



WHITEFIELD QUARTERLY REPORT

AUGUST 2014

PERFORMANCE SUMMARY

At 30 June 2014

	Last Quarter %	One Year %	Three Years % ***	Ten Years %***
Before Tax Returns				
Total Portfolio	1.223%	19.441%	16.388%	8.656%
Benchmark*	1.350%	17.352%	17.371%	9.057%
After Tax Returns				
Net Asset Backing (pre deferred tax)** ¹	0.993%	19.969%	17.156%	7.141%
Net Asset Backing (post deferred tax)** ²	1.059%	15.394%	13.049%	7.415%
Share Price	0.597%	24.192%	21.852%	8.176%

* 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

	3 Months to 30 Jun 14	3 Months to 30 Jun 13	% Change
Investment Revenue	\$3,656,784	\$3,315,998	10.3%
Profit Before Tax & Realised Gains	\$2,575,606	\$2,334,333	10.1%
Income Tax Benefit/(Expense)	(\$62,243)	(\$37,609)	65.5%
Profit After Tax before Realised Gains	\$2,513,362	\$2,296,724	9.4%
Earnings before Realised Gains Per Share	3.3cps	3.0cps	9.1%

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

RESULTS COMMENTARY

Whitefield recorded a Profit after Tax and before realised gains of \$2,513,362 for the three months to 30th June 2014. This result equated to growth of 9.1% in Earnings per Ordinary Share compared to the equivalent quarter in the prior year.

Profit in this period however included some investment distributions received earlier than in prior years. Excluding this influence, underlying earnings growth was approximately 5%.

Dividend increases were generated across almost all investment holdings which declared dividends within the quarter. Strongest increases came from ResMed, Macquarie Group, ANZ Bank, Aristocrat Leisure, Harvey Norman, Goodman Group and Nat Aust Bank.

The company's portfolio delivered a return of 1.22% for the quarter and 19.44% for the last 12 months, which compares to the return of the S&P/ASX200 Industrials Accumulation of 1.35% for the quarter and 17.35% for the year, as well as the broader market S&P/ASX200 Accumulation return of 0.93% and 17.44% for the same periods.

Strongest performing stocks for the last quarter included Echo Entertainment, David Jones, Challenger, ResMed, Qantas, Virgin Aust, Macquarie Atlas, Goodman Group, Asciano, Dexus, Stockland and Westfield Group.

NET TANGIBLE ASSETS

At 30 June 2014

NTA (post-tax & preference shares)	\$314.3 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)	\$4.35
NTA per share (post-tax)	\$4.12
Share Price	\$4.16
(Discount)/Premium to NTA (pre-tax)	(4.37%)
(Discount)/Premium to NTA (post-tax)	0.97%

TOP 5 CONTRIBUTORS TO PERFORMANCE FOR THE QUARTER*

At 30 June 2014

	Portfolio Weight	Contribution
Commonwealth Bank of Australia	11.34%	0.458%
Macquarie Group Limited	5.40%	0.280%
ANZ Banking Group Limited	7.95%	0.255%
Telstra Corporation Limited	5.63%	0.138%
Twenty-First Century Fox Inc.	1.70%	0.129%

TOP 5 DETRACTORS TO PERFORMANCE FOR THE QUARTER*

At 30 June 2014

	Portfolio Weight	Contribution
National Australia Bank Limited	6.70%	(0.338%)
QBE Insurance Group Limited	1.82%	(0.317%)
Crown Resorts Limited	2.33%	(0.224%)
Seven Group Holdings Limited	1.53%	(0.168%)
CSL Limited	2.08%	(0.094%)

*Contribution = weighted contribution to investment performance

SECTOR BREAKDOWN

At 30 June 2014

	Excluding Cash	Including Cash
Banks	35.42%	35.13%
Financials Excluding Banks	14.99%	14.86%
Industrials	11.17%	11.08%
Consumer Discretionary	8.85%	8.78%
Consumer Staple	7.75%	7.69%
Telecommunication Services	5.68%	5.63%
Materials	4.43%	4.39%
Property	3.83%	3.80%
Health Care	3.70%	3.66%
Information Technology	3.21%	3.18%
Utilities	0.97%	0.97%
Cash		0.83%

CHANGES TO INVESTMENT EXPOSURES

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

- The addition of Genworth Mortgage Insurance Australia Limited

OUTLOOK

Subject to a small number of external risks, the outlook for the Australian economy appears mildly positive at the present time.

Consumer conditions are showing some degree of improvement. While the most recent employment data was slightly weaker, overall employment in Australia across the last year has been growing, interest rates are at historic lows, and financial asset values and residential housing values are firm. These positives are being reflected in strengthening Retail Sales, which rose at the rate of 6% year on year in July 2014.

Both the drivers and measures of Australian business conditions are also showing signs of mild improvement. Residential construction activity is robust. Australian manufacturing activity appears to have stabilised after an extended period of negative growth. The Australian dollar has recently started to fall again, a factor likely to benefit Australian export industries. Financial markets activity is continuing to develop positively.

Nevertheless, some pockets of the Australian economy remain sluggish. The mining services sector is likely to struggle for some time as the level of capital works for the mining sector declines from previous highs. Further, the trend to offshore unproductive or less productive manufacturing and low level clerical activities is likely to continue for some time, an influence which will detract from national employment.

Looking externally, international conditions are also broadly improving. The US economy is moving strongly and steadily into an increasingly robust recovery. Not only are the profits of US companies expanding, but US employment continues to grow. While the European economy remains more fragile than normal, economic activity is slowly recovering, albeit at a very slow rate.

Importantly for Australia, recent data releases show the Chinese economy experiencing a notable increase in manufacturing output as the benefits of the Government's mini-stimulus take effect.

In aggregate, these factors are supportive for the Australian economy and for many companies in which we invest.

Nevertheless, external risks have recently risen on a number of fronts. Geo-political unrest in the Ukraine, Iraq and Gaza has some potential to destabilise investment markets, although the direct impact on corporate profits is likely to be limited. The re-emergence of the Ebola virus in West Africa would be detrimental to markets if it can not be satisfactorily controlled. The ongoing strength of the US economy is also likely to bring forward the tightening of US monetary policy after seven years of monetary easing.

While at this time we are generally optimistic as to the outlook for our investment holdings across 2015, we are alert to the recent increase in external risks which we consider may present both opportunities as well as concerns for investment markets.

ANGUS GLUSKIE
CHIEF EXECUTIVE OFFICER



WHITEFIELD QUARTERLY REPORT

QUARTER ENDED 30 JUNE 2014

TOP 20 HOLDINGS

At 30 June 2014

	%	Value \$'000
Commonwealth Bank Of Australia	11.34%	41,766
Westpac Banking Corporation	9.14%	33,685
ANZ Banking Group Limited	7.95%	29,293
National Australia Bank Limited	6.70%	24,667
Telstra Corporation Limited	5.63%	20,745
Macquarie Group Limited	5.40%	19,895
Woolworths Limited	3.82%	14,075
Wesfarmers Limited	3.62%	13,336
Computershare Limited	3.18%	11,712
Brambles Limited	2.63%	9,699
Crown Resorts Limited	2.33%	8,591
CSL Limited	2.08%	7,659
AMP Limited	1.98%	7,302
QBE Insurance Group Limited	1.82%	6,690
Twenty-First Century Fox Inc.	1.70%	6,274
Amcor Limited	1.59%	5,850
Seven Group Holdings Limited	1.53%	5,623
Suncorp Limited	1.51%	5,581
InvoCare Limited	1.40%	5,164
Macquarie Atlas Roads Group	1.23%	4,546
Cash & Cash Equivalents	0.83%	3,048