



WHITEFIELD QUARTERLY REPORT

NOVEMBER 2016

PERFORMANCE SUMMARY

At 30 September 2016

	Last Quarter %	One Year %	Three Years % ***	Five Years %***
Before Tax Returns				
Total Portfolio	3.744%	12.581%	9.193%	15.962%
Benchmark*	3.768%	12.140%	8.716%	15.909%
After Tax Returns				
Net Asset Backing (pre deferred tax)** ¹	3.806%	12.422%	8.791%	16.092%
Net Asset Backing (post deferred tax)** ²	3.173%	10.310%	7.754%	12.247%
Share Price	4.116%	7.861%	7.423%	16.828%

* ASX 200 All Industrials (XJIAI) ** Including Dividends *** Annualised

- Investment returns based on net asset backing (pre-tax) represent the investment return prior to any provision for deferred tax benefits or liabilities, but are after the payment of current tax at company rates on income and on realised capital gains.
- Investment returns based on net asset backing (post-tax) represent investment returns after provisions for deferred tax liabilities and benefits, including a provision for capital gains tax should the company's investments be realised in entirety.

FINANCIAL OUTCOMES

	6 Months to 30 Sep 16	6 Months to 30 Sep 15	% Change
Investment Revenue	\$9,768,795	\$9,289,778	5.2%
Profit Before Tax & Realised Gains	\$7,523,376	\$7,044,177	6.8%
Income Tax Benefit/(Expense)	(\$497,098)	(\$463,816)	7.2%
Profit After Tax before Realised Gains	\$7,026,278	\$6,580,361	6.8%
Earnings before Realised Gains Per Share	8.6cps	8.3cps	2.9%

Note: Revenue, profit and earnings shown here represent underlying earnings and accordingly exclude demerger dividends.

RESULTS COMMENTARY

Whitefield reports an Operating Profit after tax of \$7,026,278 for the six months to September 2016 an increase of 6.8% over the equivalent period in the prior year. After allowing for increases in share capital over the year, earnings per ordinary share were 8.6 cents an increase of 2.9%.

Moderately strong dividend and distribution growth was seen across the majority of the portfolio with larger increases from Crown Resorts, Treasury Wine, Harvey Norman, Aristocrat, Star Entertainment group, Boral, Macquarie Group, Sydney Airport, Cochlear, JB Hi-Fi and Ramsay Health Care. However some cuts to dividends were also evident in the half-year from stocks including Woolworths, Orica, James Hardie, IAG, Wesfarmers and ANZ Bank.

During the six months the company's investment portfolio generated a return of 7.05%, modestly ahead of the ASX200 Industrials Accumulation return of 6.68%. Whitefield's returns remain ahead of this benchmark over 1, 3 and 5 year periods as shown in the table above.

Strongest performing holdings for the half year included Aristocrat, Fletcher Building, Cochlear, Ramsay Health Care, Macquarie Group, JB Hi-Fi, Challenger, Aurizon, ANZ Bank and Sonic Healthcare.

NET TANGIBLE ASSETS

At 30 September 2016

NTA (post-tax & preference shares)	\$369.9 million
Ordinary Shares on Issue	83,600,924
8% Cumulative Pref. Shares (Face Value)	\$23,790
Convertible Resetable Prefs. (Face Value)	\$40,000,000
NTA per share (pre-tax)	\$4.76
NTA per share (post-tax)	\$4.43
Share Price	\$4.30
(Discount)/Premium to NTA (pre-tax)	(9.66%)
(Discount)/Premium to NTA (post-tax)	(2.93%)

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER*

At 30 September 2016

	Portfolio Weight	Contribution
ANZ Banking Group Limited	6.01%	0.759%
National Australia Bank Limited	5.49%	0.470%
Wesfarmers Limited	3.74%	0.419%
Fletcher Building Limited	0.99%	0.210%
JB Hi-Fi Limited	1.09%	0.204%

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER*

At 30 September 2016

	Portfolio Weight	Contribution
TPG Telecom Limited	0.54%	(0.212%)
Telstra Corporation Limited	4.71%	(0.183%)
CIMIC Group Limited	0.70%	(0.169%)
CSL Limited	3.87%	(0.140%)
Transurban Group	1.81%	(0.105%)

*Contribution = weighted contribution to investment performance

SECTOR BREAKDOWN

At 30 September 2016

	Excluding Cash	Including Cash
Commercial Banks	29.06%	28.65%
Health Care	10.73%	10.57%
Consumer Discretionary	11.17%	11.01%
Financials Excluding Banks	8.75%	8.63%
Industrials	7.68%	7.57%
Consumer Staple	7.41%	7.30%
Property	7.08%	6.98%
Materials	6.85%	6.75%
Telecommunication Services	6.05%	5.96%
Utilities	3.63%	3.58%
Information Technology	1.59%	1.57%
Cash & Cash Equivalents		1.43%

CHANGES TO INVESTMENT EXPOSURES

Adjustments to portfolio exposures during the quarter included:

- Increasing exposure to CSR, Orica, Computershare, Ansell, QBE and Suncorp
- Decreasing exposure to Shopping Centres of Aust, Westfield and Aurizon

DIVIDENDS

Whitefield has declared the following half year dividends:

- 8.5 cents per Ordinary Share
- 350 cents per Convertible Resettable Preference Share [CRPS]
- 4.0 cents per 8% Preference Share

All dividends shall be fully franked, and are payable on 12th December 2016 with a record date of 25th November 2016.

OUTLOOK

The last quarter has seen the emergence of some subtle changes in economic fundamentals. Most notably there has been a global shift away from the belief in ultra-low interest rate policies, with central banks and market participants increasingly highlighting the dangers of such a stance. This change in thinking has been accompanied by a sharp spike in bond yields which some forecasters view as an important turning point after 3 decades of broadly falling interest rates.

The recent US Presidential election has provided further impetus to this trend, with the President-elect's policies espousing more vigorous public spending.

Within the Australian economy export industries are continuing to benefit from the level of the Australian dollar, infrastructure development is strong and is likely to remain so for some time, while housing construction remains at exceptionally high levels. Retail sales however have only been mildly positive – consistent with a small level of employment growth and some areas of price deflation. The area of most significant prior weakness – the resources sector – has benefitted from a material turnaround in some commodity prices particularly in coal.

On the international front, Chinese economic data has strengthened and European growth has continued to move favourably. US employment, manufacturing activity and corporate earnings all appear to be developing in a positive direction. In aggregate these conditions are developing in a broadly favourably manner, however pockets of risk remain. There is uncertainty as to the impact of the British exit from the Eurozone, investors remain nervous each time the US Federal reserve considers raising interest rates and financial stability issues (such as the concerns with Deutsche Bank and Chinese non-Government debt) are periodically confronting investment markets.

In this environment our central case expectation is for the Australian economy to show a moderate level of growth across the upcoming year and for this to be reflected in a modest level of earnings and distribution expansion for the majority of listed companies. While global and Australian bond rates would be expected to move upwards in this situation, investors and economies have some ability to digest the impact of rising rates while such increases remain slow and gradual.

We look forward to reporting to shareholders on our investment outcomes as we progress further into the second half of our financial year.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



WHITEFIELD QUARTERLY REPORT

QUARTER ENDED 30 SEPTEMBER 2016

TOP 20 HOLDINGS

At 30 September 2016

	%	Value \$'000
Commonwealth Bank Of Australia	9.22%	40,333
Westpac Banking Corporation	7.31%	31,993
ANZ Banking Group Limited	6.01%	26,300
National Australia Bank Limited	5.49%	23,994
Telstra Corporation Limited	4.71%	20,612
CSL Limited	3.87%	16,926
Wesfarmers Limited	3.74%	16,341
Transurban Group	1.81%	7,909
Brambles Limited	1.73%	7,563
Ramsay Health Care Limited	1.72%	7,513
Amcor Limited	1.70%	7,425
Macquarie Group Limited	1.49%	6,503
Aristocrat Leisure Limited	1.45%	6,331
Woolworths Limited	1.44%	6,318
AGL Energy Limited	1.43%	6,249
Sydney Airport	1.31%	5,742
Harvey Norman Holdings Limited	1.27%	5,557
ResMed Inc	1.20%	5,257
AMP Limited	1.17%	5,135
JB Hi-Fi Limited	1.09%	4,757
Cash & Cash Equivalents	1.43%	6,250