

CHAIRMAN'S ADDRESS

99th Annual General Meeting of Shareholders

Thursday, 11 August 2022

Welcome to Whitefield's 2022 Annual General Meeting.

2022 Results & Dividend

Whitefield reported an operating profit after tax of \$16,792,445 for the financial year ended 31st March 2022.

This outcome was 71% higher than the prior year primarily reflecting the strong recovery in earnings and dividends across the Australian share market as COVID restrictions were eased. Profit for the year also included a gain on the reset of the company's preference shares of \$612,392.

In addition, the Company generated a further \$24,957,622 of after tax gains on its investment portfolio, following the \$74.6m of after tax gains recorded in the prior financial year.

The total investment return of the company's investment portfolio amounted to 10.4% for the 12 months, bringing the compound annual return over the last 10 years to 11.0%pa.

Consistent with the company's objective of providing dividend stability for shareholders, Whitefield declared and paid a full year ordinary dividend of 10.25 cents fully franked in June 2022, and a half year dividend of 10.25 cents in December 2021. I am pleased to note that Whitefield has been able to maintain its dividend at pre-COVID levels notwithstanding the significant disruption to earnings and dividends across the Australian share market.

This is the 32nd consecutive year in which the company has maintained or increased its dividend since the introduction of the dividend imputation system in the late 1980s.

Outlook

As we move into Whitefield's 100th year of continuous operation, we have been pleased to see continued growth in the underlying earnings and dividends of the businesses in which we invest, driven by moderately strong levels of employment and economic activity across the Australian economy.

Nevertheless, the broader economic outlook contains a range of challenges and opportunities for investors and investment markets.

Ongoing COVID constraints, the Russian-Ukraine conflict and a mismatch between the run-off of fossil fuel production and the development of new renewable energy resources have led to shortages in both raw materials and manufactured goods at a time when global demand is increasing. Inflation has risen rapidly as a consequence, and central banks have had to reverse their excessively loose monetary policies and commence the more difficult process of raising official cash rates.

After more than 2 decades of declining inflation, falling interest rates and largely unfettered increases to global trade it is likely to take a sequence of years for markets, investors, governments and businesses to acclimatise to this altered economic environment.

Importantly we consider that a controlled level of wage inflation and a higher level of interest rates are necessary contributors to achieve a more balanced and sustainable pattern of economic growth. Wage growth will be required to rebalance household incomes to house prices without excessively damaging consumption, while a return of interest rates to more normalised levels will not only boost retirement incomes but also create a better balance between the upfront capital cost of assets and the ongoing carrying cost and income yield on those assets.

In this environment we believe that businesses in strong competitive positions in their industries will be best able to sustain profit margins and benefit from exposure to income streams that may inflate and grow over time.

Whitefield has sought to provide shareholders with a cost-efficient, strategically managed exposure to a broad diversity of companies operating in the Australian industrial economy. Our portfolio structure and disciplined approach are designed to support these objectives while carefully controlling risk.

Our strategy is underpinned by the important premise that consistently good returns will deliver far better long-term outcomes for investors than less consistent alternatives.

On behalf of the Board, I thank investors for their continued participation as shareholders of Whitefield, and we look forward to reporting to you on our progress across our 100th year.

Angus Gluskie

Chairman