

IFP Global Franchise Fund II

Macquarie Professional Series

Monthly report – 30 June 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).

The Fund will not invest in 'tobacco' securities as defined by the Global Industry Classification Standards or 'controversial weapons' securities as defined by MSCI, Inc.

Key information

Fund details

APIR code	MAQ3060AU
mFund code	MPS08
Inception date	28 November 2019
Investment manager	Independent Franchise Partners LLP (London, UK)
Fund size	\$498.1m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000

Unit prices and spreads [macquarie.com.au/unit_prices](https://www.macquarie.com.au/unit_prices)

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

Fund performance to 30 June 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-2.54	-2.64	-4.64	2.00
3 months (%)	-6.10	-6.41	-8.42	2.01
1 year (%)	-1.22	-2.48	-6.52	4.04
Since inception (% pa)	7.71	6.30	5.01	1.29

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	6.15
News Corp	Communication Services	Media	5.76
Novartis AG	Health Care	Pharmaceuticals	5.27
Fox Corp	Communication Services	Media	4.61
Aon Plc	Financials	Insurance	4.23
Nestle Sa	Consumer Staples	Food Products	4.20
Intercontinental Exchange	Financials	Capital Markets	4.02
Alphabet Inc	Communication Services	Interactive Media & Services	3.90
Reckitt Benckiser Group	Consumer Staples	Household Products	3.88
Richemont (Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	3.82
Total number of stocks			29

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

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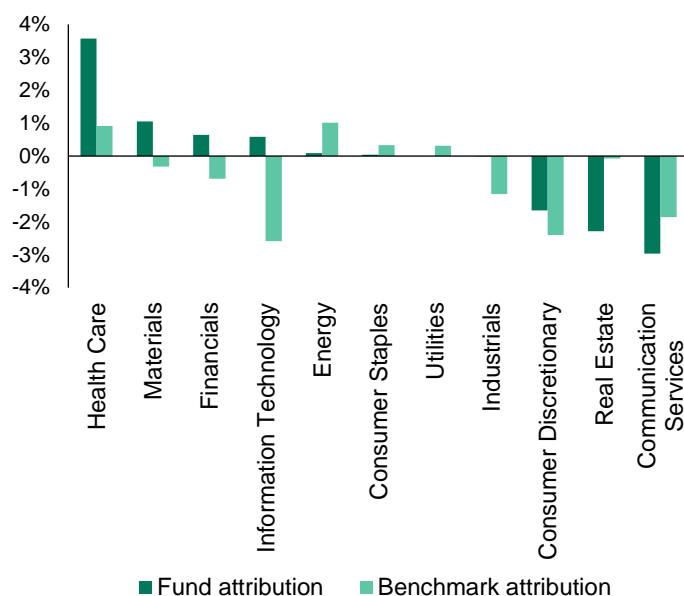
Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	22.58	7.71
Health Care	19.22	14.21
Information Technology	13.90	21.50
Consumer Staples	11.50	7.85
Financials	10.07	13.15
Consumer Discretionary	9.70	10.67
Materials	3.57	3.86
Real Estate	3.38	2.83
Industrials	3.01	10.01
Energy	0.00	4.96
Utilities	0.00	3.25
Cash	3.07	0.00
Total	100	100

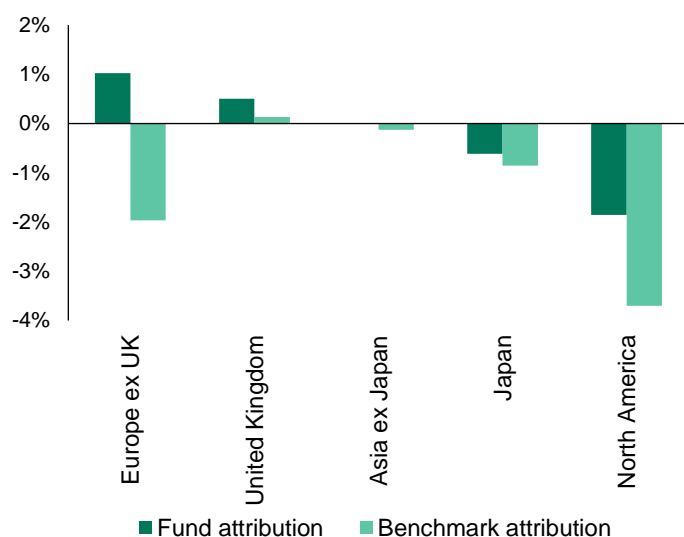
Region weights

Region	Fund (%)	Benchmark (%)
North America	66.61	73.87
United Kingdom	13.65	4.52
Europe ex UK	12.89	13.89
Japan	3.78	6.31
Asia ex Japan	0.00	1.41
Cash	3.07	0.00
Total	100	100

Sector attribution (12 months to date)



Region attribution (12 months to date)



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Performance summary

- The Fund returned -2.64% in June 2022, compared with a return for the Benchmark of -4.64%, with market attention centred once again on the potential impacts of rising inflation and the monetary policy response.
- Health Care and Consumer Staples were the lone positive sectors for the market in June, with the Energy sector yielding part of its strong year-to-date return. For the Fund, the largest relative sector contributors were holdings in IT, such as Salesforce, and in Financials, including Aon and S&P Global. Relative detractors included holdings in Real Estate, namely Zillow Group, and in Consumer Discretionary, including Booking Holdings and eBay.
- Bristol-Myers Squibb was among the top individual contributors to performance in June. The company announced a number of positive data releases, including impressive three- and five-year follow up data for cancer treatments based on its key immuno-oncology drug, Opdivo. Bristol faces sizable and well-understood patent expiration headwinds, but Franchise Partners continue to think that the continued progression of its pipeline of new drugs leaves it well placed to offset these patent expirations.
- Zillow Group was among the top individual detractors from performance in June. The share price weakness was driven by market concerns that the sharp rise in US mortgage rates will weigh on US housing transactions and prices. While near-term cyclical pressures are acute, Franchise Partners continue to believe that Zillow has a substantial opportunity to monetise its dominant position in US property search. The company is investing in new product rollouts and improvements across home viewing, mortgage, and seller services.
- During the month, Franchise Partners completed the final sale of TGS, a provider of seismic survey data to the oil and gas industry. The improvement in the oil and gas market since the start of 2022 has led to a significant increase in demand for TGS's data products and an increase in the company's share price. Given the risks the company faces from structurally lower levels of exploration investments moving forward, the position was sold.

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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