

MLC Premium Model Portfolios

Portfolio changes

Effective date: 9 July 2024

We continually review the model portfolios to ensure they remain appropriately structured to meet their objectives and are well-positioned for the future market environment. These updates provide investment rationale for adding a new holding, removing an entire holding, or making a significant change to a Model Portfolio. Details of Portfolio re-weightings or re-balances occur normally in the course of managing the Portfolio and are included in our portfolio updates.

What changes have we made?

Increase	Portfolio change	Rationale
Fisher & Paykel Healthcare Corporation Ltd (FPH)	High Growth 98: +0.70%	We have initiated a position in Fisher & Paykel Healthcare Corporation Ltd (FPH). FPH is a high-quality medical device company that designs, manufactures and markets heated humidification products and systems for use in respiratory care and the treatment of sleep apnea. FPH not only continues to grow the installed base of ventilators but also drives greater clinical adoption and ultimately sell more higher margin consumables against the installed base. The stock is well rated in terms of profitability, growth and capital deployment within the 'Direction long-term' lens, and possesses decent 'Direction short-term' and 'Quality scores'. We take this opportunity to swap JHX into FPH that offers a better risk-adjusted expected return.
	Growth 85: +0.65%	
	Balanced 70: +0.60%	
	Moderate 50: +0.50%	
	Conservative 30: +0.50%	
Cash	High Growth 98: +0.20%	
	Growth 85: +0.10%	
	Balanced 70: +0.10%	
	Moderate 50: +0.10%	
Reduction	Portfolio change	Rationale
James Hardie Industries (JHX)	High Growth 98: -0.90%	We have exited our position in James Hardie Industries PLC (JHX). JHX's 2Q24 result was inline with expectation and guided to a poorer FY25 NPAT, however set ambitious long term targets. As a result, its 'Direction short-term score deteriorated sharply. JHX generally correlates with "home-making" indicators and sentiment, both of which appear as trading down from peak. Our analyst expects a slowdown in Repair and Remodel (R&R) demand with higher rates/consumer pressure and believes that JHX's valuation is becoming stretched. We take this opportunity to exit JHX to fund the addition of FPH.
	Growth 85: -0.75%	
	Balanced 70: -0.70%	
	Moderate 50: -0.60%	
	Conservative 30: -0.50%	

The approximate portfolio change amount is not a guarantee of a change to a client's portfolio. There may be differences between the Model Portfolio and a client's portfolio due to the timing and transaction prices for portfolio changes, client investments and withdrawals during the period, timing of receipt of dividends and income distributions, platform administration fees, transactional costs associated with the client's portfolio, and any portfolio exclusions required by the client.

Important Information

Portfolio changes outlined in this document are expected to be implemented by the client's platform, in due course.

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