

IFP Global Franchise Fund II

Macquarie Professional Series

Monthly report – 31 July 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	\$523.4m
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 31 July 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	4.57	4.46	6.40	-1.94
3 months (%)	-0.66	-0.98	0.62	-1.60
1 year (%)	0.02	-1.25	-4.39	3.14
Since inception (% pa)	9.27	7.84	7.31	0.53

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	6.32
Novartis Ag	Health Care	Pharmaceuticals	5.46
News Corp	Communication Services	Media	5.39
Fox Corp	Communication Services	Media	4.42
Nestle Sa	Consumer Staples	Food Products	4.40
Reckitt Benckiser Group	Consumer Staples	Household Products	4.17
Glaxosmithkline	Health Care	Pharmaceuticals	3.99
Aon Plc	Financials	Insurance	3.94
Corteva Inc	Materials	Chemicals	3.91
Richemont(Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	3.86
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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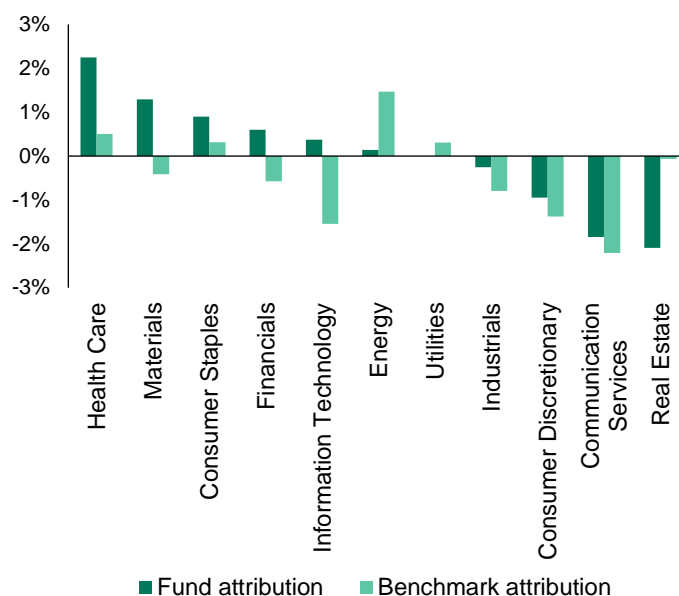
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Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	22.95	7.36
Health Care	16.08	13.54
Information Technology	15.27	22.53
Consumer Staples	11.62	7.59
Consumer Discretionary	10.30	11.42
Financials	10.30	12.75
Industrials	3.54	10.16
Real Estate	3.48	2.83
Materials	3.04	3.75
Energy	0.00	4.92
Utilities	0.00	3.16
Cash	3.41	0.00
Total	100	100

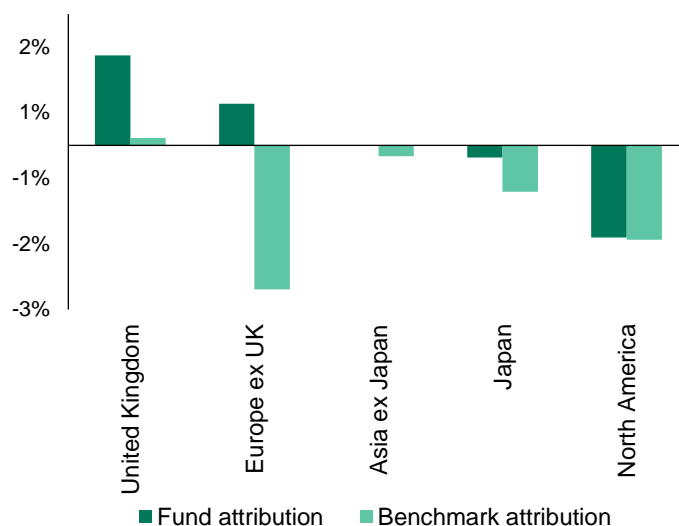
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	66.91	74.63
United Kingdom	13.22	4.34
Europe ex UK	12.80	13.56
Japan	3.66	6.18
Asia ex Japan	0.00	1.30
Cash	3.41	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned 4.46% in July 2022, compared with a return for the Benchmark of 6.40%, with global equities posting their first positive monthly return since 2021 despite ongoing inflation and interest rate concerns.
- All market sectors moved higher in July, led by IT, Consumer Discretionary and Industrials. For the Fund, the largest relative sector detractors were holdings in Health Care, including Bristol-Myers Squibb and GlaxoSmithKline, as well as holdings in IT, which lagged the rise of the broader sector, and an underweight to the sector. Relative contributors included holdings in Financials, such as S&P Global, Aon, and Intercontinental Exchange.
- eBay was among the top individual contributors to performance in July. Shares in the company benefited from the broader market rotation away from more defensive stocks during the month, partly reversing their significant share price falls during the first half of the year.
- Bristol-Myers Squibb was among the top individual detractors from performance in July. This weakness appeared to be driven by the market's rotation away from more defensive stocks and from those that had outperformed during the substantial market decline in the first half of the year.
- During the month, the Fund received shares in Haleon, the former consumer healthcare division of GlaxoSmithKline, following its spin-off. Haleon is the largest consumer healthcare company in the world. It has leadership positions in a number of attractive markets, including therapeutic oral care (Sensodyne), vitamins (Centrum), pain relief (Panadol, Advil and Voltaren) and respiratory health (Flonase and Otrivin). Franchise Partners estimates that these high gross margin categories should grow by around 4-6% per year, and also believes the company can steadily improve margins through innovation and operating leverage.

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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