

IFP Global Franchise Fund

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).

Key information

Fund details	
APIR code	MAQ0404AU
mFund code	GFF01
Inception date	17 November 2004
Investment manager	Independent Franchise Partners LLP (London, UK)
Fund size	\$1,763.6m
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 (%)	4.44	4.33	3.88	0.45
3 months (%)	9.13	8.80	9.20	-0.40
1 year (%)	6.68	5.33	4.31	1.02
3 years (% pa)	13.22	11.75	12.88	-1.13
5 years (% pa)	13.05	11.56	11.02	0.54
7 years (% pa)	12.51	11.02	11.99	-0.97
Since inception (% pa)	12.10	10.60	8.02	2.58

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 (%)
Bristol-Myers Squibb Co	Health Care	Pharmaceuticals	5.62
Philip Morris International	Consumer Staples	Tobacco	5.55
Richemont (Cie Fin)	Consumer Discretionary	Textiles Apparel & Luxury Goods	5.54
British American Tobacco	Consumer Staples	Tobacco	4.86
Novartis AG	Health Care	Pharmaceuticals	4.83
News Corp	Communication Services	Media	4.52
Aon PLC	Financials	Insurance	3.99
Oracle Corp	Information Technology	Software	3.98
Fox Corp	Communication Services	Media	3.87
Galxosmithkline PLC	Health Care	Pharmaceuticals	3.80
Total number of stocks			29

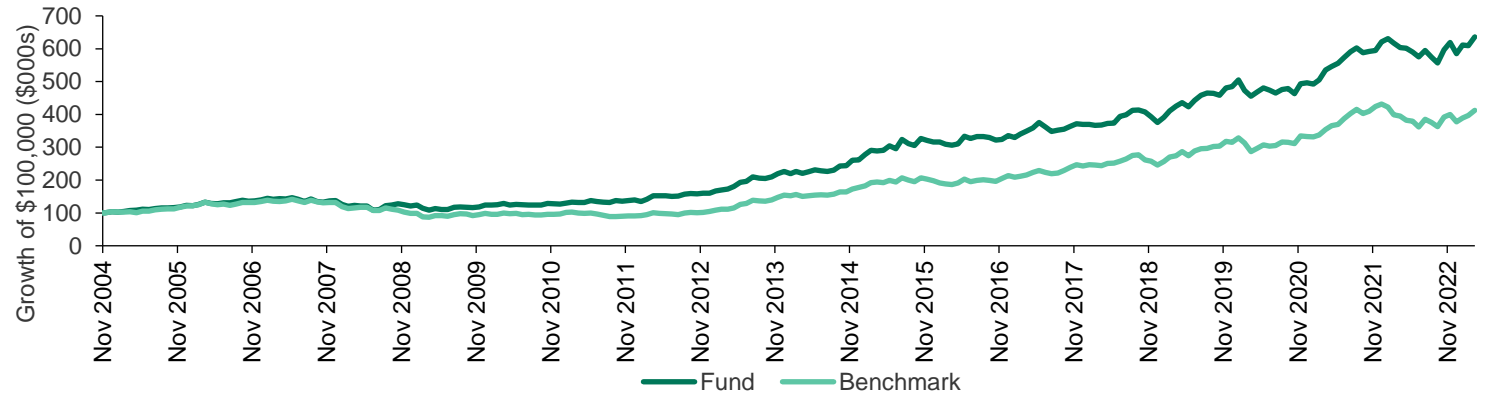
*The information in this table is as at end of month, three months prior to the date of this report.

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Growth of \$100,000 since inception

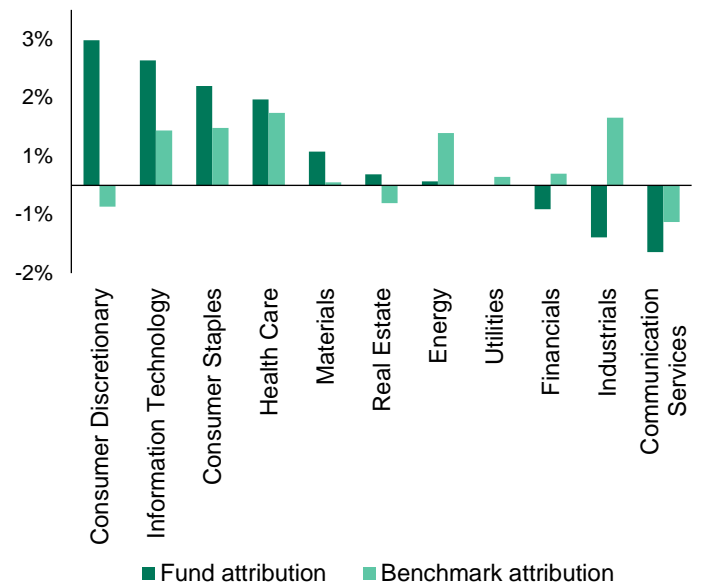


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Sector weights

Sector	Fund (%)	Benchmark (%)
Communication Services	18.87	7.06
Health Care	15.65	13.40
Consumer Staples	13.85	7.95
Consumer Discretionary	12.29	10.68
Information Technology	11.68	20.84
Financials	9.43	14.62
Industrials	8.00	11.11
Real Estate	4.33	2.44
Materials	3.14	3.95
Energy	0.00	4.96
Utilities	0.00	3.00
Cash	2.76	0.00
Total	100	100

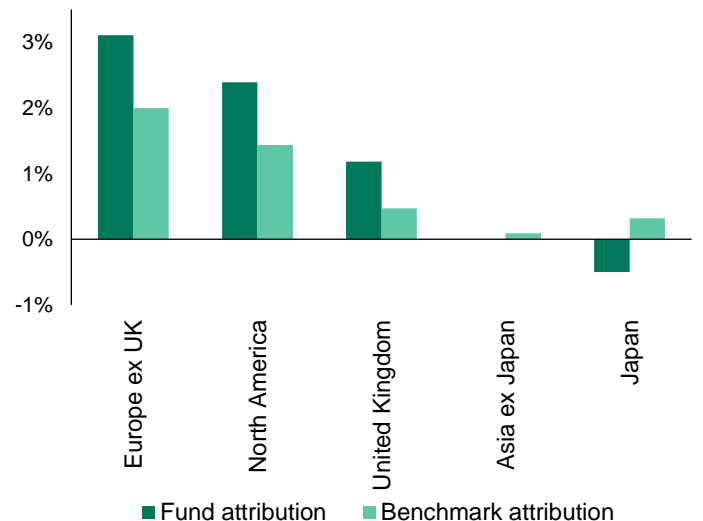
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	67.79	72.88
United Kingdom	13.97	4.34
Europe ex UK	11.60	15.17
Japan	3.88	6.30
Asia ex Japan	0.00	1.31
Cash	2.76	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned 4.33%, 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, and holdings in Consumer Staples, namely BAT, though both were 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.
- BAT was among the top individual detractors from performance in March. The company reported operational results that were in line with market expectations, but also announced the suspension of its share buybacks for the next 12 months. Franchise Partners expects this to be a temporary move to bolster its balance sheet in relation to litigation payments that are finally coming due.
- 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.

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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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