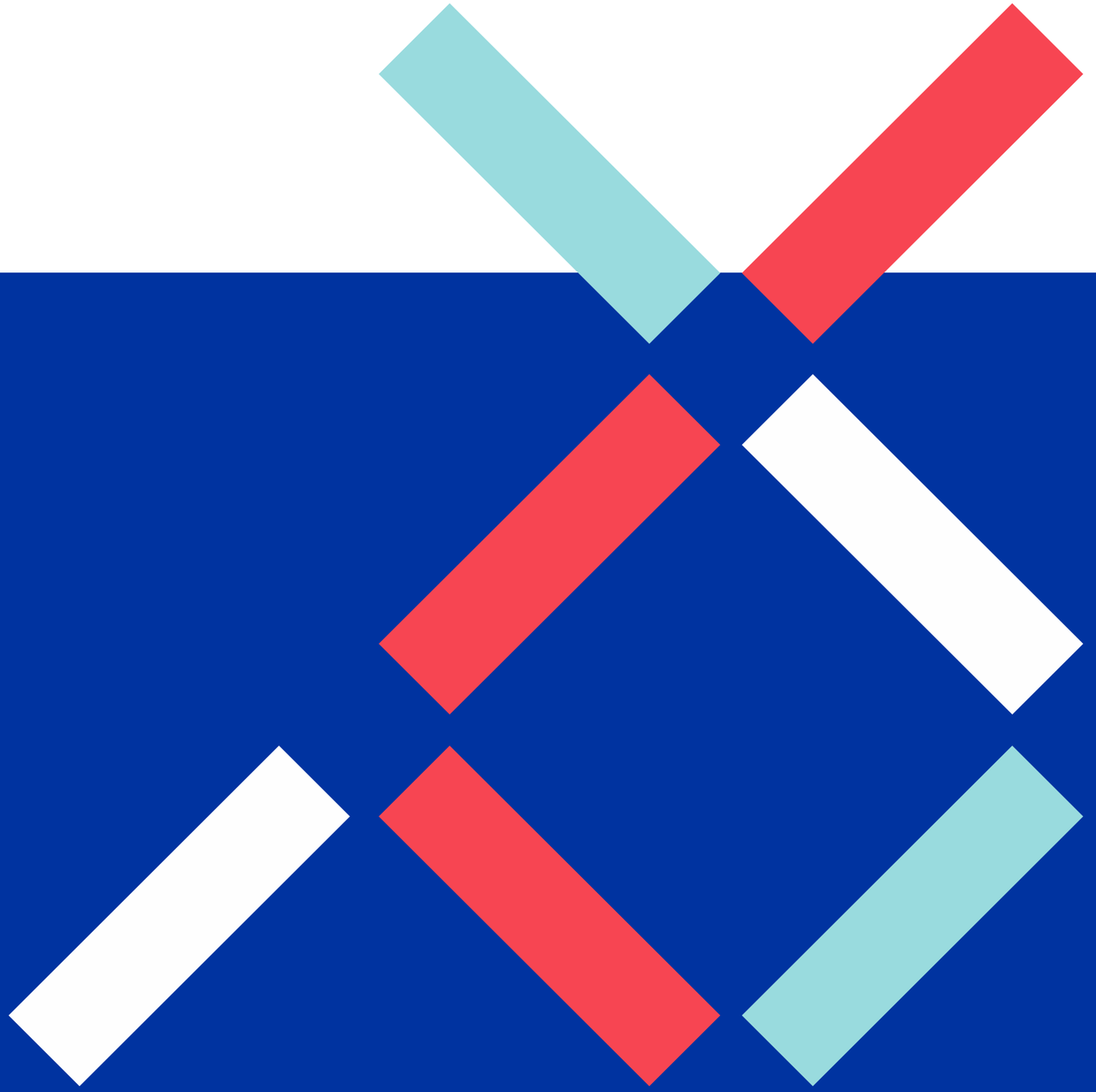
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WHITEFIELD

UPDATE
HY Sep 2021

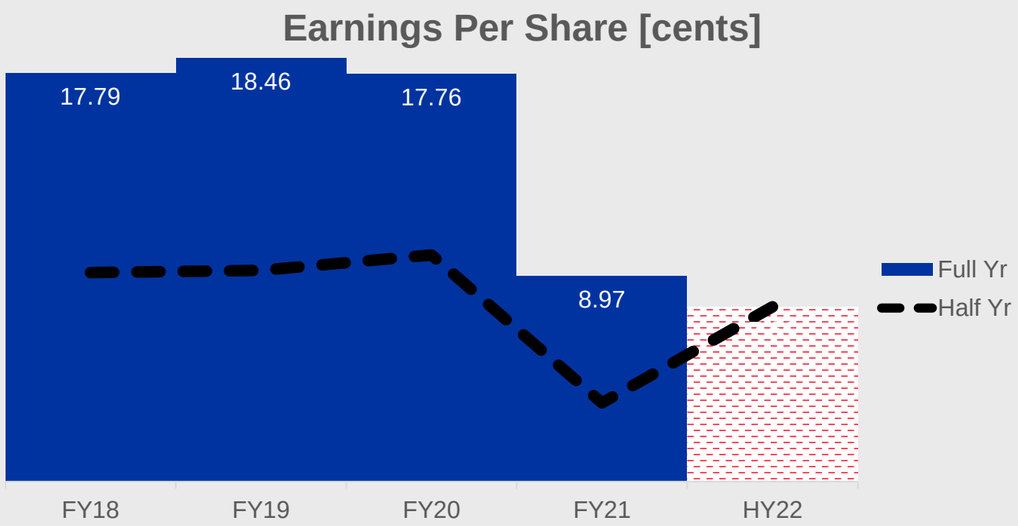
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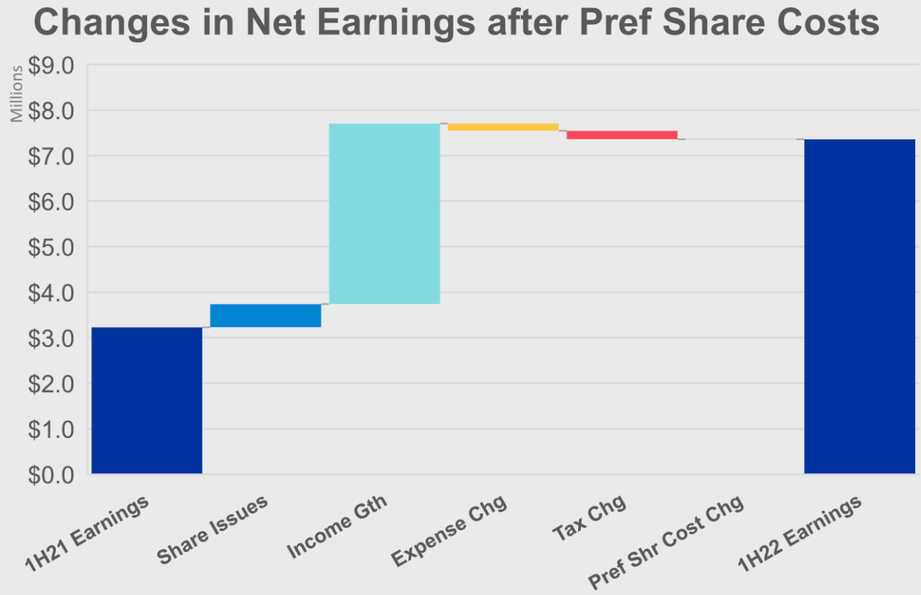




Angus Gluskie
Chairman

_HY Sep 2021: Earnings





_EPS +122%

- Earnings growth driven by dividend restarts and increases across the majority of the portfolio
- Fletcher Bldg, Seek, Ramsay, Scentre, CBA, Suncorp, Super Retail were examples
- Costs and tax increased at a slower rate than revenue growth

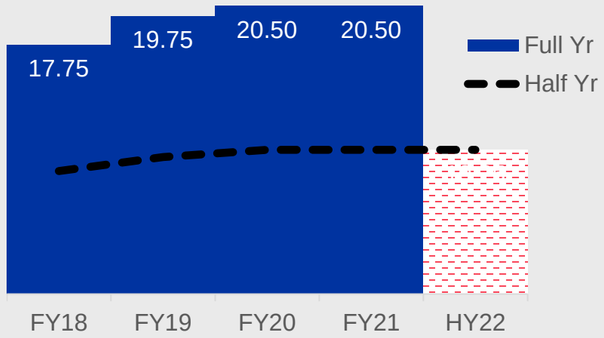
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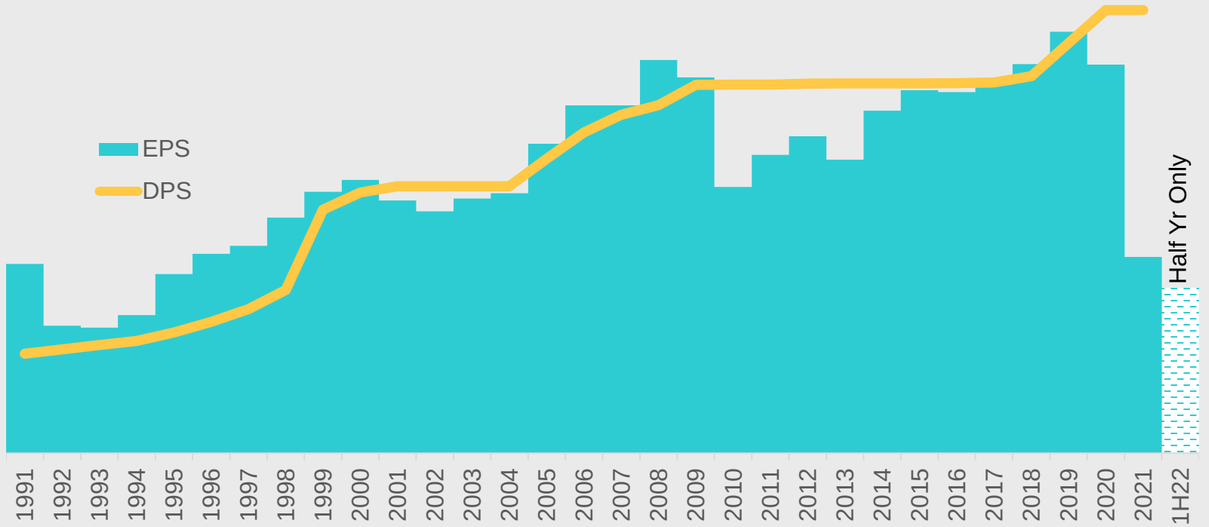
Angus Gluskie
Chairman

_HY Sep 21: Dividends

Dividends Per ORD Share



Long Term Earnings & Dividends Per Share



_Interim Dividends

WHF Ordinary : 10.25 cents Dec 21

WHFPB: 201.25 cents Dec 21

- All fully franked at 30%
- 10% attributable to LIC Disc Gains

_Whitefield expects to maintain its WHF ordinary dividend at the 10.25 cent level for the subsequent Jun 22 dividend payment

Regular dividends have been maintained or increased in every year since the introduction of the franking system in the 1980s

WHF has been able to maintain its own dividend across the three prior market earnings downturns in 1992, 2001 and 2009.

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Chairman

_WHFPB: Reset Nov 2021

_Outcome of latest Reset

WHFPB holders were provided with options to retain security for a new term, redeem or convert

- $1.7m will convert
- $5.8m will redeem
- $25.3m ongoing at 3.75% gross yield from 1 Dec 2021 to next reset 30 Nov 2024

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Chairman

_2022 Outlook

Recovery driven earnings encouraging

Large majority of sectors will receive an underlying activity and earnings benefit from a widespread reopening and government fast tracking of development activity, subject to some earnings reversal for COVID stay-at-home beneficiaries.

An abnormal number of moving parts are likely to produce a higher disparity of opinion across the market

Supply disruption, carbon reduction and sustainability costs and the adoption of price strategies to improve margins are creating inflationary expectations. The extent and persistence are uncertain.

After a multi-decade one-directional decline in interest rates, the profile of a now rising interest rate curve can not easily be predicted by central banks or investors.

Asset class valuation responses by investors and corporate decision making responses to those higher rates are the subject of much debate.

COVID uncertainty remains, with the focus now moving to the pandemic's persistence and its economically disruptive influence.

A continued recovery in business earnings as economies reopen more fully across latter 21 and into 22 is welcome, however a large number of external influences will continue to create uncertainty

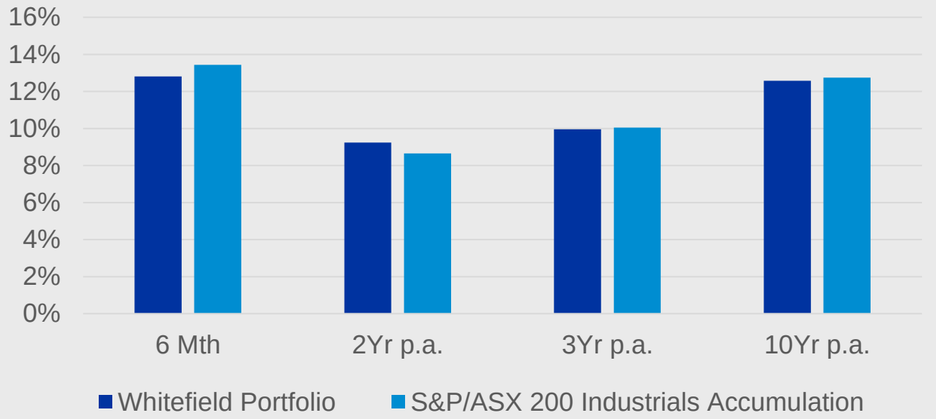
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Will Seddon
Director

_HY Sep 2021: Investment Performance

- Strong market performance continued in the six months to Sep 2021, driven by ongoing economic re-opening, supported by strong earnings growth for many companies.
- Industrial shares outperformed the broad market which was restrained by a large fall in iron ore prices as the Chinese economy and construction sector slowed and the central government took actions to reduce pollution.
- WHF's portfolio delivered returns of 12.8% and 31.8% over the half and full year to Sep 2021 respectively.
- Looking at the 6 months in isolation the broad industrials index benefitted slightly more than the Whitefield portfolio from corporate activity and stocks benefitting from recovery surprise.
- Over the 2 year period that captures both the COVID market collapse and market recovery WHF's portfolio returned 9.2% compared to the ASX200 Industrials Accumulation Index of 8.7%.



Returns to 30 Sep 2021	6 Mth	2 Yr pa	3 Yr pa	10 Yr pa
Before Tax Returns				
Whitefield Portfolio	**12.81%**	**9.23%**	**9.95%**	**12.57%**
S&P/ASX 200 Industrials Accumulation	13.44%	8.66%	10.04%	12.74%
Outperformance	**(0.63%)**	**0.57%**	**(0.09%)**	**(0.16%)**
After Company Tax Returns				
WHF Pre-Deferred Tax NTA (inc dividends)	12.76%	7.91%	8.83%	12.06%
WHF Post-Deferred Tax NTA (inc dividends)	12.07%	7.79%	8.40%	10.00%
WHF Share Price (inc dividends)	8.27%	10.87%	10.80%	13.35%

_Notes
Performance for periods greater than 1 year shown as annualised equivalent.
Portfolio performance is before leverage, expenses and company tax.
Share price and asset backing returns are after leverage, expenses and company tax paid (and after tax provided in the case of Post-Deferred Tax NTA), but before taking account of franking credits.

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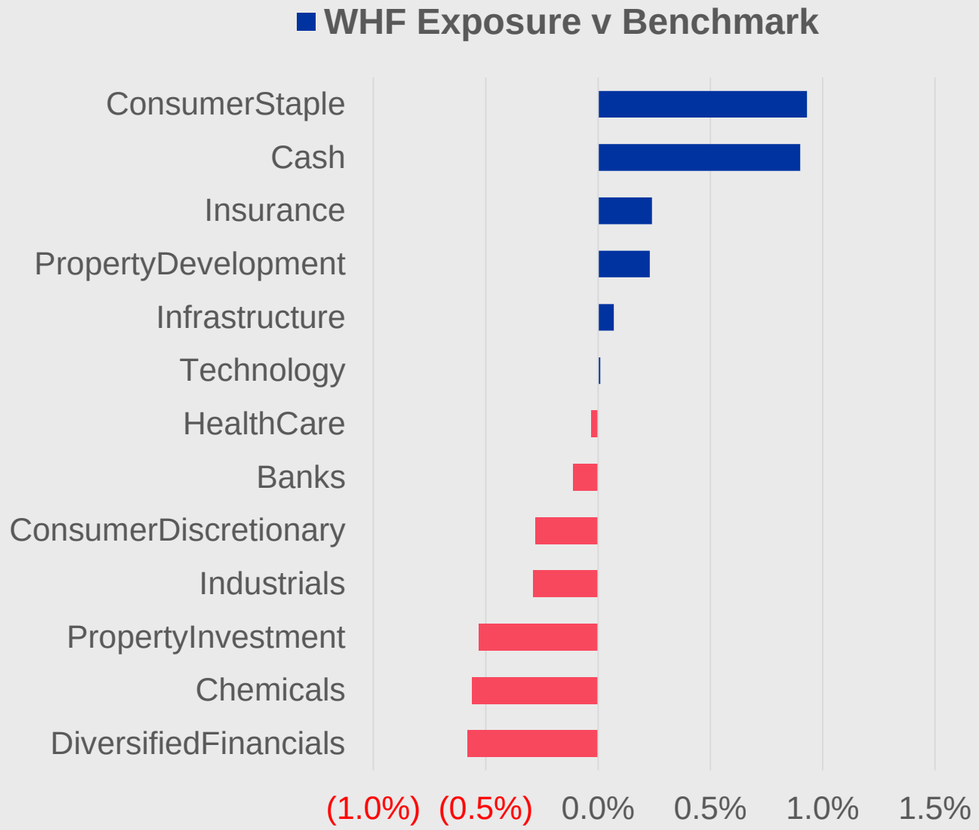


Will Seddon
Director

_HY Sep 2021: Exposures & Transactions

_Changes to exposures

- Specific investment actions:
  - i) Banks – reduction in a prior overweight to CBA
  - ii) Healthcare – investing in COH and down-weighting HLS and SHL
  - iii) Insurance – reducing health, increasing general insurance
  - iv) Technology – increased NXT, MP1, Z1P
- Positioning for the latter stages of the COVID-19 pandemic – increased mobility to drive increased demand for services, possibly at the expense of goods; tempered by risks from shortages/cost inflation and recovery extrapolation in market values.
- Reduced exposure to some over-weights in construction materials and funds management as their respective cycles mature.
- Portfolio emissions intensity approximately 40% below that of the ASX200.



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Director

_Current Themes: complexity and speed of change driving opportunities

_Complex backdrop

Many external factors and structural changes influencing economies and markets:

a) COVID re-opening – rising demand v supply disruptions, inflation and rising interest rates

b) Large volume of M&A activities

c) ESG influences and climate change action

d) Geopolitical uncertainty

e) Chinese economic and construction slow-down

f) Ongoing threats to some industries from disruptive new technologies

g) High valuations across the market

It will be of particular importance for portfolios to correctly identify and respond to emerging change.

Whitefield's systematic approach to the measurement and assessment of stocks seeks to do this efficiently across a wide breadth of stocks.

_Portfolio positioned for emerging opportunities

Asset Owners

Growing valuation risk through higher interest rates.

Adding to retail property and transport infrastructure; while generally underweight this market segment.

Consumer

Increased mobility, cycling stay-at-home benefits, growing supply and cost issues are likely to favour services over goods.

Adding to travel oriented businesses while reducing over-weights to household goods.

Financials

Rising interest rates may challenge valuation sensitive businesses, while benefitting bank margins early in a period of rate rise normalisation.

Industry

Construction materials strong and likely to receive an extended benefit from current and ongoing construction in residential and infrastructure.

Emerging value in some Tech names after a softer year of share price performance.

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Director

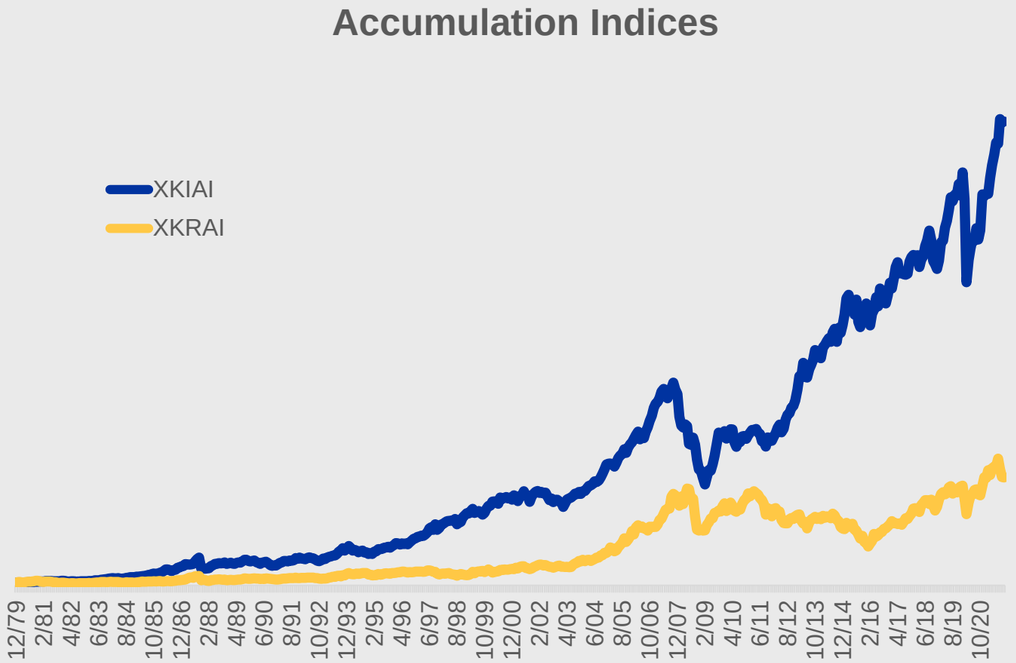
_Current Themes: industrial shares provide stability in an uncertain world

_Overweight our domestic strengths

- Australian demographics and economic development continue to support an increasingly affluent population and vibrant domestic economy
- Australia's economic dynamism and innovation continues which another quarter in which new growth stories joined the index, e.g. Tyro Payments; Pinnacle Investment Management

_Underweight key threats facing the world

- China's transition to lower steel intensity along with current animosity towards Australia both threaten the resource segment
- Global acceptance of the need to act on climate change can no longer be ignored, and this is influencing investment in heavily polluting industries which include the mining sector



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_Important Information

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