

### 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	\$323.9m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000
Unit prices and spreads	<a href="https://www.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 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	4.08	3.97	1.68	2.29
<b>3 months (%)</b>	6.55	6.21	7.19	-0.98
<b>1 year (%)</b>	26.34	24.71	29.58	-4.87
<b>Since inception (% pa)</b>	15.51	13.98	15.56	-1.58

#### 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	6.37
Aon Plc	Financials	Insurance	5.35
Nestle Sa	Consumer Staples	Food Products	5.04
Fox Corp	Communication Services	Media	4.95
Accenture Plc	Information Technology	IT Services	4.34
Alphabet Inc	Communication Services	Interactive Media & Services	4.24
Alcon Ag	Health Care	Health Care Equipment & Supplies	4.21
Novartis Ag	Health Care	Pharmaceuticals	4.05
Corteva Inc	Materials	Chemicals	3.94
Microsoft Corp	Information Technology	Software	3.88
<b>Total number of stocks</b>			<b>28</b>

\*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

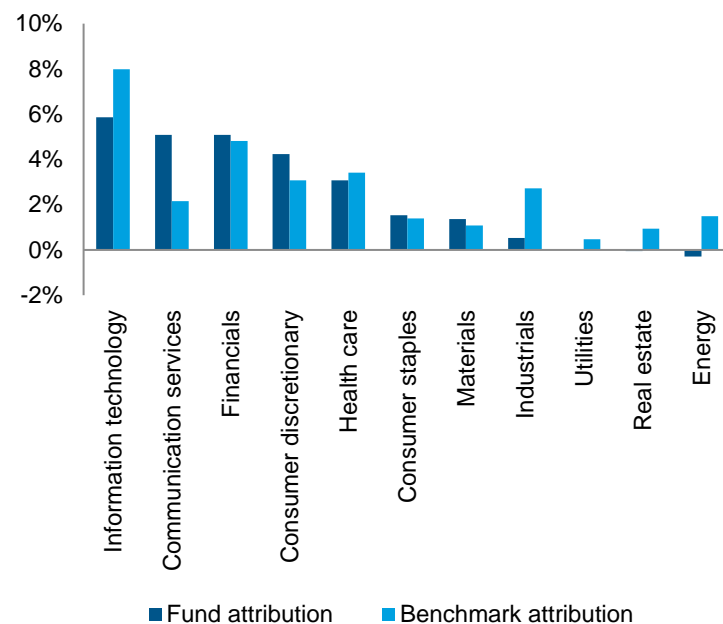
Macquarie Professional Series

Monthly report – 31 December 2021

### Sector weights

Sector	Fund (%)	Benchmark (%)
Health Care	21.06	12.65
Communication Services	20.76	8.43
Financials	13.16	12.74
Consumer Staples	13.13	6.94
Information Technology	10.70	24.09
Consumer Discretionary	10.18	12.35
Materials	4.06	3.91
Real Estate	3.80	2.70
Energy	0.38	3.12
Industrials	0.00	10.31
Utilities	0.00	2.76
Cash	2.77	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

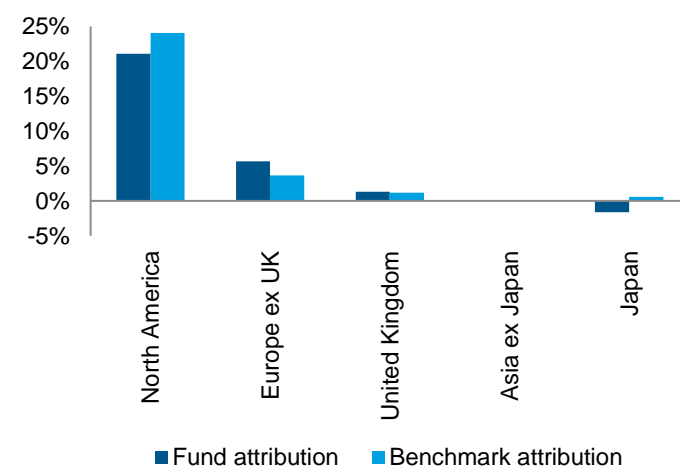
### Sector attribution (12 months to date)



### Region weights

Region	Fund (%)	Benchmark (%)
North America	60.86	73.70
Europe ex UK	19.51	14.63
United Kingdom	13.43	4.13
Japan	3.43	6.36
Asia ex Japan	0.00	1.18
Cash	2.77	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 3.97% in December 2021, compared with a return for the Benchmark of 1.68%, with the positive result rounding out a strong calendar year for equity markets, despite ongoing unease around inflation pressures and the spread of the Omicron COVID-19 variant.
- Defensive sectors including Consumer Staples and Utilities saw the largest gains within the index in December. For the Fund, the largest relative contributors were holdings in Health Care, including Bristol-Myers Squibb and Novartis, as well as holdings in Consumer Discretionary, namely Booking Holdings. The largest detractor on a relative basis was the Fund's lack of exposure to the Industrials sectors.
- Bristol-Myers Squibb was among the top individual contributors to performance in December. The company announced a new \$15 billion share repurchase program as well as a 10% increase in the 2022 dividend. These announcements demonstrate the board's confidence in Bristol's cash generation. The company faces sizable but well understood patent headwinds over the next decade. However, Franchise Partners think the market underestimates the ability of Bristol's existing drug pipeline to offset these pressures, as well as the company's financial strength to invest in R&D to develop future drugs.
- Oracle was among the top individual detractors from performance in December. Despite reporting a strong set of quarterly results, the market responded negatively to the subsequent announcement of Oracle's \$28 billion acquisition of Cerner, a leading provider of digital information systems used within hospitals and health systems. This appeared to be due to concerns about Oracle's balance sheet, the fact that Oracle's share buyback program will be paused, and the limited communication from management about the transaction. While Franchise Partners are still working through the details, the team's overall assessment is more positive. Cerner has been a long-term acquisition target for Oracle. Its healthcare vertical enterprise resource planning ("ERP") software sits neatly alongside Oracle's broader ERP software. Franchise Partners think the price paid is reasonable and that the acquisition should increase Oracle's utilisation and scale in the infrastructure-as-a-service category.
- There were no initial purchases or final sales within the portfolio during the month.

### Firm update

- Franchise Partners has advised of the following gradual leadership transition over the next two years. Jason Vowles and Michael Allison are to become Co-Lead Investors from 30 June 2022, and Jason will be appointed Managing Partner from 31 December 2022. Hassan Elmasry will continue to serve in those roles until those dates and take on the role of Non-Executive Chairman over 2023.
- These are the final steps of a well-planned and executed transition plan for an orderly retirement of Hassan as head of the company. Jayson and Michael represent the natural, next generation of leadership of the firm, with both managing the Franchise portfolio with Hassan since 2003 and 2005, respectively.
- While no change is without impact, Franchise Partners do not anticipate any significant impact on the portfolio outcomes for clients. Importantly, there will be no change in the firm's structure of ownership, investment process, management approach or operations, or the roles and responsibilities of the other partners.

**For more information speak to your financial adviser, call us on 1800 814 523, email [mim.clientservice@macquarie.com](mailto:mim.clientservice@macquarie.com) or visit [macquarie.com](http://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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