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Portfolio review within Australian Shares: Sale of The A2 Milk Company (ASX: A2M)

Sale of The A2 Milk Company (ASX: A2M)

Across the Australian Equity component of investor portfolios, we have sold The A2 Milk Company (ASX: A2M). A2M is a global milk company that sells infant milk formula (IMF) and fresh milk products.

Whilst we think management has done a commendable job of stabilising the business and growing market share and the brand despite the headwind of lower births in China.

Looking forward we think the business will be able to cycle a disruption at their key infant formula supplier, Synlait, and earnings will recover. However, we think the longer-term outlook for a number of names within the portfolio is stronger and would like to reposition the portfolio more towards these businesses. This includes a number of market leading businesses such as The Lottery Corporation and Flight Centre.

Proceeds from the sale of A2M have been re-deployed across several names in the portfolio.

Australian Equity Sleeve Weighting Change Breakdown:

- Decreases:
    - A2M: -2.50%
    - WBC: -0.50%
    - Unallocated Cash: -0.50%
- Increases:
    - AMP: +0.50%
    - CGF: +0.50%
    - FLT: +0.50%
    - MQG: +0.50%
    - RMD: +0.50%
    - SHL: +0.50%
    - TLC: +0.50%