

IFP Global Franchise Fund II

Macquarie Professional Series

Monthly report – 31 March 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 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	IFP01
Inception date	28 November 2019
Investment manager	Independent Franchise Partners LLP (London, UK)
Fund size	\$623.8m
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 March 2023

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	5.10	4.99	3.88	1.11
3 months (%)	10.37	10.04	9.20	0.84
1 year (%)	6.23	4.88	4.31	0.57
3 years (% pa)	13.00	11.53	12.88	-1.35
Since inception (% pa)	9.91	8.49	7.99	0.50

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	5.95
Richemont (Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	5.64
News Corp	Communication Services	Media	5.44
Novartis AG	Health Care	Pharmaceuticals	5.13
Oracle Corp	Information Technology	Software	4.87
Aon PLC	Financials	Insurance	4.49
Fox Corp	Communication Services	Media	4.09
Electronic Arts Inc	Communication Services	Entertainment	3.95
Galxosmithkline PLC	Health Care	Pharmaceuticals	3.85
Nintendo Co Ltd	Communication Services	Entertainment	3.68
Total number of stocks			28

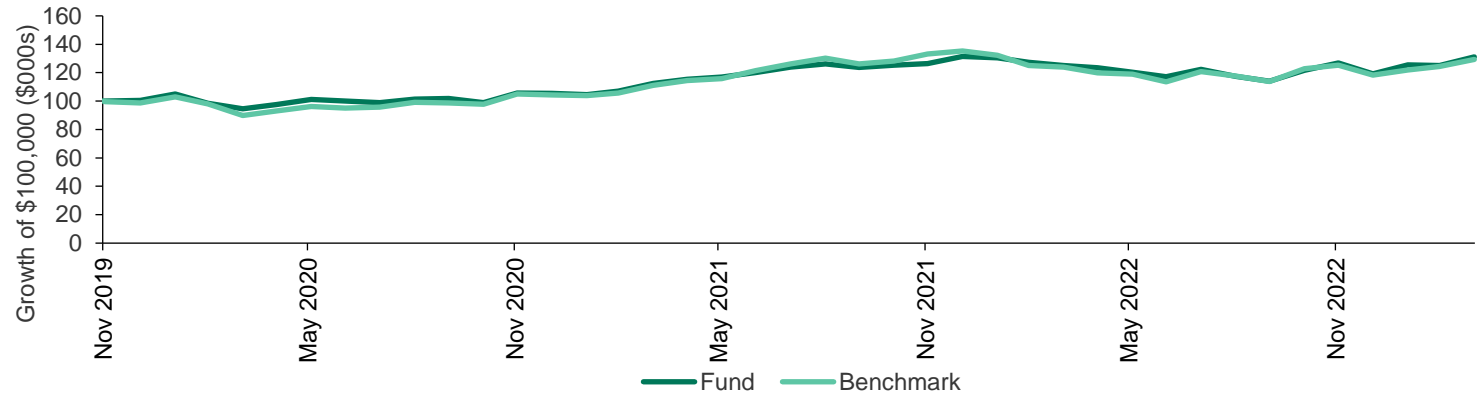
*The information in this table is as at end of month, three months prior to the date of this report.

IFP Global Franchise Fund II

Macquarie Professional Series

Monthly report – 31 March 2023

Growth of \$100,000 since inception

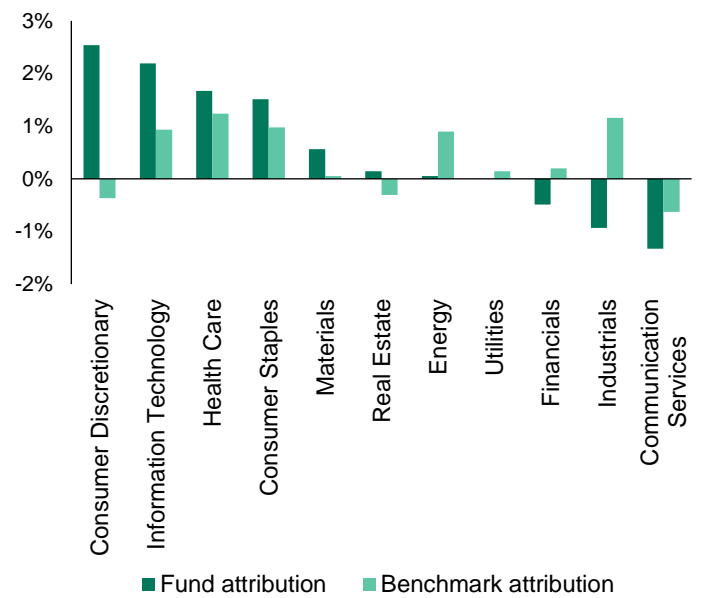


Past performance is not a reliable indicator of future performance. Data as at 31 March 2023.

Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	20.38	7.06
Health Care	16.12	13.40
Information Technology	13.25	20.84
Consumer Discretionary	12.68	10.68
Financials	10.31	14.62
Consumer Staples	9.00	7.95
Industrials	7.99	11.11
Real Estate	4.35	2.44
Materials	3.12	3.95
Energy	0.00	4.96
Utilities	0.00	3.00
Cash	2.79	0.00
Total	100	100

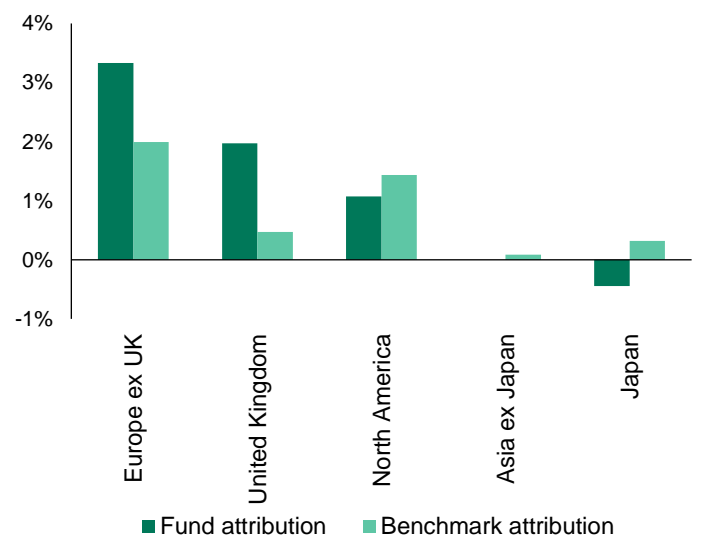
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	66.80	72.88
United Kingdom	13.26	4.34
Europe ex UK	13.09	15.17
Japan	4.06	6.30
Asia ex Japan	0.00	1.31
Cash	2.79	0.00
Total	100	100

Region attribution (12 months to date)



IFP Global Franchise Fund II

Macquarie Professional Series

Monthly report – 31 March 2023

Performance summary

- The Fund returned 4.99%, net of fees, in March 2023, compared with a return for the Benchmark of 3.88%.
- IT, Communication Services and Health Care drove the market higher again in March, while the Financials sector was the only major detractor. For the Fund, the largest relative sector contributors were holdings in Financials, including Aon and ICE, and an underweight to the sector, as well as an underweight to Energy. Relative detractors included holdings in Communication Services, namely Fox, partially offset by overweight positioning.
- Salesforce was among the top individual contributors to performance in March. The market has continued to react positively to activist involvement in the company; four activists have now purchased the stock since Franchise Partners initiated the position in Q1 2022. A key component of the initial investment thesis was the opportunity to improve margins, which could be realised more quickly than initially expected due to the increased focus from these activists. Franchise Partners will continue to closely monitor the activists' demands and Salesforce's response to ensure that the long-term health of the franchise remains intact.
- TransUnion was among the top individual detractors from performance in March. It appears the stock may have been affected by market concerns that some of TransUnion's financial services customers may reduce their credit activity due to the volatility in the US banking sector. Franchise Partners continues to think the company remains well positioned to deliver attractive free cash flow compounding over the long term, despite the near-term economic headwinds and banking sector uncertainty.
- During the month, Franchise Partners completed the final sale of Alphabet. The decision was driven by uncertainty over the long-term growth potential for Google Search. Google Search's sheer size means that it will be challenging for the company to meet consensus expectations of double-digit growth going forward. In addition, internet search is close to 35% of total global ad spend, and Franchise Partners do not think that Google can gain further significant market share in the next decade. There is some scope for margin expansion, however Franchise Partners do not think it will be a focus for management given the competitive threat posed by the shift to AI-driven search. While the short-term impact of ChatGPT on Bing and Google search revenue is likely to be limited, there is now a plausible long-term competitor in the form of Microsoft.

IFP Global Franchise Fund II

Macquarie Professional Series

Monthly report – 31 March 2023

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.

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFS Licence 238321 is the issuer of units in, and responsible entity of the Fund.

The information in this report is provided for general information purposes only and is not, and should not be construed as, an advertisement, an invitation, an offer, a solicitation of an offer or a recommendation to participate in any investment strategy or take any other action, including to buy or sell any product offered by any member of the Macquarie Group. The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. The Fund is designed for investors who are seeking capital growth, are intending to use the Fund as a satellite within a portfolio, have a medium to long-term investment timeframe, have a high or very high risk/return profile and require the ability to have daily access to capital. Please review the Target Market Determination available at macquarieim.com/TMD and consider if the Fund may be suitable for you. Investors should consider the offer document of the Fund in deciding whether to acquire or continue to hold units in the Fund. The offer document is available by contacting us on 1800 814 523. Past performance is not a reliable indicator of future performance.

Future results are impossible to predict. In preparing this document, reliance may have been placed, without independent verification, on the accuracy and completeness of information available from external sources. This report may also include opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements constitute the investment manager's judgement as at the date of preparation of this report and are subject to change without notice. To the maximum extent permitted by law, no member of the Macquarie Group nor its directors, employees or agents accept any liability for any loss arising from the use of this document, its contents or otherwise arising in connection with it.

Other than Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie Bank"), any Macquarie Group entity noted in this material is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.

PRRP-IFPGFF2-ANZ