacco	Consumer Staples	Tobacco	5.80
Bristol-Myers Squibb Co	Health Care	Pharmaceuticals	5.61
Philip Morris International	Consumer Staples	Tobacco	5.19
Novartis Ag	Health Care	Pharmaceuticals	4.46
Salesforce Inc	Information Technology	Software	4.24
News Corp	Communication Services	Media	4.13
Fox Corp	Communication Services	Media	4.11
Richemont(Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	3.77
Aon Plc	Financials	Insurance	3.76
Electronic Arts Inc	Communication Services	Entertainment	3.71
Total number of stocks			28

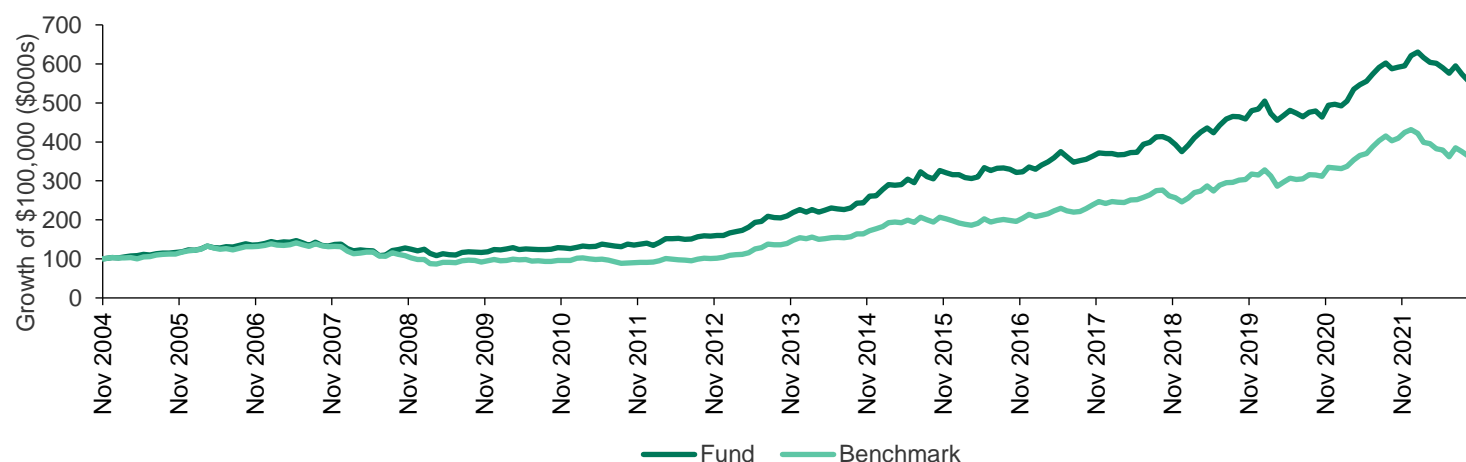
*The information in this table is as at end of month, three months prior to the date of this report.

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Growth of \$100,000 since inception

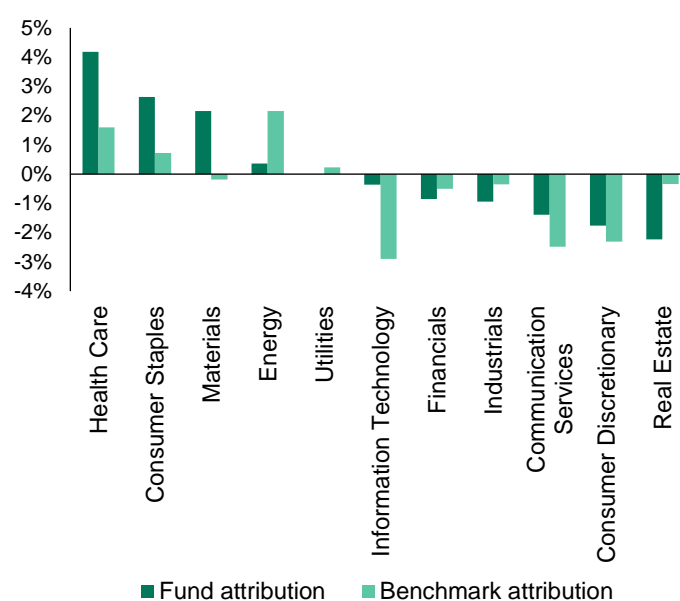


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Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	21.41	6.79
Health Care	17.84	14.35
Consumer Staples	16.29	7.74
Information Technology	11.97	21.50
Consumer Discretionary	10.35	10.76
Financials	9.72	13.30
Materials	3.86	3.76
Real Estate	3.41	2.56
Industrials	2.93	10.38
Energy	0.00	5.81
Utilities	0.00	3.04
Cash	2.23	0.00
Total	100	100

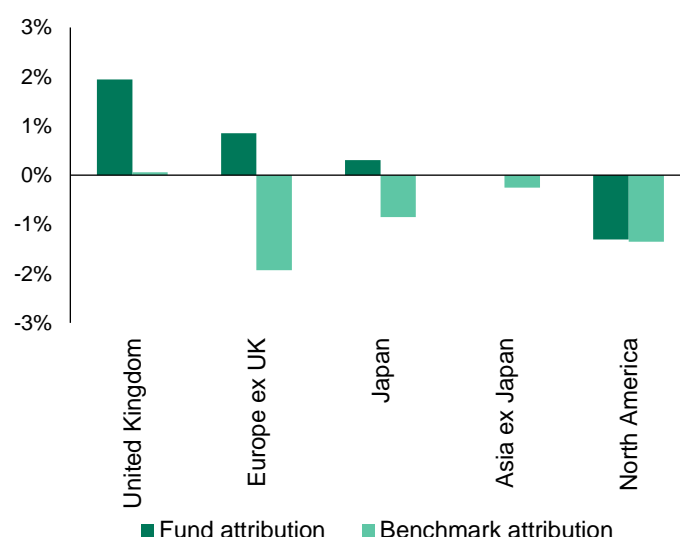
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	67.73	75.27
United Kingdom	14.73	4.20
Europe ex UK	11.73	13.46
Japan	3.57	5.93
Asia ex Japan	0.00	1.13
Cash	2.23	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned 7.31%, net of fees, in October 2022, compared with a return for the Benchmark of 7.81%, with the MSCI World Ex Australia Index recording its strongest monthly bounce since May 2013.
- All market sectors moved higher in October, with IT, Health Care and Financials the largest contributors to index returns, and Energy a notably strong performer. For the Fund, the largest relative sector contributors were holdings in Consumer Discretionary, such as Booking Holdings and eBay, and in IT, such as Oracle and Salesforce. Relative detractors included a lack of exposure to Energy, and holdings in Industrials, which lagged the rise of the broader sector, as well as an underweight to the sector.
- Oracle was among the top individual contributors to performance in October. The company issued long-term guidance at its annual analyst day that significantly exceeded market expectations for both revenues and margins. This was the first long-term guidance that Oracle had released in over a decade and reflects the strong progress made in transitioning both its application and database business to the cloud.
- Fox was among the top individual detractors from performance in October. Shares in the company declined following the announcement that its largest shareholder, the Murdoch Family Trust, is exploring a re-combination with News Corp. As the larger company, it appears the market is concerned that Fox would pay a premium to acquire News Corp. Franchise Partners are shareholders of both companies and think each of their share prices are materially undervalued. While Franchise Partners think there are operational benefits from a combination, the investment team believe it would be in the best interests of both companies for News Corp to have first completed the sale or spin-off of its valuable real estate portal assets. Franchise Partners will continue to actively engage with both companies on the potential equity combination.
- There were no initial purchases or final sales within the portfolio during the month.

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

Important information

Weights and attribution breakdown for sector, stocks and region is sourced from Macquarie and FactSet.

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