

Hassan Elmasry receives the Fund Manager Lifetime Achievement Award at the 2022 London Value Investor Conference

Hassan said, *"I'm honored to have received this award from the LVIC, particularly given the calibre of the other managers who were also nominated. Throughout my career, I've been hugely fortunate to have worked with and learned from some truly talented investors. This is especially true at Franchise Partners where we genuinely embrace a team approach. In truth, this award is as much for everyone at our firm as it is for me."*

April 2022 marked the 20th year since Hassan and our team assumed responsibility for managing the Franchise strategy. Since then, it has proven to be a highly efficient vehicle for compounding wealth. The flagship Global Franchise strategy¹ has generated a total return of 786% in USD net of fees, compared to the MSCI World Index total return of 346%. This translates into an annualized return of 11.5% for Global Franchise and 7.8% for the MSCI World Index. These returns have been achieved with materially lower risk than the wider market: the annualized standard deviation for Global Franchise is 13.0% versus 15.2% for the index.

These returns also rank favourably with other active equity managers. On a risk-adjusted basis, they rank in the top two percent of eVestment's Global Large Cap Equity peer group².

Three key ingredients contribute to these attractive investment results:

- We have consistently sought to balance the natural tension between quality and value, instead of leaning too heavily into one at the expense of the other.
- We have invested continuously in our people, technology, and investment tools to remain at the intellectual and technological frontier of our industry.
- We've maintained a culture and work environment that promotes teamwork and enables us to attract and retain the highest calibre of people, and to foster their growth and long-term intellectual satisfaction.

With these key ingredients firmly embedded in the firm's DNA and a well-planned leadership transition underway, Hassan commented, *"I am excited to see the firm continue to move forward under the leadership of Jayson and Michael and the other partners. I have every confidence that they and the rest of our team will navigate the challenges and opportunities ahead in the way that our clients have come to expect."*

Please click [here](#) to learn more about the London Value Investor Conference.

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For professional investors only

¹Based on Global Franchise composite performance net of fees in USD terms for the 20-year period ended 31 March 2022.

²Source: eVestment. From 31 March 2002 to 31 March 2022. The eVestment Global Large Cap Equity peer group comprises Global, ACWI, or Global ex-Japan Equity products that primarily invest in large capitalisation stocks regardless of the style (growth, value, or core) focus. The Global Large Cap Equity peer group included 77 products for the period shown.

Past performance is not an indicator of future results. The value of investments and the income from them can go down as well as up, and an investor may not get back the amount invested.

Independent Franchise Partners, LLP is an independent investment management firm that was established on 15 June 2009. Independent Franchise Partners, LLP manages equity strategies for clients based globally.

Franchise portfolios are concentrated in a limited number of securities and may be concentrated in only a few countries or industries. A concentrated portfolio may be subject to a greater degree of volatility and risk than one following a more diversified approach. Investments denominated in currencies other than the client's base currency carry the risk of exchange rate movements. These movements may have a separate effect, unfavourable or favourable, on gains and losses in the portfolio. Franchise portfolios are designed for investors who understand and accept these risks.

The investment returns provided reflect returns for the Morgan Stanley Global Franchise Equity Composite for the period 31 March 2002 to 31 May 2009 and for the Independent Franchise Partners, LLP Global Franchise Equity Composite from 1 June 2009. Independent Franchise Partners' investment team managed the strategy at Morgan Stanley Investment Management from April 2002 to 15 June 2009. The investment team at Independent Franchise Partners applies the same investment philosophy, research process, and portfolio construction tools as they did when they managed the strategy at Morgan Stanley Investment Management. Long-term return data has been provided for informational purposes only as an indication of the investment team's record in managing Global Franchise portfolios at Morgan Stanley Investment Management.

The returns are provided NET of investment advisory fees, are quoted in USD and include the reinvestment of dividends and income. Net returns are shown after the impact of transaction costs and management fees, using the fee that would have been effective at the time. The impact of fees is applied on a daily, time-weighted, geometric basis. Additional costs and other fees may apply (e.g. custody, fund expenses) so actual returns achieved may be lower.

The comparison index is the MSCI World (Net) Index, which is designed to measure the equity market return of developed market countries. Index returns reflect total returns with dividends reinvested net of withholding taxes. The volatility of the index may be materially different from the individual performance attained by a specific investor. In addition, client and fund holdings may differ significantly from the securities that comprise the index. You cannot invest directly in an index.

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Global Franchise Rolling 12 Month Returns (%)

	31 Mar 17 – 31 Mar 18	31 Mar 18 – 31 Mar 19	31 Mar 19 – 31 Mar 20	31 Mar 20 – 31 Mar 21	31 Mar 21 – 31 Mar 22
Global Franchise Composite	6.63	8.48	-7.37	46.38	11.80
MSCI World (Net) Index	13.59	4.01	-10.39	54.03	10.12



Returns for the Independent Franchise Partners, LLP (IFP) Global Franchise Composite (Hedged), net of fees in USD as at 31 March 2022.

The IFP Global Franchise Equity Composite (Hedged) includes accounts whose objective is to achieve an attractive long-term rate of return and outperform the MSCI World (Net) Index over a full market cycle, which is expected to be between 5 and 10 years. The composite includes both segregated and pooled fund accounts. The total expense ratios for the pooled funds are available upon request. Securities are selected using the firm's proprietary research and analytic tools, which select very high-quality companies trading on attractive absolute valuations from the global equity universe. Portfolios are more concentrated, typically holding 20 to 40 stocks, compared to the benchmark, which reflects the returns of more than 1500 holdings. Composite returns may, therefore, have a lower correlation with the benchmark than a more diversified global equity strategy. The currency exposure of the portfolios in the composite may be hedged for defensive rather than speculative purposes only so as to reduce relative risk, not to enhance returns.

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