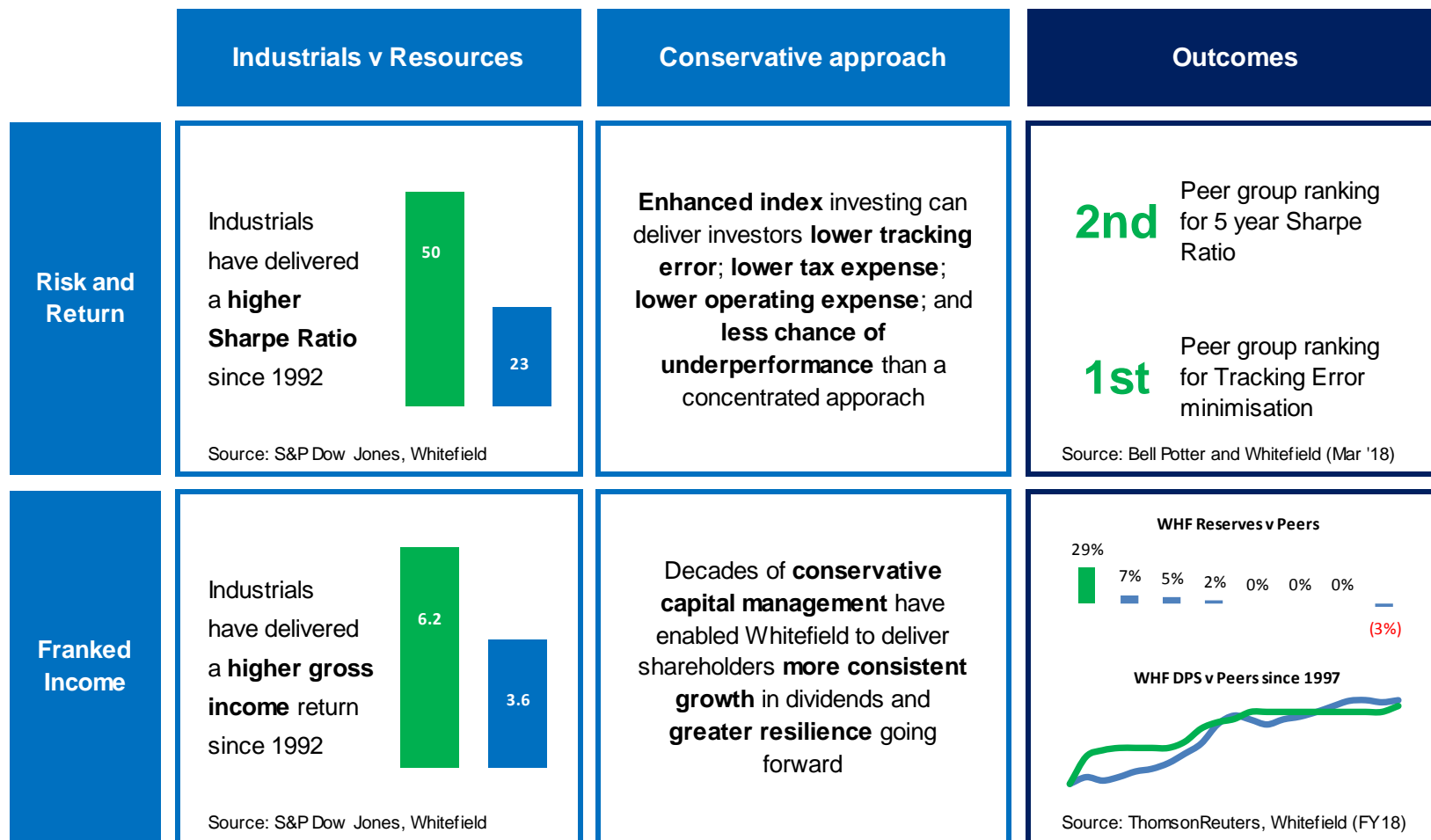


WHITEFIELD

A listed investment company providing capital growth and regular franked income through a diversified portfolio of Australian Industrial shares

Whitefield's industrial specialisation and conservative approach have increased income and return for shareholders, while reducing risk



Depth of experience our shareholders can rely on

96

**years since Whitefield's
incorporation**

*Whitefield is the oldest listed investment
company in the market*

23

**years average experience of
the investment team**

*Whitefield's team are experienced investors
with unique perspectives on investment
markets*

10

**years of quantitative
development**

*Shareholders are increasingly enjoying the
benefits of a growing quantitative capability*

11

**years since last change in the
investment team**

*Continuity of the Whitefield team assists in
delivering consistency for shareholders*

The most profitable sources of market inefficiency are those stemming from errors of human judgment

In investment markets, human behavioural bias produces:

Trends

Reversals

"The self-reinforcing interaction between prices and perceptions which drives prices away from the underlying value of fundamentals"



"Trends breaks down on the realisation that price is significantly divergent from the likely underlying value of fundamentals"

We aim to exploit trends and reversals through a quantitative process that pinpoints where errors are being made, while minimising our own

Our quant process exploits trends and reversals by targeting the intersection of our Trend and Contrarian factors

Trend Factors aim to identify stocks with a high probability of a continuing trend

Momentum

Aims to exploit serial correlation of stock-level expectations over the short-to-medium term

Profit

Aims to exploit systematic under-appreciation of high cash flows and returns on capital

Low Volatility

Aims to exploit systematic under-appreciation of value-loss due to high idiosyncratic risk

Investment

Aims to exploit management bias toward empire-building and investors' propensity to overreact to previous success

Contrarian Factors aim to identify stocks with a high probability of a trend reversal

Value

Aims to exploit investors' propensity to place too much emphasis on recent events in valuing stocks

Momentum Reversion

Aims to exploit serial anti-correlation of stock-level expectations over the long term

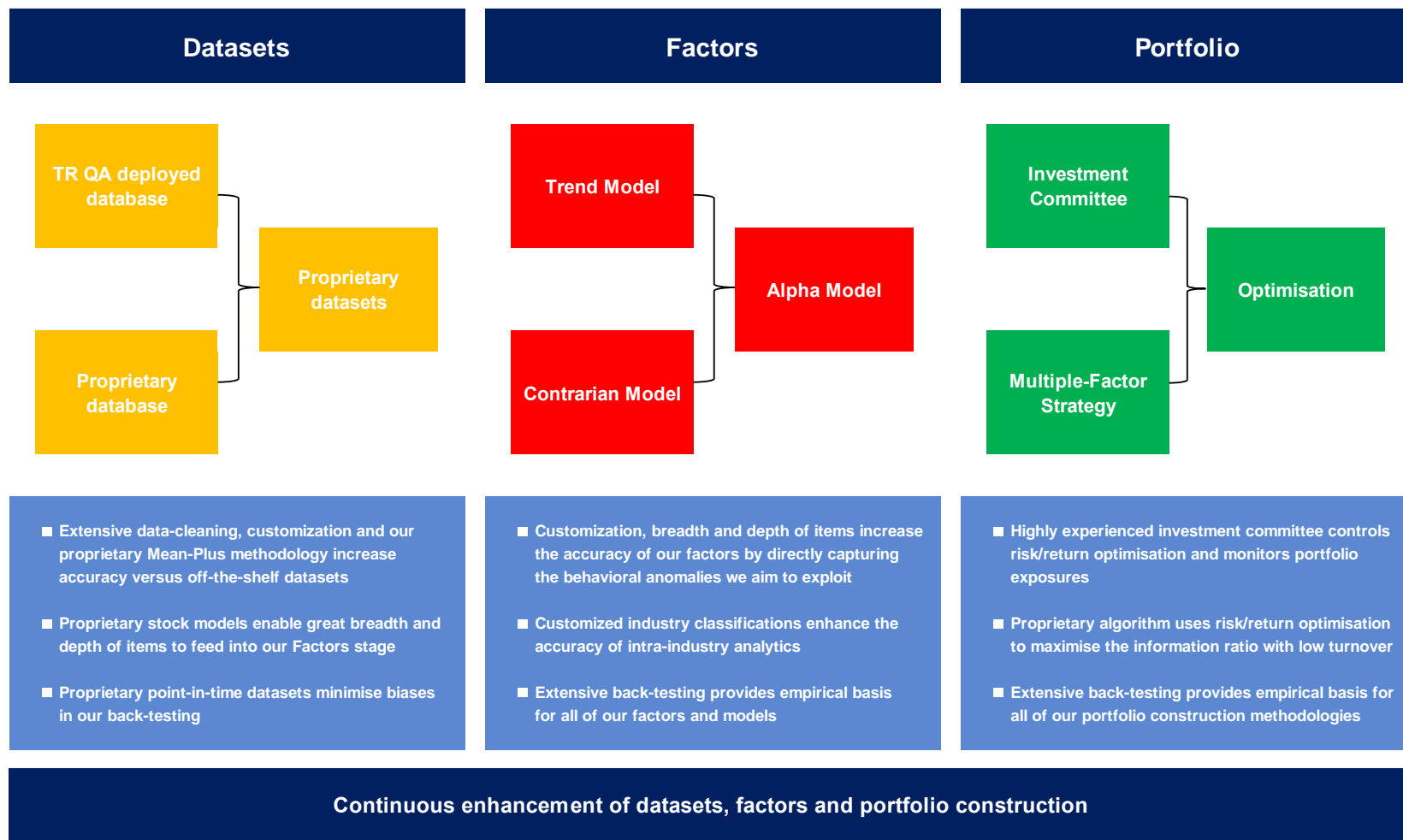
Growth Reversion

Aims to exploit investors' systematic under-estimation of the likelihood growth rates will revert to the mean

Profit Reversion

Aims to exploit investors' systematic under-estimation of the likelihood profit metrics will revert to the mean

We add value by focussing on accuracy in each stage of our quant process





Whitefield's dividends have been maintained or increased every year since the introduction of the dividend imputation system in the 1980's

Underlying earnings, realised gains and the WHFPB reset are driving a material step-up in Ord DPS



Whitefield's quantitative process harnesses the value of technology for greater consistency, accuracy and diversity than traditional stock picking

The decade of intensive development just completed enables us to harness the benefits over future years

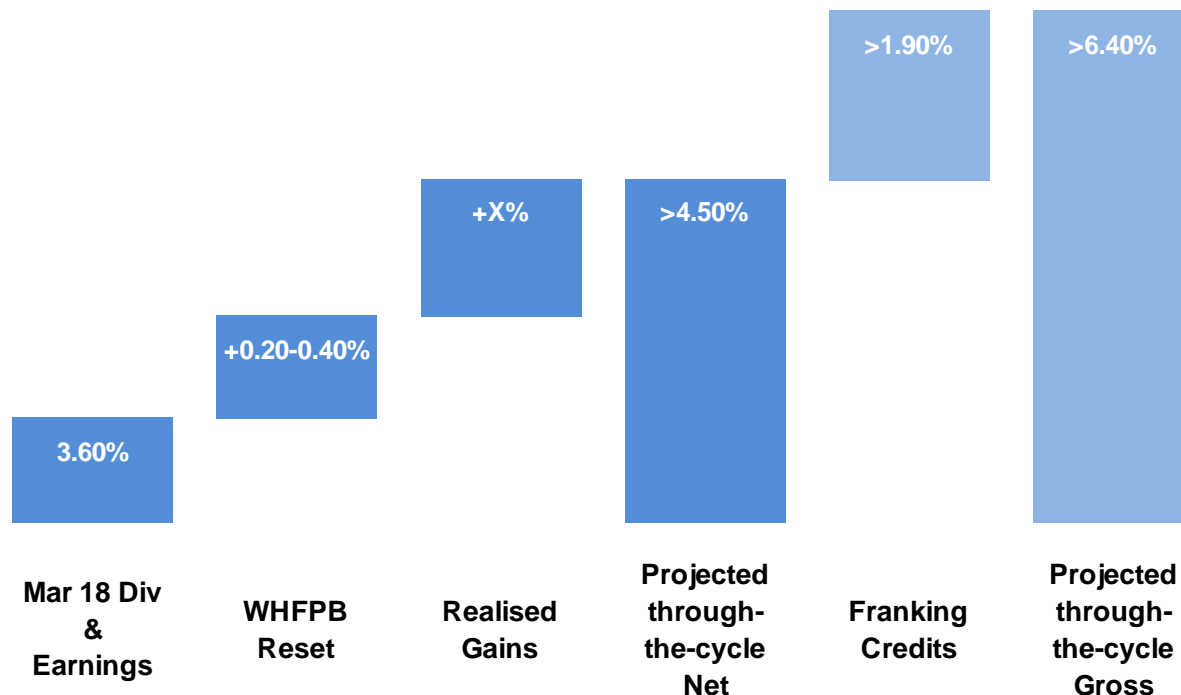


Whitefield's industrials portfolio provides exposure to Australia's high population growth and affluence without the risks of mining and fossil fuels

Performance versus Resources hit two StDev following Resources rally and Royal Commission

Whitefield's dividend outlook is well supported

Indicative WHF Yield On Pre-Tax Asset Backing*



WHFPB Reset Impact










- The WHFP's are being reset at a net dividend rate of 4% for those who don't convert, compared to 7% previously

Realised Gains Impact

- In line with Whitefield's dividend policy, the ongoing dividend rate is expected to incorporate both underlying operating earnings and a level of realised capital gains.
- The exact level of realised capital gains cannot be precisely determined as it is dependent on many factors including market conditions and the company's objective of providing regularity of dividends over time.

**This is not a formal dividend declaration. Yields are provided as a general indication only and are based on the company's current earnings, tax and franking rate of 30%. The company may increase, decrease, or not pay dividends based on all relevant considerations including but not limited to market conditions, the company's earnings, and the requirements of the Corporations Law.*

The benefits of our 10 year development of quantitative investment infrastructure

Datasets	Factors	Portfolio	Results	
<i>Leveraged technology and experience as analysts to develop more accurate datasets than off-the-shelf alternatives</i>	<i>Leveraged experience and backtesting to develop factors capturing the underlying behavioural anomalies</i>	<i>Through backtesting developed unique methods of constructing multiple factor portfolios to enhance the risk/return trade-off</i>	<i>Enhanced risk-adjusted returns through ongoing increases to alpha and reductions in tracking error</i>	
% of Current Capability	% of Current Capability	% of Current Capability	Alpha p.a.	Tracking Error p.a.
S1  10	S1  20	S1  0	(1.08%)	3.53%
S2  70	S2  80	S2  75	0.26%	1.25%
S3  100	S3  100	S3  100	0-100bps	70-100bps

Notes:

S1 = Stage 1, the period of transition from no quant input to some quant input in each stage of process, from 2009-2013

S2 = Stage 2, the period during which there was some quant input in all the components of the process, from 2014-2018

S3 = Stage 3, completion of a major enhancement to the breadth and depth of quant input across all facets of process

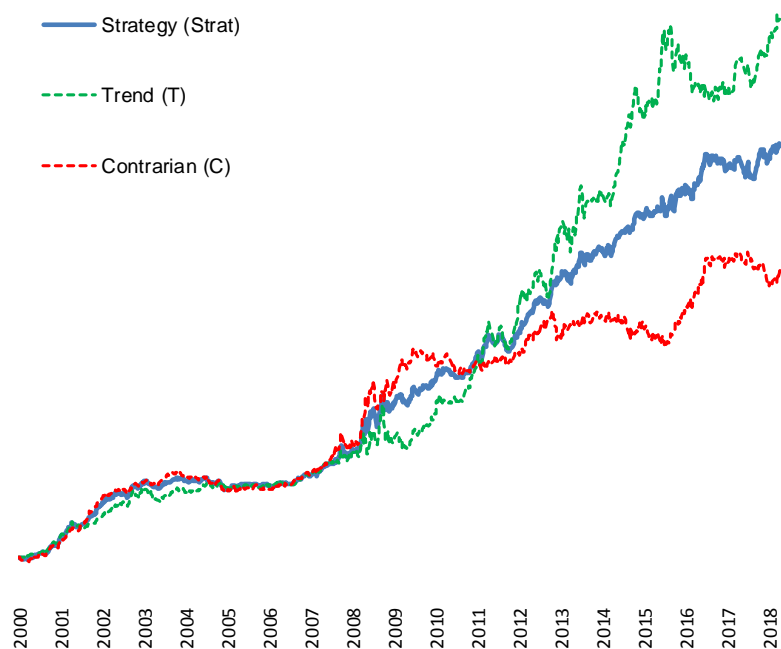
Performance figures for S1 and S2 are actual results for those years; for S3 these are targets in accordance with Fund Objectives

Enhanced quant strategy combines our Trend and Contrarian factors to maximise Whitefield's information ratio with low turnover

Strategy

Backtesting

WHF Strategy and components



Rationale

- Aims to exploit trends and reversals by targeting the profitable intersection of our Trend and Contrarian factors
- Intersection emphasises stocks meeting both criteria rather than those that are very strong on one and less so on the other
- The methodology enhances risk-adjusted measures of performance by combining two non-correlated sets of factors

Enhanced return per unit of risk and turnover

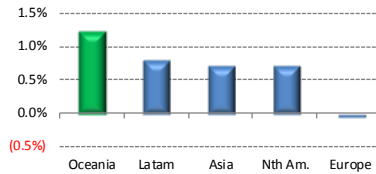
Performance	T	C	Cmb*	Strat
Alpha	16.5%	12.9%	14.7%	14.9%
Strike Rate	61%	63%	62%	66%
Efficiency	T	C	Cmb*	Strat
Turnover	6.1	7.1	6.6	3.3
Risk	T	C	Cmb*	Strat
Tracking Error	12.4%	10.9%	11.6%	9.7%
Max Drawdown	24.0%	17.3%	20.6%	11.5%
Risk-Adjusted	T	C	Cmb*	Strat
Information Ratio	1.29	1.17	1.23	1.48

*Equal-weighted combination of components

The longer term outlook for Industrials is relatively strong

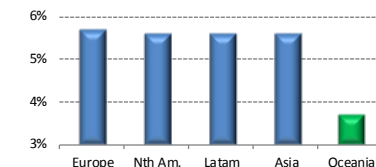
Strong Australian demographics will favour our domestic economy and Industrial shares

Population growth, 2000-2050



Source: United Nations. Note: Oceania incl Aust & NZ

Chg age 60+ % of pop, 2015-2030

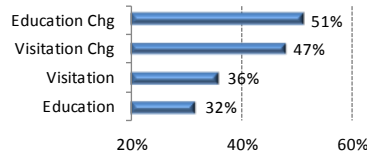


Source: United Nations. Note: Oceania incl Aust & NZ

- Australia's strong population growth will immediately benefit many industrial companies, such as banks, retailers, transport, housing, healthcare
- Australia's population is projected to age much more slowly than the rest of the world; and we have a unique financial capacity to deal with the affects
- Australia's domestic economy looks relatively strong against this backdrop, and with 75% of the Industrials index being domestically focussed and Resources being driven by global growth, this thematic should favour Industrials

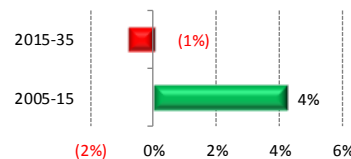
Chapter Two of The China Story will be positive for Industrials and negative for Resources

Chinese share of Australia's largest services exports



Source: ABS. Visitation FY17; Education YT 'Mar18

Global Iron Ore Demand Growth

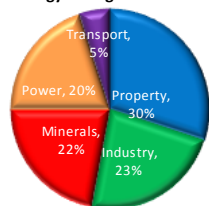


Source: McKinsey Global Institute

- Two facets to Chapter Two of The China Story - rising consumption per capita; and declining steel intensity
- Australia's two largest services exports are already mostly exposed to Chinese consumption, with a doubling of working age consumption per capita expected by 2030
- Declining Chinese steel intensity is projected to lead to falling iron ore and coking coal demand globally to 2035

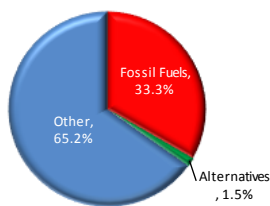
The global response to Climate Change brings opportunities for Industrials and threats to Resources

Energy Saving Potential



Source: McKinsey Global Institute; Whitefield

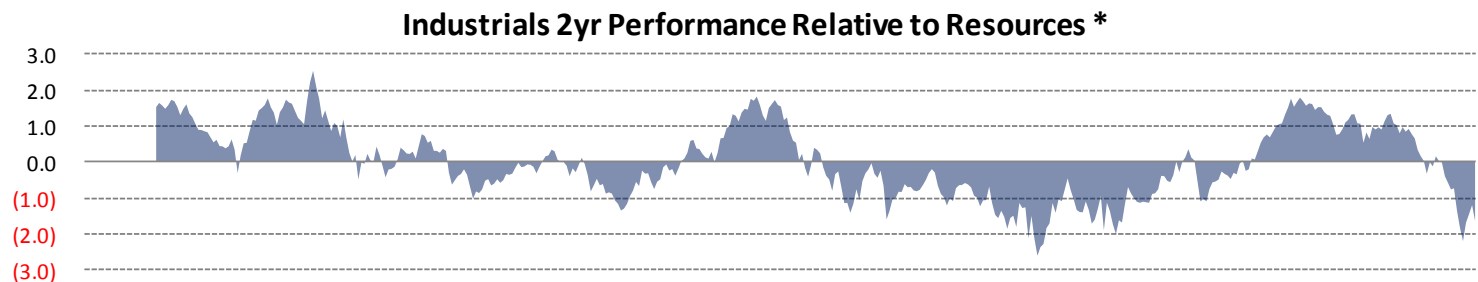
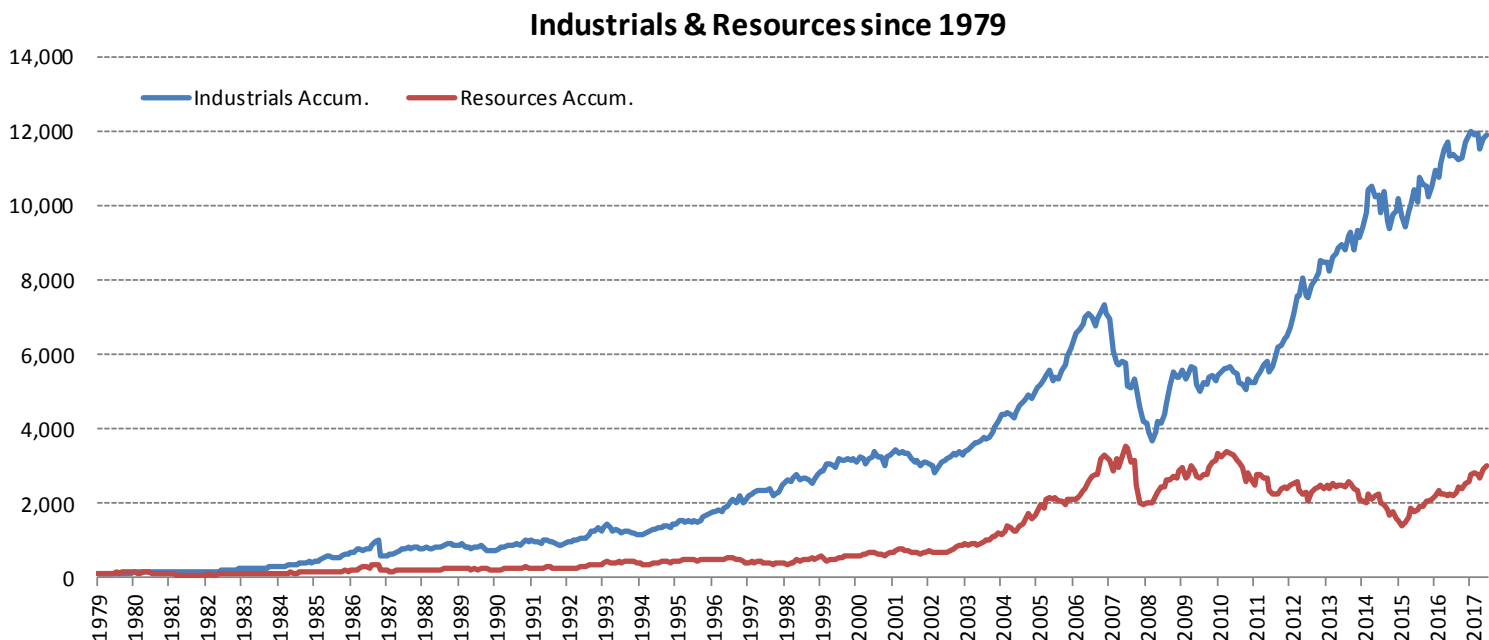
Share of Resources Index



Source: S&P Dow Jones; Whitefield

- The world is taking steps to adapt to and mitigate climate change through energy efficiency and alternatives to fossil fuels
- Energy efficiency measures are projected to significantly reduce growth in energy demand, with most benefits being outside the Minerals sector
- Adoption of alternatives is projected to lead to falling demand for thermal coal; a peak in oil demand in coming years; and soft growth in gas demand > this is likely to be a headwind for the Resource sector

The 2016-18 Resource rally and the Banking Royal Commission have created a return differential that is statistically unusual and at historical extremes



Source: Whitefield; S&P Dow Jones since April 2000, ASX prior to April 2000

* Standard deviations from the mean since 1979, being 4% p.a. Industrials versus Resources

APPENDIX 1: FACT SHEET

Return Objective	<ul style="list-style-type: none">▪ Reliable stream of fully franked income;▪ Risk-adjusted return higher than average of peer group; and▪ Portfolio return 0-100 basis points above The Benchmark over rolling 5 year periods
Risk Objective	<ul style="list-style-type: none">▪ Target 70-100 basis points tracking error▪ Active risk budget 7.5%-12.5%
Asset Allocation	Long-only, fully invested other than cash held for liquidity only
Benchmark	S&P/ASX200 Industrials Accumulation (XJIAI)
Investment Style	Style agnostic, enhanced index
Gearing	Convertible, Resettable Preference Shares approx. 9% of Portfolio Value as at 31st March 2018
Fund Manager	White Funds Management Pty Limited
Base Management Fee	0.25% per annum
Performance Fee	Nil
Other Operating Expenses	Approx. 0.15% per annum

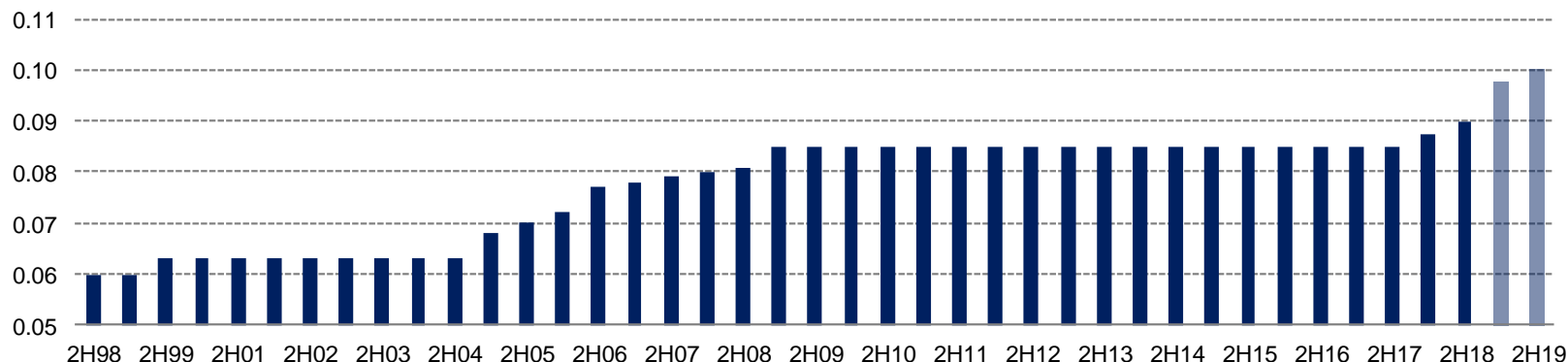
APPENDIX 2: PERFORMANCE

Whitefield (WHF)	FY19 YTD		Financial Years to 31 March 2018**		
	Q2	Q1	1yr	3yr	5yr
Portfolio Return	1.81%	6.24%	(0.23%)	2.67%	9.07%
Benchmark*	1.71%	6.66%	(0.39%)	2.94%	8.81%
Portfolio Excess Return	0.10%	(0.41%)	0.16%	(0.27%)	0.26%
Beta			0.87	0.93	0.94
Tracking Error			0.66%	0.83%	1.25%

* Whitefield's benchmark is the ASX200 Industrials Accumulation index

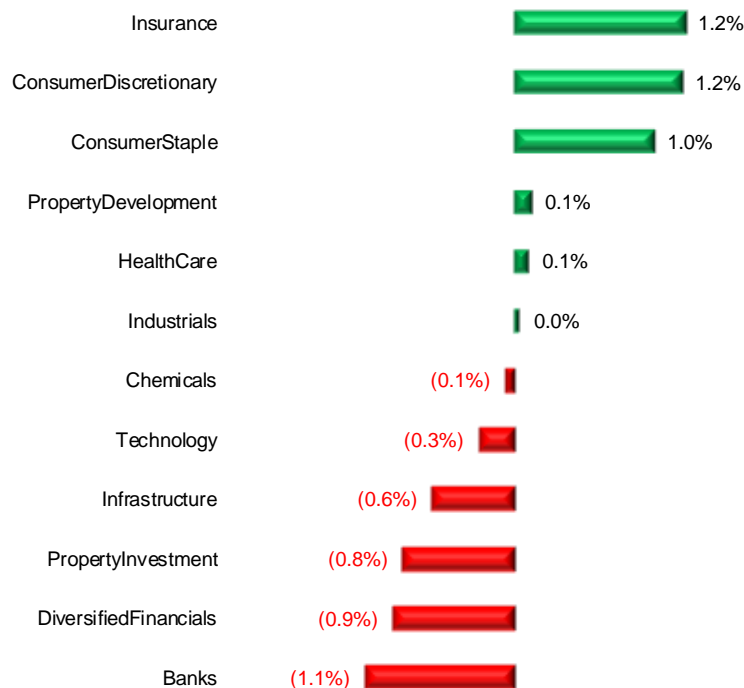
** Returns for periods greater than one year are annualised

Whitefield Fully Franked DPS (cents)

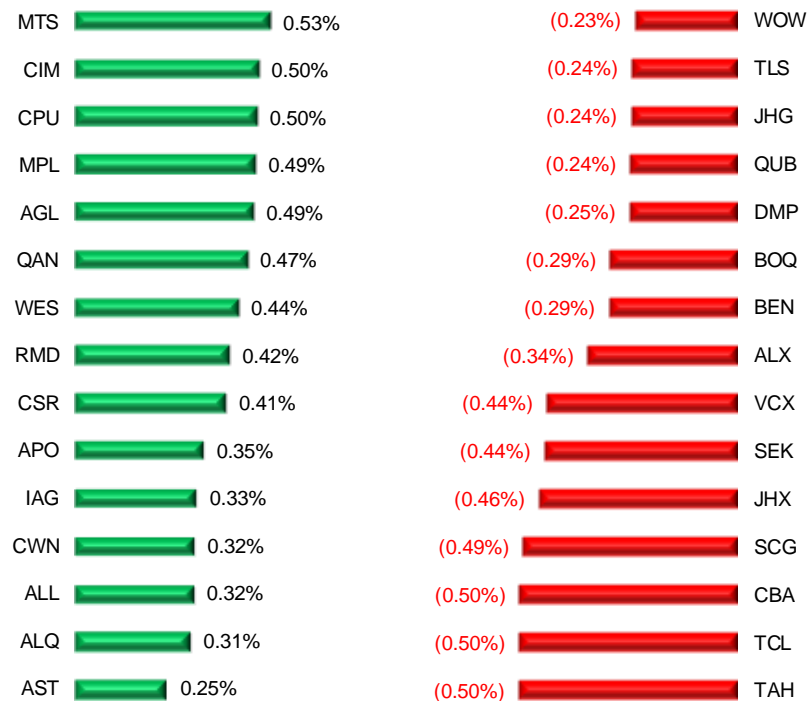


APPENDIX 3: ACTIVE EXPOSURES

Industry Exposures as at Sept Qtr End *



Top 15 overweights and underweights **



* Industry groups are customized; exposures are internal estimates

** As at Sept Qtr End