



WHITEFIELD QUARTERLY REPORT

FEBRUARY 2014

PERFORMANCE SUMMARY

At 31 December 2013

	Last Quarter %	One Year %	Three Years % ***	Ten Years %***
Before Tax Returns				
Total Portfolio	4.489%	29.031	14.852	9.049%
Benchmark*	3.812%	26.831	16.130	9.703%
After Tax Returns				
Net Asset Backing (pre deferred tax)** ¹	4.717%	30.684	14.673	7.477%
Net Asset Backing (post deferred tax)** ²	3.639%	22.191	11.773	7.691%
Share Price	4.449%	35.395	17.792	7.716%

* 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

	9 Months to 31 Dec 13	9 Months to 31 Dec 12	% Change
Investment Revenue	\$11,789,019	\$9,604,303	22.7%
Profit Before Tax & Realised Gains	\$8,769,047	\$8,027,693	9.2%
Income Tax Benefit/(Expense)	(\$561,850)	(\$321,562)	74.7%
Profit After Tax before Realised Gains	\$8,207,197	\$7,706,131	6.5%
Earnings before Realised Gains Per Share	10.8cps	10.2cps	6.1%

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

RESULTS COMMENTARY

Whitefield is pleased to report a Profit after Tax and before realised gains of \$8,207,197 for the nine months to 31st December 2013. This result equated to growth of 6.1% in Earnings Per Ordinary Share compared to the equivalent quarter in the prior year.

Across the nine month period Whitefield has benefitted from dividend increases paid by a range of the company's investments, most notably Macquarie Group, ANZ Banking Group, Macquarie Atlas Roads, ResMed Inc, Perpetual, Asciano, IAG, Suncorp, CSL, and Dexu Property Group.

The company's portfolio delivered a return of 4.5% for the quarter and 29.0% for the last 12 months, which compares to the return of the S&P/ASX200 Industrials Accumulation of 3.8% for the quarter and 26.8% for the year, as well as the broader market S&P/ASX200 Accumulation return of 3.4% and 20.2% for the same periods.

Strongest performing stocks for the last quarter included Perpetual, Orica, Fairfax Media, Macquarie Group, News Corporation, Computershare, Challenger, Macquarie Atlas and Amcor.

NET TANGIBLE ASSETS

At 31 December 2013

NTA (post-tax & preference shares)	\$309.2 million
Ordinary Shares on Issue	76,196,891
8% Cumulative Pref. Shares (Face Value)	\$23,790
Convertible Resetable Prefs. (Face Value)	\$40,000,000
NTA per share (pre-tax)	\$4.26
NTA per share (post-tax)	\$4.06
Share Price	\$4.00
(Discount)/Premium to NTA (pre-tax)	(6.10%)
(Discount)/Premium to NTA (post-tax)	(1.48%)

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER*

At 31 December 2013

	Portfolio Weight	Contribution
Commonwealth Bank of Australia	11.04%	0.948%
Macquarie Group Limited	5.04%	0.882%
ANZ Banking Group Limited	7.78%	0.589%
Computershare Limited	2.93%	0.385%
National Australia Bank Limited	7.20%	0.331%

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER*

At 31 December 2013

	Portfolio Weight	Contribution
QBE Insurance Group Limited	1.95%	(0.602%)
Woolworths Limited	3.72%	(0.132%)
Leighton Holdings Limited	0.47%	(0.095%)
Westfield Group	0.98%	(0.091%)
AMP Limited	1.66%	(0.091%)

*Contribution = weighted contribution to investment performance

SECTOR BREAKDOWN

At 31 December 2013

	Excluding Cash	Including Cash
Banks	35.49%	34.87%
Financials Excluding Banks	14.22%	13.98%
Industrials	10.96%	10.78%
Consumer Discretionary	9.49%	9.33%
Consumer Staple	7.95%	7.82%
Telecommunication Services	5.84%	5.74%
Materials	4.49%	4.42%
Health Care	3.79%	3.72%
Property	3.59%	3.53%
Information Technology	3.22%	3.17%
Utilities	0.96%	0.94%
Cash		1.70%

CHANGES TO INVESTMENT EXPOSURES

The more material changes to investment holdings undertaken by Whitefield during the last quarter involved:

- Slight decreases in exposure to Asciano and AMP

OUTLOOK

At this time we consider that underlying economic activity in Australia is likely to develop favourably across 2014, with the majority of the drivers of consumer and business activity moving in a positive direction.

Australian consumers are beneficiaries of current low interest costs, firmer housing prices, a moderate level of employment growth and financial asset values which have now improved across a succession of years.

From a business perspective, residential housing levels are growing, financial markets activity is now well into a cyclical upswing, a falling Australian dollar is improving the competitiveness of export industries, and the improving economic outlook in Europe, some parts of Asia and the USA has the potential to benefit Australian exporters as well as Australian companies with foreign operations.

Notwithstanding these favourable elements, some negative influences remain.

Activity in the mining and associated services sectors will remain lower than in earlier years. The offshoring of administration services to low cost geographies is likely to continue to constrain the rate of employment growth. Some industries and corporations rendered uncommercial by the previously high Australian dollar may continue to reduce or close their Australian operations. An Australian Government under pressure to reduce its operating deficit will continue to trim expenditures.

In the near term, investment markets and commentators have shown growing concern as to the outlook for China, and more specifically to the credit worthiness and resilience of Chinese financial institutions. There is some potential for this risk to develop, and we will continue to monitor this threat.

At this time, we consider that collectively these less favourable influences are likely to moderate the pace of, but not derail, the generally positive direction of the Australian economy.

The Australian market is more fully valued than 12 months ago, but is far from being over-priced. Accordingly, equity outcomes across the next year are more likely to be determined by the relative improvement or deterioration in the outlook for specific stocks and sectors than by a market-wide appreciation in value.

In this environment, we continue to favour exposure to companies likely to benefit from rising financial markets activity, a falling Australian dollar and strengthening global economic activity.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



WHITEFIELD QUARTERLY REPORT

TOP 20 HOLDINGS

At 31 December 2013

	%	Value \$'000
Commonwealth Bank Of Australia	11.04%	40,176
Westpac Banking Corporation	8.85%	32,194
ANZ Banking Group Limited	7.78%	28,318
National Australia Bank Limited	7.20%	26,210
Telstra Corporation Limited	5.74%	20,905
Macquarie Group Limited	5.04%	18,340
Wesfarmers Limited	3.86%	14,037
Woolworths Limited	3.72%	13,528
Computershare Limited	2.93%	10,680
Brambles Limited	2.65%	9,657
Crown Limited	2.63%	9,574
CSL Limited	2.18%	7,937
QBE Insurance Group Limited	1.95%	7,083
Twenty-First Century FOX Class A NV	1.83%	6,665
Seven Group Holdings Limited	1.67%	6,094
AMP Limited	1.66%	6,048
Amcor Limited	1.63%	5,917
InvoCare Limited	1.55%	5,639
Suncorp Limited	1.48%	5,400
Asciano Limited	1.27%	4,605
Cash & Cash Equivalents	1.70%	6,199