AGM

WHITEFIELD LIMITED

26 JULY 2018

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.

Disclaimer: Whitefield and its officers and agents have prepared the information in good faith. However no warranty (express or implied) is made as to the accuracy, completeness or reliability of any statements, estimates or opinions or other information contained in these materials. To the extent permitted by law, all liability and responsibility (including liability from fault or negligence) is disclaimed for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from these materials.

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 2018 (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 23 years financial services experience per person**, of which an average of 18 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 0.40% in 2018.
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'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.

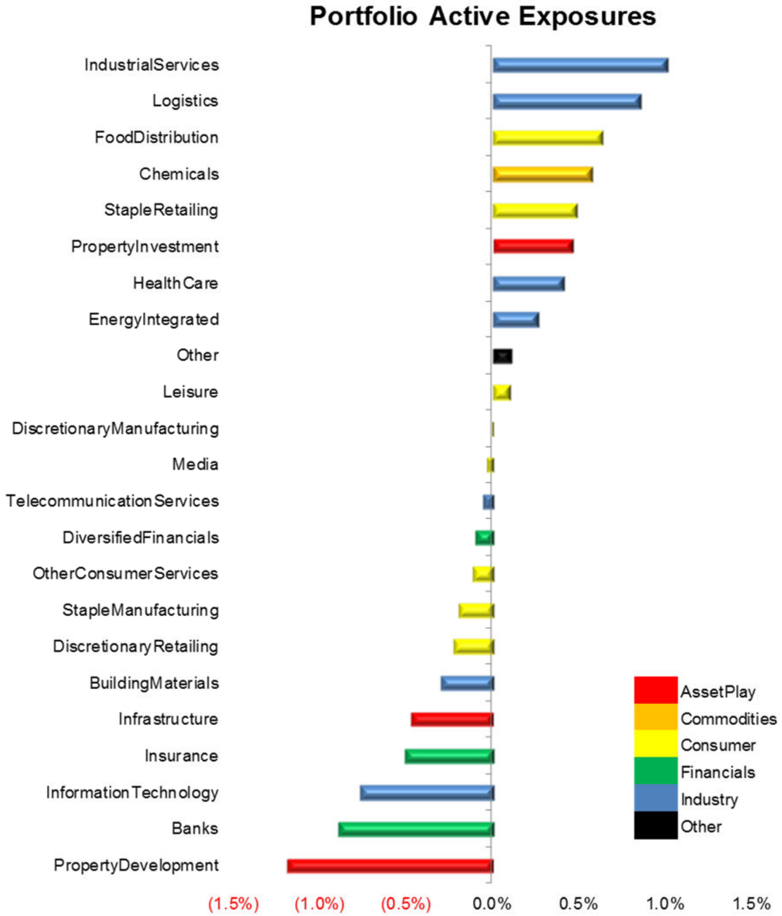
Consistent decision making in complex investment markets	▪ The modern investment environment is characterised by large volumes of information and a wide variety of opinions. Whitefield applies a **structured and highly disciplined decision making framework utilising quantitative techniques and qualitative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

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.

The portfolio is emphasising industrials and staples versus banks and asset plays



Source: Whitefield

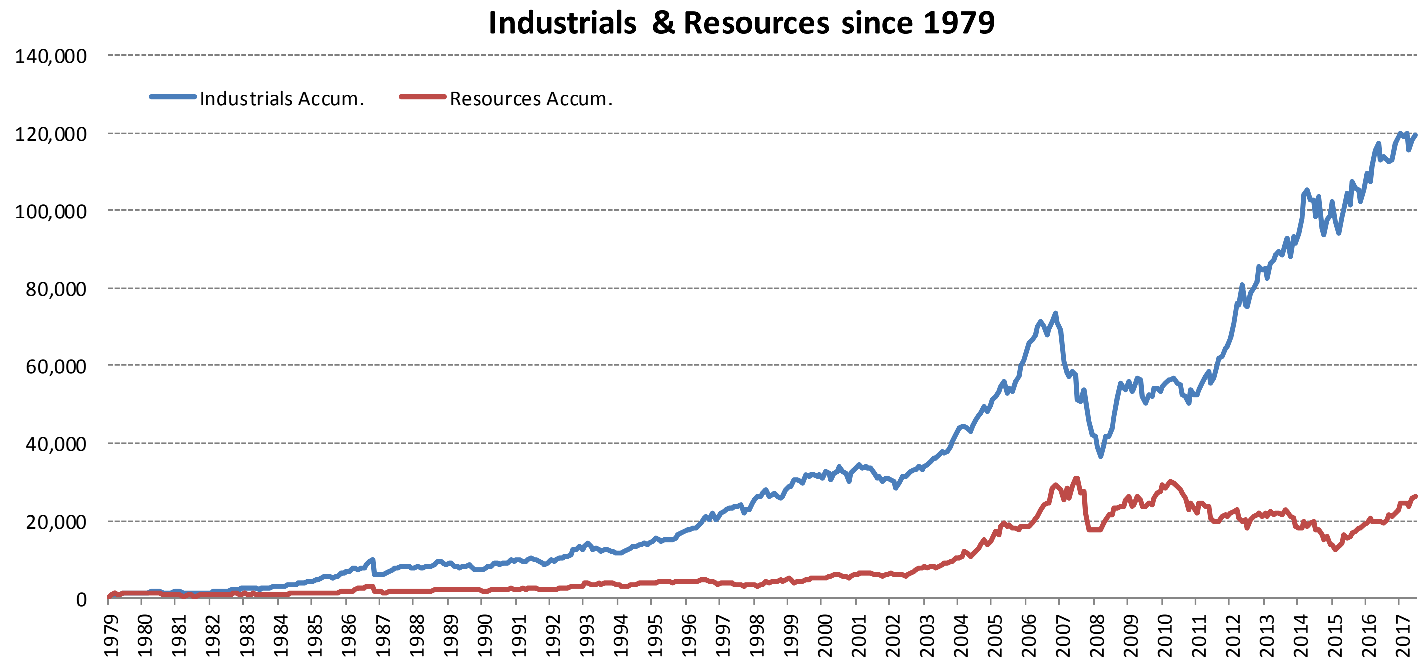
Overweight Exposures

- The overweight to **Industrials** is predominantly through **contractors** with exposure to the mining and energy sectors which are currently seeing strong demand. We've been steadily reducing this since September 2017 as the mining cycle approaches maturity
- The overweight to **Consumer Staples** is via a mature position in **Metcash** that we have reduced after the year end, and also an overwight to **Woolworths** that was established in the Dec '17 quarter
- Also targeting current strength in the mining sector is the overweight to **Chemicals** through **overweights to Incitec Pivot and Orica,** partly offset by a **Dulux underweight**
- We currently also have smaller overweight exposures in **Healthcare** and passive **Property Trusts** (non-developers), the latter of which we are reducing into strength

Underweight Exposures

- We have been building our underweight to **Property Developers** steadily since June '17 as rising interest rates and credit tightening look increasingly likely to lead to earnings pressure
- Our **Banks** underweight has been reduced significantly since its peak 12 months ago as while there are still headwinds the stocks are now trading at fairer value, pricing in further weakness
- Our Technology underweight is predominantly through **Seek** which has been trading at expensive levels for some time
- We're also carrying a smaller underweight exposure to the **Infrastructure** space which is a by-product of a range of both overweights and underweights

Benefits of investing in Australian industrial shares

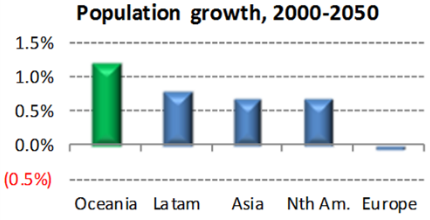


Source: S&P Dow Jones since April 2000; ASX prior to April 2000

Australian industrial companies are likely to benefit from local demographics

Australia's strong population growth benefits many industrial companies

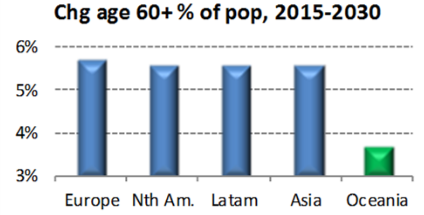
- Australia's population growth is expected to continue to run at rates significantly higher than other developed nations
- Banks, consumer, healthcare, housing and transport related industries are direct beneficiaries of high population growth, and other industrials benefit indirectly
- In contrast, Australia's population growth has very little affect on the resources segment (being more driven by global population and industrialisation trends)



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

Australia will be less affected by the ageing population headwind

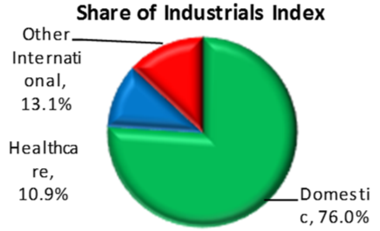
- High net overseas migration, high fertility and already high life expectancy are resulting in Australia's population ageing at a slower rate than other countries
- Australia is high net household wealth; large retirement savings base; and low government debt relative to other countries
- These two elements contribute to Australia being less exposed to, and better able to cope with, the demands of an ageing population



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

Industrials are well placed against the backdrop of an ageing population

- A large part of the industrials index is driven by domestic economic activities that won't be affected directly by the global ageing population headwind
- A further segment of the industrials index are global leaders in healthcare and are well placed to benefit from global population ageing
- In contrast, the resources sector faces the challenge of a more rapidly ageing global population and economies less financially prepared to cope

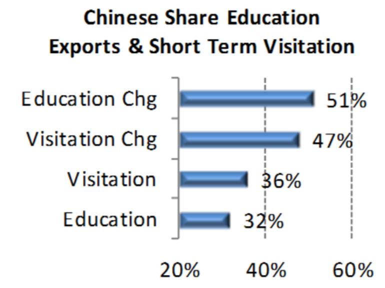


Source: S&P Dow Jones; Whitefield

Chapter 2 of “The China Story” will benefit Australian industrial companies

Australian industrial companies will benefit from Chinese consumption growth

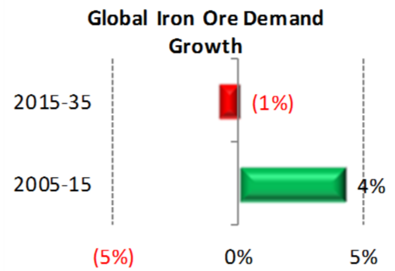
- By 2030, China's working age population is expected to grow by 20% and spending per capita more than double
- Education and personal travel are Australia's two largest services exports, and China accounts for a third of demand for, and half the growth in the two categories
- Exporters of many consumer goods are also benefiting from strong Chinese demand growth, e.g. wines and milk products
- These drivers alone could directly benefit 10-15% of the industrials index, with secondary benefits for many related industries



Source: ABS. Visitation FY17; Education YT 'Mar18

Declining Chinese steel intensity will be a headwind for resource companies

- Chinese economic growth is expected to require increasingly less steel per unit of output
- Increasing use of scrap is expected to further compound this weakness and result in softer demand for steel making raw materials iron ore and coking coal
- McKinsey Global Institute forecasts global demand for iron ore to fall by 14% from 2015-2035
- As with previous mining booms and busts, excess capacity that follows can lead downward pressure on resource company earnings for many years afterwards

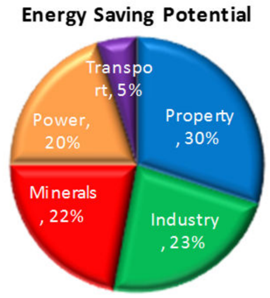


Source: McKinsey Global Institute

The world is responding to climate change through energy efficiency and alternatives to fossils fuels

Energy efficiency benefits fossil fuel users at the expense of fossil fuel producers

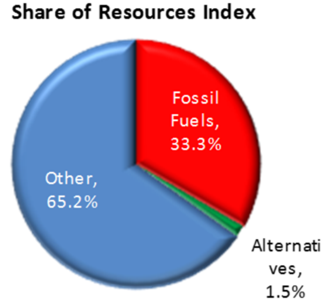
- McKinsey estimate energy demand growth can be more than halved through the adoption of a range of existing technologies across many sectors of the economy
- Further savings can be achieved through new technologies with adequate incentivisation of innovation
- Around 75% of the immediate benefits to fossil fuel users will accrue to industrial companies, with additional benefits to their service providers, e.g. banks and engineers
- For successful innovators, there are potentially global opportunities that would create value well beyond resolving Australia's energy issues



Source: McKinsey Global Institute; Whitefield

Adoption of alternatives is likely to reduce demand for fossil fuels

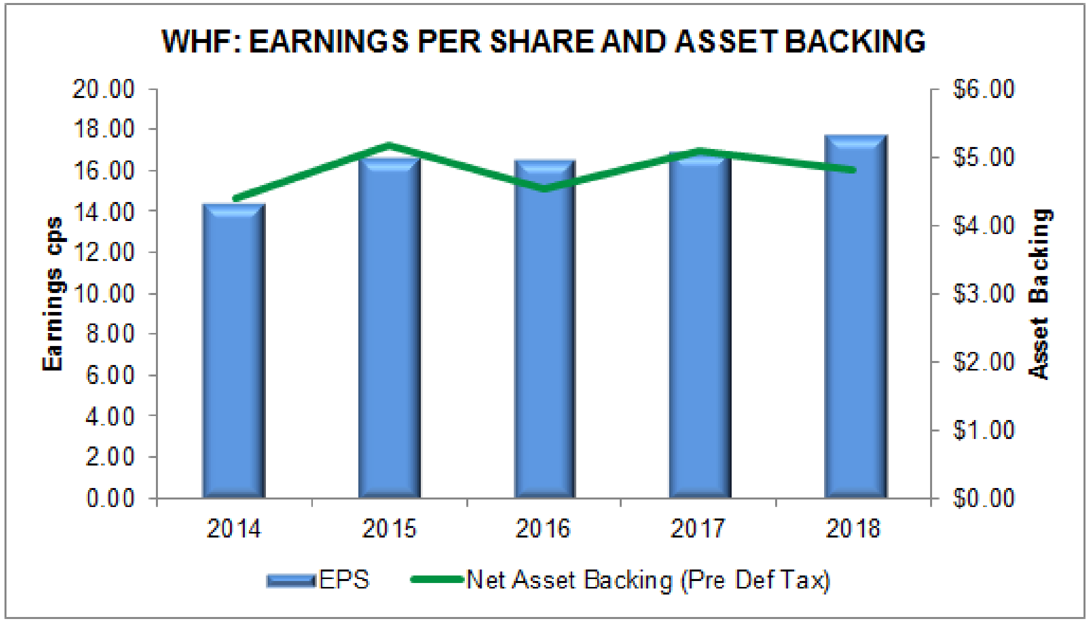
- McKinsey estimate demand for thermal coal could fall significantly; oil demand may peak around 2025; and growth in demand for gas will lag general economic growth
- Fossil fuels account for nearly half of Australia's commodity exports and around 33% of the resources index by market cap.
- Miners specialising in commodities used in alternatives account for less than 2% of the resources index by market cap.
- Uncertainty is high given the range of possible paths on climate action but it seems likely that switching to alternatives will be a material headwind for resources



Source: S&P Dow Jones; Whitefield

2018 OUTCOMES
EARNINGS & ASSET BACKING

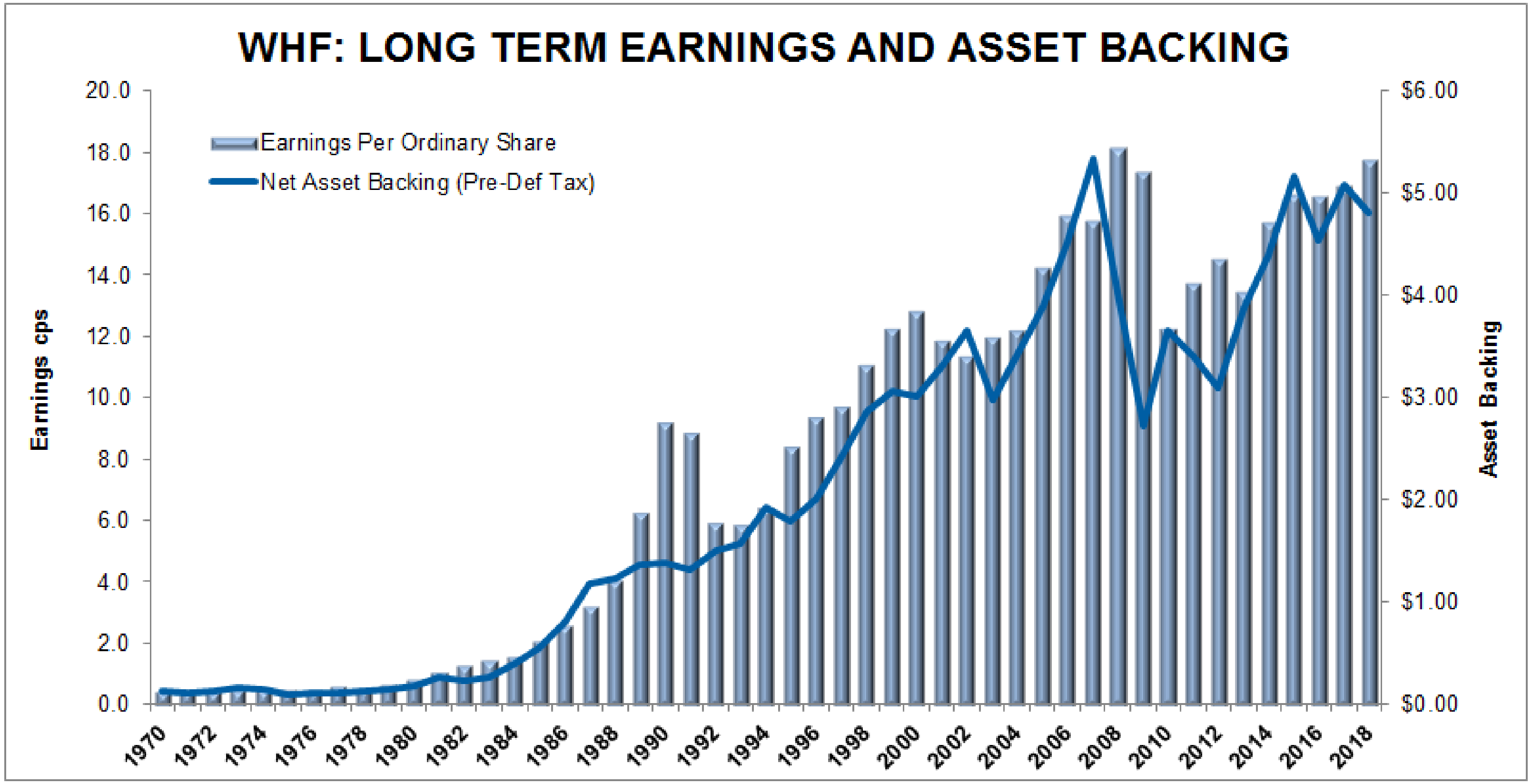
Earnings per share amounted to 16.9 cents in 2018.	
EPS: **Up 5.3%**	▪ EPS grew to 17.8 cents, up from 16.9 cps. ▪ Distribution maintained or grown across approximately 80% of holdings (Prior yr 80%) ▪ Highest growth in distributions from CIMIC, Aust Pipeline Trust, ALS, Woolworths, Aristocrat, AGL, IAG< Transurban, Macquarie Group & Wesfarmers
Asset Backing: **(5.7%)**	▪ Pre-Deferred Tax Asset Backing decreased to $4.79



2018 OUTCOMES
EARNINGS & ASSET BACKING

A long term perspective

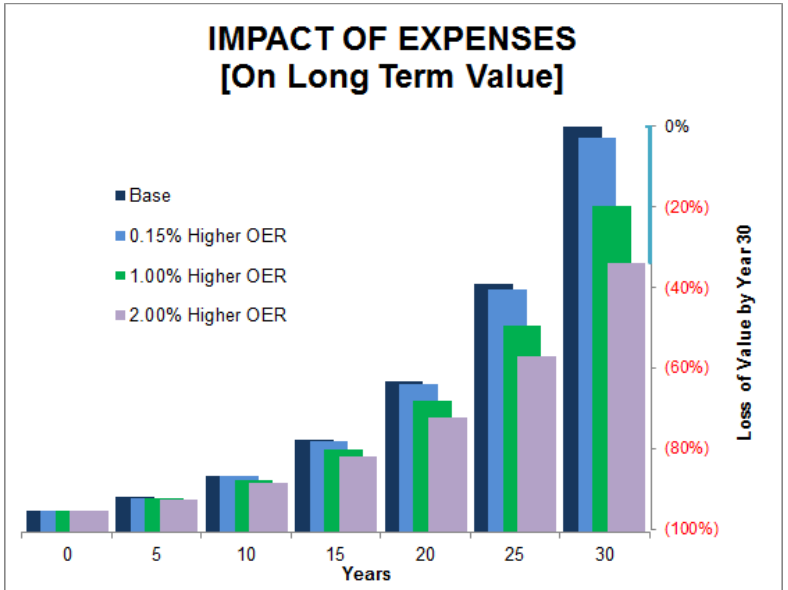
1970 - Present	▪ Underlying earnings have underpinned the consequent growth in asset backing over time



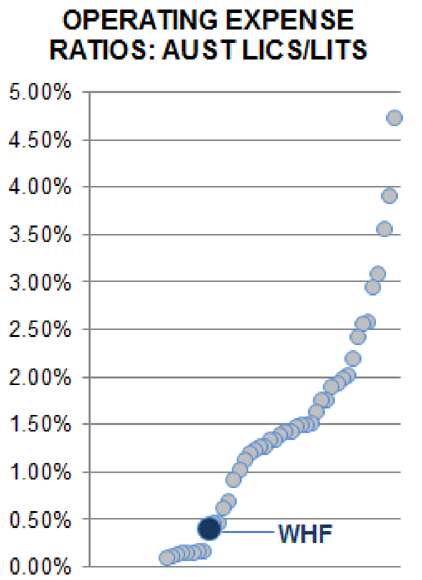
WHITEFIELD

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 0.40% in 2018. ▪ 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 a proportionately lesser impact on outcome, and where well utilised may assist in the delivery of returns and service.



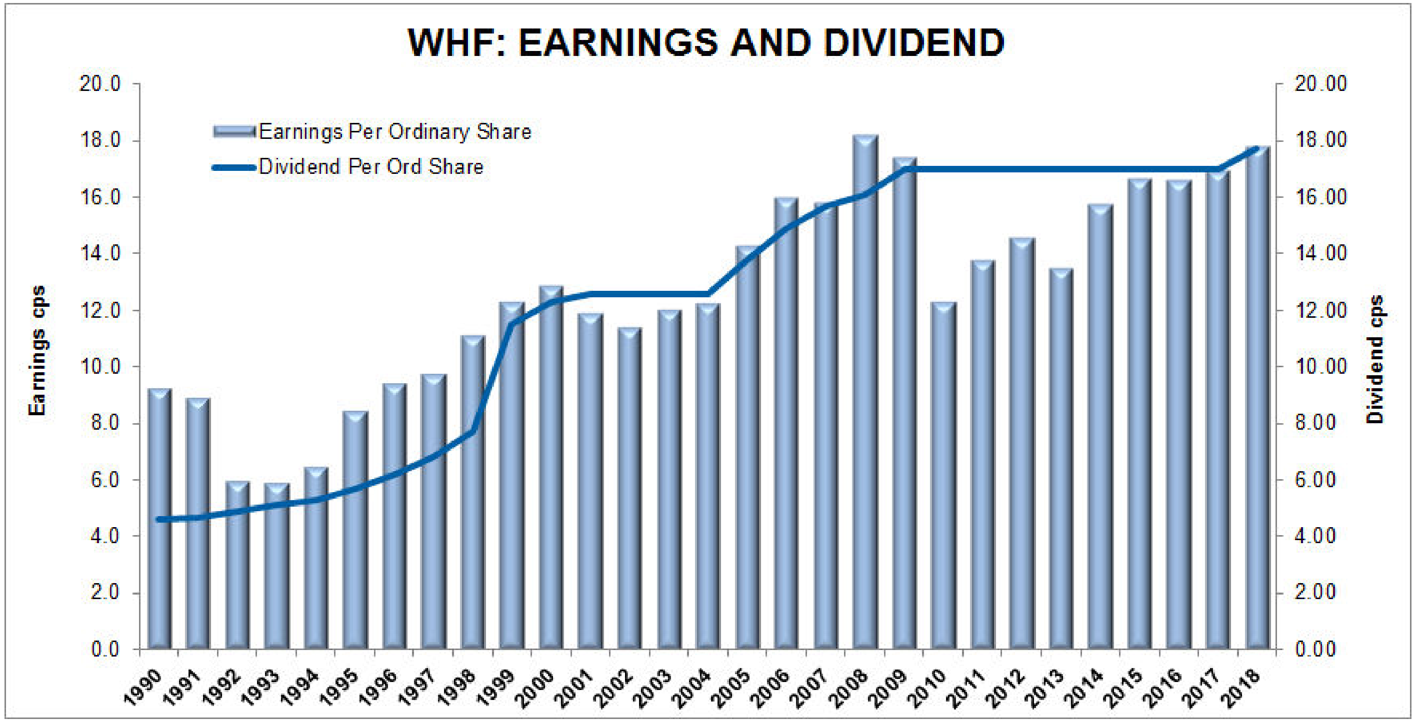
Indicative values assume an investment return of 10.5%pa before allowing for management expenses and associated tax benefits, and assume all net income is reinvested.



Source: Bell Potter

2018 OUTCOMES
DIVIDENDS

WHF declared / paid fully franked dividends of 17.75 cents per ordinary share for 2018.	
Ordinary Dividends & EPS	▪ WHF increased its dividend from 8.5cps per half year to 8.75 cps (HY) and 9.00 cps (at the full year). ▪ This represents the company's 28th consecutive year of maintaining or increasing its dividend
WHFPB	▪ WHFPB Preference dividends continued to receive their $3.50 half year dividend



RECENT OUTCOMES
INVESTMENT RETURNS

Reliable outcomes over many decades

Long Term	▪ In line with our objective, Whitefield's investment portfolio has delivered returns similar or better than its benchmark index over an extended period
2018	▪ 2018 was a soft year of outright return for the market ▪ Whitefield outperformed its benchmark over both the 1 and 5 year periods ▪ Volatility of outcome relative to benchmark has been tightly controlled over a 5 year period that has been problematic for many other fund managers

WHITEFIELD RETURNS To 31 Mar 2018	2018	2017	2016	2015	2014	35 Year pa
Portfolio Return Before Tax						
WHF Portfolio	**(0.23%)**	**16.33%**	**(6.75%)**	**21.17%**	**17.68%**	**12.92%**
WHF Benchmark Index [S&P/ASX200 Industrials since 2003, S&P/ASX200 prior]	(0.39%)	17.45%	(6.77%)	21.02%	15.53%	11.82%
S&P/ASX 200 Industrials	(0.39%)	17.45%	(6.77%)	21.02%	15.53%	13.03%
S&P/ASX200	2.54%	20.49%	(9.59%)	14.13%	13.46%	11.74%
Share Price, Asset Backing & Dividend Returns (After Company Tax, Before Franking Credits)						
WHF Share Price [& Divs]	6.67%	9.17%	(6.94%)	18.21%	22.97%	14.10%
WHF Pre-Deferred Tax Asset Backing [& Divs]	(1.88%)	16.30%	(8.80%)	22.35%	22.35%	12.34%

WHF Returns v Benchmark Index: Ahead or similar in 4 of last 5 years and over long term

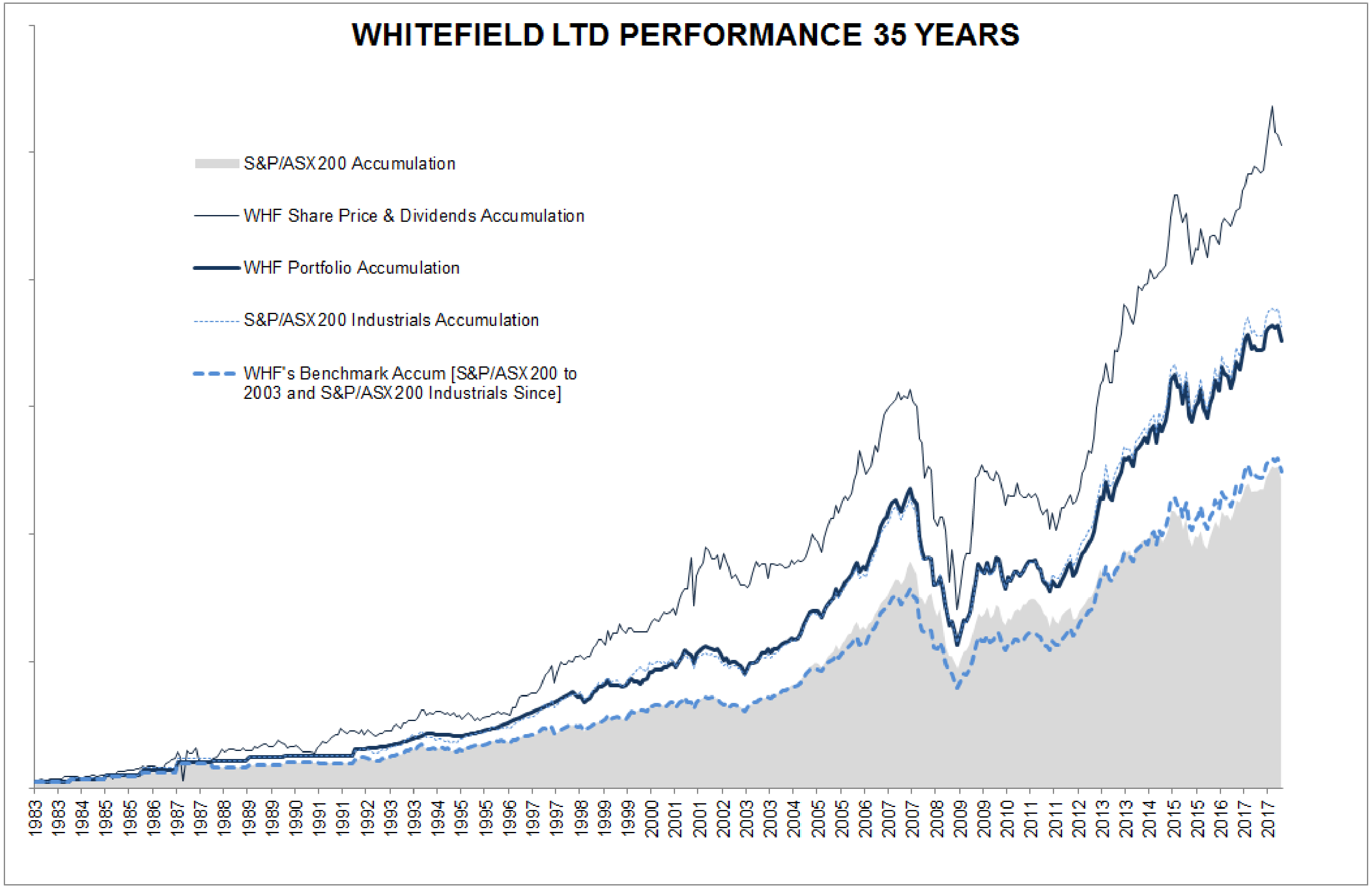
Outright Returns: A softer year for the market

Industrials Tilt: Industrial returns ahead of broad ASX200 over medium & long term

Benefit of Investing in LICs at a Discount: Investors in LICs have benefited from the narrowing of discounts since 1980/90's

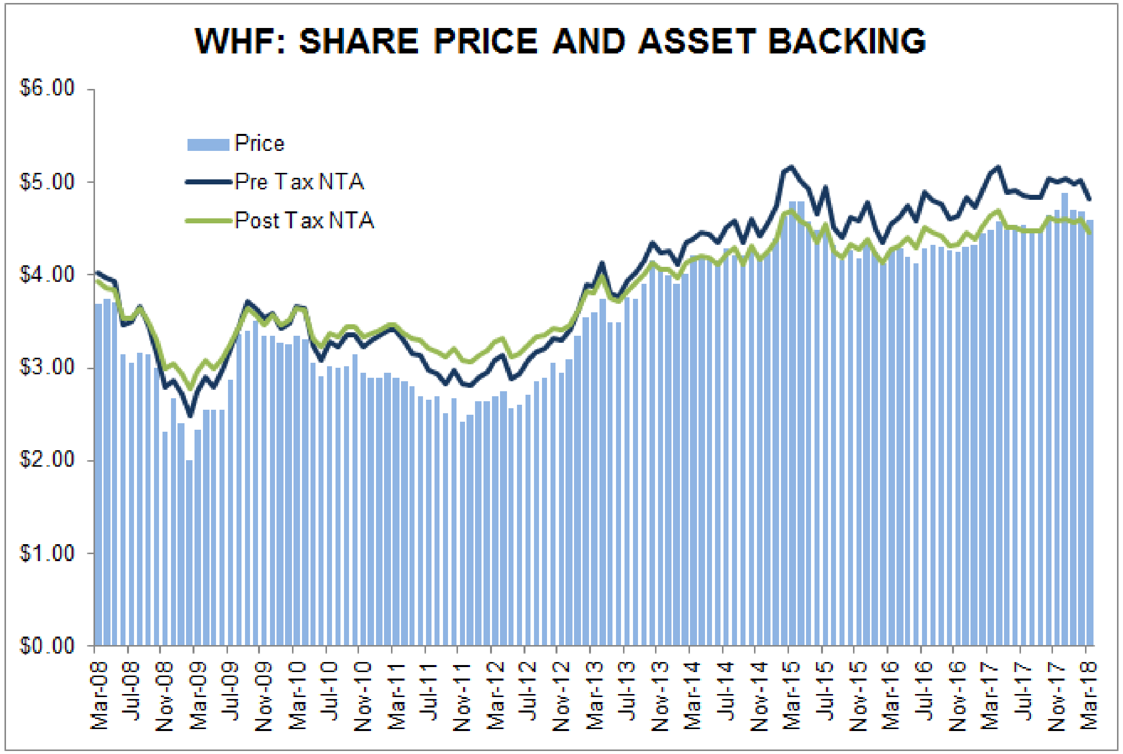
WHITEFIELD

RECENT OUTCOMES
INVESTMENT RETURNS



PRICE AND NTA

As at 31 Mar 2018	
Asset Backing	▪ Pre Deferred Tax $4.79 ; Post-Deferred Tax $4.46
Commentary	▪ Share price increasingly trading between pre-deferred tax and post-deferred tax asset backing ▪ Recent and expected growth in dividend likely to be contributing positively



CONVERTIBLE RESETTABLE PREFERENCE SHARES

Initial Reset Date 30 November 2018	
What Occurs:	▪ Company may: a. Reset the CRPS for a further term at a new dividend rate and conversion discount b. OR Convert each \$100 CRPS into \$100-\$103.50 of Ordinary Shares c. OR Redeem CRPS for \$100 each ▪ If a Reset is offered, CRPS holders may either: i. Continue to hold the CRPS for the additional term and receive six monthly dividends at the revised rate ii. OR Convert some or all of their CRPS at the rate of \$100-\$103.50 of Ordinary Shares for each \$100 CRPS
When will documents be issued?	▪ The Company expects to issue documents advising CRPS holders of their options by mid September 2018

CONCLUSION

A solid year of earnings growth for WHF in 2018. Macro-economic conditions likely to dominate into 2019.	
The Year in Review	▪ 2017/18 saw moderate growth in earnings across the majority of Whitefield's portfolio ▪ 28th consecutive year of increasing or maintaining WHF's ordinary dividend ▪ Market value growth in general industrial sectors was offset by the more subdued sentiment surrounding financial, telecommunications and building materials sectors
2019 **A period of change**	▪ Rising interest rates will have a large influence on markets and investors, potentially affecting asset valuations, while ultimately increasing retirement incomes and retiree spending. ▪ A softening in house prices is a necessary adjustment to improve affordability and cater for higher interest rates. A more material fall in prices would be problematic. ▪ Politically-driven uncertainty is likely, with international trade disputes and an Australian federal election looming
Dividend Outlook	▪ The combination of underlying earnings growth, the average level of capital gains realised in the ordinary course of investment and the upcoming reset date for the company's convertible resettable preference shares provide support for Whitefield to continue to increase its ordinary dividend across the next year (subject to there being no materially adverse change in investment markets). ▪ All dividends are expected to be fully franked