

AGM

WHITEFIELD LIMITED

JULY 2015

IMPORTANT INFORMATION

The commentary within this presentation is general investment information only and is limited in scope. It should not be considered to provide a full outline of all information an investor should consider prior to making an investment.

The presentation does not take into account the specific circumstances, situation or objectives of individual investors. Commentary on matters concerning tax or investment represent a concise and limited summary only and should not be relied on in isolation. Actual tax laws are complex and each investor's tax situation is unique.

Investors may wish to access further information or seek the assistance of professional advisers prior to making investment decisions.

WHITEFIELD

PRIMARY ATTRIBUTES:

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 \$1,680,000 at 31st March 2015 (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 offers a broad exposure to Australian industrial economic growth.

- Our portfolio contains over 140 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 without the risks associated with exposure to the higher volatility boom-to-bust mining sector**. An incidental benefit for many is Whitefield's low exposure to the producers of fossil fuels.

Whitefield's investments are managed by an experienced team.

- Whitefield's investment team have **an average of 20 years financial services experience per person**, of which an average of 15 years has been spent working with Whitefield. Our team members have diverse backgrounds and skills, providing us with a robust breadth of perspective.

Whitefield has a disciplined and unique investment process.

- At the centre of Whitefield's investment process is a proprietary data base and customised analytics framework which provides us with a unique platform giving us **a breadth and depth of objective and reliable analysis**.

WHITEFIELD

PRIMARY ATTRIBUTES:

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) has been approximately 0.35% for the majority of the last two decades.

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's financial outcomes are as favourable as possible for all shareholders over both the long and short terms.

WHITEFIELD'S INVESTMENT STRATEGY

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

Whitefield seeks to own a portfolio of attractively priced, high-quality businesses with a proven or strengthening ability to deliver shareholder value.

A disciplined investment process

- We utilise a disciplined quantitative and qualitative process to identify and assess Quality, Intrinsic Value and Mispricing, and seek to invest where these important elements are favourable for our investors.

A portfolio that diversifies risk

- Our Style Neutral approach is designed to provide a diversified return despite our industrials-only focus. (Our portfolio does not invest in the resource sector).

WHITEFIELD'S INVESTMENT STRATEGY

THE IMPORTANCE OF QUALITY

The quality of a business is fundamentally important to an investor.

The probability of better return

- Over the long term businesses benefitting from favourable or improving industry structures, competitive position, management application and longer term economic trends have a propensity to generate higher returns on investment than companies that are not.

Our assessment of structural attraction

- A company's relative ability to generate shareholder value forms the basis for our definition of Quality which we measure and rank through our Structural Attractiveness Assessment.

WHITEFIELD'S INVESTMENT STRATEGY

MISPRICING CREATES RISKS AND OPPORTUNITIES

Patterns of mispricing materially influence investment returns.

Mispricing in markets is dominated by the influence of human behavioural bias

- Mispricing occurs when share prices diverge from the intrinsic value of a company. The share market routinely misprices stocks, in some cases by large amounts and over extended periods, creating ongoing opportunities and risks for investors. There is much empirical evidence in the field of Human Behavioural Bias (HBB) which supports our view that the dominant causes of mispricing are the errors of judgment which are systematically made by the investment community.

Our assessment of mispricing

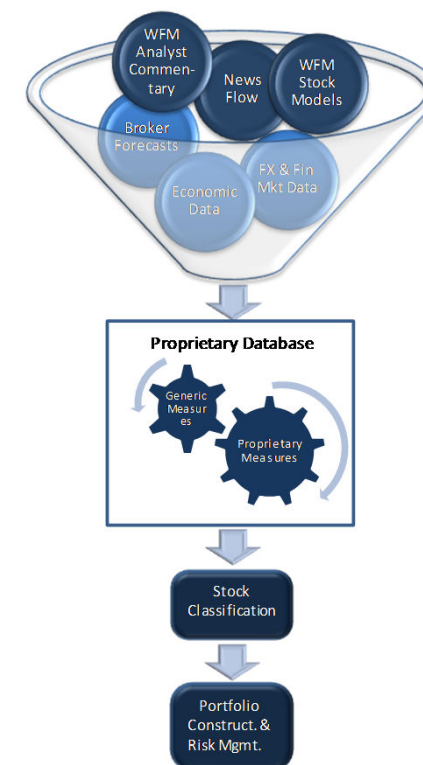
- Whitefield seeks to classify stocks in terms of the scale of mispricing and how it is likely to develop in future through our Price-to-Value Cycle Assessment. This assessment characterises companies through combinations of Value, Quality, Revisions and Momentum, and assists us in capitalising on the opportunities and avoiding the risks that result from mispricing.

WHITEFIELD'S INVESTMENT PROCESS

A DEFINED AND DISCIPLINED METHOD

Whitefield believes that consistent and successful investment outcomes can be provided with the greatest reliability through a defined and disciplined process.

Raw Data Collection	<ul style="list-style-type: none"> We gather data from a wide range of sources including historical company financials, broker forecasts and revisions, economic data and market data.
Stock Modelling	<ul style="list-style-type: none"> Our stock models combine proprietary valuation inputs with consensus data in a manner designed to minimise our own judgment biases through the accurate assessment of long term drivers of shareholder value creation.
Data Processing	<ul style="list-style-type: none"> We utilise a sophisticated process of calculating, assessing, ranking and rating companies and their key metrics.
Stock Classification	<ul style="list-style-type: none"> Stocks in our coverage universe are allocated against our Structural Attractiveness and Price-to-Value-Cycle criteria by our investment managers based on a rigorous set of criteria designed to minimise the influence of our own judgment biases.
Portfolio Construction & Risk Management	<ul style="list-style-type: none"> Whitefield's portfolio is then constructed with reference to our overarching portfolio framework which utilises the most profitable and suitable combinations of stock metrics in the light of our experience and process back-testing.



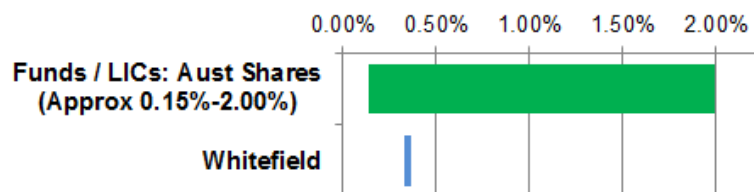
Investment processes are not static. Whitefield embraces a philosophy of continuous process enhancement to ensure that our methodology is best able to satisfy our objectives over time. In line with this philosophy we may periodically amend or enhance elements of this process, while seeking to remain true to our overarching investment style.

AN EFFICIENT STRUCTURE COST / RETURN / SERVICE BALANCE

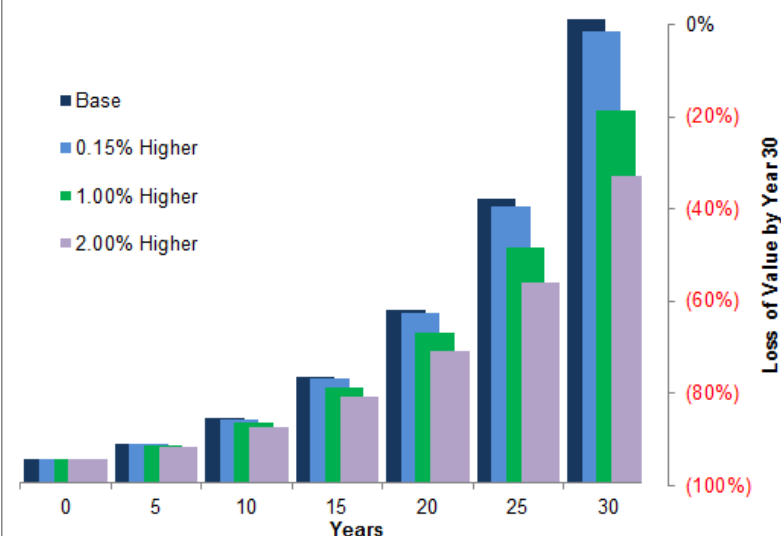
WHITEFIELD AIMS TO OFFER AN EFFICIENT BALANCE BETWEEN COST, RETURN AND SERVICE

MER	<ul style="list-style-type: none"> Whitefield's Management Expense ratio (MER) has remained at approximately 0.35% across the last year.
Efficient	<ul style="list-style-type: none"> Whitefield 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	<ul style="list-style-type: none"> 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.

INDICATIVE MANAGEMENT EXPENSE RATIOS



IMPACT OF MANAGEMENT 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.

IMPACT OF MANAGEMENT EXPENSES OVER THE LONG TERM	10 Years	20 Years	30 Years
MER 0.15% pa higher	(0.9%)	(1.9%)	(2.8%)
MER 1.00% pa higher	(7.1%)	(13.6%)	(19.7%)
MER 2.00% pa higher	(12.8%)	(24.0%)	(33.8%)

RECENT OUTCOMES

INVESTMENT RETURNS

WHITEFIELD RETURNS 1, 2, 3 YEAR				
To 31 Mar 2015		1 Year	2 Year pa	3 Year pa
Return Before Tax				
WHF Portfolio		21.17%	19.42%	23.04%
S&P/ASX 200 Industrials		21.02%	18.25%	22.86%
S&P/ASX200		14.13%	13.80%	15.82%
Return After Company Tax				
WHF Pre-Tax	Asset-Backing & Divs	22.35%	20.16%	24.18%
WHF Post-Tax	Asset-Backing & Divs	17.65%	15.83%	17.96%
WHF Share Price & Divs		18.21%	20.57%	27.13%

Portfolio **ahead of benchmark** over 1, 2, 3 years

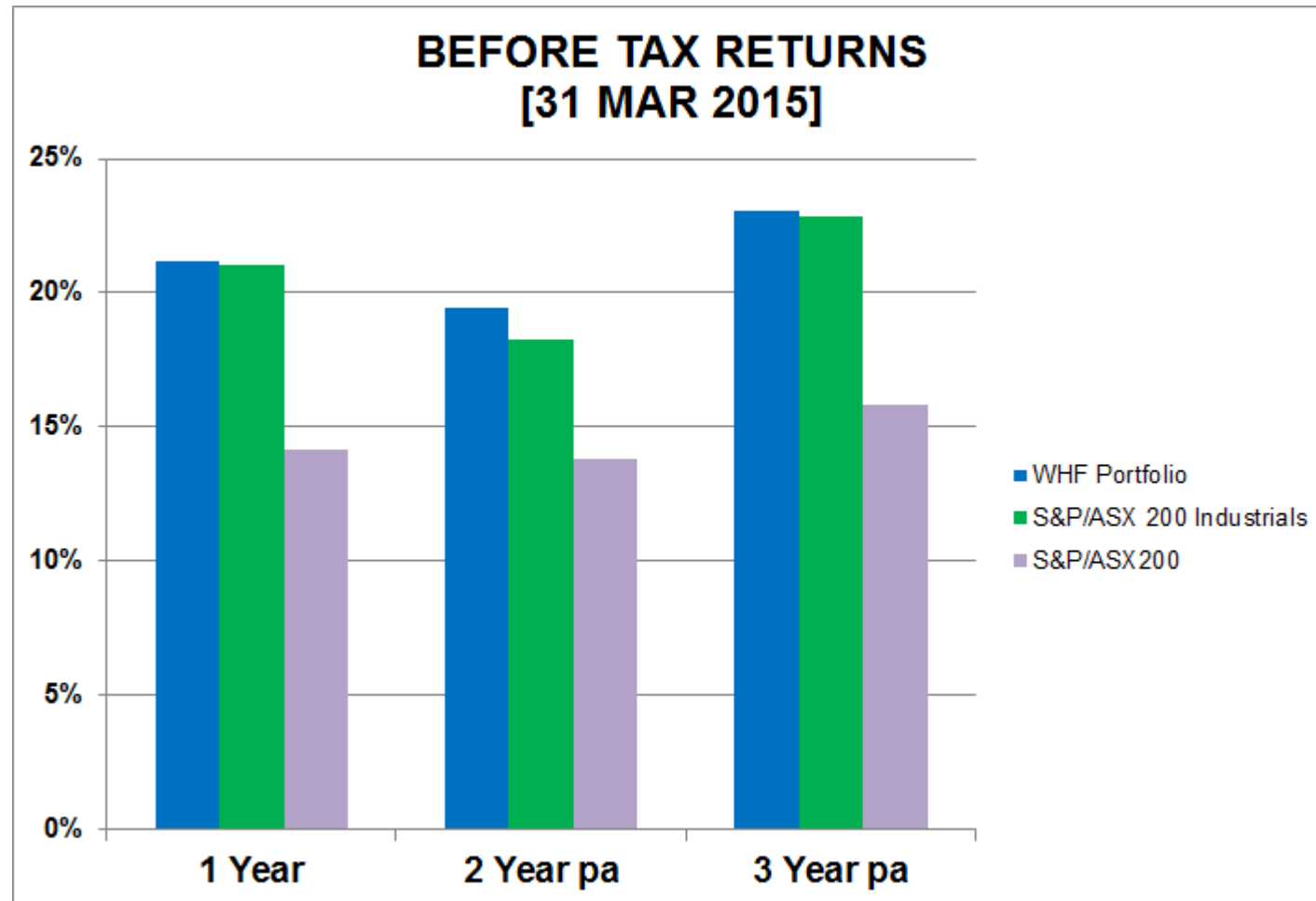
Industrials tilt has added a very significant margin over recent years, and over last 30 years

Pre-tax asset backing a margin higher again reflecting leverage from Convertible Pref Shares.

Share price a margin higher again with asset backing/price differential narrowing.

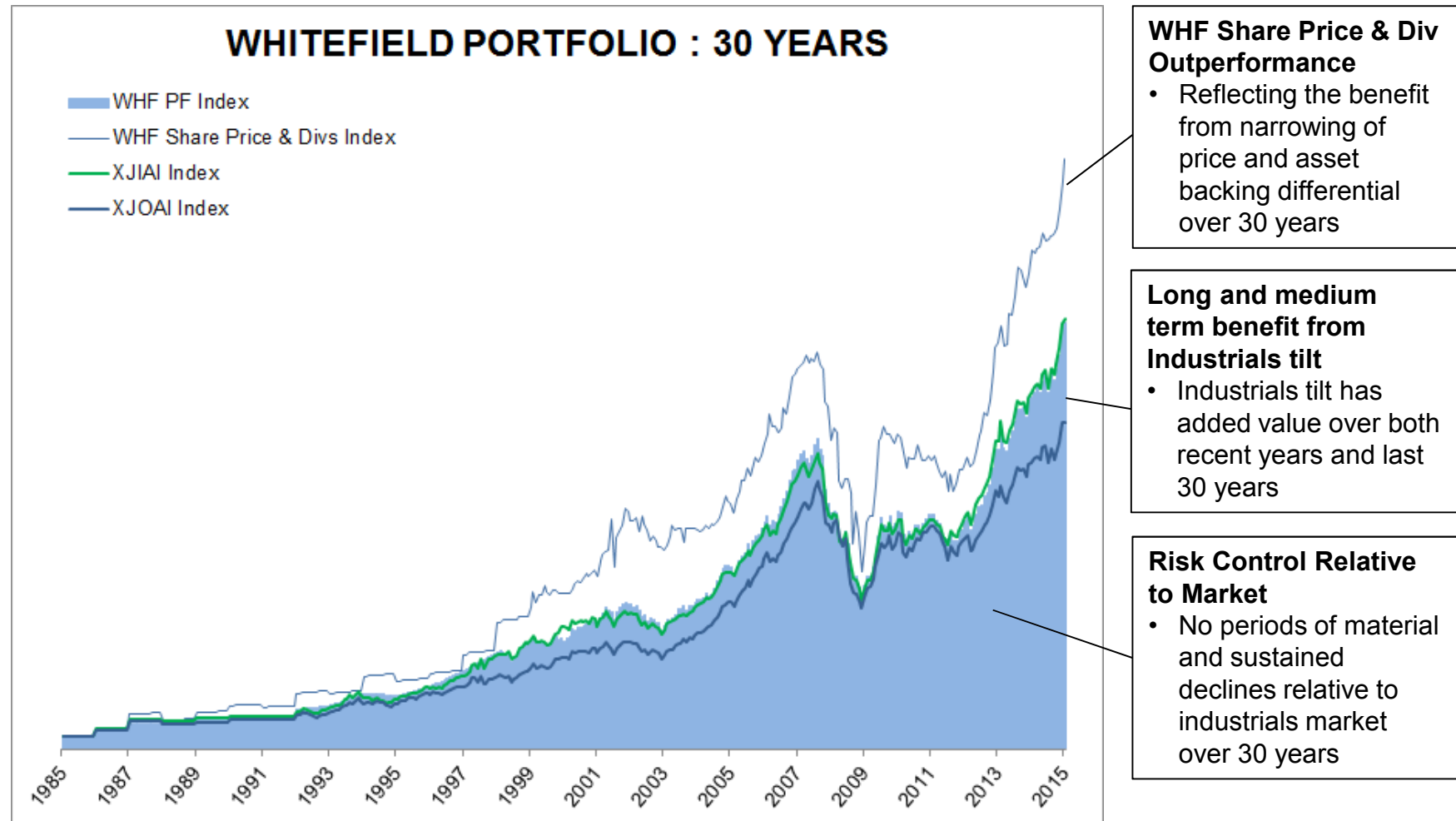
RECENT OUTCOMES

INVESTMENT RETURNS



RECENT OUTCOMES

INVESTMENT RETURNS



RECENT OUTCOMES

EARNINGS & ASSET BACKING

Earnings per share grew by 15.4% to 16.7 cents in 2015.

Investment income from Dividends & Interest

- Investment income grew by 13.5%
- Many companies within the portfolio increased dividends including ResMed, Lend Lease, Harvey Norman, Amcor, Macquarie Group, Incitec, AMP, CSL and Asciano.

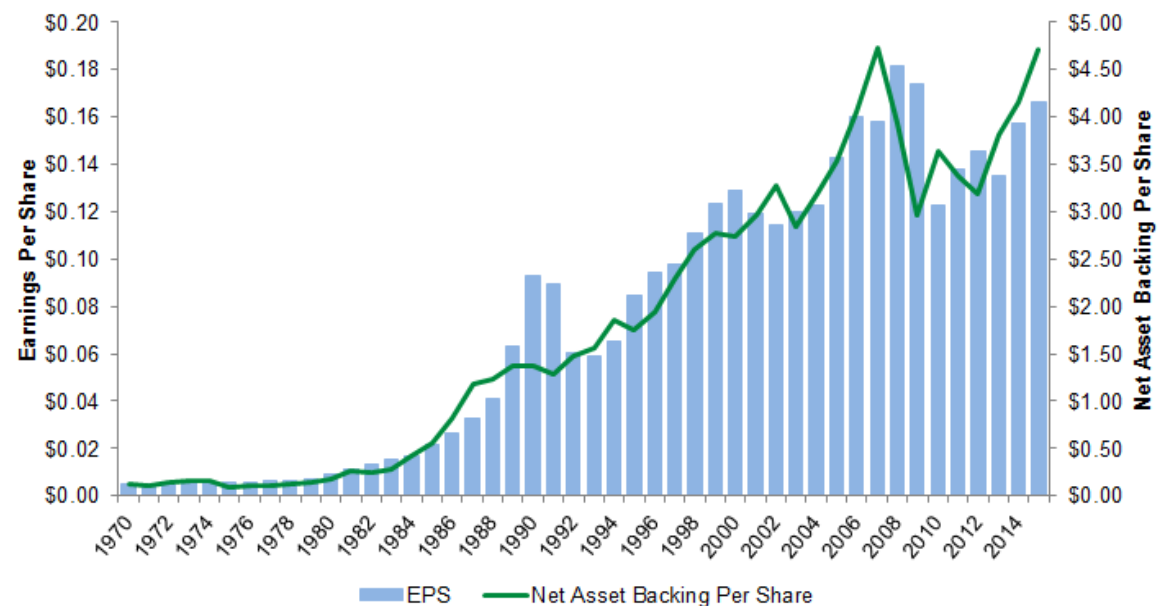
Costs

- Costs grew less than income.
- MER remained in line with long term target.

NAB

- Net Asset Backing (pre-tax) grew to \$5.17 driven by net realised and unrealised gains of \$59.2m
- Net Asset backing (post-tax) stood at \$4.70

WHITEFIELD - EARNINGS GROWTH & ASSET BACKING OVER THE LONG TERM



RECENT OUTCOMES

DIVIDENDS

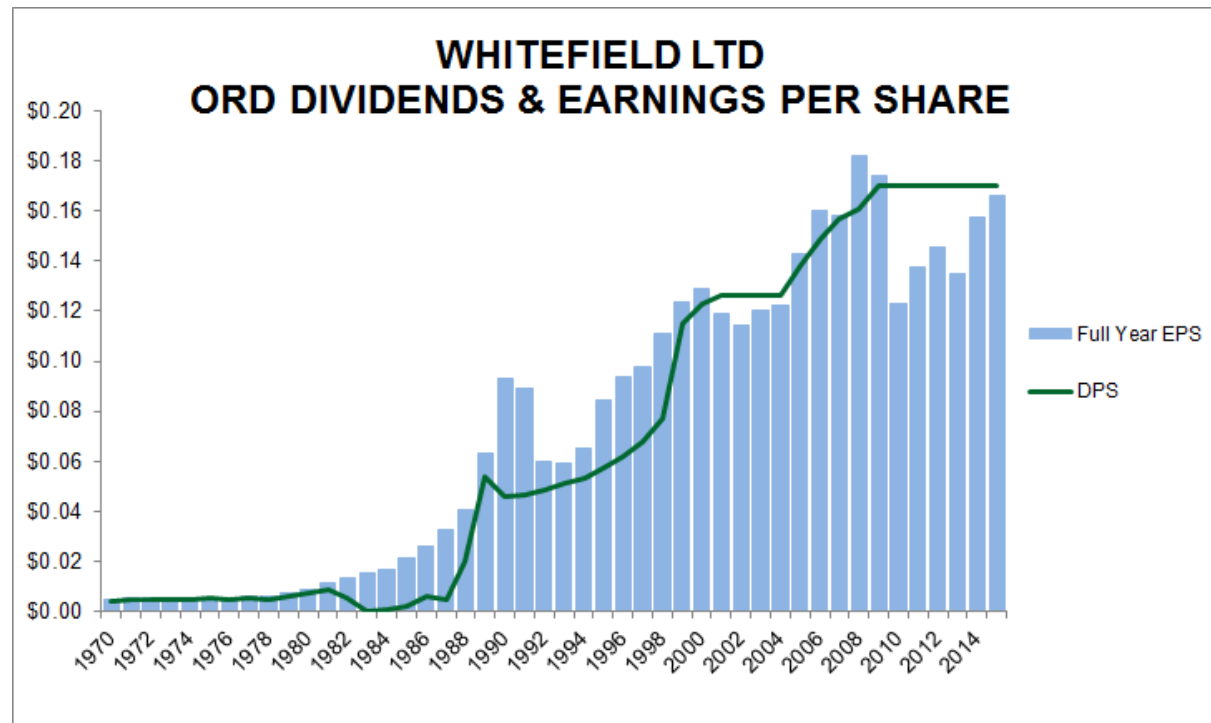
WHF declared / paid fully franked dividends of 17.0 cents per ordinary share for 2015.

DPS & EPS similar

- Having maintained its ordinary dividend at pre-Global Financial Crisis levels for some years, WHF's EPS (Earnings per share) are now at a similar level to DPS (Dividends per share).
- As and when EPS grows further WHF will consider increasing its ordinary dividends in line with our long term dividend policy.

**CRPS
Divs**

- Fully franked dividends totalling \$7.00 per \$100 Convertible Resettable Preference Share were also paid across the year



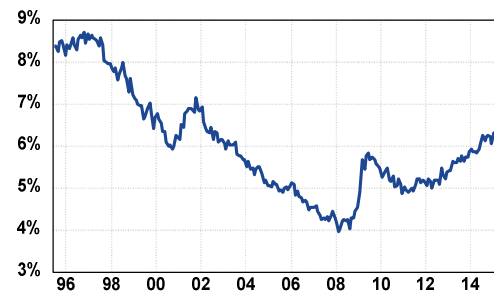
CONSUMER CONDITIONS: MILDLY POSITIVE

- Many of the underlying drivers of consumer spending are positive, but the benefit is less than expected
- Ultra low interest rates are feeding into higher house prices and higher borrowing, rather than improved consumption
- This has been compounded by the world-wide push to tighten government spending

EMPLOYMENT

Had softened but now stabilising

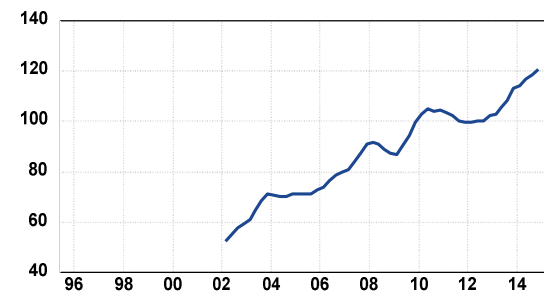
AUST UNEMPLOYMENT RATE



WEALTH: HOUSING

Exceptionally strong

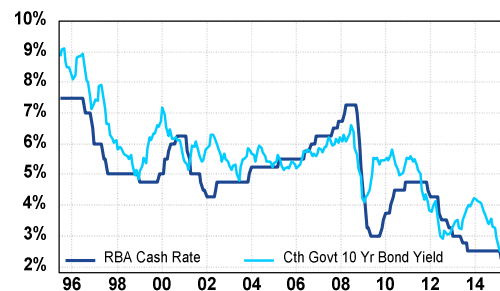
AUST HOUSE PRICE INDEX



INTEREST RATES

Low rates somewhat stimulatory

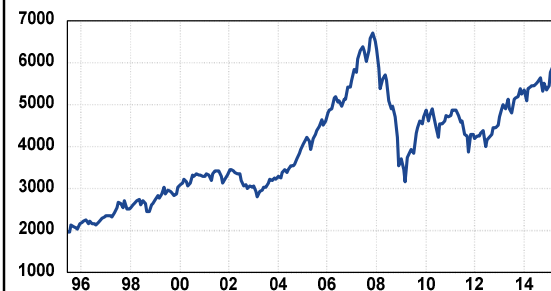
AUST INTEREST RATES



WEALTH: FINANCIAL ASSETS

Has moved favourably for a succession of years

S&P / ASX 200



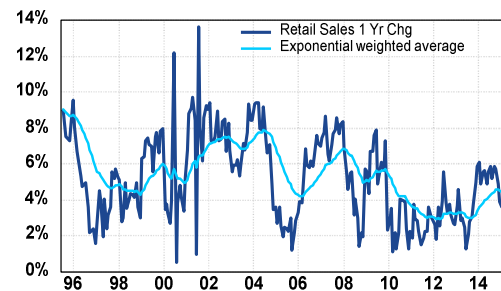
BUSINESS CONDITIONS: IMPROVING ...SLOWLY

- The status quo of the last year remains
- Broadly - conditions are improving, underpinned by a lower \$AUD
- The downturn in the mining sector, compared to the earlier peak, however continues to unwind, with implications for national income and capital spending.

RETAIL SALES

Moderate growth

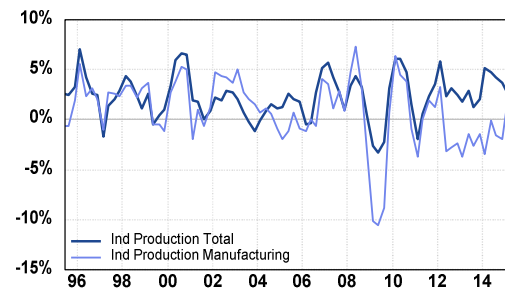
AUST RETAIL SALES



INDUSTRIAL PRODUCTION

Some improvement in manufacturing

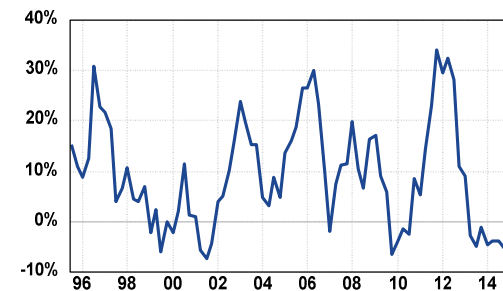
AUST INDUSTRIAL PRODUCTION



CAPITAL EXPENDITURE

Remains a drag on the economy

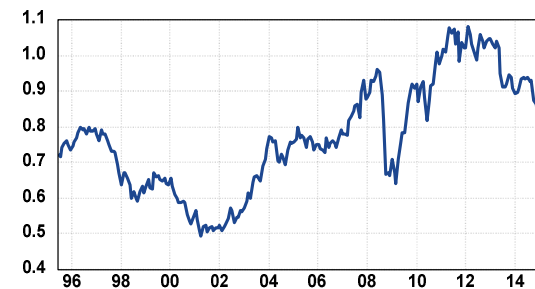
NEW CAPITAL EXPENDITURE



AUST DOLLAR

Increasingly supportive of domestic activity

AUST DOLLAR (v \$USD)



INTERNATIONAL CONDITIONS: SUPPORTIVE POLICY IN EUROPE & CHINA NOW ASSISTING

- US economic activity has been firm, notwithstanding a fall in oil & gas activity
- The Euro recovery is solidifying
- Chinese policy is increasingly supportive
- Japan is seeing a return to low positive growth

USA

Activity continues to expand, although impacted by falling oil & gas activity across the last year

US ISM MANUFACTURING INDEX

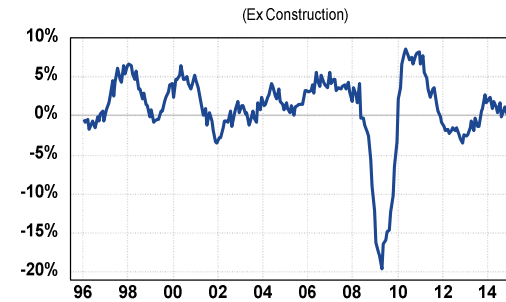


Source: Thomson Reuters Datastream

EUROZONE

Activity recovers, particularly in previously troubled economies

EUROZONE INDUSTRIAL PRODUCTION

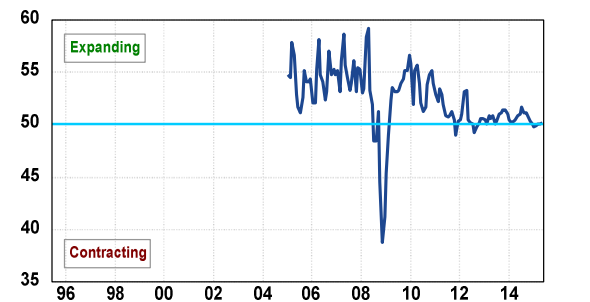


Source: Thomson Reuters Datastream

CHINA

Recent policy stimulus starting to take effect

CHINA PURCHASING MGRS INDEX

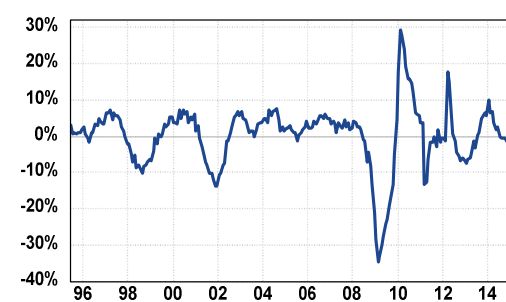


Source: Thomson Reuters Datastream

JAPAN

Low growth, but some underlying improvements

JAPAN INDUSTRIAL PRODUCTION

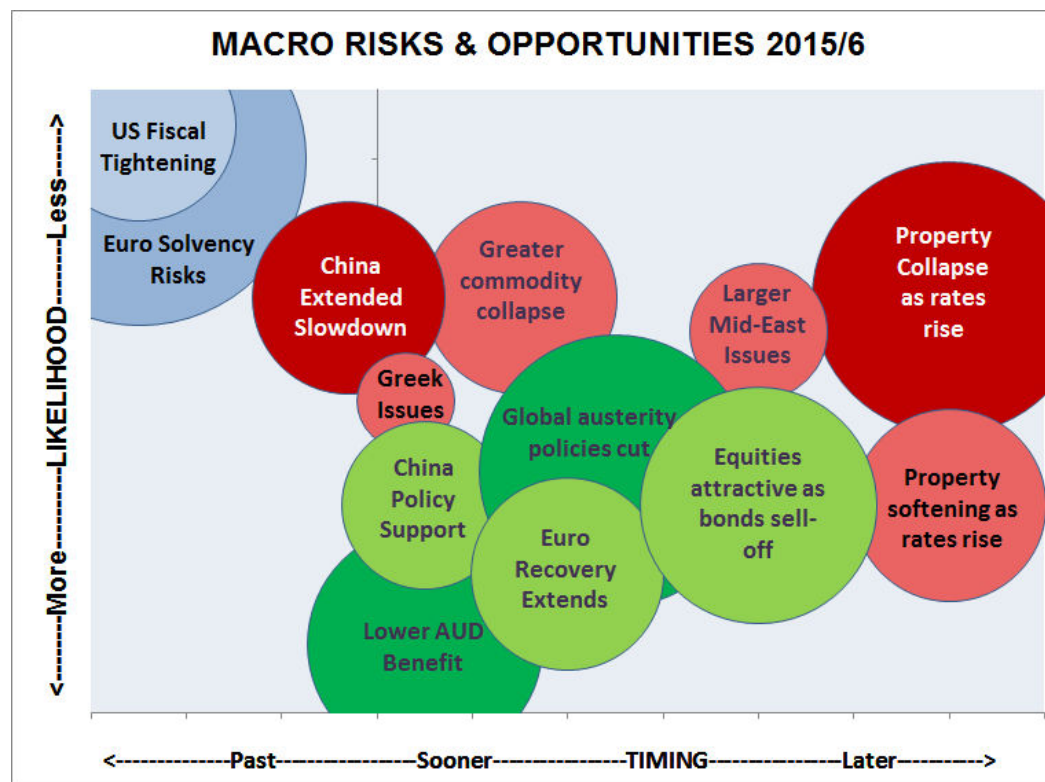


Source: Thomson Reuters Datastream

RISKS AND OPPORTUNITIES

A period of change however the changes are more positive than negative

- Many former risks have receded
- The possibility of a slowdown in China continues to threaten.
- Against this a lower AUD, a wind-back of austerity policies, and supportive policy in China, Europe and Japan are likely to be positive contributors
- While it may appear to be a distant threat at this time, we consider the most significant upcoming macro development to be the potential for interest rates to rise to more normalised levels.
- In our opinion it is most likely that this would be a digestible event rather than a catastrophic event for investment markets



PORTFOLIO

WHF'S PORTFOLIO

Diversified Industrials Exposure

- The portfolio contains ~140 stocks across all market sectors excluding resources
- We have a relatively low exposure to fossil fuels

Adjustments in Last Year

- We have purposefully broadened Whitefield's portfolio across the last year to obtain a greater diversity of stock exposures in an economic environment which is likely to experience increasing change

TOP 20 at Jun 2015

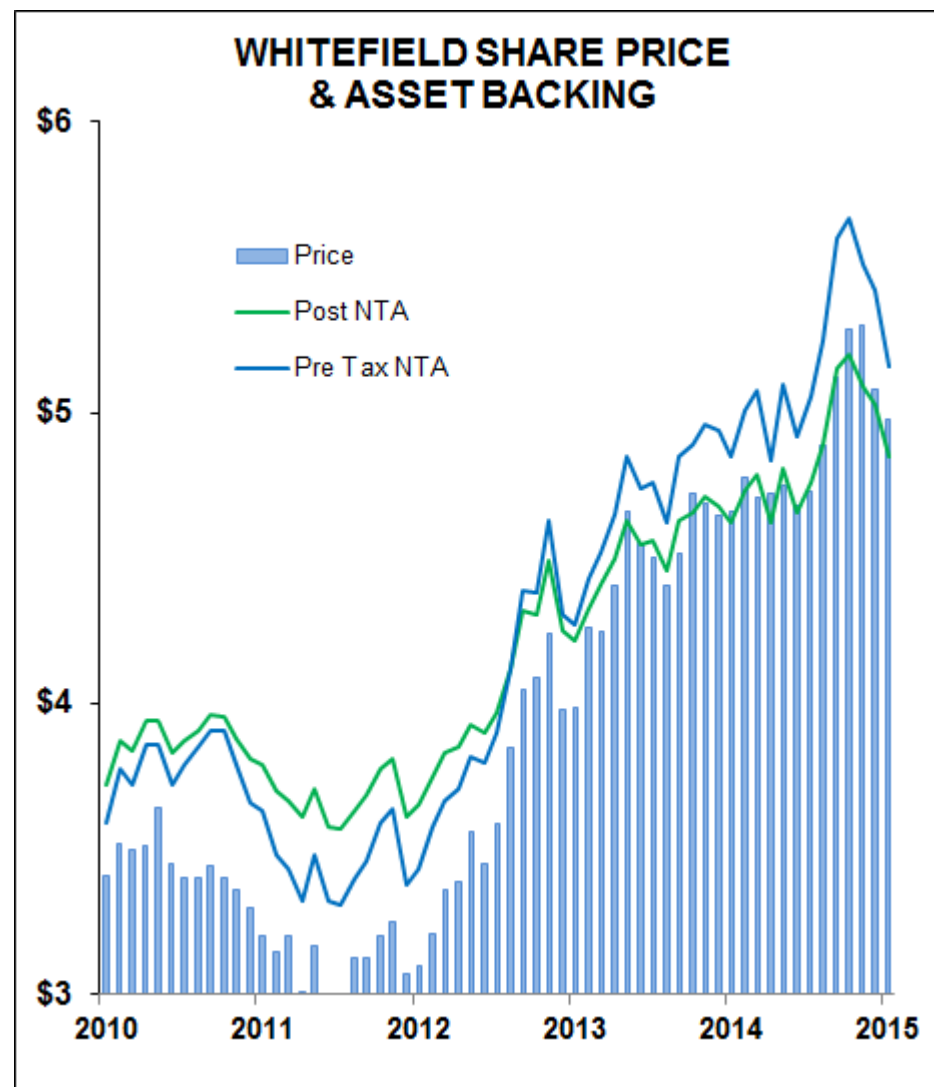
Commonwealth Bank Of Australia	10.42%
Westpac Banking Corporation	7.92%
Telstra Corporation Limited	6.60%
National Australia Banking Limited	6.58%
ANZ Banking Group Limited	6.45%
Macquarie Group Limited	3.51%
CSL Limited	3.22%
Wesfarmers Limited	2.87%
Woolworths Limited	2.72%
Brambles Limited	1.90%
AMP Limited	1.87%
Arcor Limited	1.86%
Scentre Group	1.57%
QBE Insurance Group	1.53%
Ramsay Health Care Limited	1.52%
Westfield Corporation	1.49%
Transurban Group	1.40%
ResMed Inc	1.40%
Goodman Group	1.34%
Sonic Healthcare Limited	1.26%
CASH	0.45%

PRICE AND NTA

As at 30 June 2015

Pre-Deferred Tax ■ \$4.66

Post-Deferred Tax ■ \$4.35



CONCLUSION

2015 – a successful year for WHF

2015	<ul style="list-style-type: none">▪ 2015 was a successful year for WHF, driven by growth in earnings which in turn was mirrored by strong growth in asset backing
2016 Markets	<ul style="list-style-type: none">▪ The market is more fully valued than a year ago, however recent falls are creating opportunities▪ Macro-economic conditions appear mildly positive at this time▪ Consensus underlying income growth forecasts for the Australian market are currently low, with forecasts having been pared back over recent months
Dividend Outlook	<ul style="list-style-type: none">▪ Whitefield expects to at least maintain its ordinary dividend at current levels across 2016.▪ Whitefield would consider increasing its ordinary dividend as and when underlying income grows beyond 17 cents per share▪ 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