



CELEBRATING  
**120**  
YEARS



Washington H. Soul Pattinson

Bell Potter VOICES  
15 June 2023

# Our purpose



## BUILDING ENDURING VALUE FOR ALL OF OUR SHAREHOLDERS

*A unique investment in the Australian market, WHSP offers shareholders exposure to a range of investments that perform throughout the cycle and have delivered above market returns for decades*

# Our objectives

1

## GROW THE PORTFOLIO

*Outperform the market*

2

## INCREASE CASH GENERATION

*Underpins reliable dividend growth*

3

## MANAGE INVESTMENT RISK

*Downside protection*

# Our approach

DISCIPLINED  
INVESTORS

UNCONSTRAINED  
MANDATE

TRULY  
DIVERSIFIED

LONG-TERM  
FOCUS

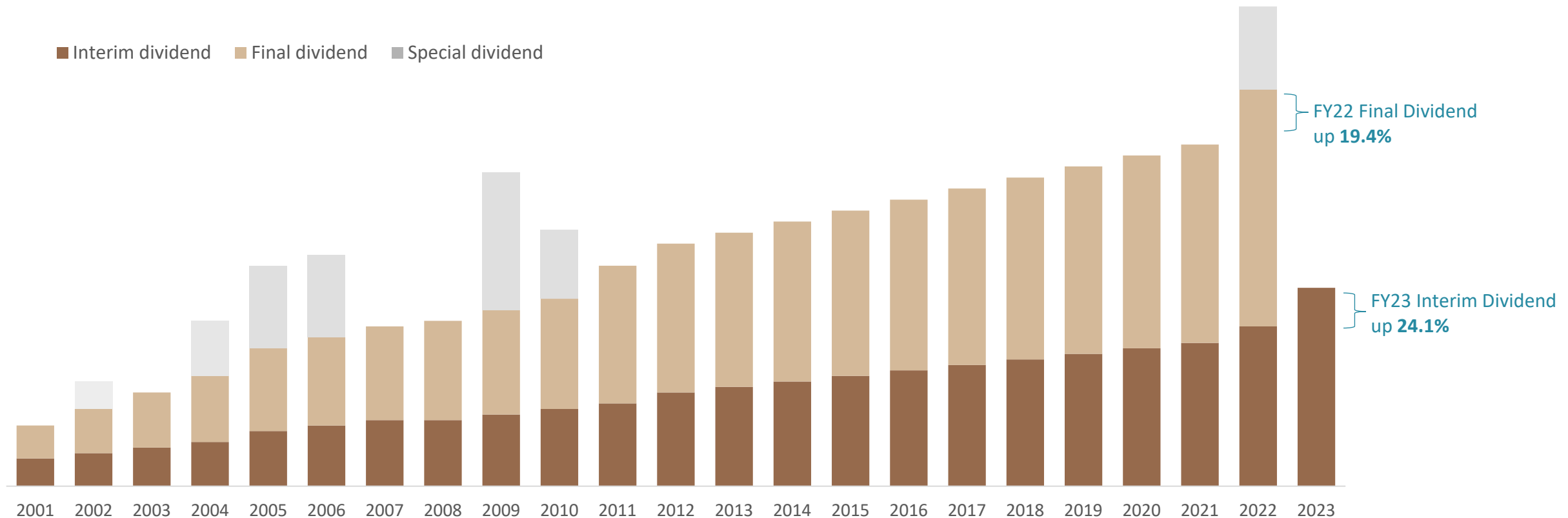
ACTIVE &  
OPPORTUNISTIC

TRUSTED  
PARTNERS

# Continued dividend growth



- WHSP has never missed a dividend payment since 1903
- Ordinary dividends have increased from 11c in FY01 to 72c in FY22 (8.5% CAGR) underpinned by high quality, cash-generating investments

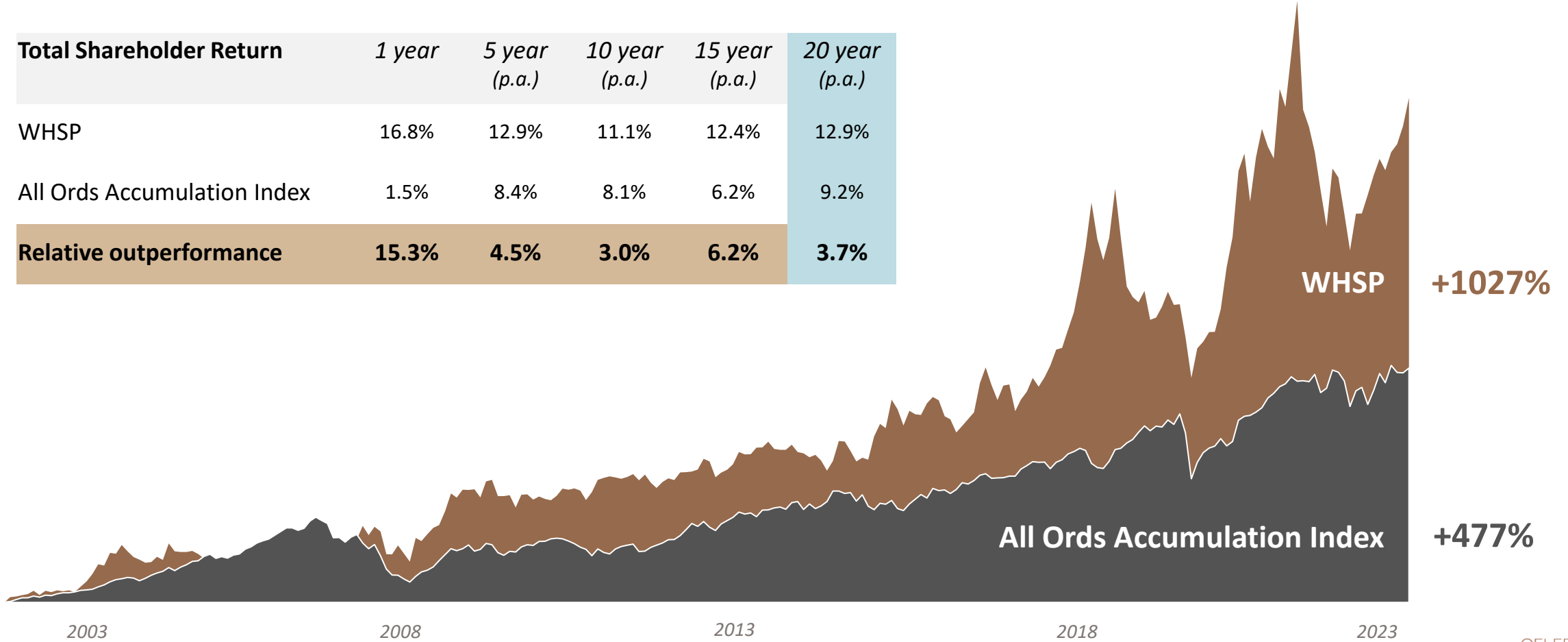


# Consistent long-term performance



- Total return on an investment in WHSP has more than **doubled** the Index over 20 years

Total Shareholder Return	1 year	5 year (p.a.)	10 year (p.a.)	15 year (p.a.)	20 year (p.a.)
WHSP	16.8%	12.9%	11.1%	12.4%	12.9%
All Ords Accumulation Index	1.5%	8.4%	8.1%	6.2%	9.2%
Relative outperformance	15.3%	4.5%	3.0%	6.2%	3.7%



Cumulative performance to 30 April 2023 (including reinvestment of dividends)

Source: Capital IQ

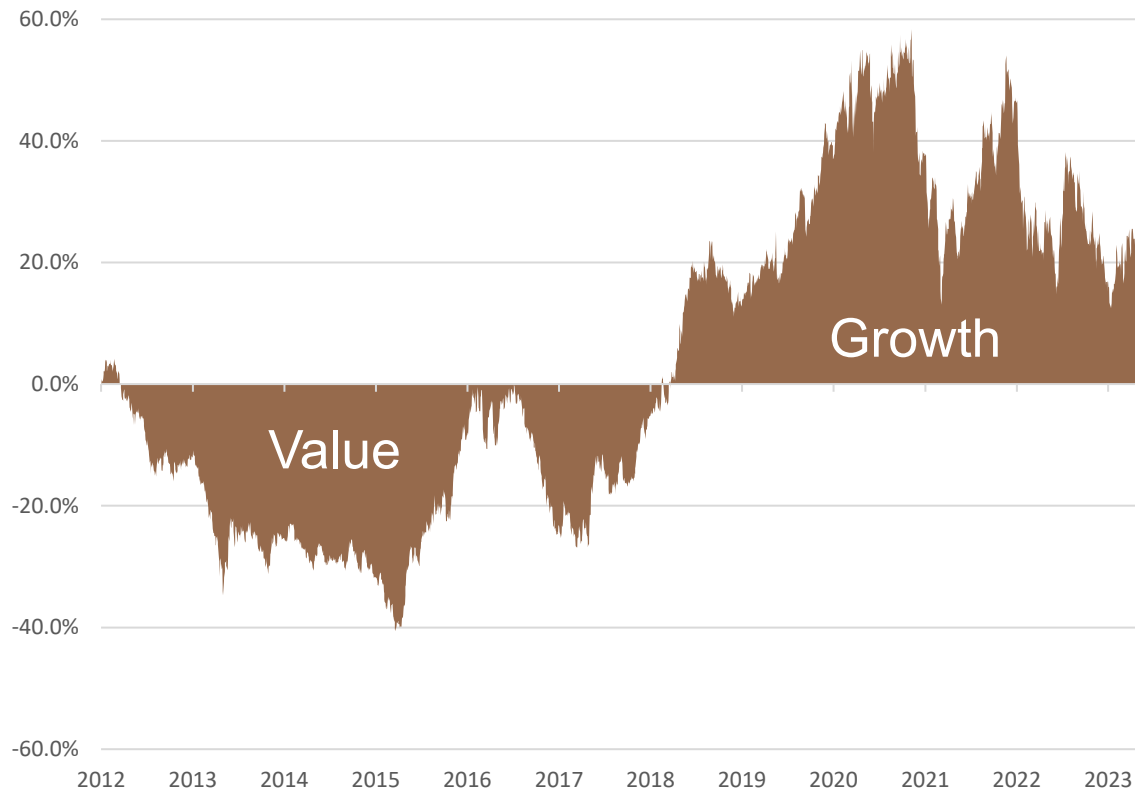


# A market for the value investor

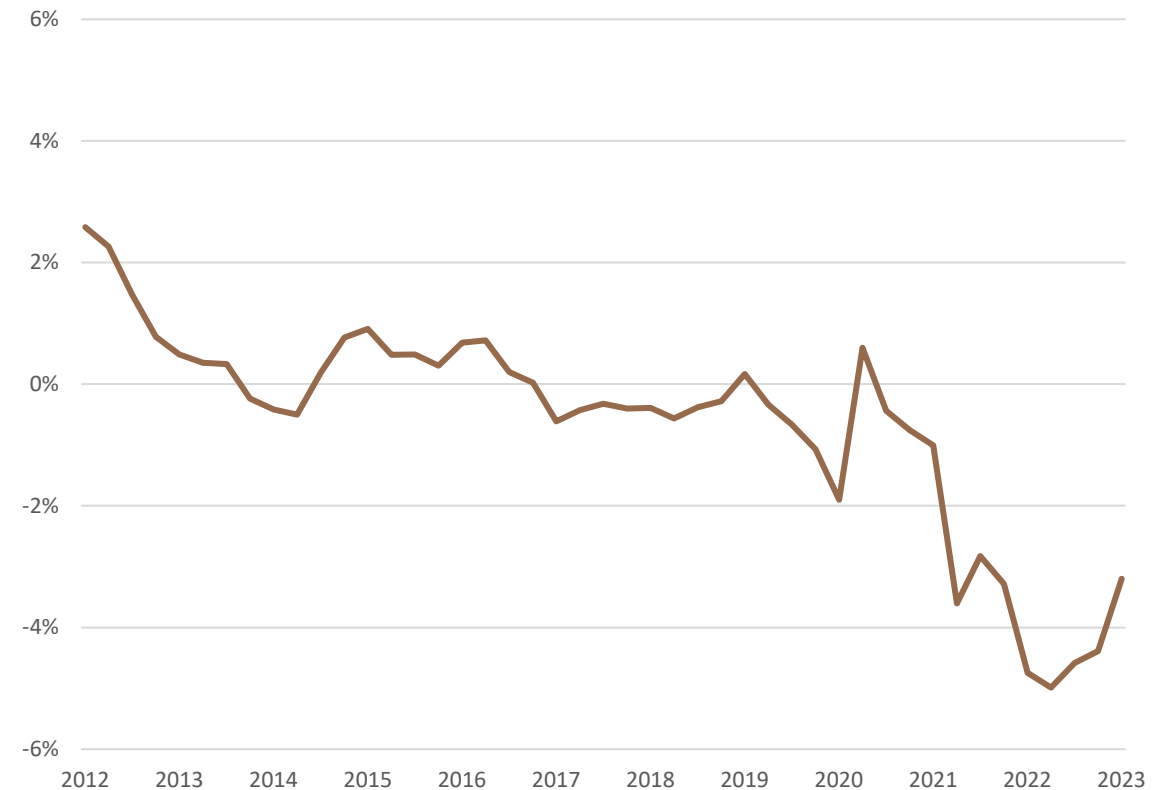
- Cheap money will come to an end and the flight to higher quality businesses will continue



ASX Value / Growth



Real Interest Rates in Australia\* (Quarterly)



*\*Source: RBA; S&P Capital IQ  
Real interest rates calculated using the Fisher Equation*

# Managing through uncertain times

- Bond markets are pricing a US recession; the outlook for Australia is less certain

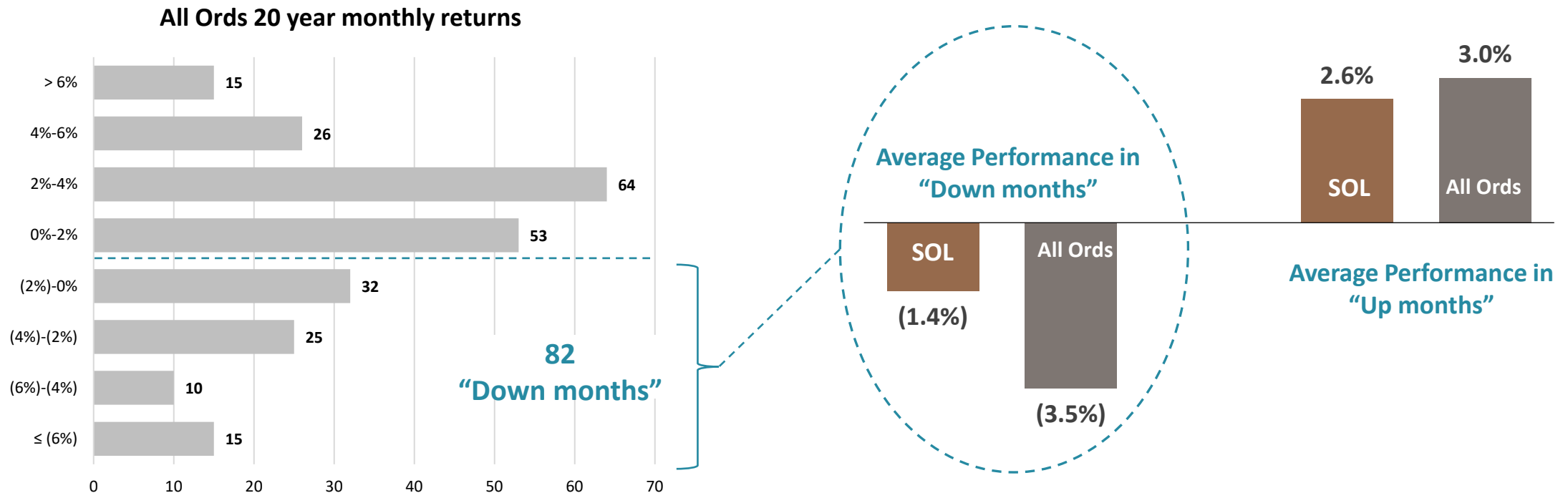


Peak month	Trough month	Months of contraction	Quarters of EPS decline	EPS change
August 1957	April 1958	8	4	-17.0%
April 1960	February 1961	10	7	-11.7%
December 1969	November 1970	11	5	-12.9%
November 1973	March 1975	16	4	-14.8%
January 1980	July 1980	6	4	-4.6%
July 1981	November 1982	16	4	-19.1%
July 1990	March 1991	8	10	-36.7%
March 2001	November 2001	8	5	-54.0%
December 2007	June 2009	18	7	-91.9%
February 2020	April 2020	2	4	-32.5%
Average contraction duration (months)		10.3		
Average EPS decline (peak to trough)				-29.5%
Average EPS decline (excluding tech bubble-2001 & financial crisis-2007)				-18.7%

Source: FactSet, National Bureau of Economic Research (NBER), D.A. Davidson  
 Peak month is last month of economic growth before contraction, with trough month defining the bottom of the contraction (as per NBER)  
 EPS change uses S&P 500 reported EPS, trailing four quarters, updated quarterly

# Protecting shareholder capital

- Volatile markets will favour profitable assets with robust cash flows



Source: Capital IQ

Period: 20 years to 30 April 2023

1. **Down months:** All Ordinaries Accumulation Index negative return months

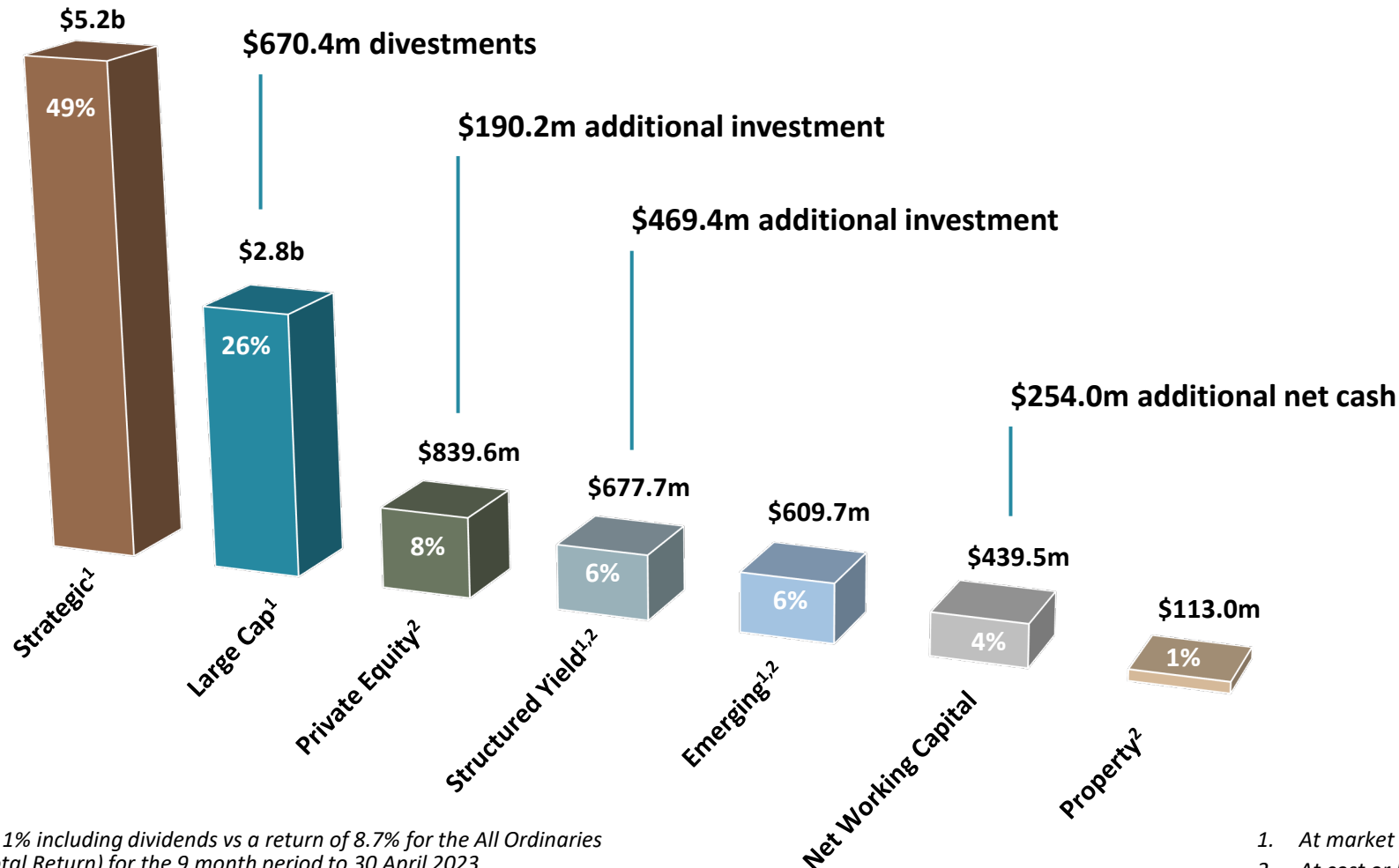
2. **Up months:** All Ordinaries Accumulation Index positive return months



# Portfolio composition (as at 30 April)



- Net Asset Value is **\$10.6b** and has **outperformed** the All Ords Accumulation Index by **1.4%\*** year-to-date
- New investments target attractive **risk adjusted returns** and cash generation



\*Total Portfolio returned 10.1% including dividends vs a return of 8.7% for the All Ordinaries Accumulation Index (XAO Total Return) for the 9 month period to 30 April 2023

1. At market value
2. At cost or Directors' valuation





# Structured Yield – our fastest growing portfolio

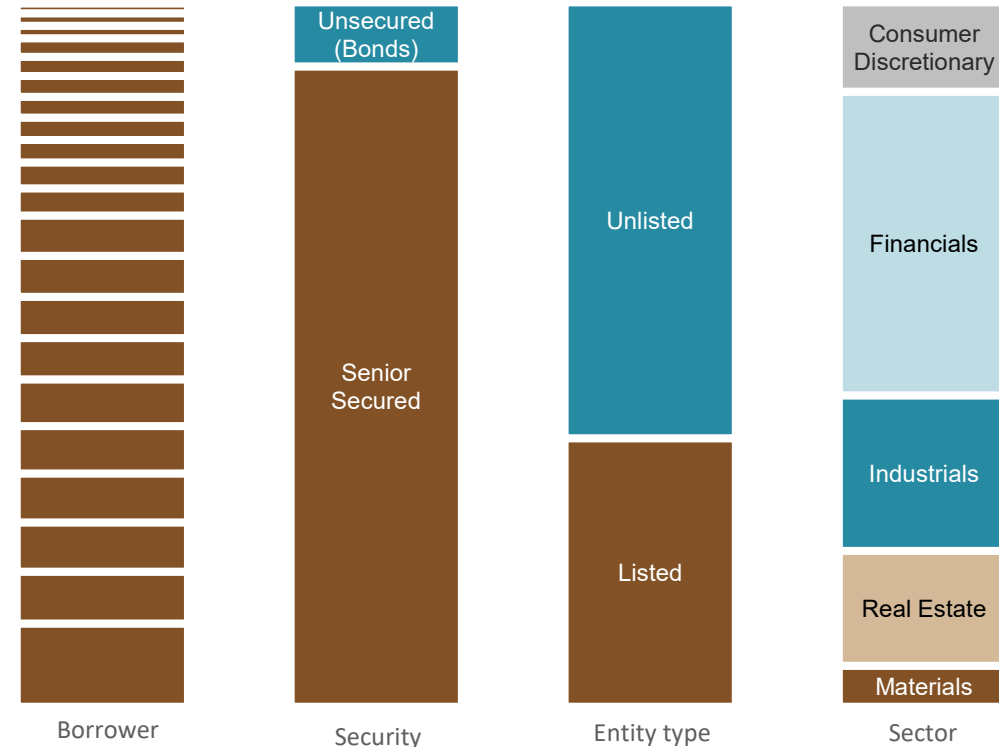


- Actively managed structured credit investments to achieve strong risk adjusted returns

Portfolio value	<b>\$677.6m</b>
Undrawn/committed	<b>\$244.7m</b>
Weighted average IRR	<b>15.5% p.a.</b>
Weighted average cash yield	<b>12.1% p.a.</b>

- Sharply increased deal flow over the period with well-developed pipeline of opportunities
- Broad portfolio diversification with international exposures
- Portfolio has attractive total returns, risk protection and equity upside and is expected to continue growing its size

**Loan book is widely spread, mostly senior secured, and diverse by industry**



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Questions

