

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	\$260.8m
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 July 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	3.26	3.15	4.03	-0.88
3 months (%)	7.81	7.47	10.23	-2.76
1 year (%)	26.83	25.16	31.85	-6.69
Since inception (% pa)	15.19	13.65	14.95	-1.30

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 (%)
News Corp	Communication Services	Media	6.90
Nestle Sa	Consumer Staples	Food Products	4.96
Aon Plc	Financials	Insurance	4.68
Oracle Corp	Information Technology	Software	4.63
Fox Corp	Communication Services	Media	4.60
Corteva Inc	Materials	Chemicals	4.54
Nintendo Co Ltd	Communication Services	Entertainment	4.52
Novartis AG	Health Care	Pharmaceuticals	4.19
Richemont (Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	4.06
Johnson & Johnson	Health Care	Pharmaceuticals	4.00
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.

IFP Global Franchise Fund II

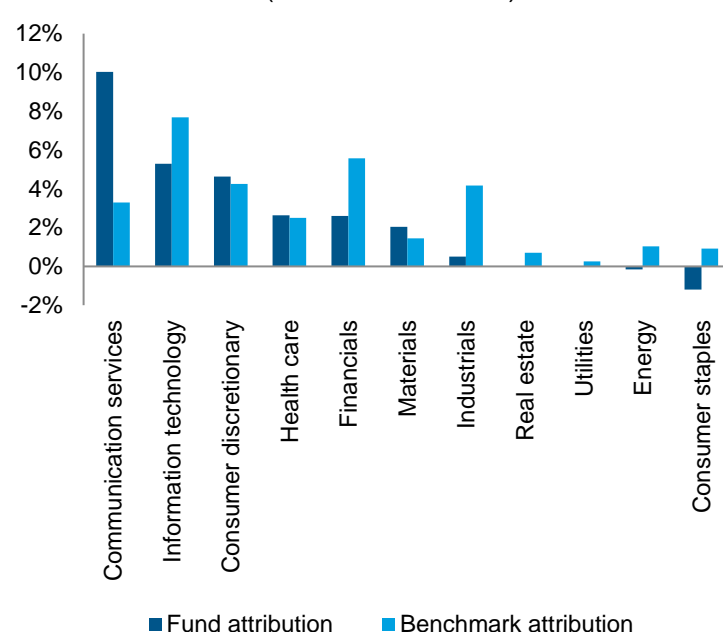
Macquarie Professional Series

Monthly report – 31 July 2021

Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	22.21	9.28
Health Care	16.65	12.81
Information Technology	15.79	22.90
Financials	13.43	12.84
Consumer Staples	11.72	7.04
Consumer Discretionary	9.60	11.98
Materials	3.79	4.11
Industrials	1.26	10.67
Energy	0.57	2.90
Utilities	0.00	2.79
Real Estate	0.00	2.68
Cash	4.98	0.00
Total	100	100

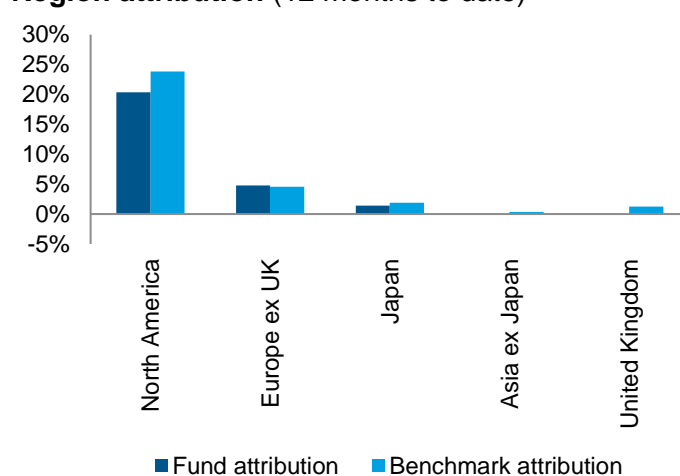
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	62.77	72.45
Europe ex UK	18.65	15.20
United Kingdom	9.91	4.31
Japan	3.69	6.73
Asia ex Japan	0.00	1.32
Cash	4.98	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned 3.15% in July 2021, compared with a return for the Benchmark of 4.03%, as the growth-oriented technology and health care sectors saw further gains following on from the prior month.
- All market sectors moved higher in July with the exception of Energy. For the Fund, the largest relative detractors were holdings in Communication Services, including Nintendo, and in Consumer Staples, notably Reckitt Benckiser. The largest relative contributors were holdings in Financials, including Aon and S&P Global, and holdings in IT, including Oracle and Accenture, though the latter was partially offset by the Fund's underweight positioning to IT.
- Oracle was among the top individual contributors to performance in July. There are early signs that revenue growth is starting to accelerate, driven by Oracle's investments in the cloud transition of its enterprise applications and databases. This has led to strong share price appreciation over the last few months and a commensurate reduction in the estimated free cash flow yield. Given this, Franchise Partners reduced the position size in late May and early June.
- Reckitt Benckiser was among the top individual detractors from performance in July. The company reported disappointing quarterly results and guided to margin pressure in the second half of this year due to raw material cost inflation. Organic revenue growth was lower than the market had expected, due to a challenging comparator period for Reckitt's hygiene business, inventory disruption in its China infant formula business, and weak sales of cold and flu products due to COVID-19 mobility restrictions and the prevalence of face coverings.
- During the month, Franchise Partners completed the initial purchase of Intercontinental Exchange ("ICE"). ICE has three businesses that generate the bulk of its revenue and profit: its market-leading global energy derivatives exchange; the dominant US mortgage workflow software tool that it acquired with Ellie Mae in 2020; and must-have fixed income pricing data that it acquired with IDC in 2015. These three businesses enjoy strong network effects, high switching costs and proprietary data.

For more information speak to your financial adviser, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarie.com

Important information

Weights and attribution breakdown for sector, stocks and region are 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.

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