

IFP Global Franchise Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 May 2023

Investment objective

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

The Fund invests in the IFP Global Franchise Fund.

Key information

Fund details	
APIR code	MAQ0631AU
mFund code	GFH01
Inception date	23 November 2009
Underlying Fund investment manager	Independent Franchise Partners LLP (London, UK)
Fund size	\$437.5m
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 May 2023

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-2.07	-2.18	-0.22	-1.96
3 months (%)	3.74	3.41	3.95	-0.54
1 year (%)	1.18	-0.11	1.45	-1.56
3 years (% pa)	10.77	9.34	10.28	-0.94
5 years (% pa)	9.53	8.09	7.19	0.90
7 years (% pa)	10.02	8.56	9.39	-0.83
Since inception (% pa)	14.14	12.61	10.68	1.93

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 (%)
Bristol-Myers Squibb Co	Health Care	Pharmaceuticals	5.19
Richemont (Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	5.18
Philip Morris International	Consumer Staples	Tobacco	5.14
British American Tobacco	Consumer Staples	Tobacco	4.52
Novartis AG	Health Care	Pharmaceuticals	4.35
Salesforce Inc	Information Technology	Software	4.32
Fox Corp	Communication Services	Media	4.30
Zillow Group Inc	Real Estate	Real Estate Management & Development	4.22
Oracle Corp	Information Technology	Software	4.10
News Corp	Communication Services	Media	4.09
Total number of stocks			28

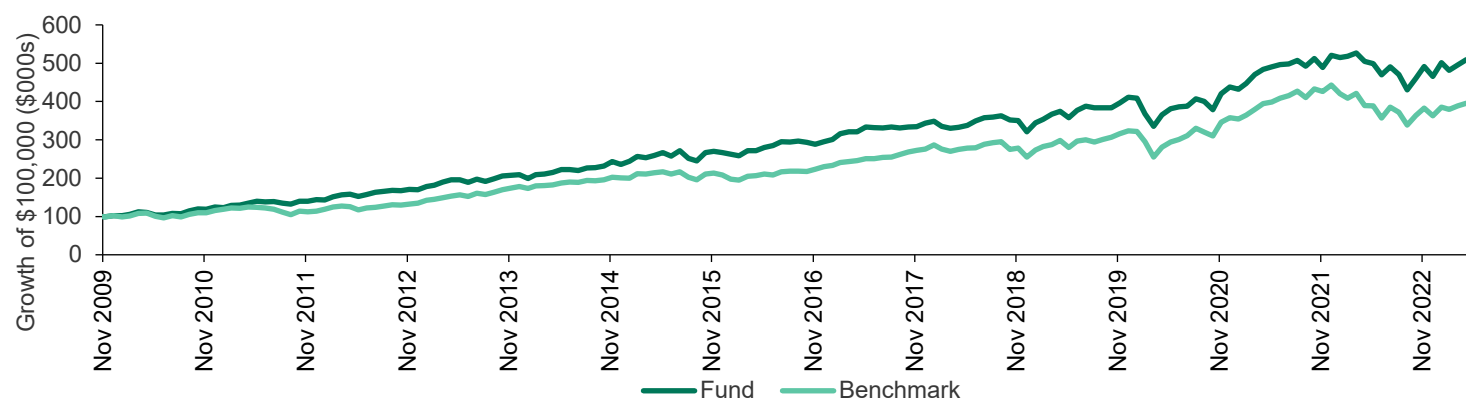
*The information in this table is as at end of month, three months prior to the date of this report.

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Growth of \$100,000 since inception

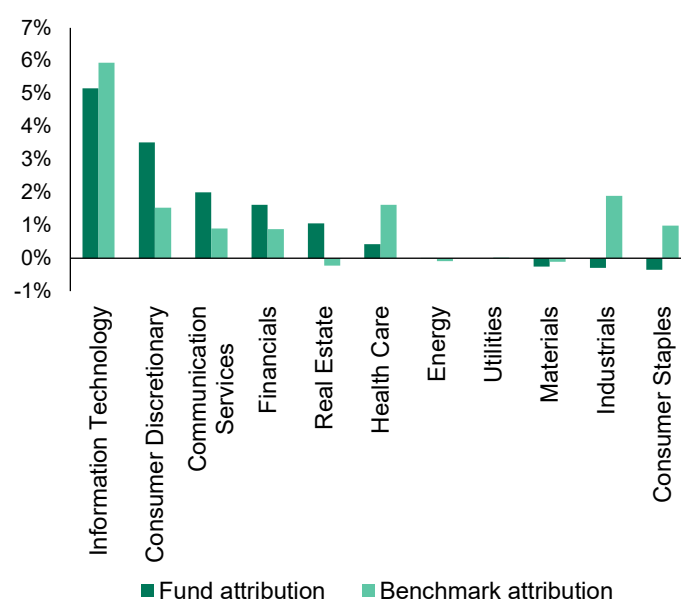


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Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	20.29	7.46
Health Care	15.32	13.21
Consumer Staples	13.11	7.64
Information Technology	11.60	22.56
Consumer Discretionary	10.02	10.65
Financials	9.57	14.23
Industrials	8.49	10.83
Real Estate	4.45	2.33
Materials	3.33	3.64
Energy	0.00	4.58
Utilities	0.00	2.89
Cash	3.82	0.00
Total	100	100

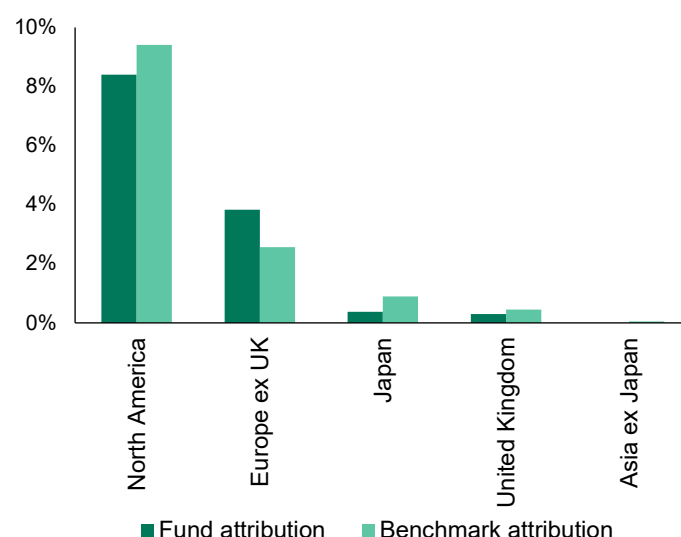
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	68.61	73.61
United Kingdom	13.49	4.20
Europe ex UK	9.80	14.59
Japan	4.28	6.41
Asia ex Japan	0.00	1.18
Cash	3.82	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -2.18%, net of fees, in May 2023, compared with a return for the Benchmark of -0.22%.
- A strong performance by the IT sector disguised an otherwise tepid month for the index, with the Energy, Consumer Staples, Financials and Health Care sectors, amongst others, detracting. For the Fund, the largest relative sector detractors were an underweight to IT, as well as holdings in Consumer Staples, particularly BAT and Philip Morris, and an overweight to the sector. Relative contributors included a lack of exposure to Energy, and holdings in Financials, namely S&P Global.
- Salesforce was among the top individual contributors to performance in May. Shares in the company appeared to benefit from the broader market rotation towards faster growing, more cyclical stocks, particularly those in the IT sector and specifically companies focused on artificial intelligence. Given the share price rise, Franchise Partners took the opportunity to reduce the position size in Salesforce towards the end of the month.
- BAT was among the top individual detractors from performance in May. Shares in the company appeared to be affected by the broader weakness in the Consumer Staples sector, as well as the unanticipated announcement that CEO Jack Bowles has been replaced by CFO Tadeu Marroco. Franchise Partners understand the market's negative reaction to the CEO's unexpected departure but believe Marroco is a solid appointment and do not think the company's strategy is likely to change significantly. Bowles' departure follows a recent large fine from the US Department of Justice for engaging in commercial activity in sanctioned countries in the Asia-Pacific region in the early-to-mid-2010s. The company has subsequently overhauled its global compliance function and increased senior executive oversight to help prevent a repeat of this activity.
- 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 relates to the Underlying Fund, and is sourced from Macquarie and FactSet.

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