



WHITEFIELD QUARTERLY REPORT

NOVEMBER 2014

PERFORMANCE SUMMARY

At 30 September 2014

	Last Quarter %	One Year %	Three Years % ***	Ten Years %***
Before Tax Returns				
Total Portfolio	0.120%	9.082%	20.665%	8.329%
Benchmark*	(0.153%)	8.018%	20.708%	8.667%
After Tax Returns				
Net Asset Backing (pre deferred tax)** ¹	(0.230%)	8.734%	21.208%	6.781%
Net Asset Backing (post deferred tax)** ²	0.000%	7.316%	15.189%	7.118%
Share Price	1.442%	12.451%	25.449%	8.365%

* 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 14	6 Months to 30 Sep 13	% Change
Investment Revenue	\$8,614,600	\$7,905,002	9.0%
Profit Before Tax	\$6,475,255	\$5,955,100	8.7%
Income Tax Benefit/(Expense)	(\$250,902)	(\$302,731)	(17.1%)
Profit After Tax	\$6,224,353	\$5,652,369	10.1%
Earnings Per Share	8.2cps	7.4cps	9.8%

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

RESULTS COMMENTARY

Whitefield recorded a Profit after Tax of \$6,224,353 for the half year to 30th September 2014. This result equated to growth of 9.8% in Earnings per Ordinary Share compared to the equivalent six months in the prior financial year.

Profit growth in this period was particularly pleasing and was driven by increases in dividends from a very high percentage of companies within Whitefield's investment portfolio. Companies generating notable dividend increases included Asciano, Aristocrat, Amcor, ANZ, Boral, Challenger Group, CSL, Fairfax Media, Harvey Norman, JB Hi Fi, Leighton, Macquarie Atlas, Macquarie Group, Perpetual, ResMed and Suncorp.

The company's portfolio delivered a return of 1.35% for the half year and 9.08% for the last 12 months, which compares to the return of the S&P/ASX200 Industrials Accumulation of 1.19% for the half year and 8.02% for the year, as well as the broader market S&P/ASX200 Accumulation return of 0.33% and 5.93% for the same periods.

Strongest performing stocks for the half year included Echo Entertainment, Qantas, David Jones, Cochlear, ResMed, Asciano, Suncorp, Challenger Group, Harvey Norman, IAG, AMP, Goodman Group, Amcor, Aristocrat, Toll and CSL.

NET TANGIBLE ASSETS

At 30 September 2014

NTA (post-tax & preference shares)	\$314.8 million
Ordinary Shares on Issue	76,311,353
8% Cumulative Pref. Shares (Face Value)	\$23,790
Convertible Resetable Prefs. (Face Value)	\$40,000,000
NTA per share (pre-tax)	\$4.34
NTA per share (post-tax)	\$4.12
Share Price	\$4.22
(Discount)/Premium to NTA (pre-tax)	(2.76%)
(Discount)/Premium to NTA (post-tax)	2.43%

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER*

At 30 September 2014

	Portfolio Weight	Contribution
CSL Limited	2.32%	0.249%
Telstra Corporation Limited	5.72%	0.248%
HFA Holdings Limited	0.46%	0.208%
Amcor Limited	1.72%	0.159%
QBE Insurance Group Limited.	1.95%	0.136%

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER*

At 30 September 2014

	Portfolio Weight	Contribution
ANZ Banking Group Limited	7.44%	(0.557%)
Commonwealth Bank of Australia	10.65%	(0.467%)
Westpac Banking Corporation	8.72%	(0.444%)
Macquarie Group Limited	5.21%	(0.176%)
Crown Resorts Limited	2.13%	(0.158%)

*Contribution = weighted contribution to investment performance

SECTOR BREAKDOWN

At 30 September 2014

	Excluding Cash	Including Cash
Banks	34.62%	33.91%
Financials Excluding Banks	16.02%	15.69%
Industrials	9.93%	9.73%
Consumer Discretionary	8.42%	8.25%
Consumer Staple	7.72%	7.57%
Telecommunication Services	5.84%	5.72%
Health Care	4.88%	4.78%
Materials	4.26%	4.18%
Property	4.10%	4.02%
Information Technology	3.16%	3.10%
Utilities	1.03%	1.01%
Cash		2.05%

CHANGES TO INVESTMENT EXPOSURES

Notable changes to investment holdings undertaken by Whitefield during the last quarter involved:

- Reductions in exposure to Myer, HFA, Asciano, Recall, Sydney Airport, Virgin Australia and Orora
- Increases in Henderson Group, Perpetual, Steadfast Group, and ResMed

DIVIDENDS

Whitefield has declared the following half year dividends:

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

All dividends shall be fully franked, and are payable on 12th December 2014 with a record date of 24th November 2014.

NET ASSET BACKING

Net Tangible Asset Backing per Ordinary Share at the 30 September Quarter-End stood at \$4.34 (before deferred tax) and \$4.12 (after deferred tax).

This asset backing had risen to \$4.60 (before deferred tax) and \$4.31 (after deferred tax) at the last reported month-end of 31 October 2014.

OUTLOOK

Consumer conditions in Australia remain mildly positive at this time. Interest rates are low and consumer wealth is rising, driven by a relatively stable investment market and strong house prices. Employment is improving, albeit at a slow rate. These trends have been flowing through into retail spending which has been growing at a modest pace across recent quarters.

The outlook for business activity also appears mildly favourable. Residential and commercial construction work is expanding and financial markets activity continues to rise. Loan growth is accelerating and the falling Australian dollar is increasingly supportive of Australian exports and the competitiveness of Australian produced goods relative to foreign imports.

Against this, capital developments in the mining sector and engineering works remain weak, a reminder of the extreme cyclicity and volatility of capital works as compared to the relative stability of ongoing production.

Global conditions appear mixed. US activity and employment are continuing to grow strongly, and Japanese economic data has been surprising to the upside. The Chinese economy is experiencing lower but positive growth as new capital works decline from the abnormally high levels of capital construction experienced in the 03-12 period. European activity has been poor, driven most notably by the downturn in trade between Russia and Western Europe.

The larger risks confronting markets appear to be contained at the present time. Initiatives to manage the Ebola crisis are showing early signs of success. Geopolitical unrest in the Middle-East continues, however the influence of this unrest on the economic outlook appears limited in the near term. The threat of a more significant Chinese downturn remains, although the latest economic data shows some evidence of stabilisation.

In aggregate we consider macro-economic conditions to be mildly supportive for the majority of companies in which we invest. Coupled with the specific outlook for the holdings within our investment portfolio we expect to see a level of further growth in underlying income emerge across the second half of Whitefield's financial year.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



QUARTER ENDED 30 SEP 2014

TOP 20 HOLDINGS

At 30 September 2014

	%	Value \$'000
Commonwealth Bank Of Australia	10.65%	39,278
Westpac Banking Corporation	8.72%	32,151
ANZ Banking Group Limited	7.44%	27,427
National Australia Bank Limited	6.72%	24,773
Telstra Corporation Limited	5.72%	21,104
Macquarie Group Limited	5.21%	19,214
Woolworths Limited	3.71%	13,684
Wesfarmers Limited	3.64%	13,438
Computershare Limited	3.10%	11,412
Brambles Limited	2.87%	10,580
CSL Limited	2.32%	8,536
Crown Resorts Limited	2.13%	7,841
AMP Limited	2.04%	7,523
QBE Insurance Group	1.95%	7,176
Twenty- First Century Fox Inc Class A	1.79%	6,597
Amcor Limited	1.72%	6,355
Suncorp Group Limited	1.57%	5,787
InvoCare Limited	1.52%	5,598
Seven Group Holdings Limited	1.39%	5,130
ResMed Inc	1.23%	4,527
Cash & Cash Equivalents	2.05%	7,563