

AGM

WHITEFIELD LIMITED

JULY 2016

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

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 \$1,590,000 at 31st March 2016 (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 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 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 21 years financial services experience per person**, of which an average of 16 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.	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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).

2016 OUTCOMES

EARNINGS & ASSET BACKING

Earnings per share amounted to 16.6 cents in 2016.

Investment income from Dividends & Interest

- Investment income at a per share level was similar to the prior year at 16.6 cents.
- Underlying growth in dividends was strong with dividend increases received from the majority of our holdings including Sydney Airport, Transurban, CSL, Amcor, Ramsay Healthcare, Macquarie Group, QBE and Resmed.
- However this underlying growth was masked by a small number of special dividends in the prior year which weren't repeated and the broadening of our portfolio from 60 to 160 stocks.

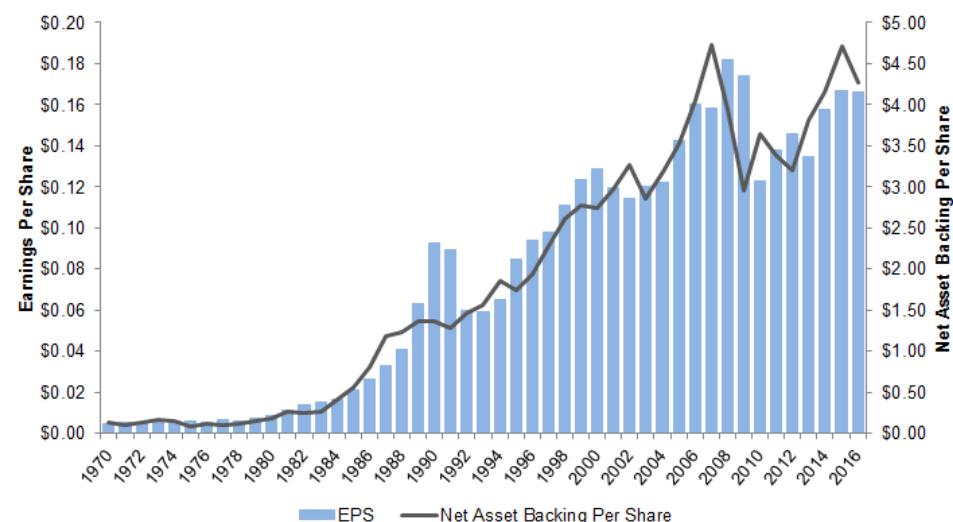
Costs

- MER was unchanged.

NAB

- Net Asset Backing (pre-tax) eased to \$4.54 reflecting the falls in the market during the year
- Net Asset backing (post-tax) stood at \$4.27

WHITEFIELD - EARNINGS GROWTH & ASSET BACKING OVER THE LONG TERM



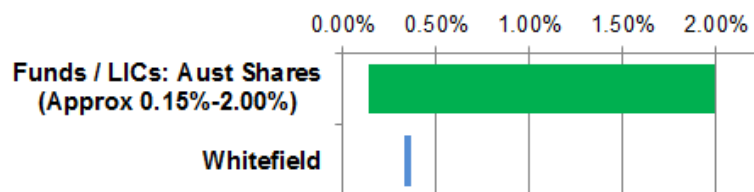
AN EFFICIENT STRUCTURE

COST / RETURN / SERVICE BALANCE

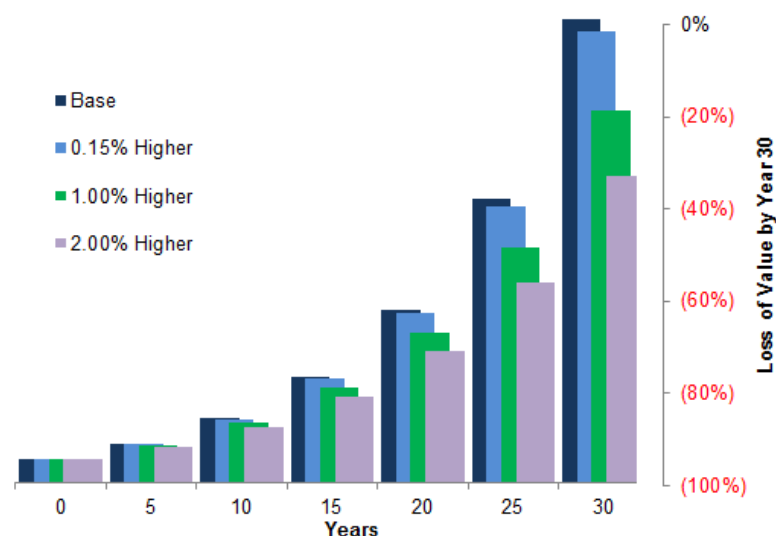
WHITEFIELD AIMS TO OFFER AN EFFICIENT BALANCE BETWEEN COST, RETURN AND SERVICE

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%)

2016 OUTCOMES

DIVIDENDS

WHF declared / paid fully franked dividends of 17.0 cents per ordinary share for 2016.

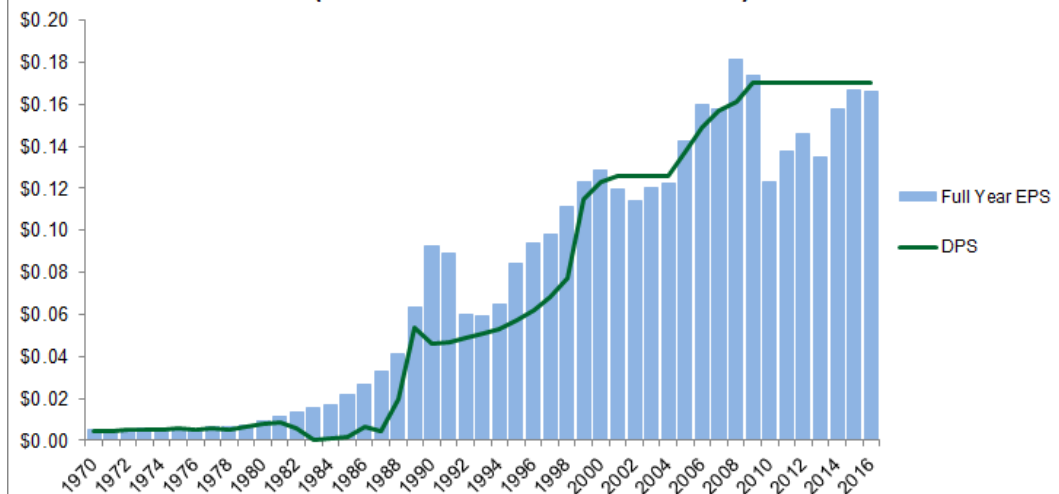
Ordinary Dividends & EPS

- 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 increase on a sustainable basis beyond DPS, the company would consider increases to the Ordinary dividend.

WHFPB Dividends

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

WHITEFIELD - ORD DIVIDENDS PER SHARE
(Includes Final Dividend for 2016)



RECENT OUTCOMES

INVESTMENT RETURNS

WHITEFIELD RETURNS 1, 2, 3, 30 YEAR				
To 31 Mar 2016	1 Year	2 Year pa	3 Year pa	30 Year pa
Portfolio Return Before Tax				
WHF Portfolio	(6.75%)	6.30%	9.97%	10.642%
S&P/ASX 200 Industrials	(6.77%)	6.22%	9.24%	10.338%
S&P/ASX200	(9.59%)	1.58%	5.40%	9.613%
Share Price & Dividend Returns				
WHF Share Price & Divs	(7.14%)	4.76%	10.50%	11.418%
WHF Share Price & Divs Gross of Franking	(5.57%)	6.58%	12.41%	n/a
FTSE ASFA Aust 200 Index Gross of Franking	(8.39%)	3.08%	6.81%	n/a

Outright Returns:

A softer year, after 3 very strong years

Returns v Index:

Returns ahead of industrials benchmark over short and long terms

Industrials Tilt:

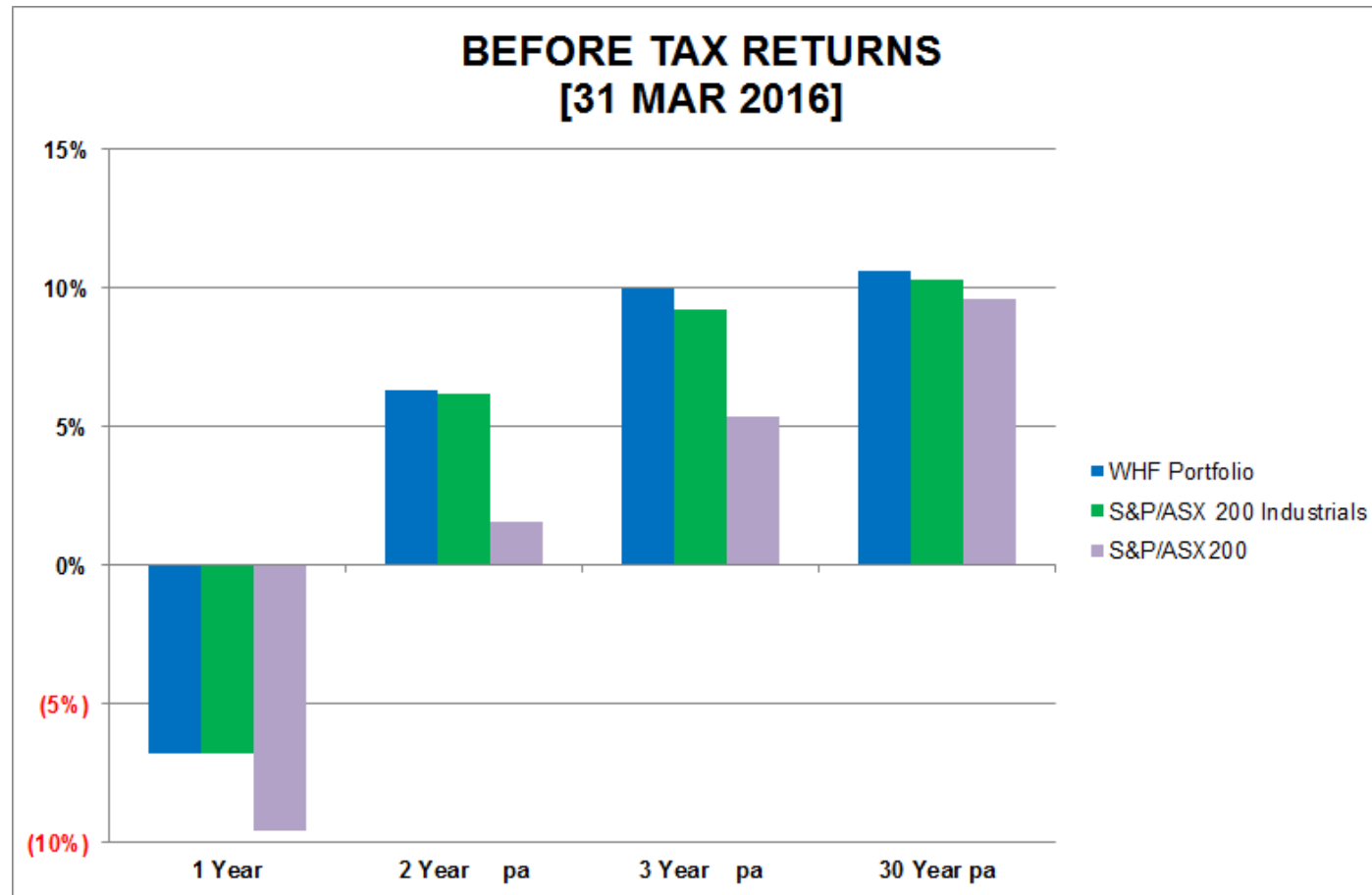
Returns ahead of broad ASX200 over short and long terms

Gross of Franking:

Returns higher again once franking included, and ahead of broad market

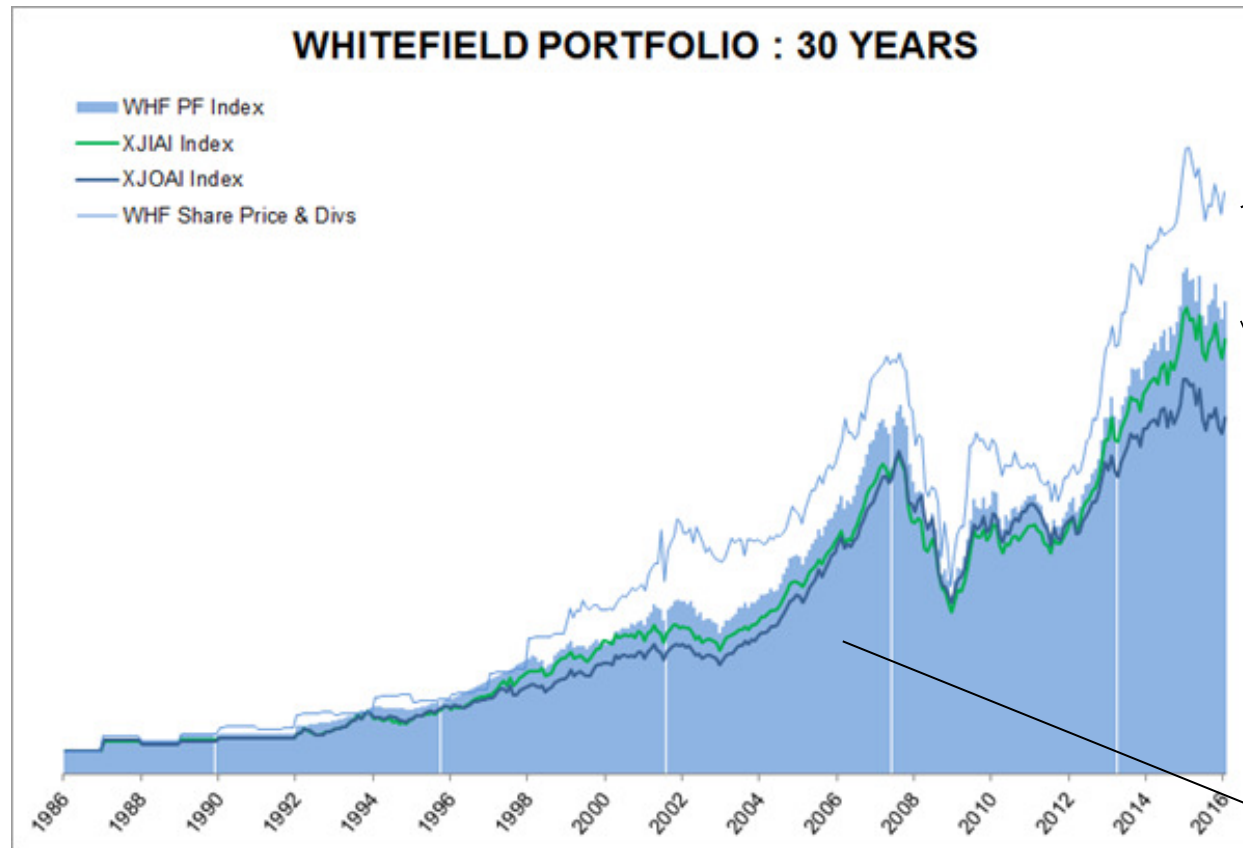
RECENT OUTCOMES

INVESTMENT RETURNS



RECENT OUTCOMES

INVESTMENT RETURNS



WHF Share Price & Div Outperformance

- Reflecting the benefit from narrowing of price and asset backing differential over 30 years
- Accumulated value 63% higher than ASX200

Long and medium term benefit from Industrials tilt

- Underlying portfolio ahead of ASX200 Industrials
- And 30% above ASX200 accumulated value

Risk Control Relative to Market

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

PORTFOLIO

WHF'S PORTFOLIO

Diversified Industrials Exposure

- The portfolio provides exposure to both large and mid capitalisation stocks across many sectors of the Australian economy
- It includes established businesses as well as up and coming enterprises benefitting from more recently developed areas of economic growth

Adjustments in Last Year

- We have continued the process of purposefully broadening Whitefield's portfolio to obtain a greater diversity of stock exposures in an economic environment which is likely to experience increasing change

WHITEFIELD LTD PORTFOLIO SUMMARY AS AT 30TH JUNE 2016

Value (\$m):	\$411
No. Holdings:	170
Stocks Overweight (v)	30
Stocks Underweight (v)	29
Benchmark Index:	S&P ASX200 Industrials

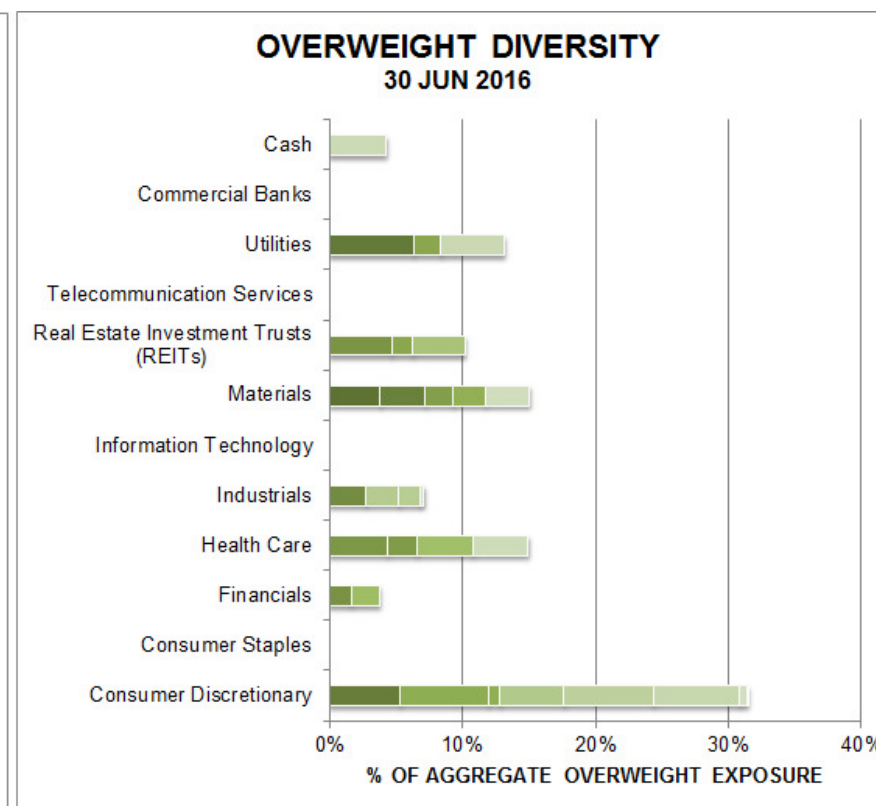
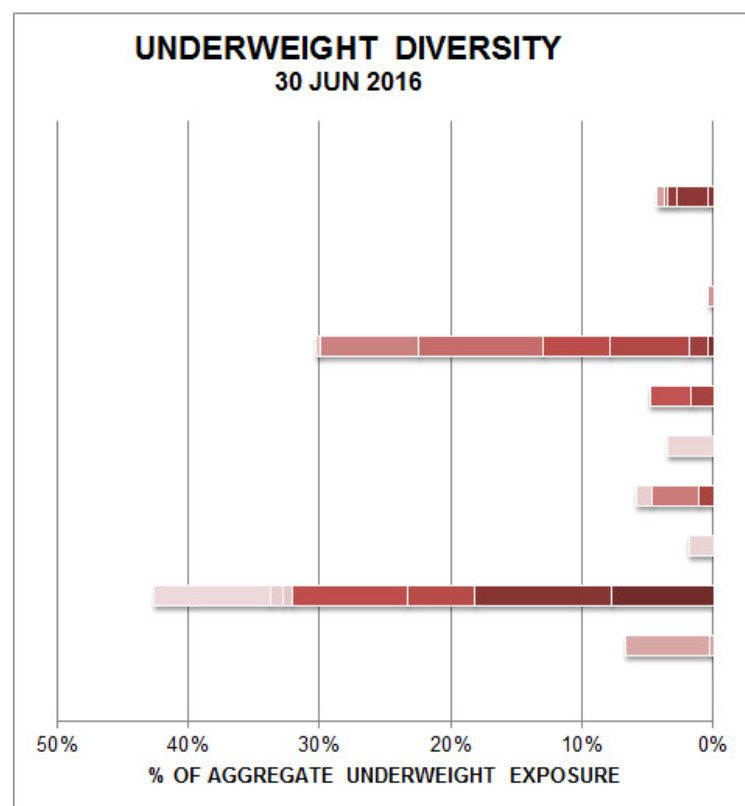
Sector	No. Holdings	Weight
Consumer Discretionary	41	10.8%
Consumer Staples	15	6.9%
Commercial Banks	7	28.7%
Financials	20	6.1%
Health Care	17	10.7%
Industrials	24	9.6%
Information Technology	9	1.1%
Materials	12	6.1%
Real Estate Investment Trusts (REITs)	16	7.9%
Telecommunication Services	4	6.9%
Utilities	5	4.6%
Cash		0.5%

PORTFOLIO

WHF'S PORTFOLIO

Overweight & Underweight Exposures

- The portfolio carries approximately 60 overweight and underweight exposures relative to our underlying benchmark index providing a high degree of breadth through which we seek to deliver outperformance.

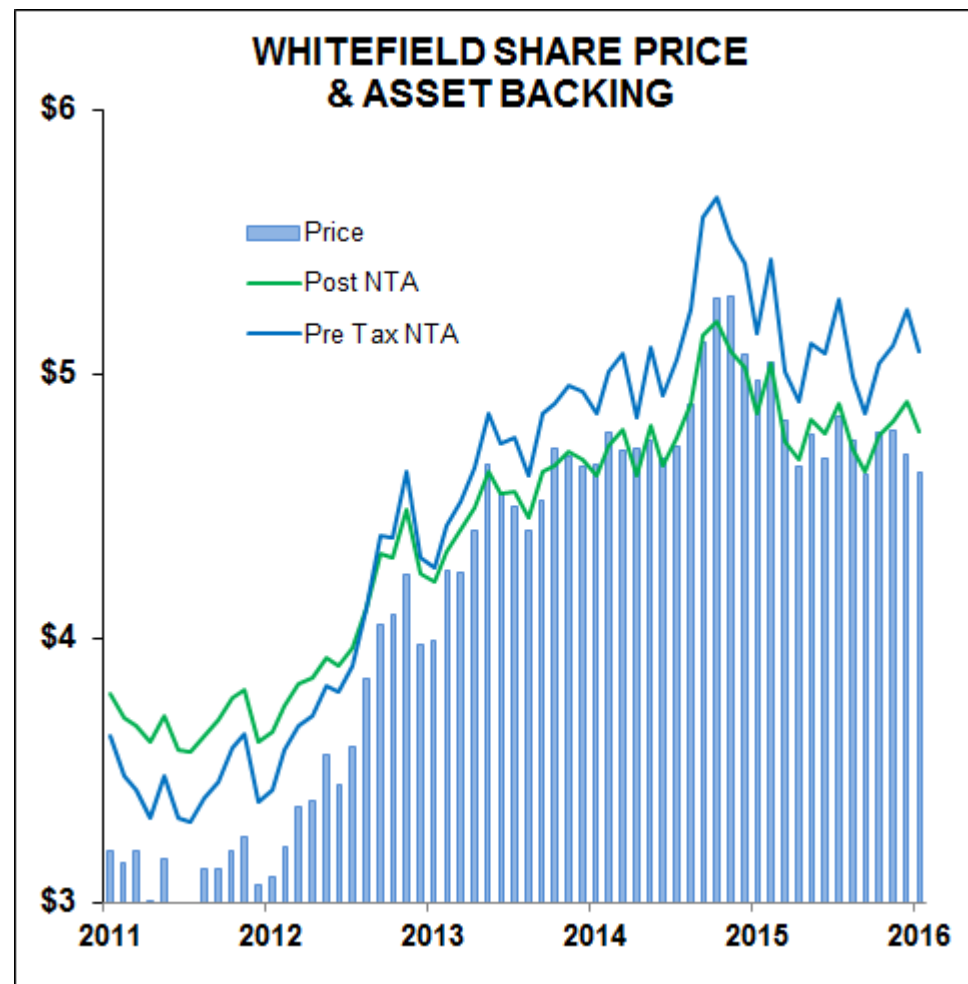


PRICE AND NTA

As at 30 June 2016

Pre-Deferred Tax ■ \$4.59

Post-Deferred Tax ■ \$4.29



THE CHANGING NATURE OF AUSTRALIA

A HIGHER GROWTH, AFFLUENT ECONOMY

Australia is steadily emerging as an affluent, high growth economy, better positioned than many other larger, yet mature countries

- **Australia has become and is likely to remain a preferred country in which to live**
 - Size and relatively low population
 - Geographically, climatically attractive
 - Stable political environment and relatively safe
- **Australia is likely to have high population growth relative to many other countries over future years**
 - Ageing or declining populations will be problematic for other more mature or otherwise ageing economies
 - The increasingly affluent middle / upper classes of Asia are relocating / will continue to relocate to Australia
 - The mobility of the workforce is increasingly likely to see global businesses segmented, with head offices, key personnel and senior executives located in attractive living destinations such as Australia, with production and sales facilities in other geographies.

THE CHANGING NATURE OF AUSTRALIA

A HIGHER GROWTH, AFFLUENT ECONOMY

High population growth, relative affluence and high end corporate activity will see growth in housing, construction, tourism, education, aged care, retail, consumer services, business services, technology and financial services.

- **Many Australian industry sectors are likely to benefit**
 - Housing and construction have already seen an immediate benefit. This is likely to continue and will ultimately also translate into growing aged care opportunities.
 - Consumer services, education, retail and tourism are likely to flourish, driven both by population numbers and affluence.
 - Business services, financial services and technology are also likely beneficiaries of the underlying trends.

THE CHANGING NATURE OF AUSTRALIA

A HIGHER GROWTH, AFFLUENT ECONOMY

These trends may continue for many decades, and are currently under-recognised within investment markets.

- **The position of Australia as a preferred living destination is likely to continue for many decades.**
 - Australia will be a large, attractive geography with a small but growing population for some decades. This dynamic would appear to have substantial longevity.
- **These favourable dynamics are currently under-recognised in Investment Markets, but are increasingly being acted upon in the real economy**
 - The old view of Australia as a purely resource economy is diminishing, and Australia's potential as a service and consumer economy is slowly coming to the fore, but is currently under-recognised in investment markets.
 - Business has been thriving in the industries in the underlying economy which are closest to the first level impact of these trends, most notably housing and retailing.
 - Australia's longer term growth profile has drawn the attention of large multinationals who have been building their Australian exposure. This has been most visible in the retail arena.

THE CHANGING NATURE OF AUSTRALIA

A HIGHER GROWTH, AFFLUENT ECONOMY

Whitefield's investment strategy and non-resource portfolio are designed to harness these long term trends for the benefit of our shareholders

- **Whitefield's portfolio is not invested in the resource or energy sectors**
 - This provides us with very little direct exposure to the primary producers of fossil fuels
- **Whitefield's portfolio is invested in the Australian industrial economy, being all other non-resource sectors**
 - We are believers that high relative population growth and relative affluence are likely to be supportive for Australian non-resource sectors for many decades
- **Whitefield's investment strategy seeks to provide emphasis to stocks increasingly benefitting from these dynamics and to avoid or de-emphasise those entities which may struggle in this environment**
 - Our investment strategy and process consistently measures, assesses and distinguishes between entities succeeding and failing as these trends develop, and our exposure is adjusted accordingly.

CONCLUSION

2016 was a year of transition - economically, politically and for Whitefield

The Year in Review

- 2016 was a transitional year, both for markets and Whitefield. Whitefield took the opportunity to complete the broadening of its portfolio in this period.

2017

- We have been pleased to see underlying earnings growth in many of our holdings over recent months, and are encouraged by the medium and longer term potential for the Australian economy.
- However in the near term, the dividend outlook for the major banks and large staple retailers is less robust and this will constrain our earnings across the next year.

Dividend Outlook

- 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