

AGM

WHITEFIELD LIMITED

1 AUGUST 2017

IMPORTANT INFORMATION

General, Limited Commentary: This presentation contains information about Whitefield and the markets in which it operates. The presentation is limited in scope and accordingly may not contain all the information necessary for an investor to make an investment decision. It is not a personal investment recommendation, it is not investment advice, and accordingly does not take account the specific situation, financial situation or particular needs of any individual investor. Before making an investment decision an individual should consider all other relevant information, including (but not limited to) information as to their specific circumstances and needs, the risks of investing, other investment alternatives and consider whether they should seek professional advice in forming their decision.

Information regarding past performance reflects the specific circumstances and decisions that transpired across the time frames shown. Past performance may not be indicative of the future, and should not be relied upon as a guide or guarantee of future outcomes.

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WHITEFIELD:

BUILDING SHAREHOLDER WEALTH THROUGH THE COMPOUNDING OF RELIABLE OUTCOMES

Founded in 1923, Whitefield has a long history and solid track record of delivering value to its shareholders.

- Holders of Whitefield's Ordinary Shares have received **regular dividends and growth in the capital value of their investment over many decades**. An investment of \$10,000 in Whitefield in 1970 would have been worth \$1,790,000 at 31st March 2017 (after the payment and provision of all costs and company tax across that period)¹.

¹ Calculated on the basis of net asset backing after tax per ordinary share plus dividends, assuming all dividends were reinvested

Whitefield has a disciplined and unique investment process.

- At the centre of Whitefield's investment process is a proprietary data base and structured quantitative analytics framework which provides us with a unique platform through which our investment team can **objectively and reliably assess stocks and implement our defined strategy**.

Whitefield's investments are managed by an experienced team.

- Whitefield's investment team have **an average of 22 years financial services experience per person**, of which an average of 17 years has been spent working with Whitefield. Our team members have diverse backgrounds and skills, providing us with a robust breadth of perspective.

WHITEFIELD: BUILDING SHAREHOLDER WEALTH THROUGH THE COMPOUNDING OF RELIABLE OUTCOMES

Whitefield's operating structure seeks to emphasise the qualities of prudential control and specialisation.

- Whitefield's Board contains a majority of independent directors and explicitly focuses on **prudential control and review** of the company's operations. The company's Investment Team, Accounting Personnel and Office Administration Personnel operate as **specialist units each with depth of managerial and operational resources**.

Whitefield Provides Investors with an Efficient Structure

- Our **operating structure and utilisation of technology** assist us in providing a professionally managed portfolio at relatively low cost. Whitefield's Management Expense Ratio (MER) was 0.37% in 2017.

Alignment of Interests

- Many of Whitefield's Board and Executive Personnel are **also shareholders of Whitefield**. They have a significant vested interest in ensuring that the company operates successfully over both the long and short terms.

WHITEFIELD: WHERE WE INVEST

AN EXPOSURE TO THE AUSTRALIAN ECONOMY THROUGH ASX LISTED INDUSTRIAL SHARES

Australia: a higher growth, high affluence economy

Australia is increasingly positioned as a higher growth, higher affluence economy

- Australia remains an **attractive living destination relative to many other countries** as the result of climate, geography, political stability, modern facilities and relatively low population density
- These factors are boosting Australia's **population growth and attracting higher affluence immigrants**, both important factors contributing to future economic growth. These drivers may be contrasted against the issues of ageing population and negative population growth evident in a range of other developed and developing economies around the globe.

Whitefield offers a broad exposure to Australian industrial economic growth.

- Our portfolio contains over 160 stocks spread across many segments of the Australian economy, however we do not invest in the resource sector. This provides our investors with a **diversified investment portfolio, which has historically provided higher through the cycle returns and lower volatility than the broad ASX200**. An incidental benefit for many is Whitefield's low exposure to the producers of fossil fuels.

WHITEFIELD'S INVESTMENT STRATEGY

A SYSTEMATIC PROCESS DESIGNED TO DELIVER STRENGTH OF RETURN WITH RELATIVELY LOW RISK

Whitefield seeks to own a portfolio of businesses capable of maintaining and expanding their earnings over an extended period, where that positive outlook is either under-recognised by the market or likely to continue to develop favourably.

Consistent decision making in
complex investment markets

- The modern investment environment is characterised by large volumes of information and a wide variety of opinions. Whitefield applies a **structured and highly disciplined decision making framework utilising quantitative techniques and qualitative oversight** to successfully navigate these complexities in a manner which emphasises the consistency and reliability we seek.

2017 OUTCOMES

EARNINGS & ASSET BACKING

Earnings per share amounted to 16.9 cents in 2017.

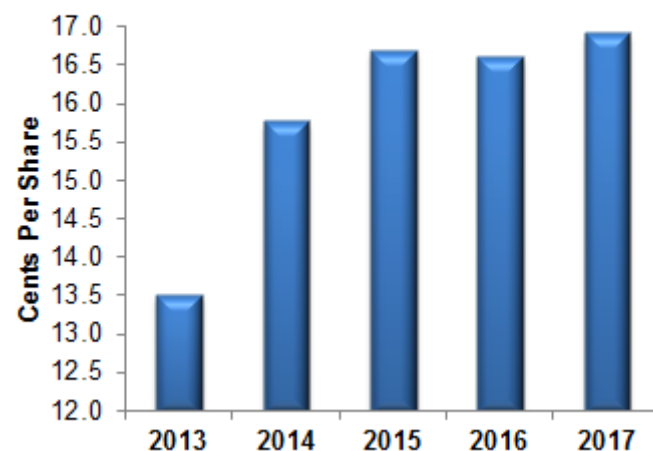
EPS:
Up 1.8%

- EPS grew to 16.9 cents, up from 16.6 cps.
- Distribution maintained or grown across approximately 80% of holdings
- Highest growth in distributions from Crown, APA Group, Aristocrat, Treasury Wine, AGL Energy, Macquarie Group, Sydney Airport, Star Entertainment, Transurban, Harvey Norman

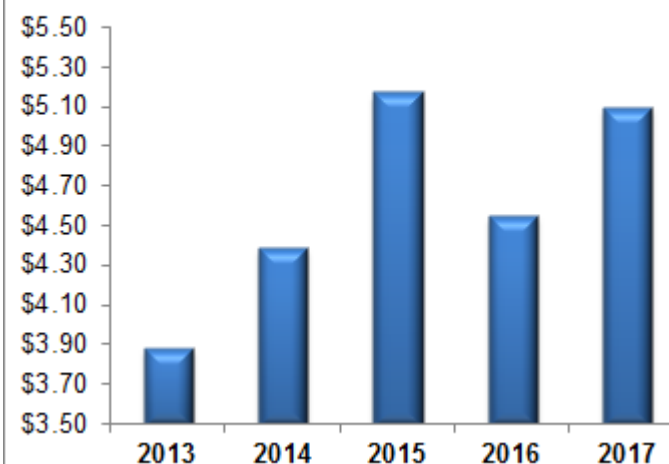
Asset Backing:
Up 11.9%

- Pre-Deferred Tax Asset Backing grew by 54 cents per share to \$5.08

**EARNINGS PER
ORDINARY SHARE**



**NET ASSET BACKING
[Before Deferred Tax]**



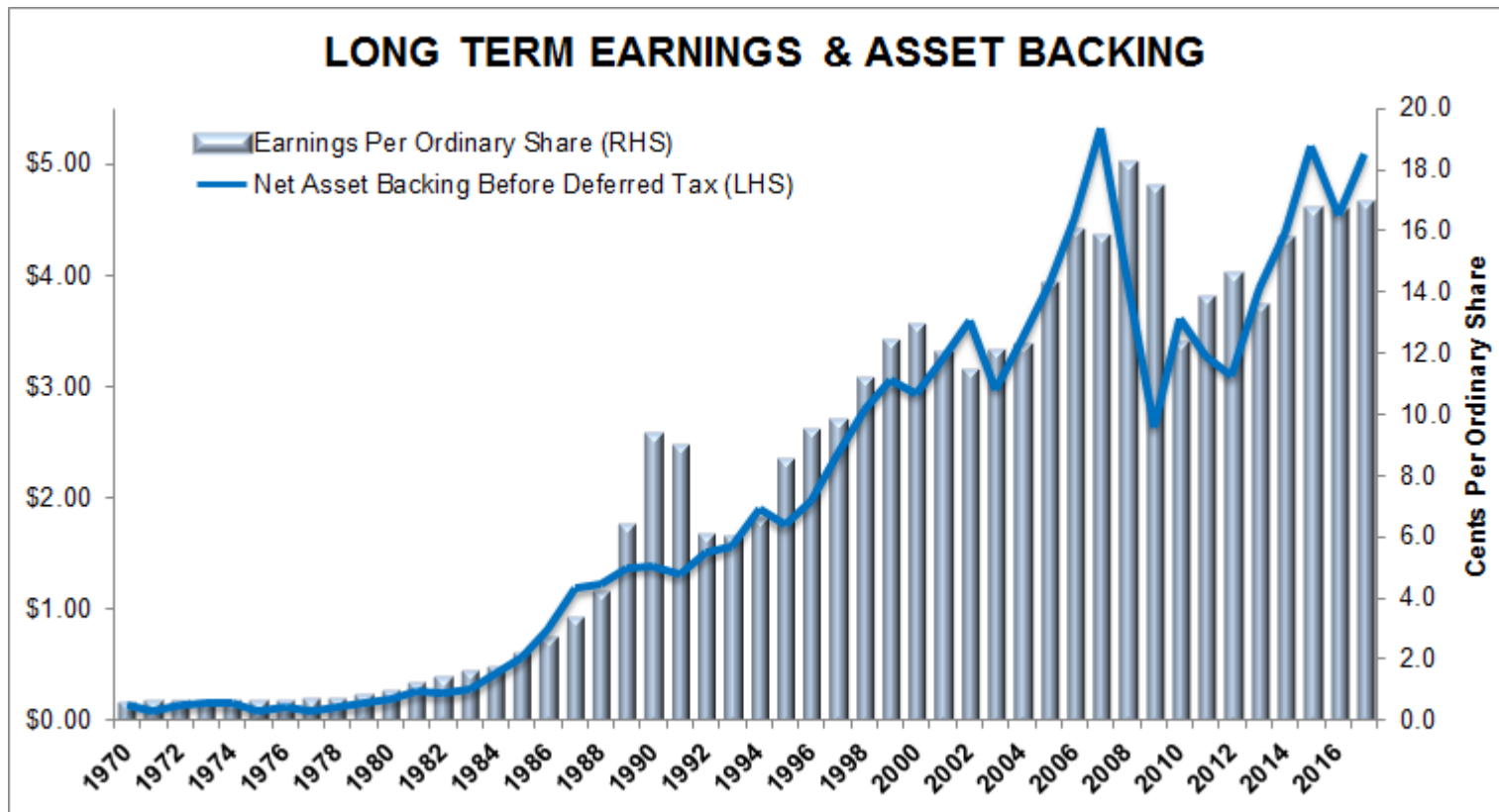
2017 OUTCOMES

EARNINGS & ASSET BACKING

A long term perspective

1970 - Present

- Underlying earnings have underpinned the consequent growth in asset backing over time



AN EFFICIENT STRUCTURE

COST / RETURN / SERVICE BALANCE

WHITEFIELD AIMS TO OFFER AN EFFICIENT BALANCE BETWEEN COST, RETURN AND SERVICE

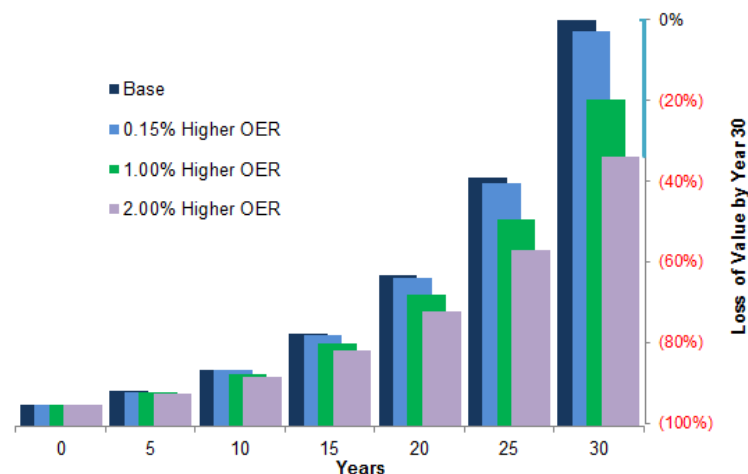
Efficient

- Whitefield's Operating Expense ratio (OER) was 0.37% in 2017.
- At this level it continues to provide retail investors with one of the lower cost avenues to invest in a managed portfolio of Australian Shares.

Cost / Return / Service Balance

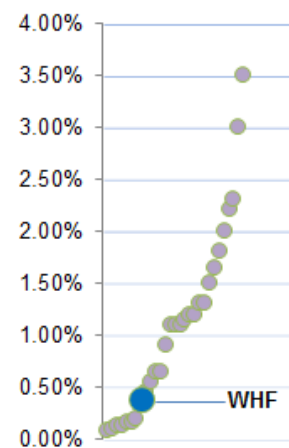
- Large differences in management cost have a material impact over the long term.
- Small differences have limited impact on value, and where well utilised may assist in the delivery of returns and service.

IMPACT OF EXPENSES [On Long Term Value]



Indicative values assume an investment return of 10.5%pa before allowing for management expenses and associated tax benefits, and assume all net income is reinvested.

OPERATING EXPENSE RATIOS [Ex Perf Fees] [Aust Share LICs]



2017 OUTCOMES

DIVIDENDS

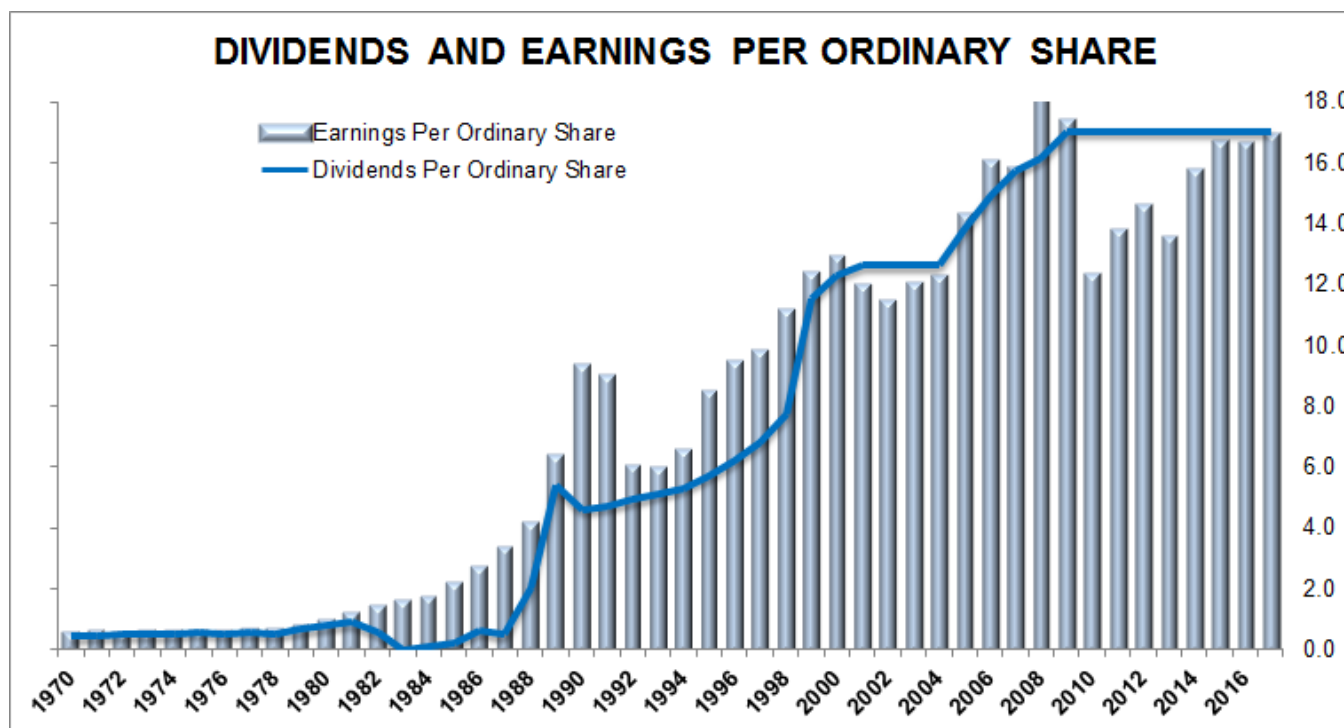
WHF declared / paid fully franked dividends of 17.0 cents per ordinary share for 2017.

Ordinary Dividends & EPS

- Having maintained its ordinary dividend at pre-Global Financial Crisis levels for some years, WHF's EPS (Earnings per share) are in line with DPS (Dividends per share).
- The company will now consider increases as and when EPS rise sustainably from current levels.

WHFPB

- WHFPB Preference dividends continue to receive their \$3.50 half year dividend



RECENT OUTCOMES

INVESTMENT RETURNS

Reliable outcomes over many decades

Long Term	<ul style="list-style-type: none"> In line with our objective, Whitefield's investment portfolio has delivered returns similar or better than its benchmark index over the long term, the compound benefit of which has been substantial.
2017	<ul style="list-style-type: none"> 2017 was a strong year of outright return, but a difficult year relative to benchmark, with the year characterised by an unusually high number of macro-economic and sectoral turning points. We believe WHF's returns were comparatively strong relative to many other investment funds.

WHITEFIELD RETURNS						
To 31 Mar 2017	2017	2016	2015	2014	2013	30 Yr pa
Portfolio Return (Before Tax)						
WHF Portfolio	16.33%	(6.75%)	21.17%	17.68%	30.64%	10.01%
S&P / ASX 200 Industrials	17.45%	(6.77%)	21.02%	15.53%	32.65%	9.52%
S&P / ASX 200	20.49%	(9.59%)	14.13%	13.46%	19.98%	8.73%
Share Price & Dividend Returns						
WHF Share Price & Divs (After Company Tax)	9.17%	(6.93%)	18.21%	22.97%	41.35%	9.83%
WHF Share Price & Divs Gross of Franking	11.02%	(5.40%)	20.24%	25.32%	45.01%	12.31%

Outright Returns:

A strong year in a strong 5 year period

Returns v Index:

Softer year, but ahead of industrials benchmark in 3 of last 5 years and long term

Industrials Tilt:

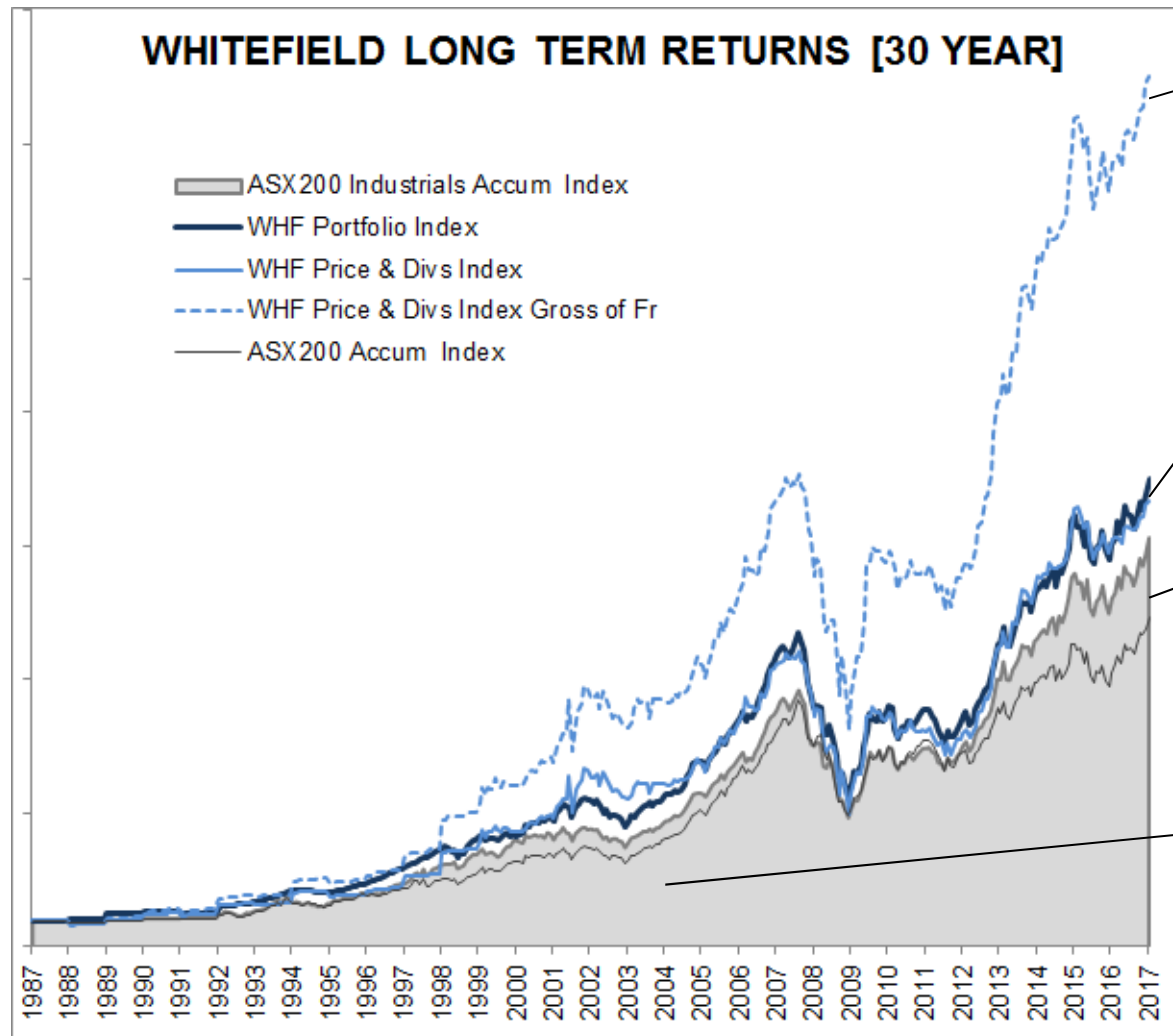
Industrial returns materially ahead of broad ASX200 over medium and long terms

Gross of Franking:

Returns higher again once franking included

RECENT OUTCOMES

INVESTMENT RETURNS



WHF Share Price & Divs Gross of Franking

- Value of a long term stream of franked dividends is significant

WHF Long Term Outperformance

- Margin of outperformance above Industrials Index

Long and medium term benefit from Industrials tilt

- ASX200 Industrials a further margin ahead of broad ASX200 over 30 years

Risk Control Relative to Market

- No material sustained declines relative to industrials market over 30 years

PORTFOLIO

WHITEFIELD'S PORTFOLIO (At 31 Mar 2017)

Diversified
Across the
Industrials
Universe

- 167 holdings spread across 11 segments of the Australian economy

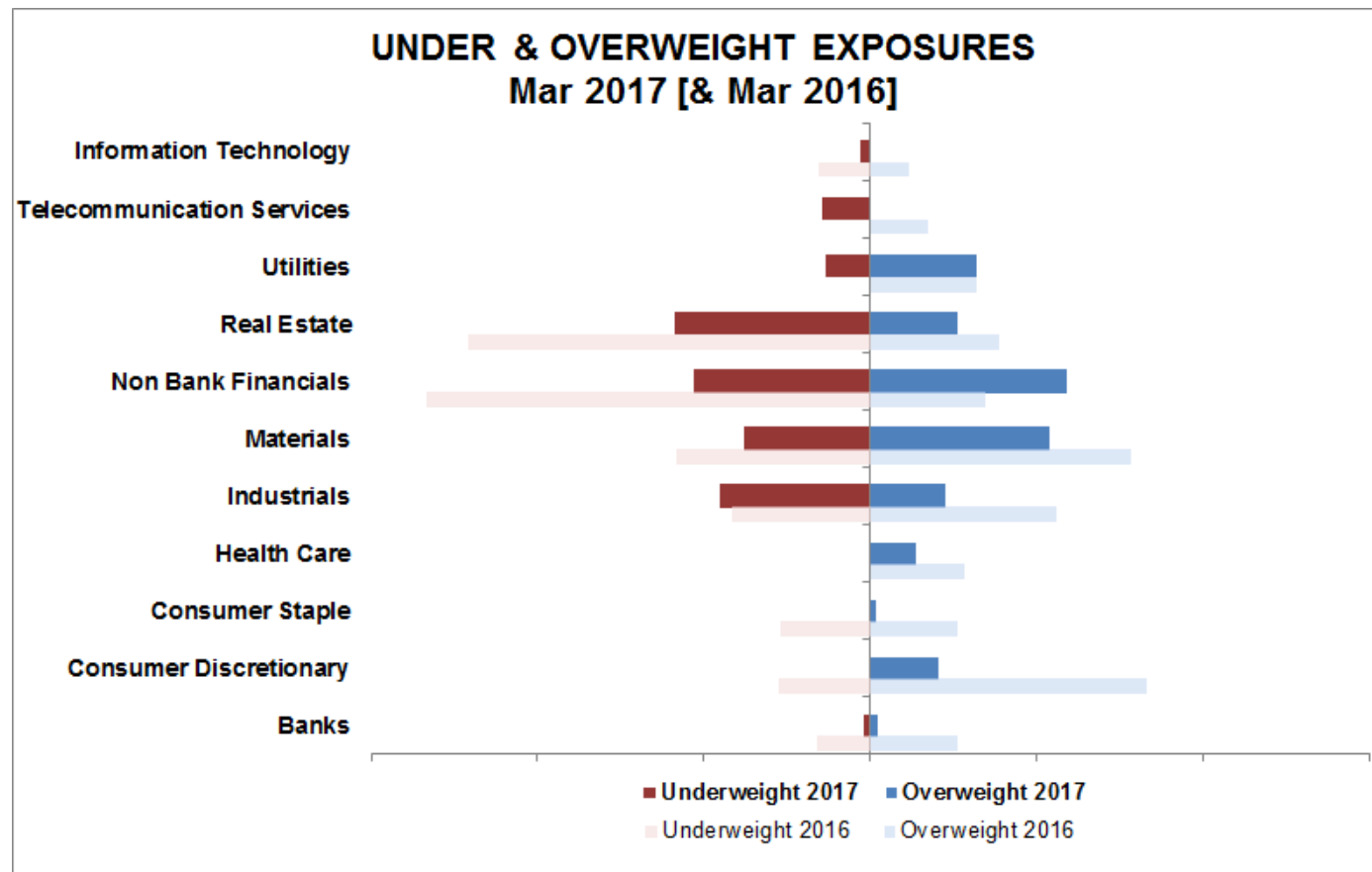
PORTFOLIO DETAILS	Weighting	No. of Holdings
Banks	32.96%	7
Consumer Discretionary	7.24%	38
Consumer Staple	8.32%	14
Health Care	9.21%	18
Industrials	7.66%	18
Information Technology	1.36%	9
Materials	5.35%	12
Non Bank Financials	10.52%	20
Real Estate	9.09%	21
Telecommunication Services	4.69%	4
Utilities	3.60%	6

PORTFOLIO

WHF'S PORTFOLIO EXPOSURES

Overweight & Underweight

- At year end the portfolio carried approximately 40 overweight and underweight exposures (2016 - 60) relative to our underlying benchmark index providing a high degree of breadth through which we seek to deliver outperformance.



PRICE AND NTA

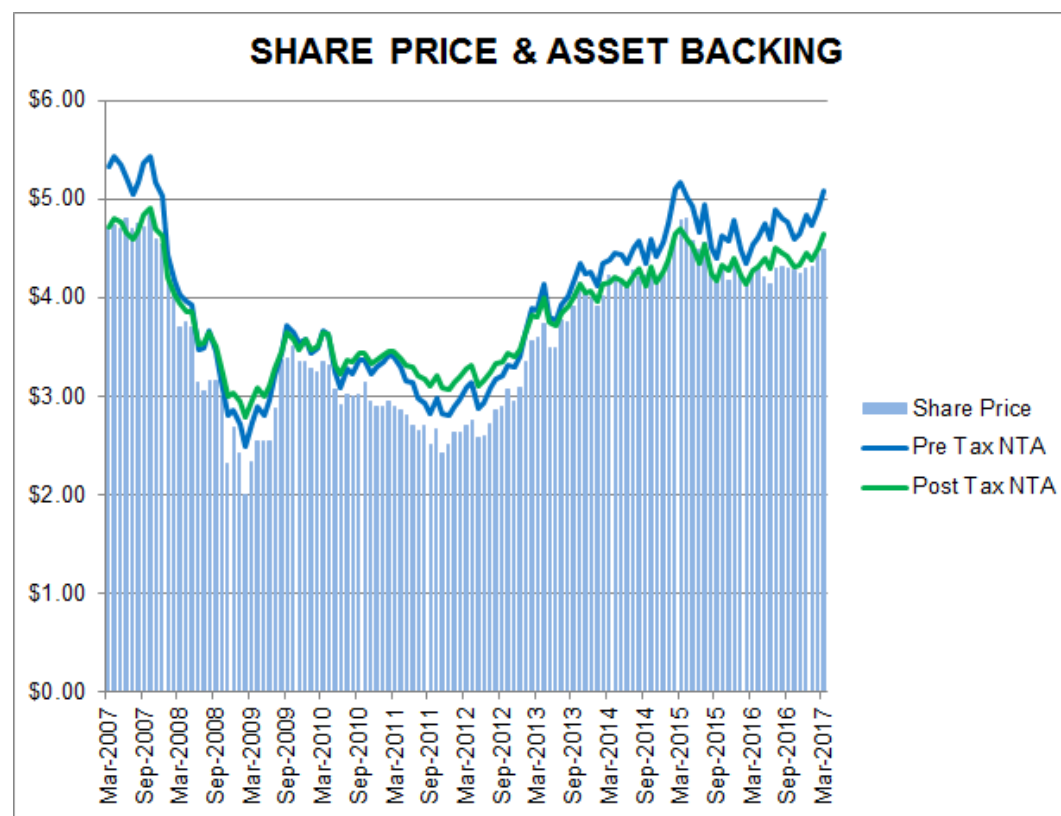
As at 31 Mar 2017

Asset Backing

- Pre Deferred Tax \$5.08 ; Post-Deferred Tax \$4.65

Commentary

- Rally in 2017 underlying asset backing has been strong with share price still to catch up.



INVESTMENT APPROACH

STRATEGIC DIFFERENCES EXPLAINED

TRADITIONAL TECHNIQUES IN MARKET

Manual Data Gathering
and Individual Analysis



Vs

WHITEFIELD'S APPROACH

Automated Data Gathering
and Structured Analysis



Traditional Techniques Used in Market	How WHF's Techniques Differ	Reasons Behind Our Approach
<ul style="list-style-type: none"> Analyst gathers information 	<ul style="list-style-type: none"> Automated data feeds across hundreds of companies, multiple industries, financial, economic, market and analytic information Internal vetting and enhancement processes significantly improve usability of raw data 	<ul style="list-style-type: none"> ✓ Data: Volume and variety ✓ Speed: Ability to assess and respond quickly ✓ Assessment: Greater emphasis on relativities and comparisons across companies and industries
<ul style="list-style-type: none"> Predominantly spreadsheet based 	<ul style="list-style-type: none"> Utilises data bases, programming, electronic linkages, statistical and mathematical techniques 	<ul style="list-style-type: none"> ✓ Consistency: Highly consistent measurements and assessments ✓ Timeliness: Rapid and timely outputs ✓ Capability: Handles complex relationships
<ul style="list-style-type: none"> Company specific financial model and valuation based on analyst inputs 	<ul style="list-style-type: none"> Financial models and valuation based on structured assessments using relevant data 	<ul style="list-style-type: none"> ✓ Factual: Information based, no guesswork

INVESTMENT APPROACH

STRATEGIC DIFFERENCES EXPLAINED

TRADITIONAL TECHNIQUES IN MARKET

One Opinion



Vs

WHITEFIELD'S APPROACH

Multiple Opinions

Mix, spread, change analysis

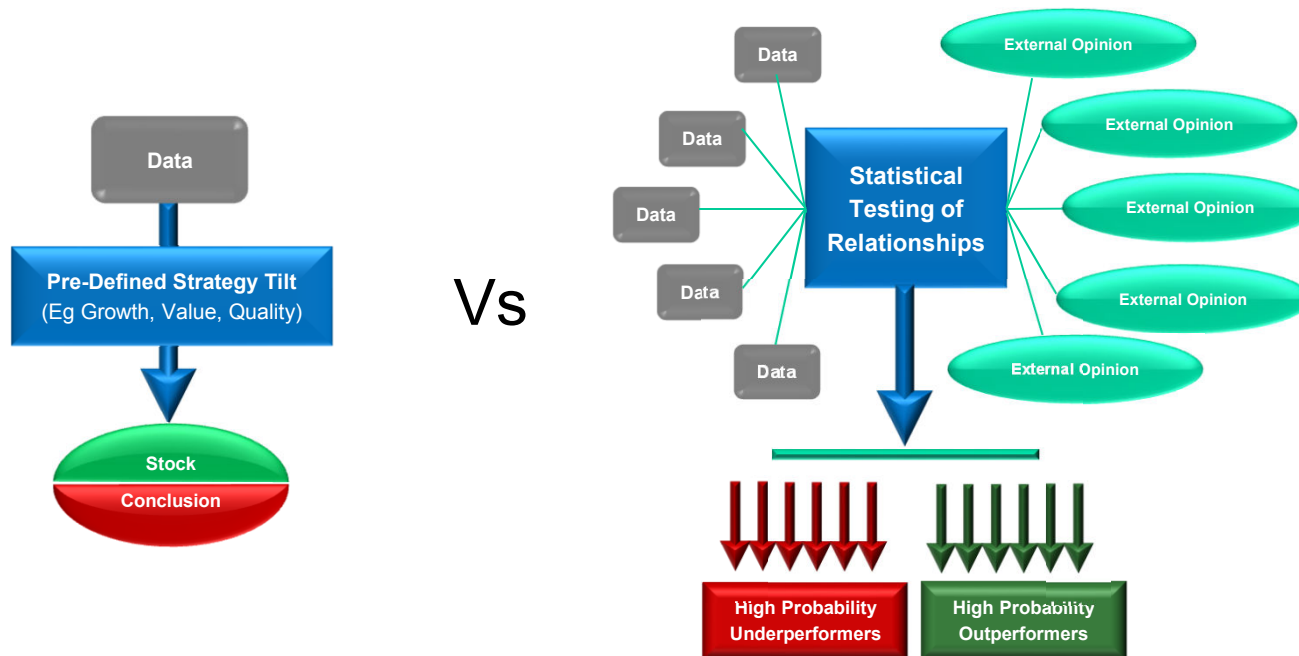


Traditional Techniques Used in Market	How WHF's Techniques Differ	Reasons Behind Our Approach
<ul style="list-style-type: none"> Individual analyst opinion should be consistently better than the opinion of other analysts in the market 	<ul style="list-style-type: none"> Utilises large numbers of forecasts on multiple metrics for multiple forward points of time, and can rank, rate, compare and contrast Actively monitors and assesses changes, divergence, convergence and consensus of expectations across a wide range of metrics 	<ul style="list-style-type: none"> ✓ Forecast Monitoring: Significant granularity in monitoring and assessing analyst forecasts opens up a wide variety of strategy opportunities ✓ Non-Subjective: Not dependent on the view of any one individual ✓ Strategic: Can take advantage of (rather than be subject to) the pitfalls of human behavioural biases

INVESTMENT APPROACH

STRATEGIC DIFFERENCES EXPLAINED

Traditional Techniques Used in Market	How WHF's Techniques Differ	Reasons Behind Our Approach
<ul style="list-style-type: none"> Strategies generally target a preferred combination of Growth / Quality / Trend or Value / Contrarian 	<ul style="list-style-type: none"> The complex relationships between historic company outcomes, analyst expectations and data items with anticipatory capabilities are statistically tested, assessed and incorporated into strategy. 	<ul style="list-style-type: none"> ✓ Deals with Complexity: Real world relationships are complex ✓ Statistical Testing: Strategy and relationships are based on statistical testing of the real world ✓ Utilises Increasing Availability of Data: New data sources and their relationships can be tested and incorporated



CONCLUSION

Some challenges in retail and banking into 2018, but general industrial earnings growth appears positive at this time

The Year in Review	<ul style="list-style-type: none">▪ 2016/17 represented a further year of economic and political change, which while broadly positive for investment markets involved some significant changes in sectoral outlooks.
2018	<ul style="list-style-type: none">▪ At this time a moderate degree of earnings growth is expected from the majority of general industrial sectors▪ The outlook for bank distributions remains less clear, with new loan growth, the bank levy, increasing capital requirements and the potential for impaired debt provisions to rise from their recent lows all likely to have some impact.▪ Near term earnings and distributions from the major retailers in our portfolio are likely to be firm, with competitive risks more likely to impact beyond this time frame.
Dividend Outlook	<ul style="list-style-type: none">▪ Whitefield's ordinary dividend will be at least 8.5 cents per half year or higher should the underlying earnings per share rise sustainably above this level.▪ Regular dividends of 7% will continue to be paid on the company's Convertible Resettable Preference Shares▪ All dividends are expected to be fully franked