

IFP Global Franchise Fund

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).

Key information

Fund details	
APIR code	MAQ0404AU
mFund code	MPS03
Inception date	17 November 2004
Investment manager	Independent Franchise Partners LLP (London, UK)
Fund size	\$1,603.9m
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 December 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-5.52	-5.62	-5.49	-0.13
3 months (%)	5.41	5.07	3.95	1.12
1 year (%)	-4.68	-5.90	-12.52	6.62
3 years (% pa)	7.89	6.49	6.22	0.27
5 years (% pa)	11.05	9.58	9.26	0.32
7 years (% pa)	10.66	9.19	9.64	-0.45
Since inception (% pa)	11.74	10.23	7.61	2.62

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	6.25
British American Tobacco	Consumer Staples	Tobacco	6.16
Philip Morris International	Consumer Staples	Tobacco	5.13
Novartis AG	Health Care	Pharmaceuticals	4.62
Fox Corp	Communication Services	Media	4.41
News Corp	Communication Services	Media	4.23
Aon PLC	Financials	Insurance	4.01
Salesforce Inc	Information Technology	Software	3.84
Electronic Arts Inc	Communication Services	Entertainment	3.78
Nintendo Co Ltd	Communication Services	Entertainment	3.72
Total number of stocks			27

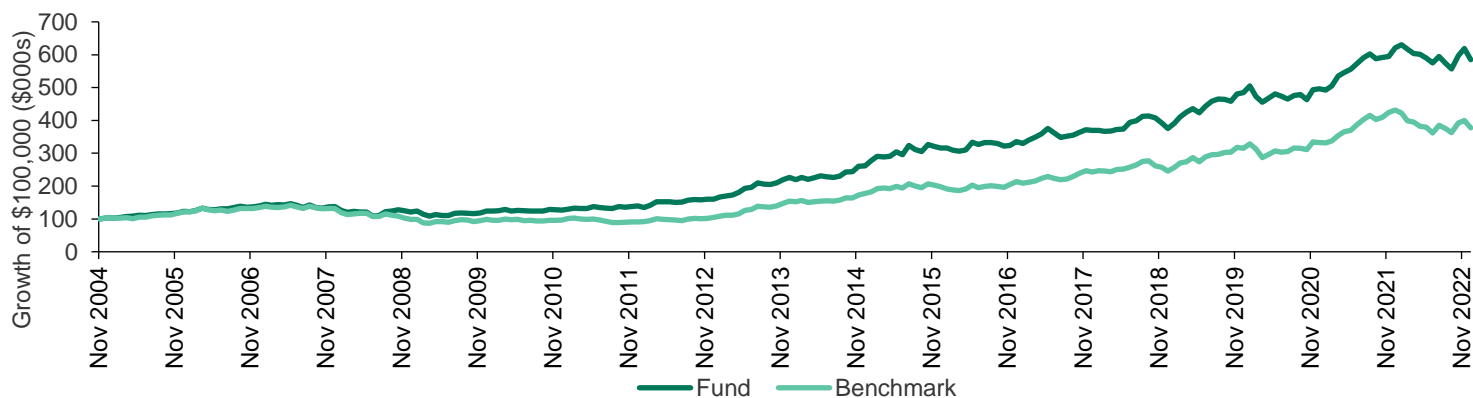
*The information in this table is as at end of month, three months prior to the date of this report.

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Growth of \$100,000 since inception

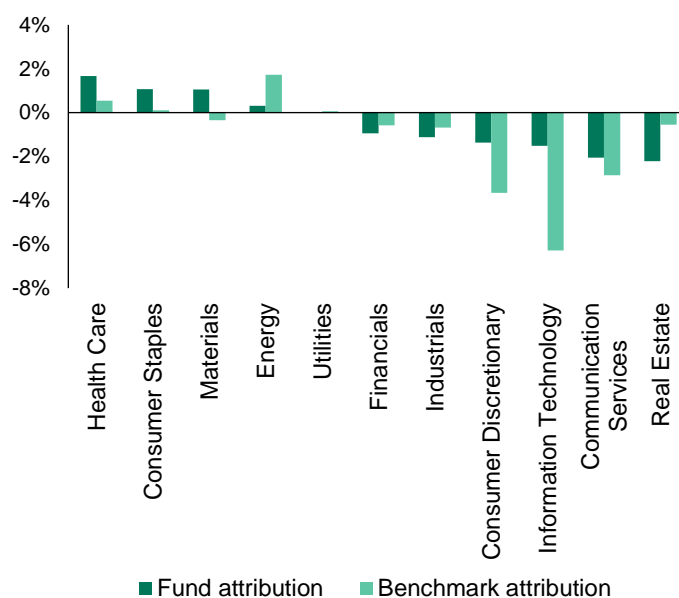


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Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	21.02	6.48
Health Care	17.19	14.64
Consumer Staples	15.74	7.98
Consumer Discretionary	11.49	10.10
Information Technology	9.95	20.60
Financials	9.78	13.88
Industrials	5.24	10.83
Real Estate	3.35	2.60
Materials	3.28	4.01
Energy	0.00	5.65
Utilities	0.00	3.24
Cash	2.96	0.00
Total	100	100

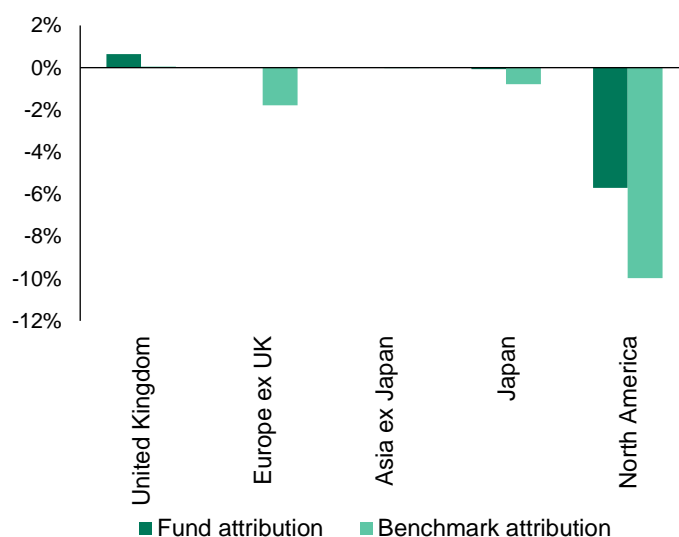
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	66.22	73.12
United Kingdom	14.68	4.46
Europe ex UK	12.67	14.63
Japan	3.47	6.41
Asia ex Japan	0.00	1.38
Cash	2.96	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -5.62%, 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 and in Consumer Staples, which proved defensive compared to their wider sectors; in particular, Philip Morris, within Consumer Staples, was positive for the month.
- Philip Morris (PMI) was among the top individual contributors to performance in December. The company announced that it has acquired more than 93% of Swedish Match and will delist the shares and consolidate the two companies' operations. Franchise Partners continues to think the acquisition makes good financial and strategic sense and should help accelerate the transition of PMI's legacy combustible cigarette portfolio towards next generation products. It will also give PMI a strong foothold in the US market through Swedish Match's established sales and distribution capabilities.
- 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 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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