

## IFP Global Franchise Fund II

### Macquarie Professional Series

Monthly report – 31 December 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	\$540.1m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000
Unit prices and spreads	<a href="https://macquarie.com.au/unit_prices">macquarie.com.au/unit_prices</a>

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

#### Fund performance to 31 December 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	-5.86	-5.96	-5.49	-0.47
<b>3 months (%)</b>	5.01	4.68	3.95	0.73
<b>1 year (%)</b>	-8.09	-9.27	-12.52	3.25
<b>3 years (% pa)</b>	7.30	5.90	6.22	-0.32
<b>Since inception (% pa)</b>	7.27	5.87	5.60	0.27

**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	6.47
News Corp	Communication Services	Media	4.98
Novartis Ag	Health Care	Pharmaceuticals	4.79
Fox Corp	Communication Services	Media	4.55
Nestle Sa	Consumer Staples	Food Products	4.43
Aon Plc	Financials	Insurance	4.41
Electronic Arts Inc	Communication Services	Entertainment	4.11
Oracle Corp	Information Technology	Software	4.00
Nintendo Co Ltd	Communication Services	Entertainment	3.91
Salesforce Inc	Information Technology	Software	3.77
<b>Total number of stocks</b>			<b>27</b>

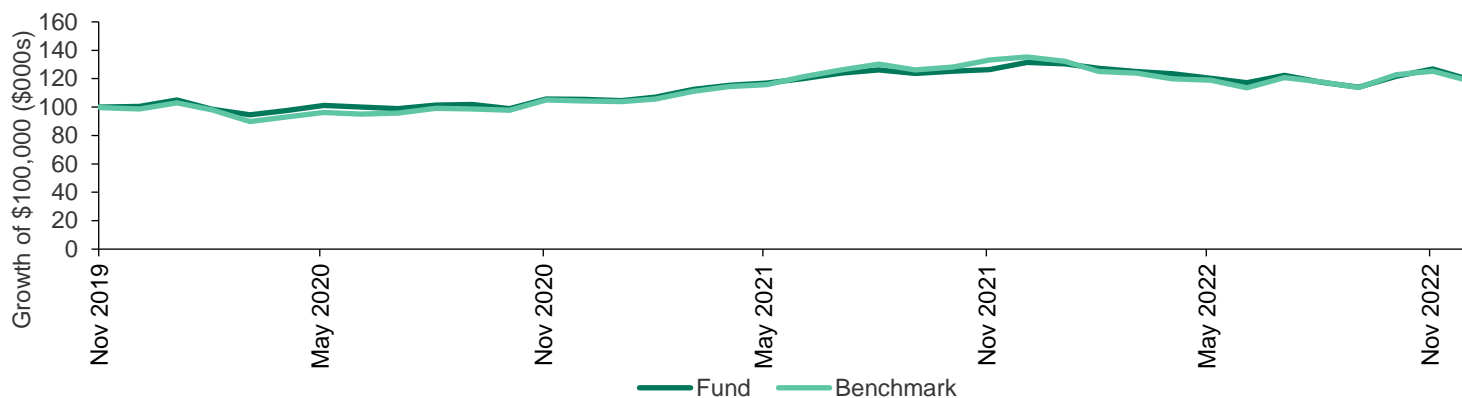
\*The information in this table is as at end of month, three months prior to the date of this report.

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Monthly report – 31 December 2022

### Growth of \$100,000 since inception

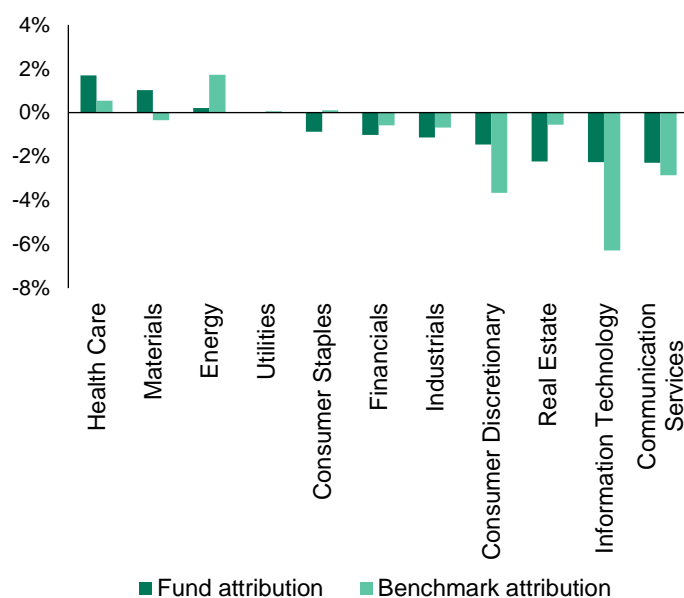


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### Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	23.37	6.48
Health Care	17.87	14.64
Consumer Discretionary	11.96	10.10
Information Technology	11.30	20.60
Financials	10.79	13.88
Consumer Staples	9.61	7.98
Industrials	5.26	10.83
Real Estate	3.40	2.60
Materials	3.29	4.01
Energy	0.00	5.65
Utilities	0.00	3.24
Cash	3.14	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

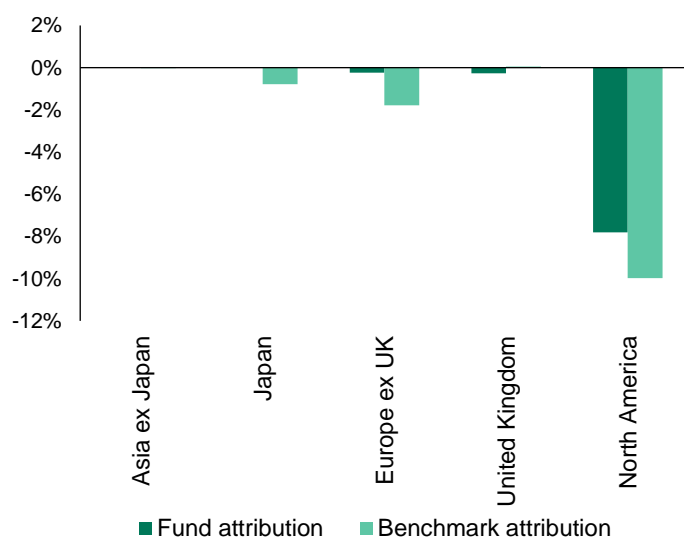
### Sector attribution (12 months to date)



### Region weights

Region	Fund (%)	Benchmark (%)
North America	65.59	73.12
Europe ex UK	14.22	14.63
United Kingdom	13.37	4.46
Japan	3.68	6.41
Asia ex Japan	0.00	1.38
Cash	3.14	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

### Region attribution (12 months to date)



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### Performance summary

- The Fund returned -5.96%, net of fees, in December 2022, compared with a return for the Benchmark of -5.49%, with equity markets troubled by central bank messaging on the trajectory of interest rate rises.
- All market sectors declined in December, led in particular by IT, Consumer Discretionary and Communication Services. For the Fund, the largest relative sector detractors were holdings in Real Estate, namely Zillow, and in Materials, driven by Corteva. Relative contributors included holdings in Consumer Discretionary, which proved defensive compared to the wider sector, and an underweight to IT.
- Novartis was among the top individual contributors to performance in December. The company continues to make progress on its drug pipeline. It reported positive headline results for the use of Pluvicto in the treatment of prostate cancer during the month. The drug is already used in post-chemotherapy treatment, and the latest results suggests it could be successful in the larger, lucrative pre-taxane prostate cancer market. This followed positive data from a trial of Iptacopan for the treatment of PNH, a life-threatening blood disease.
- Bristol-Myers Squibb was among the top individual detractors from performance in December. Weakness in the company's share price appeared to be driven by profit taking following strong performance during 2022. Franchise Partners continues to think Bristol is one of the better-invested large cap pharmaceutical companies and that it has one of the best drug pipelines in its peer group. Franchise Partners believes the pipeline is underappreciated by the market and should allow Bristol to successfully navigate its sizable but known upcoming patent expirations.
- 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](mailto:mam.clientservice@macquarie.com) or visit [macquarieim.com](http://macquarieim.com)**

### Important information

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

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