ELEVATION CAPITAL MANAGEMENT LIMITED:
PROCTER AND GAMBLE COMPANY [PG:US]

IMPORTANT DISCLOSURE AND DISCLAIMERS: PART I

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INVESTMENT SUMMARY

1851 1853 1859 1875 1882 1930 1991 1995 2003

P&G: INVESTMENT SUMMARY

A Company With Truly Global Reach
P&G is the second largest consumer products company in the world. Its products are sold in more than 180 countries and territories, with 60% of its sales coming outside North America.

A True Wide-Moat Business
The Company has diverse range of products with strong market positions. It has 21 brands with sales of US$1B to US$10B, and 11 brands with sales of US$500M to US$1B.

Five Reporting Business Segments:
- Fabric Care and Home Care
- Baby & Family Care
- Beauty
- Grooming
- Health Care

One of the Most Consistent Dividend Payers
The Company has been paying a dividend for 125 consecutive years since its incorporation in 1890, and has increased its dividend for 59 consecutive years.

Weak Macro Environment and Slow Turnaround Efforts
The weakening of developing market economies and the strengthening of USD saw investors exit US domiciled multinationals in 2015, including P&G. Investors also became impatient with the latest turnaround efforts by the Company. The share price declined ~31% between December 2014 and August 2015.

Potential Catalysts
1. Further non-core divestments to focus on core brands / markets
2. The recovery / stablising of international markets where 60% of P&G's revenues are generated
3. Successful turnaround efforts (including brand building, supply chain transformation, etc.) to improve margins and profits
4. Possible breakup of P&G into two companies

Risks
1. Pricing pressure from competitors with cheaper product offerings
2. Prolonged weak global economies and strong US Dollar
3. Management of acquisitions, divestments and joint ventures
4. Failure in executing its turnaround plan and growth strategy

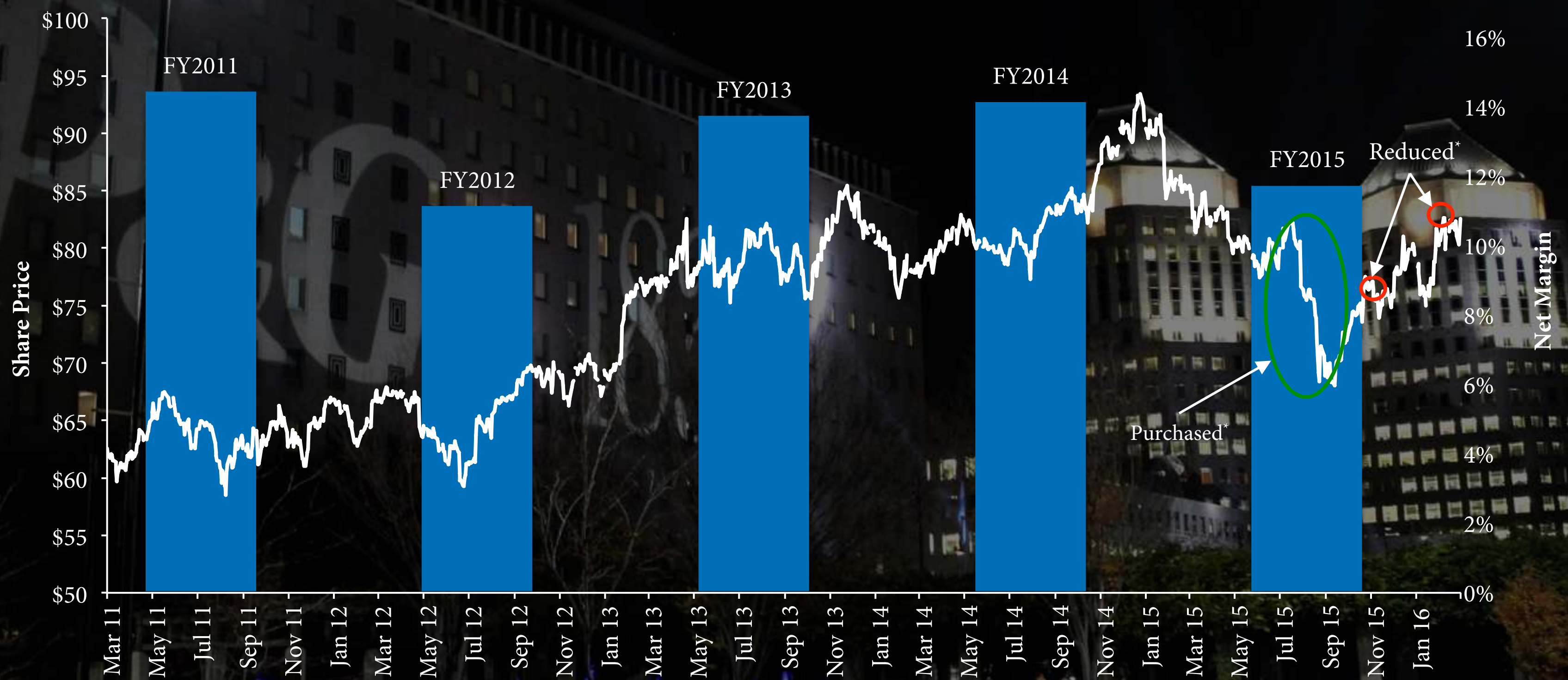
Conclusion
P&G has the advantage of economies of scale and brand power, but it is not reflected in current financial results primarily due to a weak consumer environment globally for premium brands, an inefficient supply chain, and a strengthening US Dollar.

P&G has the chance to divest a number of assets which will allow it to focus on the segments in which it performs best. This is expected to improve returns for shareholders, allowing the Company to return significant sums of cash in the form of dividends or buybacks – up to US$70B by 2019 (31% of current market capitalisation).

P&G is currently trading at a discount to our Sum-of-the-Parts ("SOTP") valuation estimates, with an upside potential range of +8.5% to +30%.

P&G: WEAK FY2015 RESULTS PROVIDED INVESTMENT OPPORTUNITY

- The weakening of developing market economies and the depreciation of currencies around the world versus the US Dollar saw investors exit US domiciled multinationals in 2015, including P&G.
- Investors also became impatient with the latest turnaround efforts by the Company. The share price declined ~31% between December 2014 and August 2015.
- We established our position in Q3 2015, with an average cost of US$ 74.34*. P&G is currently our third largest position in the Elevation Capital Value Fund (and typically a top 10 position in a large number of our Separate Account portfolios)**.
- Current share price*** = US$ 82.55 (Market Capitalisation = US$ 223.26B)



* Elevation Capital Value Fund Historical Trades
** As at 31 January 2016
*** As at 2 March 2016

OVERVIEW & HISTORY

1851 1853 1859 1875 1882 1930 1991 1995 2003

P&G: SECOND LARGEST CONSUMER PRODUCTS COMPANY IN THE WORLD

2ND
LARGEST CONSUMER PRODUCTS COMPANY IN THE WORLD

$76.3B
FY2015 NET SALES

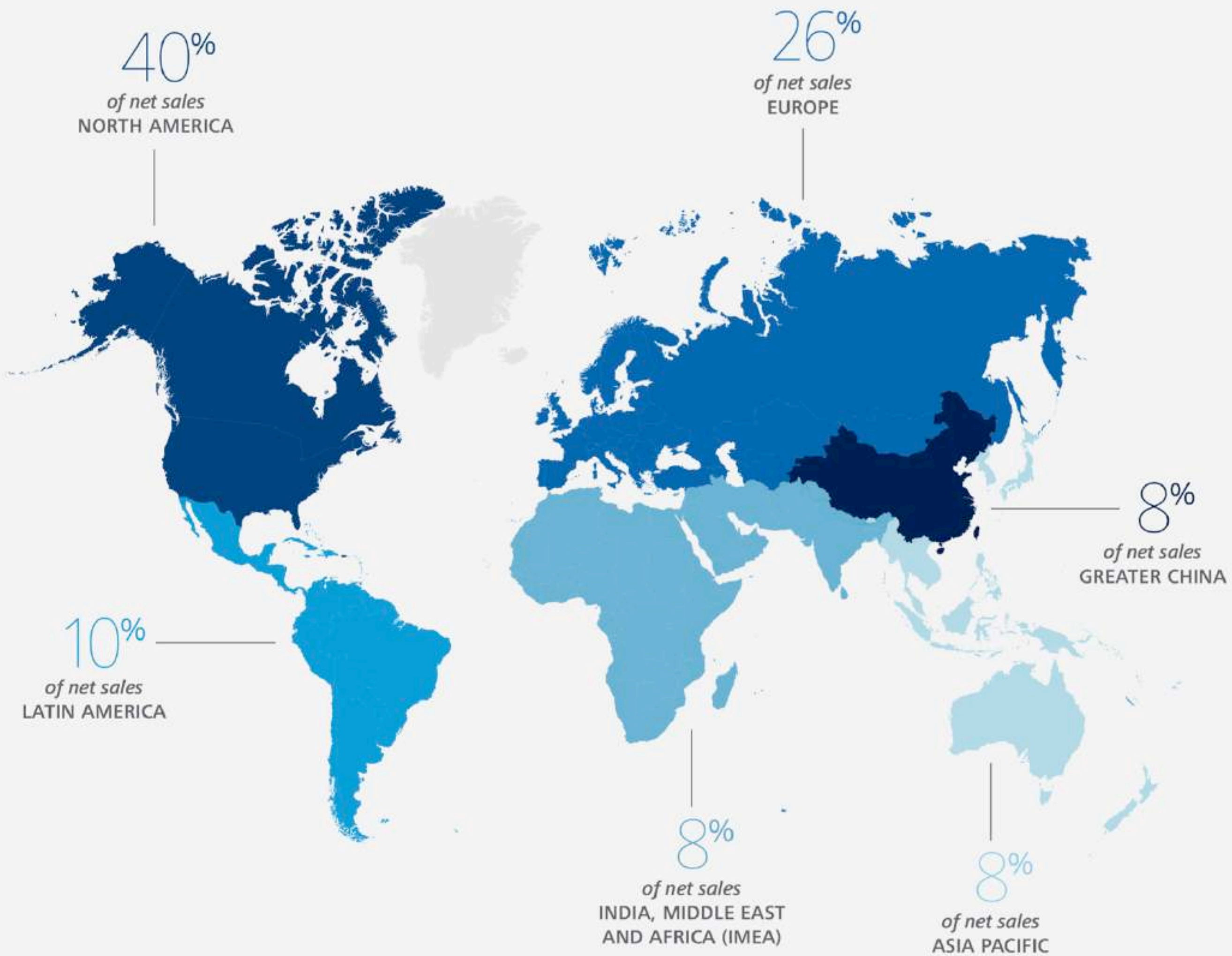
21
BRANDS WITH SALES OF US$1B TO US$10B

11
BRANDS WITH SALES OF US$500M TO US$1B

Source: P&G 2015 Annual Report

P&G: A COMPANY WITH TRULY GLOBAL REACH

P&G's products are sold in more than 180 countries and territories around the world primarily through mass merchandisers, grocery stores, membership club stores, drug stores, department stores, salons, e-commerce, high-frequency stores and pharmacies.



180

COUNTRIES AND TERRITORIES

60%

NET SALES OUTSIDE NORTH AMERICA

Source: P&G 2015 Annual Report

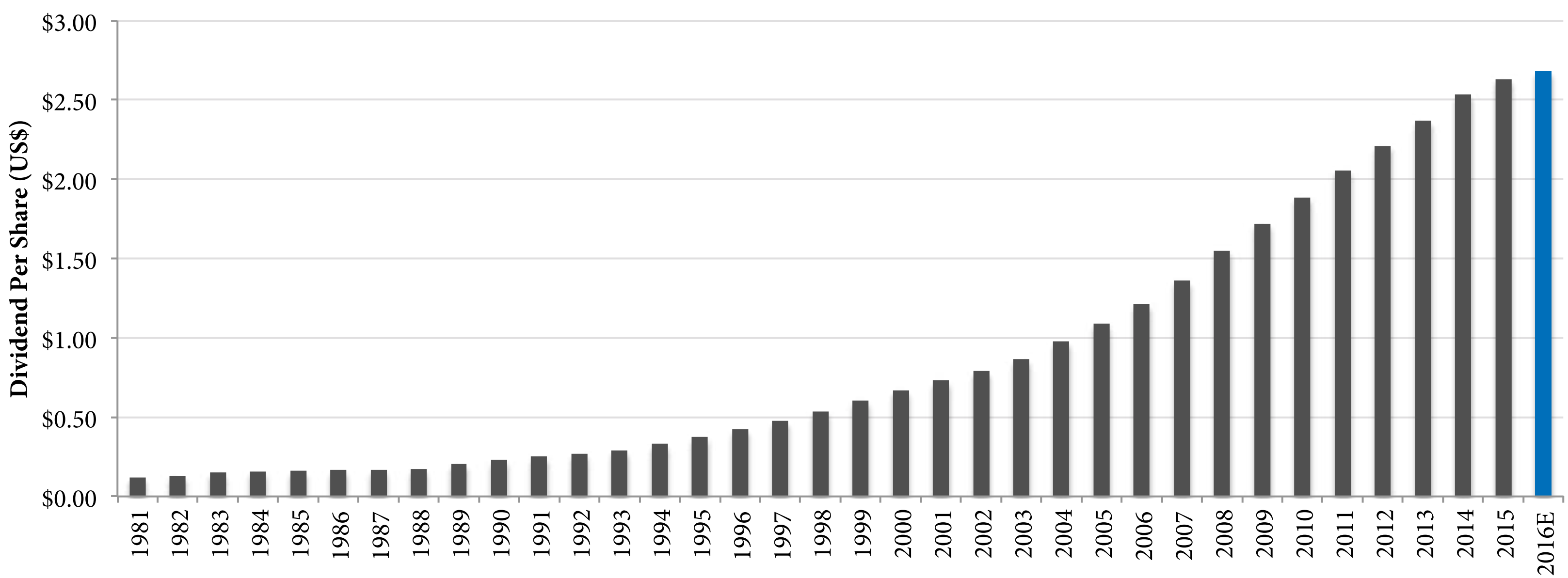
P&G: ONE OF THE MOST CONSISTENT DIVIDEND PAYERS (1)

DIVIDENDS

- Current Gross Dividend Yield = 3.19% (Forecast FY16 Yield = 3.24%)*
- Since 1981, the Compound Annual Growth Rate of P&G's Dividend Per Share = 9.2%

"P&G has been paying a dividend for 125 consecutive years since its incorporation in 1890 and has increased its dividend for 59 consecutive years."
P&G Quarterly Dividend Declaration – 12 January 2016

Recent P&G Dividend History**



* Based on a share price of US$ 82.55 as at 2 March 2016
** Data Source: Thomson Reuters Worldscope as at 2 March 2016

P&G: ONE OF THE MOST CONSISTENT DIVIDEND PAYERS (2)

"<u>Big, stable, dividend-paying, adaptive corporations</u> can survive in most monetary and fiscal settings…"

- Jim Grant (Grant's Interest Rate Observer)

P&G: 178 YEARS OF HISTORY

1837 William Procter and James Gamble settle in the Queen City of the West, Cincinnati, and establish themselves in business — William as a candle maker and James as a soap maker. The two might never have met had they not married sisters, whose father convinced his new sons-in-law to become business partners. As a result, in 1837, a new company was born: Procter & Gamble.

1879 P&G launches its first branded product, Ivory Soap.

1886 Production starts at Ivorydale. The factory incorporates the latest technological advances with a pleasant work environment for employees — a progressive approach at that time.

1901 King C. Gillette creates the KC Gillette Razor.

1923 P&G becomes one of the first companies to advertise on commercial radio.

1946 Tide, the "washday miracle," is introduced to the US market.

1955 Crest is introduced, dramatically changing the way people think about oral care.

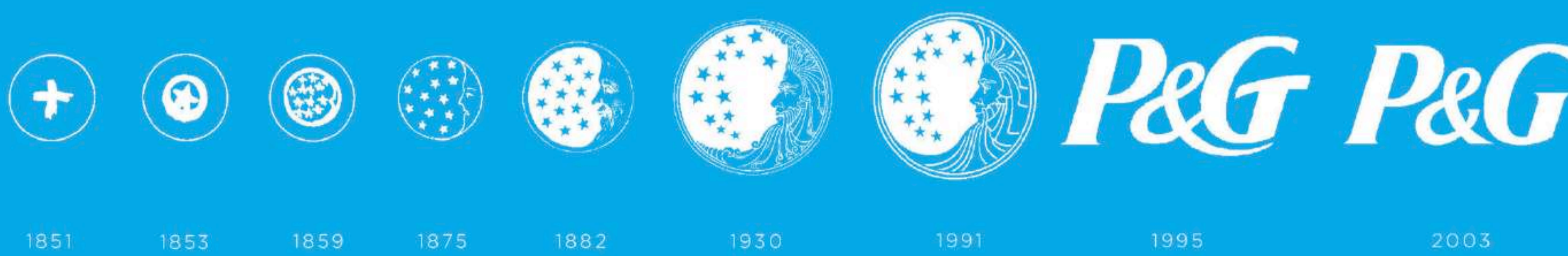
1961 P&G introduces Pampers, the first affordable, successful, disposable diaper.

1981 Researchers isolate the naturally occurring yeast that produced nutrient-rich ferment. This led to the development of SK-II.

P&G: 178 YEARS OF HISTORY - CONTINUED

1991	Pantene Pro-V is introduced and becomes the fastest growing shampoo in the world.
2004	P&G creates the Children's Safe Drinking Water program by using revolutionary water purification sachets.
2005	P&G finalises its merger with the Gillette Company.
2012	P&G celebrates its 175th Anniversary and looks towards the future to continue building brands that will touch and improve the lives of billions of people around the world.
	P&G sells Pringles to Kellogg for US$ 2.7 Billion in cash.
2013	After a period of growth P&G made significant cuts to its workforce in key emerging markets, particularly India.
2014	P&G sells Duracell to Berkshire Hathaway for US$ 4.7 Billion of P&G shares.
	P&G sells ~80% of its Pet-Food Business to Mars for US$ 2.9 Billion, and the European Pet Care Business to Spectrum Brands.
	P&G announces it is to drop around 100 brands and concentrate on the remaining 80 brands that produces 95% of the Company's profits.
2015	P&G sells its hair care, cosmetics and fragrance businesses to Coty for US$ 12.5 Billion.
	P&G revises strategy to further concentrate on its 65 key brands in ten categories.

A TRUE WIDE-MOAT BUSINESS



P&G: WIDE ECONOMIC MOAT - DIVERSE RANGE OF PRODUCTS WITH STRONG MARKET POSITIONS

BABY, FEMININE AND FAMILY CARE

$20.2 billion
NET SALES*

BABY CARE
Subcategories: Baby Wipes, Diapers and pants

FAMILY CARE
Subcategories: Paper Towels, Tissues, Toilet Paper

FEMININE CARE
Subcategories: Adult incontinence, Feminine Care

29% of net sales

27% of net profits

BEAUTY

$18.1 billion
NET SALES*

HEALTH CARE
Subcategories: Hair Care

SKIN AND PERSONAL CARE
Subcategories: Antiperspirant and Deodorant, Personal Cleaning, Skin Care

18% of net sales

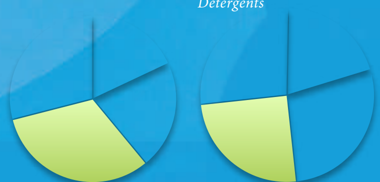
20% of net profits

FABRIC AND HOME CARE

$22.3 billion
NET SALES*

FABRIC CARE
Subcategories: Fabric Enhancers, Laundry Additives, Laundry Detergents

HOME CARE
Subcategories: Air Care, Dish Care, P&G Professional, Surface Care



32% of net sales

25% of net profits

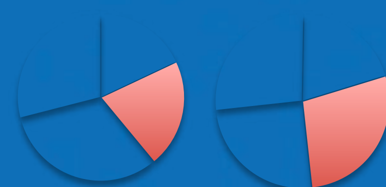
HEALTH AND GROOMING

$15.2 billion
NET SALES*

ORAL CARE
Subcategories: Toothbrush, Toothpaste, Other Oral Care

PERSONAL HEALTH CARE
Subcategories: Gastrointestinal Rapid Diagnosis, Respirators, Vitamins/Minerals/ Supplements, Other Personal Care

SHAVE CARE
Subcategories: Electronic Hair Removal, Female Blades & Razors, Male Blade & Razors, Pre-and-post Shave Products, Other Shave Care



21% of net sales

28% of net profits

Source: P&G 2015 Annual Report

P&G: 21 BILLION DOLLAR BRANDS (1)

Head & Shoulders
Launched in 1961, Head & Shoulders is the world's #1 shampoo. Clinically tested over 200 times, it is one the most tested and most trusted dandruff shampoos.

Olay
Olay is a world leader in skin care products. Olay was first introduced in South Africa in 1952. Today, Olay brings “healthy, beautiful skin” to more than 80 million women on five continents.

Pantene
Pantene got its name from “panthenol” (pro-vitamin B-5), which was developed in 1940 in Switzerland and used to treat burns in WWII. It was soon found to improve the health, elasticity and moisturisation of hair. Pantene shampoo launched in Europe in 1947.

SK-II
SK-II is a prestige beauty brand launched in 1980 in Japan. It contains Pitera that allows the skin’s natural surface rejuvenation process to function at its best. It is sold in Asia, Australia, Europe, North America, and South America.

Fusion
Fusion is the fastest brand to achieve Billion Dollar status. It was the first razor with 6 blades (5 for shaving, 1 for trimming). Fusion is sold in about 80 countries.

Its marketing campaign was fronted by the sports stars Roger Federer, Thierry Henry and Tiger Woods.

Gillette
Gillette is world’s leading male grooming brand, including razors, hair care, bodywash.

Gillette was started in 1901 as a razor company by King C. Gillette. P&G acquired the company in 2005. It continues to be a leader in innovation and skin care.

Mach3
Mach3 is the first three-blade razor that was introduced in 1998, which Gillette claims reduces irritation and requires fewer strokes.

The Mach3 featured five improved microfins and spring blades, a pivoting head with greater flexibility and a blue lubrication strip that faded with usage to encourage users to change their blades more frequently.

Prestobarba
Gillette Prestobarba is a line of disposable razors that are marketed for the Latin American market.

Source: P&G 2015 Annual Report

P&G: 21 BILLION DOLLAR BRANDS (2)

Always
A world leader in feminine protection products. Launched in 1984 with four products. Today, Always is the leader in feminine protection, sold around the world with a full line of products.

Bounty
Paper towels and napkins sold across North America. Bounty was introduced in 1965 and was known for years as "the quicker picker-upper." After more than 40 years as America's top-selling paper towel, Bounty today combines strength and absorbency to help parents tackle the toughest messes around the home.

Charmin
Leading line of bath tissue sold in North America. Charmin was established in 1928, and was acquired by P&G in 1957. Charmin has been America's most popular bath tissue for more than 25 years.

Pampers
Global line of baby care products, including diapers and wipes. Pampers got its start in 1956 when a P&G grandfather decided people needed an alternative to messy cloth diapers. In 1961, Pampers was launched. Today, it is P&G's number one selling brand in the world.

Crest
Global line of dental hygiene products, including toothpaste, rinses, floss and whitening strips. Crest was introduced in 1955, and in 1960 was recognized as effective against cavities by the American Dental Association. It was the first toothpaste to secure the American Dental Association Seal of Acceptance.

Oral-B
World leader in the tooth brushing market; includes manual and power toothbrushes, toothpaste and floss. Oral-B was created by Dr. Robert Hutson, a California periodontist, in 1949, looking for a brush to better meet patients' needs. Today, Oral-B manual toothbrushes are used by more dentists than any other brand in the U.S. and worldwide.

Vicks
Vicks manufactures NyQuil and its morning sister medication, DayQuil. The Vicks brand also produces Formula 44 cough medicines, cough drops, Vicks VapoRub, and a number of inhaled breathing treatments.

For much of its history, Vicks products were manufactured by the family-owned company Richardson-Vicks, Inc., which was eventually sold to Procter & Gamble in 1985.

Source: P&G 2015 Annual Report

P&G: 21 BILLION DOLLAR BRANDS (3)

Ariel
Globally distributed laundry cleaning products. Ariel was first introduced in Germany in 1967. Today, Ariel is sold in more than 135 markets around the world.

Dawn
Dish detergent products sold in North America. Dawn was introduced in 1972 and quickly recognized for its superior grease-cutting ability. For more than 20 years, Dawn has worked with wildlife rescue and rehabilitation organizations to help animals harmed in oil spills.

Downy
Global line of fabric enhancing products. Downy was introduced in 1960 in the United States and now is sold globally.

Febreze
In 1998, Procter & Gamble created a new product category in the laundry aisle by launching Febreze Fabric Refresher, the first product of its kind to eliminate unwanted household odours from soft surfaces.

Gain
Line of fresh-cleaning laundry products sold in North America. Gain was introduced in 1966 and became a Billion Dollar Brand in 2007.

Tide
Leading fabric cleaning and care products sold in North America. Tide was introduced in 1946 and within three years captured US market leadership in the laundry category.

Source: P&G 2015 Annual Report

MANAGEMENT, RECENT UNDERPERFORMANCE & NEW STRATEGY

P&G P&G

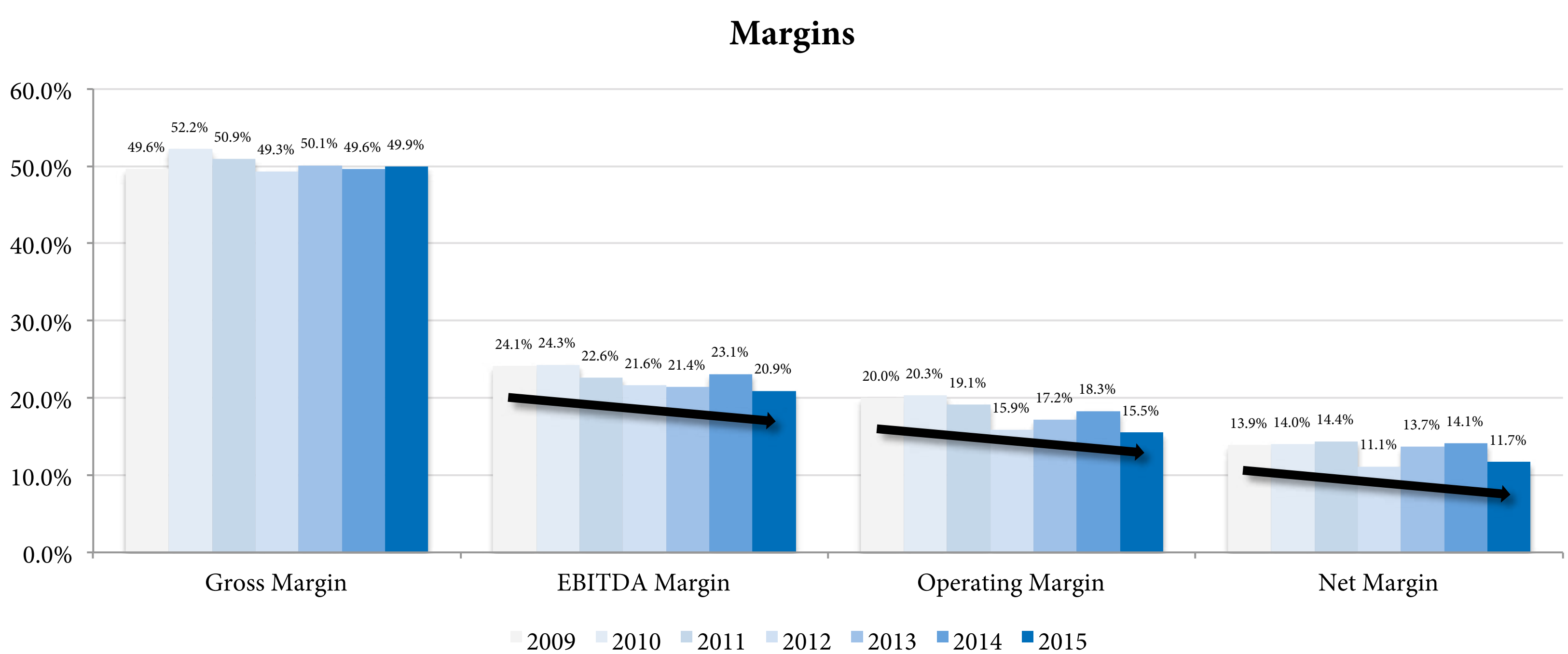
1851 1853 1859 1875 1882 1930 1991 1995 2003

P&G: RECENT MANAGEMENT HISTORY

2000	A.G. Lafley becomes P&G's President & CEO.
2002	A.G. Lafley assumes the additional role of Chairman.
2009	Bob McDonald becomes P&G's President and CEO.
2010	Marks the beginning of several years of declining profits and stagnant share prices.
2012	In February, P&G announced a US$ 10B restructuring program.
	In July, Pershing Square Capital confirmed it has taken a US$ 1.8B stake in P&G and it would take an activist role.
2013	In May, P&G announced the departure of CEO Bob McDonald, and A.G. Lafley returning as President and CEO.
2014	P&G announces it is to drop around 100 brands and concentrate on the remaining 80 brands that produces 95% of the Company's profits.
	Pershing Square Capital sold its remaining P&G stake by March.
2015	In November, David Taylor becomes P&G's President and CEO.
	P&G announced that it will concentrate on 65 brands from its top ten product categories.

P&G: MARGIN DETERIORATION IN RECENT YEARS

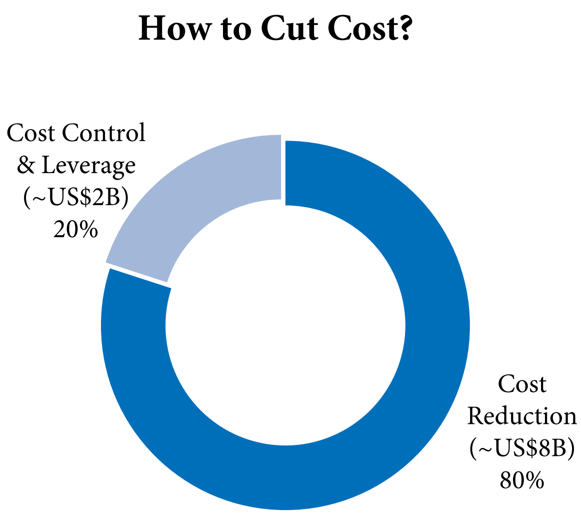
- Since 2009, P&G suffered several years of declining margins and profits. In 2015, this was exacerbated when P&G was hit by a combination of weakening developing market economies and a strengthening US dollar.
- We also believe these factors were compounded by poor management during Bob McDonald's tenure as CEO (2009-2013). The Company during this period was slow in reacting to changing consumer behaviours which led to poor market positioning and declining revenue while maintaining a high overhead cost structure. These factors can be pinpointed as the major contributor to declining margins in recent years and are now the focus of new management who are executing on a portfolio rationalisation and supply chain optimisation program.

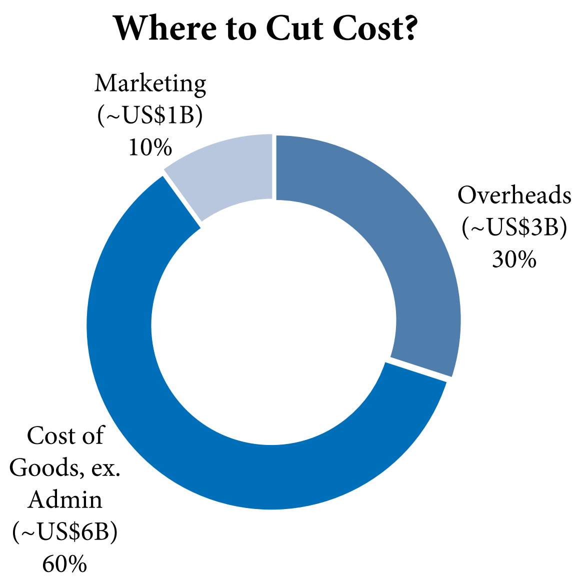


Data Source: Thomson Reuters Eikon as at 2 March 2016

P&G: THE 2012 US$ 10B FIVE-YEAR RESTRUCTURING PROGRAM

- P&G's inability to navigate changing market conditions and high overhead cost structure led to investor frustration. This resulted in a period of share price stagnation lasting from 2010 to 2012.
- In February 2012, the Company announced a US$ 10B restructuring program over the ensuing five years, with a forecast reduction of more than 5,700 jobs in non-manufacturing areas including marketing*.
- Management implied the restructuring could deliver ~9.5% of operating margin flexibility over five years.
- We note an improvement in operating margins in FY2013 (+1.30%) and FY2014 (+1.10%). However, operating margins declined again FY2015 (-2.80%) principally due to the weakening of developing market economies and a strengthening US dollar.

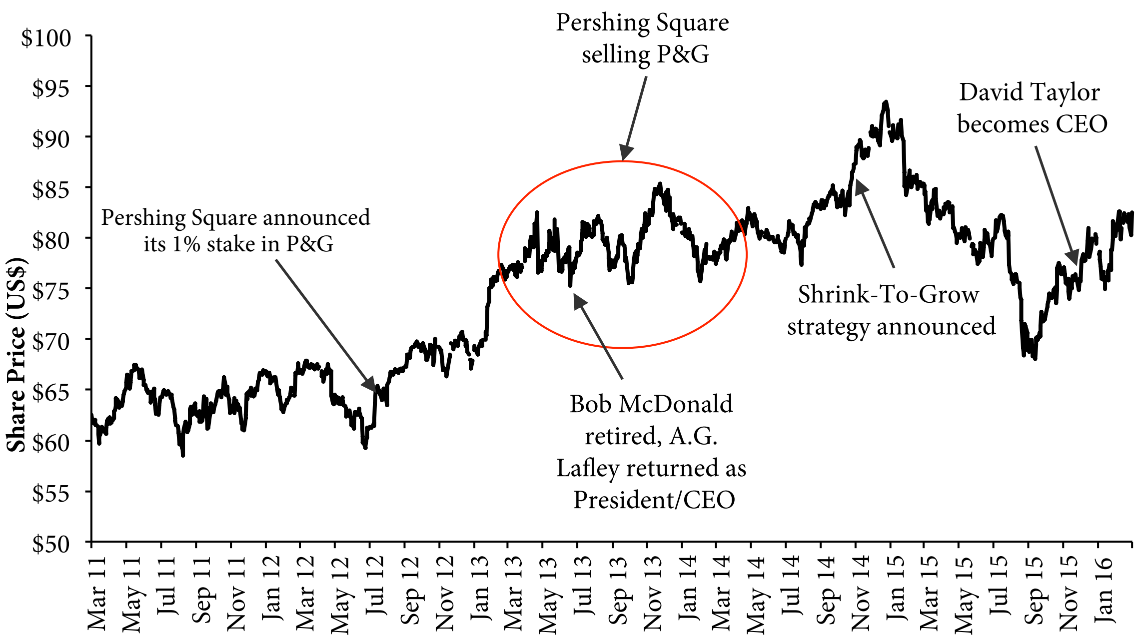




* Source: P&G CAGNY Presentation – 23 February 2012

P&G: SHAREHOLDER ACTIVISM HAS LED TO MANAGEMENT CHANGES

- Even with the announced US$ 10B restructuring program in 2012, one of the largest activist investors – Bill Ackman's Pershing Square Capital decided to set its sights on P&G.
- Pershing Square established a ~US$ 1.8B activist position in P&G in 2012, which amounted to ~1% of shares outstanding. Bill Ackman began agitating for new management and further cost cutting measures.
- In May 2013, Bob McDonald "retired", and Chairman A.G. Lafley returned as President/CEO.
- In October 2014, P&G announced a bold "Shrink-To-Grow" plan to exit up to 100 brands and focus on ten key categories and a select number of brands within each of these categories (refer page 18).
- David Taylor became P&G President & CEO on 1 November 2015, in charge of reinvigorating P&G's core businesses and reigniting growth.



P&G Ex-CEO Bob McDonald was under pressure from Bill Ackman of Pershing Square Capital

P&G: THE 2014 'SHRINK-TO-GROW' STRATEGY

- P&G announced in 2014 that it would focus on ten product categories with about 80 brands (subsequently revised to 65 brands in 2015).
- P&G is the global leader in seven of these ten categories and is #2 in the remaining three, with significant long-term growth potential in all categories.

#1 globally
BABY

#1 globally
FEMININE

#1 globally
FAMILY

#1 globally
FABRIC

#1 globally
HOME

#1 globally
HAIR

#2 globally
SKIN &
PERSONAL CARE

#1 globally
GROOMING

#2 globally
ORAL

#2 globally
PERSONAL
HEALTH CARE

Source: P&G 2015 Annual Report

P&G: RECENT DIVESTMENT HISTORY SHOWS WILLINGNESS TO ADAPT

- P&G management have demonstrated a willingness in recent years to undertake divestments of non-core brands or segments. Specifically, the Company announced in 2014 that it would dispose of around 100 brands and concentrate on the remaining 80 brands that produce 95% of the Company's profits.
- An example of a recent divestment is the Reverse Morris Trust* transaction, in which P&G merged 43 of its brands with Coty Inc**. The US$ 12.5B transaction included P&G's hair care and colour brands, cosmetics and fine fragrances business. The deal is expected to close in the second half of 2016.
- Similarly, the November 2014 tax efficient divestment of the Duracell battery brand to Berkshire Hathaway was another example of a disposal which allowed the Company to focus on its core business by selling a brand with limited synergies to the rest of P&G. The transaction allowed P&G to continue streamlining and netted US$ 4.7B of its own shares owned by Berkshire Hathaway.
- We see a continuation of this divestment program of non-core brands. P&G updated its "Shrink-To-Grow" strategic plan recently and stated that it will focus on only 65 brands instead of 80 which it first tabled in 2014.

P&G

To focus on ten product categories, about 65 brands.

2001	P&G spins off Jif peanut butter and Crisco cooking oils and merged them with JM Smucker.
2004	P&G sells Sunny Delight and Punica to JW Childs.
2008	P&G spins off Folgers coffee to JM Smucker in a Reverse Morris Trust transaction.
2012	P&G sells Pringles to Kellogg for US$ 2.7 Billion in cash.
2014	P&G sells Duracell to Berkshire Hathaway for US$ 4.7 Billion of P&G shares.
	P&G sells ~80% of its Pet-Food Business to Mars for US$ 2.9 Billion, and the European Pet Care Business to Spectrum Brands.
2015	P&G sells its hair care, cosmetics and fragrance businesses to Coty Inc. for US$ 12.5 Billion.

* A Reverse Morris Trust transaction is a complex transaction to exit assets out of the parent company tax efficiently and the shareholders receive all the benefits and potential upside of a pre-arranged M&A transaction.

** Coty Inc. is one of the top global players in fragrance, cosmetics and skin & body care.

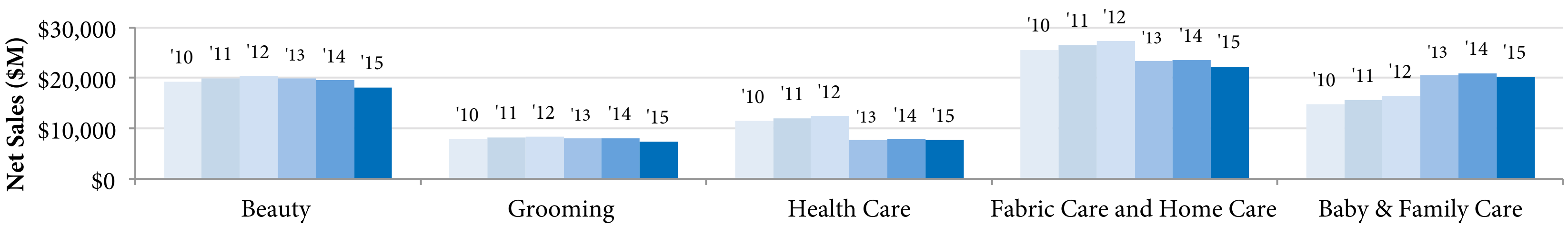
FINANCIALS & CAPITAL RETURN HISTORY

1851 1853 1859 1875 1882 1930 1991 1995 2003

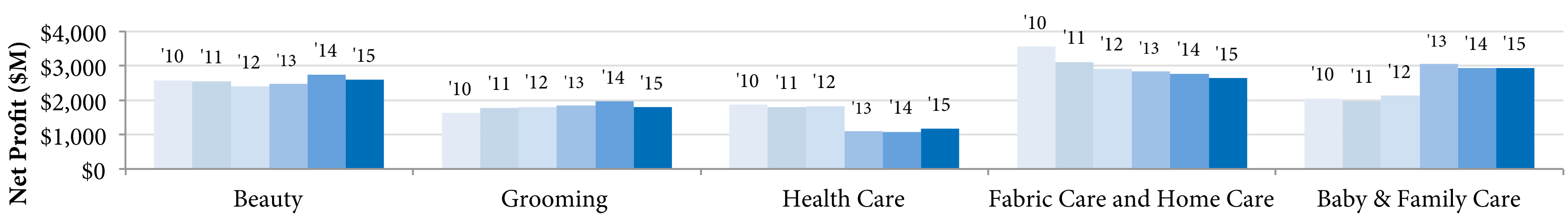
P&G: BUSINESS SEGMENT REVENUES, NET PROFIT & MARGINS

- The current five reporting business segments show different revenue and margin characteristics.
- The Grooming business has the highest margins. However, this division's revenue is in slow decline due to intense competition. The second highest margins are delivered by the Health Care business which produced a 15.1% net margin in 2015.
- The other three business segments (Beauty, Fabric Care and Home Care, Baby & Family Care) all have significantly larger revenues but much lower margins.

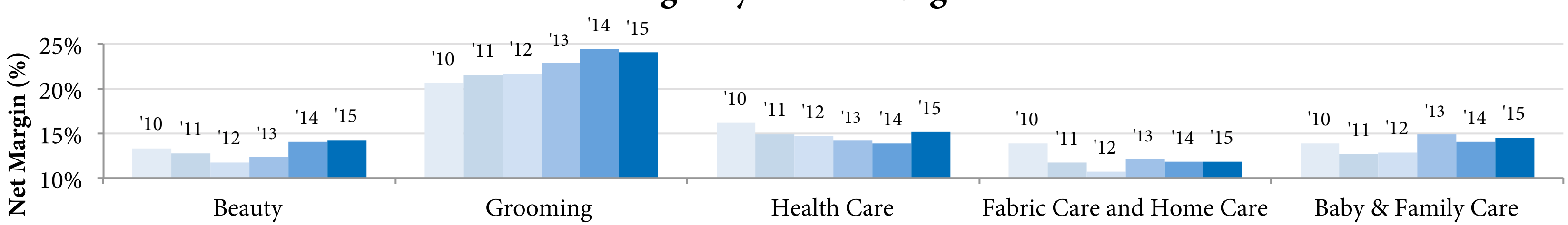
Revenue by Business Segment



Net Profit by Business Segment



Net Margin by Business Segment

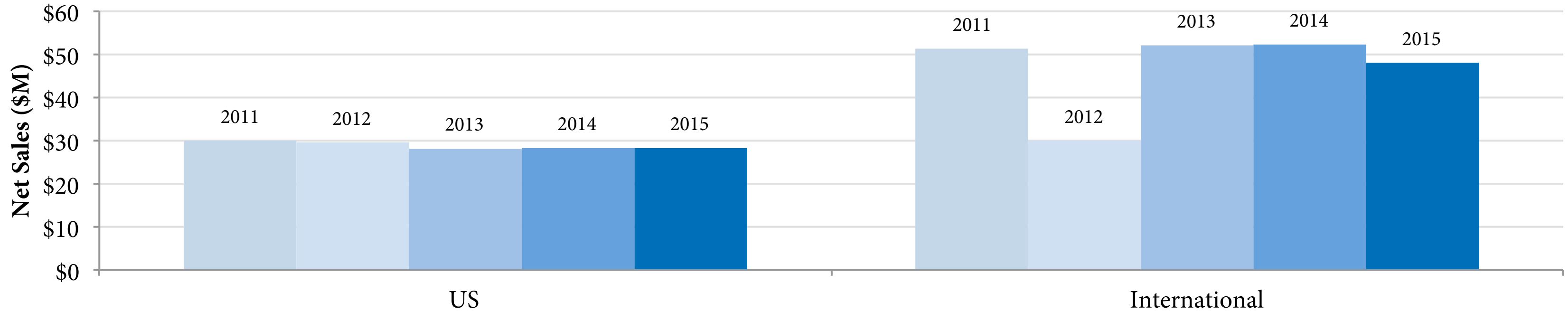


Source: P&G 2015 Annual Report

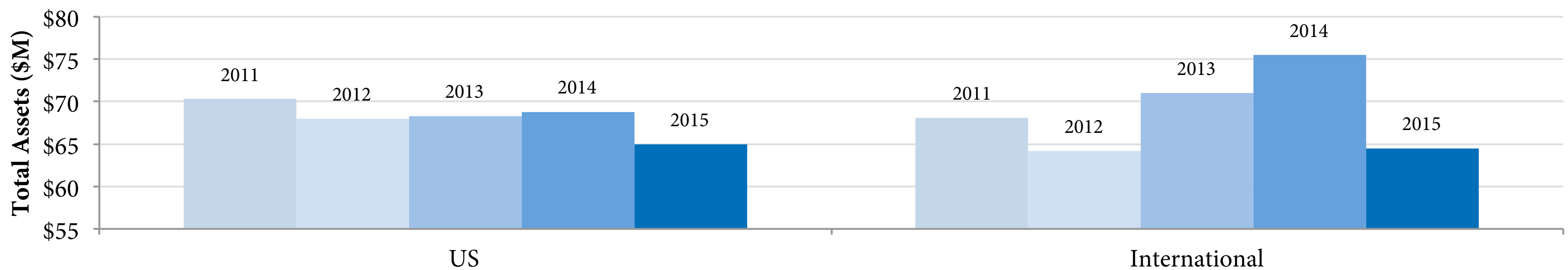
P&G: GEOGRAPHIC SEGMENT REVENUES & ASSETS

- P&G derives 60% of its revenue from its international business.
- The international business is currently a major headwind for the Company due to the strengthening US Dollar.
- However, we believe it is the international markets that will provide a significant future growth opportunity for the Company in the long run, especially those emerging and frontier markets that have sizeable population growth and GDP expansion potential.
- The core US market will continue to provide P&G the cash flows required to fund expanding investments in its international businesses.

Revenue by Geographic Segment



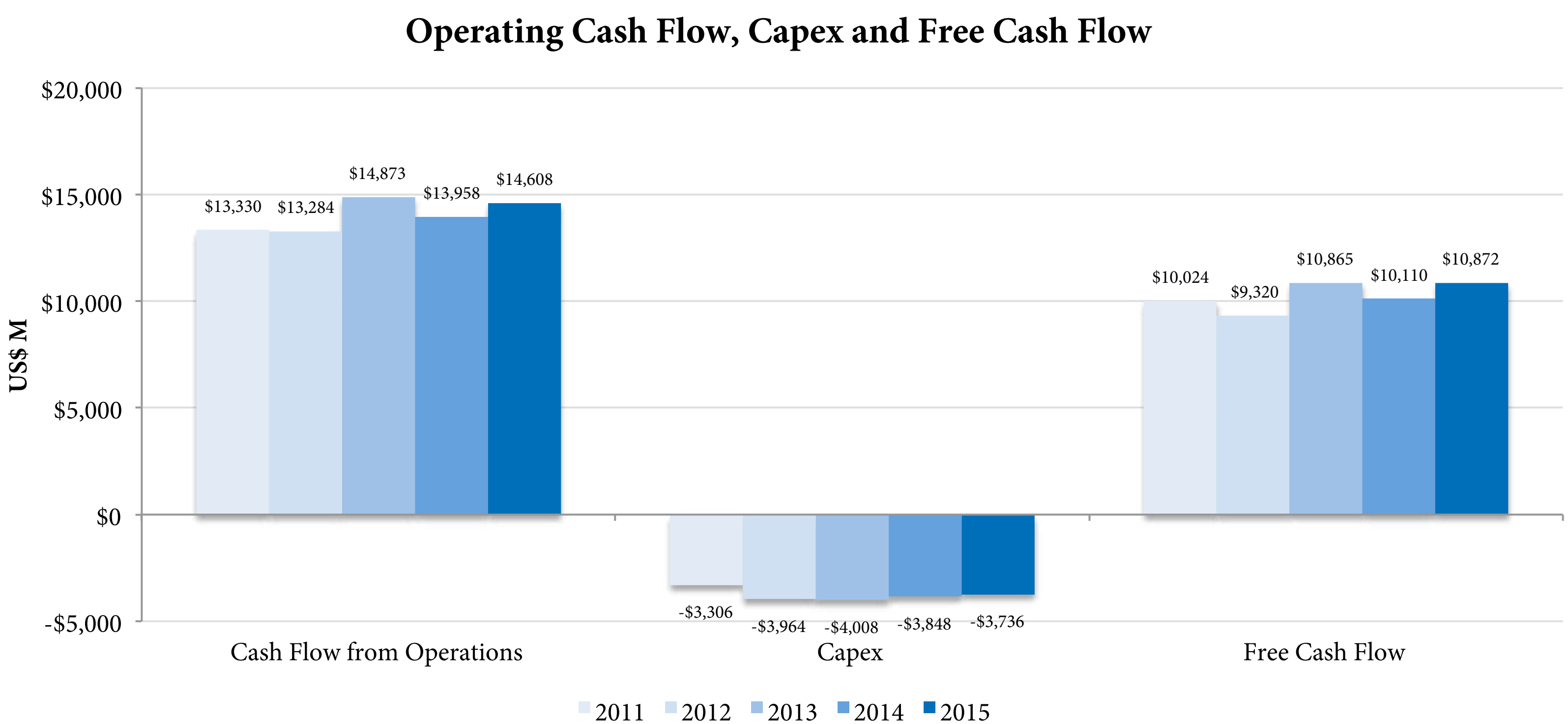
Total Assets by Geographic Segment



Source: P&G 2015 Annual Report

P&G: CAPITAL EXPENDITURE & FREE CASH FLOW GENERATION

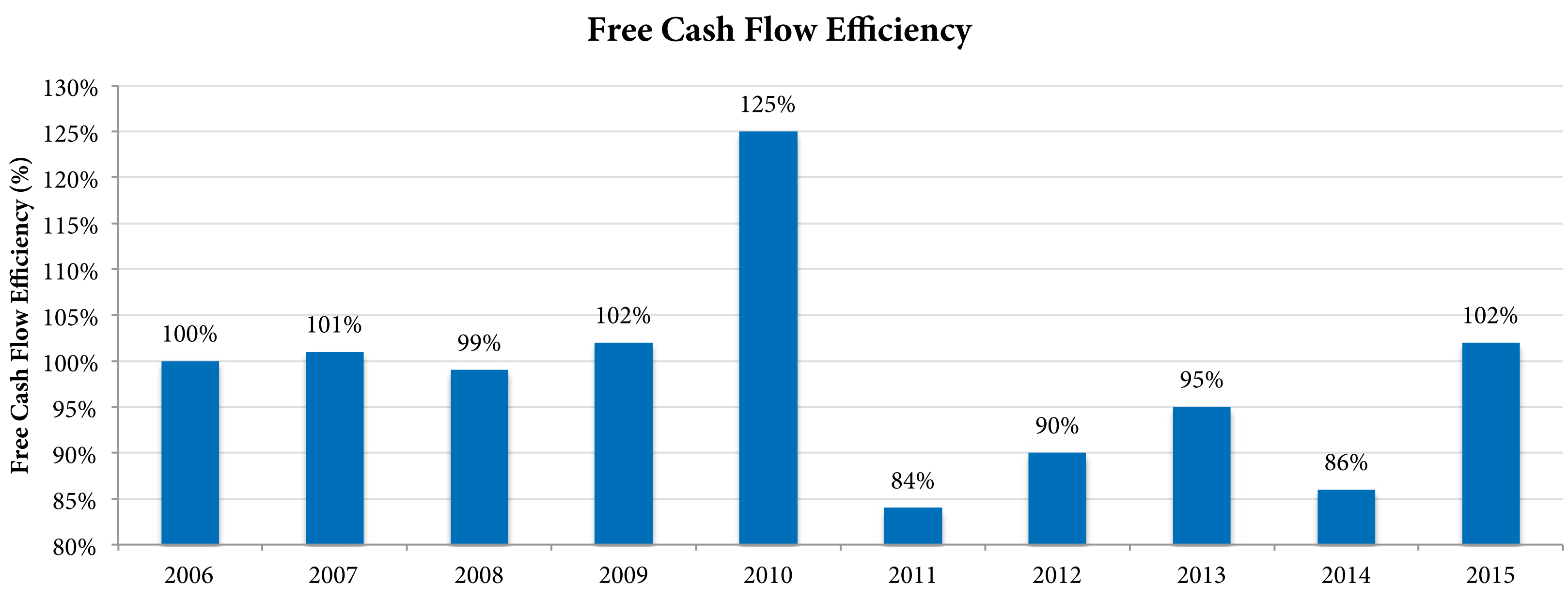
- The Company has been a strong Free Cash Flow ("FCF") generator historically.
- The Company has delivered an average US$ 10.2B of Free Cash Flow over the past five years.
- We note the lack of FCF growth in recent years, which is a source of frustration for many investors. However, we believe this is rectifiable based on the "Shrink-To-Grow" strategy.



Data Source: Thomson Reuters Eikon as at 2 March 2016
* Free Cash Flow (FCF) is defined as cash from operating activities minus capital expenditures

P&G: FREE CASH FLOW EFFICIENCY

- It is important to understand a company's ability to generate cash without external financings. We look at measures such as Free Cash Flow (FCF) Efficiency* to help gauge the resources available for strategic opportunities such as undertaking acquisitions, investing in the business, strengthening the balance sheet, and to assess the robustness of a company's earnings performance.
- We note that several well run consumer goods companies, such as Edgewell Personal Care and Clorox have a 5-year average FCF Efficiency of 115%**.
- We also note an improvement in P&G's FCF Efficiency in FY2015 at 102%. However, we consider there still exists considerable room for improvement to increase its average FCF Efficiency above 110% on a more consistent basis.



* Free Cash Flow Efficiency is defined as Free Cash Flow / Net Income and it shows how efficient the business is at generating free cash flow versus its reported/accounting net income
** Edgewell Personal Care Investor Kickoff 2015 Presentation – 2 June 2015, Clorox figures based on Thomson Reuters Eikon data

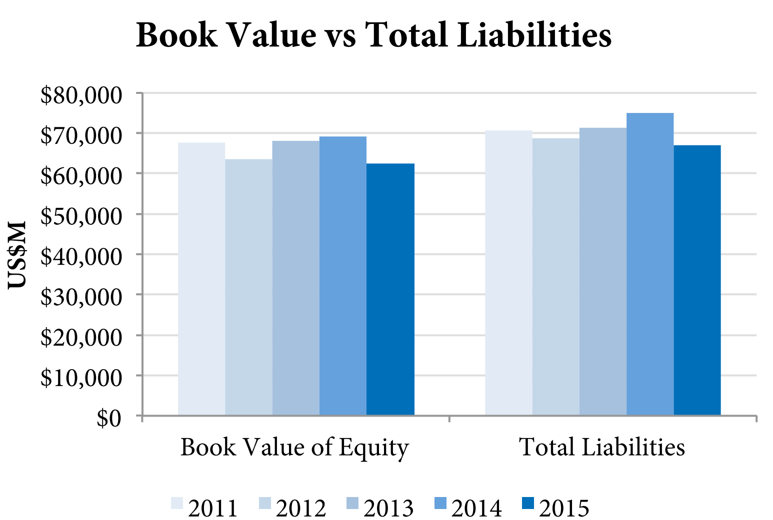
P&G: FINANCIAL POSITION

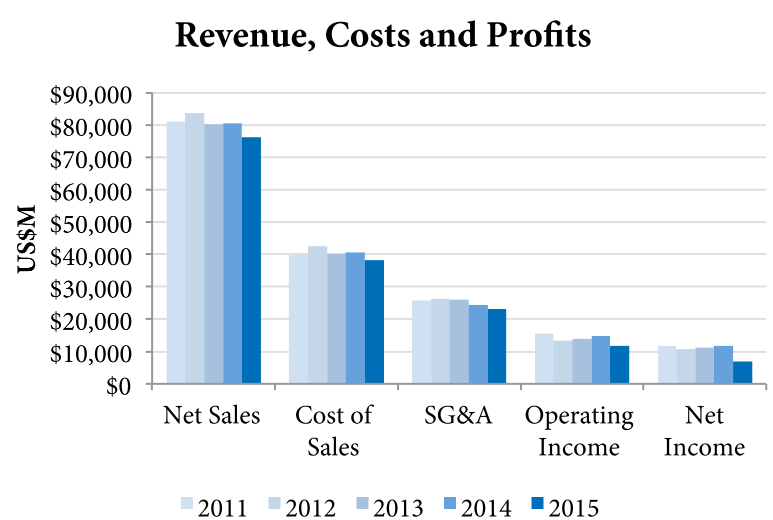
BALANCE SHEET

- Under traditional value metrics P&G may look financially leveraged - Book Value to Total Liabilities ratio = 0.93x. However, it should be noted that much of the value of its strong brands and its wide economic moat are not accounted for in this traditional accounting approach.
- The stock is currently trading at 3.6x Book Value and which again does not accurately reflect (in our opinion) underlying intrinsic value. We believe with its wide economic moat and consistent cash flows, the Company is appropriately geared to provide attractive returns for its shareholders. In fact as the portfolio is restructured further we expect increased capital returns to shareholders via buybacks (or other methods).

INCOME STATEMENT

- P&G is undertaking a "Shrink-To-Grow" process, and hence the declining revenue and profits – per the chart below. We expect this trend to reverse after it completes its brand portfolio optimisation.





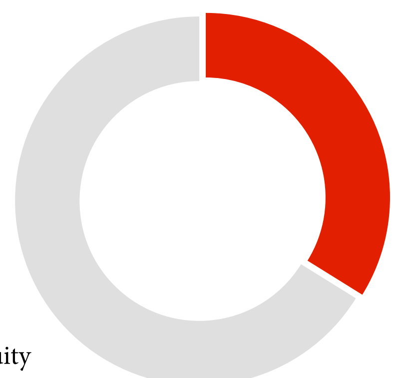
* As at 26 September 2015
Data Source: Thomson Reuters Eikon as at 2 March 2016

P&G: DEBT & TERM STRUCTURE

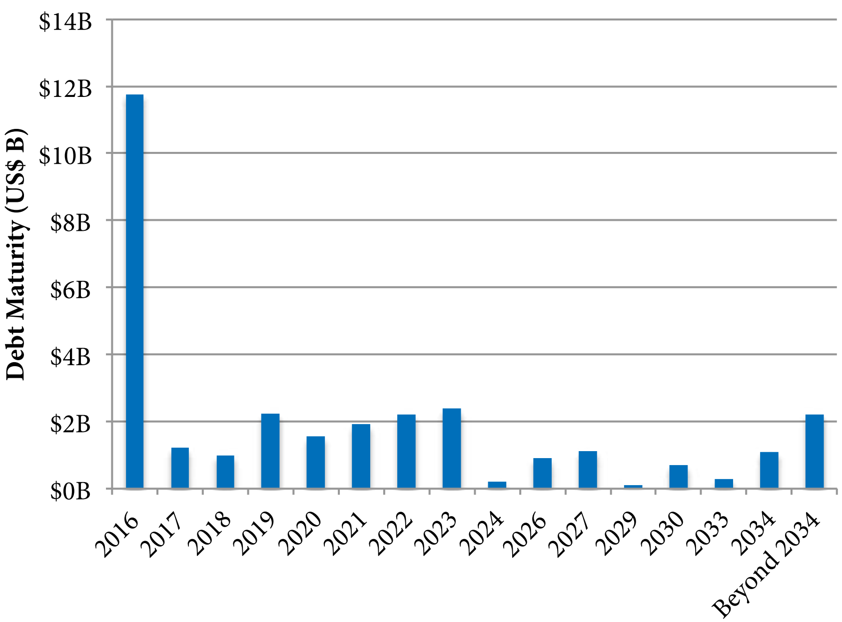
DEBT

- Debt makes up ~34% of P&G's total capital base, in line with the majority of its industry peers.
- The Company has debt totalling US$ 31.5B*.
- P&G has a S&P Long-term Issuer Rating of AA-, and Moody's Long-term Issuer Rating of Aa3 since 2001.

Total Equity vs Borrowings



Debt Maturity Profile**



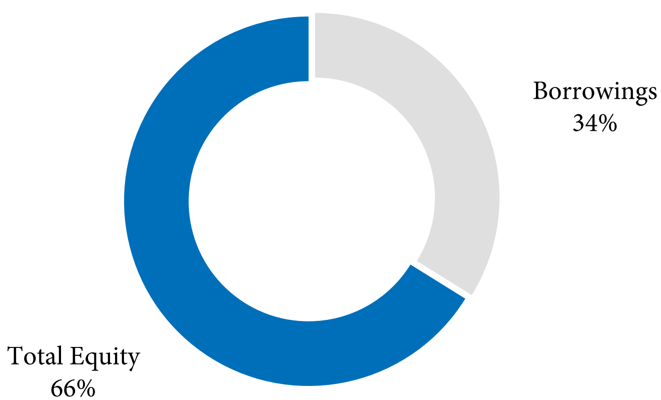
* As at 31 December 2015
** Data Source: Thomson Reuters Eikon as at 2 March 2016

P&G: EQUITY OWNERSHIP

EQUITY

- # of Shares Outstanding = 2.705B*
- Total Equity = US$ 61.6B**
- Market Capitalisation = US$ 223.26B*
- Large institutional investors make up the majority of the top ten holders. Of these holders, Berkshire Hathaway and Yacktman have a value driven approach and both have been long-term investors.

Total Equity vs Borrowings



Top 10 Shareholders*	%*
The Vanguard Group, Inc.	6.37%
State Street Global Advisors (US)	4.27%
BlackRock Institutional Trust Company, N.A.	3.94%
Berkshire Hathaway Inc.	1.95%
Capital World Investors	1.85%
Fidelity Management & Research Company	1.70%
Bank of America Merrill Lynch (US)	0.87%
Geode Capital Management, L.L.C.	0.84%
Yacktman Asset Management LP	0.81%
Norges Bank Investment Management	0.77%
	23.37%

* Data Source: Thomson Reuters Eikon as at 2 March 2016
** As at 31 December 2015

P&G: CAPITAL RETURNS VIA DIVIDENDS & SHARE BUYBACKS

US$82B

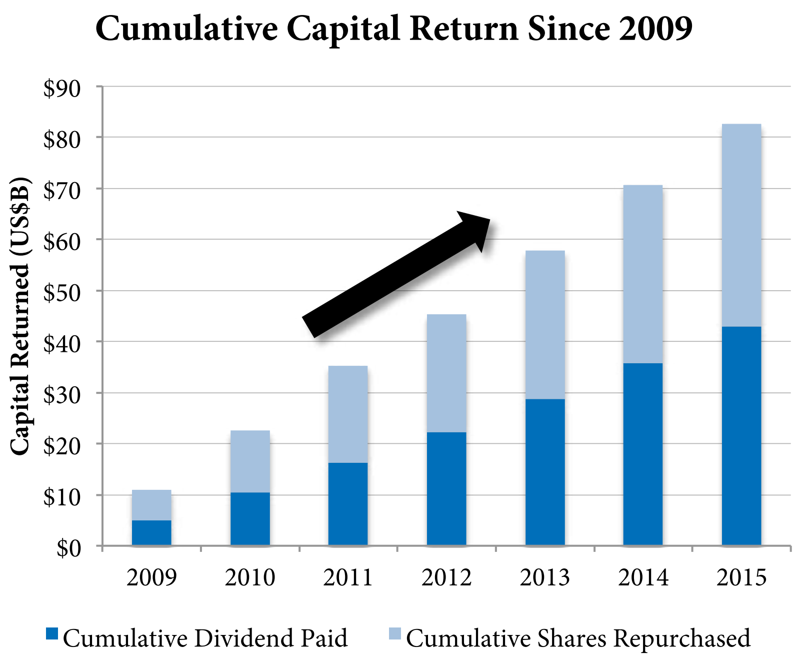
OF CAPITAL RETURNED TO SHAREHOLDERS BETWEEN 2009 AND 2015*

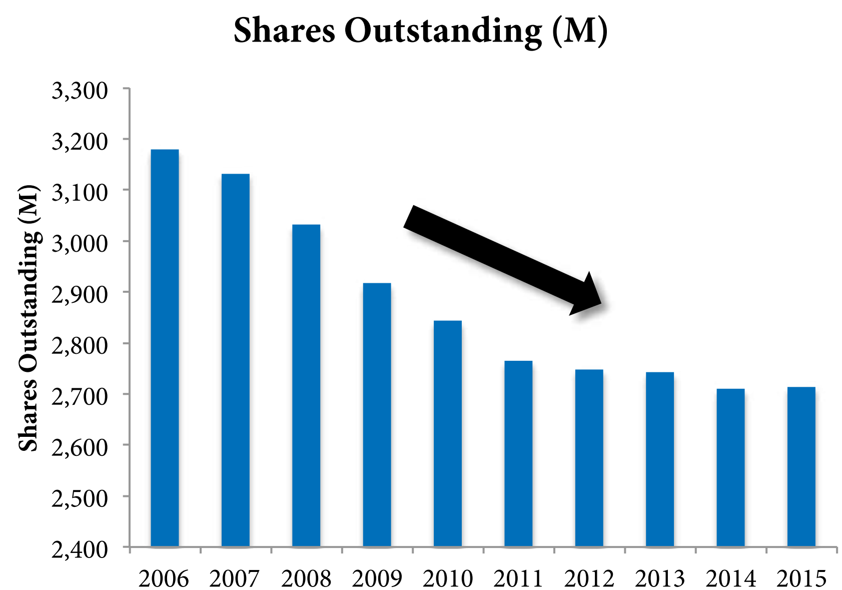
US$223B

P&G MARKET CAP**

US$70B

OF CAPITAL INTENDED TO BE RETURNED TO SHAREHOLDERS BETWEEN 2016 AND 2019***





* P&G Annual Reports from 2009 to 2015
** As at 2 March 2016
*** Through a combination of dividend payments, share retirement and share repurchase.

COMPANY CULTURE & EMPLOYEE EFFICIENCY

1851 1853 1859 1875 1882 1930 1991 1995 2003

P&G: COMPANY CULTURE / WORKPLACE

- We investigated Glassdoor (www.glassdoor.com) where employees and former employees anonymously review companies and their management. Our overall impression of the reviews is that P&G has a company culture that resonates with many of its employees around the world.

#11 Employee Choice Awards for Best Place to Work 2015 (Glassdoor)

www.glassdoor.com/Reviews/Procter-and-Gamble-Reviews-E544.htm

#10 World's Top Employers for New Grads (CNNMoney)

Top 10 of Best LinkedIn Company 2014 (LinkedIn)

#31 World's Most Respected Companies (Barron's)

#63 World's Most Reputable Companies (Forbes)

#65 America's Most Reputable Companies (Forbes)

#17 World's Most Admired Companies (Fortune)

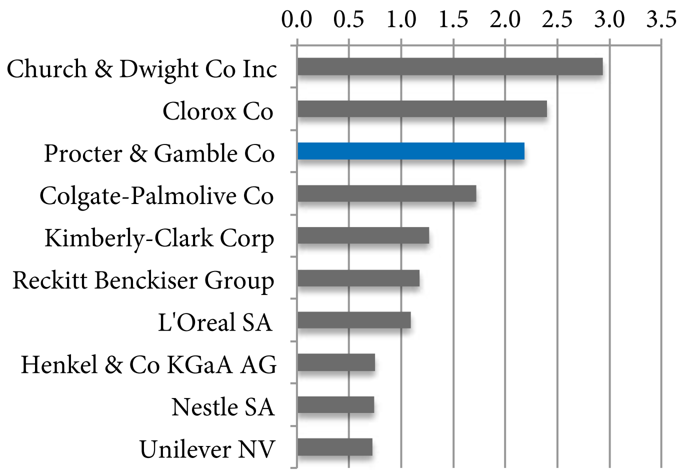
Source: http://us.pg.com/who_we_are/external_recognition

P&G: EMPLOYEE EFFICIENCY

- We use the Enterprise Value to Employee Ratio to measure how worker-intensive a business or an industry is. We also use this metric to compare businesses within the same industry to rank their relative efficiency.
- P&G has an above average EV/Employee ratio. However, we remain unimpressed, as P&G ought to be benefiting from its economies of scale to produce a higher EV/Employee ratio then its smaller competitors like Church & Dwight or Clorox.
- If economies of scale brings no material benefit to P&G, there is a good case to break up the Company so the separated smaller companies can focus on improving their own productivity efficiencies and react to market conditions / changes faster.

Company Name	Current EV (USD M)	Number of Employees	EV / Number of Employees
Church & Dwight Co Inc	$12,314	4,200	2.93
Clorox Co	$18,463	7,700	2.40
Procter & Gamble Co	**$239,732**	**110,000**	**2.18**
Colgate-Palmolive Co	$64,882	37,700	1.72
Kimberly-Clark Corp	$54,609	43,000	1.27
Reckitt Benckiser Group PLC	$43,795	37,200	1.18
L'Oreal SA	$85,913	78,611	1.09
Henkel & Co KGaA AG	$37,453	49,950	0.75
Nestle SA	$251,992	339,000	0.74
Unilever NV	$125,378	172,471	0.73
Median			**1.22**
Mean			**1.50**

EV / Number of Employees



Data Source: Thomson Reuters Eikon as at 2 March 2016

COMPARABLE COMPANIES

1851 1853 1859 1875 1882 1930 1991 1995 2003

P&G: COMPARABLE COMPANIES – MARGINS AND RETURNS (1)

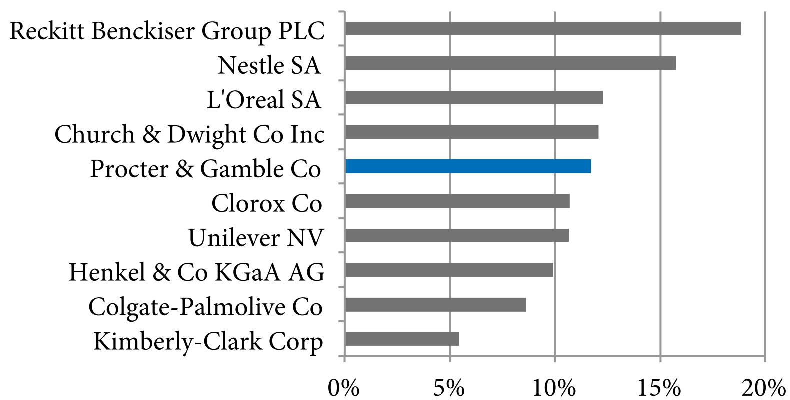
- P&G's margins are slightly above average when compared to its peers – albeit they have deteriorated in recent years, as evidenced from the higher five-year averages (see below).
- The fact that P&G is the 2nd largest company in this group, but with only slightly above average margins suggest the following possibilities:
    1. There is limited benefit to its economies-of-scale;
    2. The Company has been operating sub-optimally for sometime now;
    3. It is currently operating sub-optimally due to its turnaround efforts.
- Our view is the Company is primarily affected by #3 (with a reducing input from #2 on a legacy basis), and we suggest that the current turnaround efforts (and pressure from shareholders) will likely lead to improving margins and higher returns for shareholders in the next few years.

Company Name	Net Profit Margin	Gross Profit Margin	EBITDA Margin	EBIT Margin	ROE	ROA	Market Cap (USD M)
Kimberly-Clark Corp	5.4%	35.6%	12.7%	8.7%	365.0%	6.0%	47,175
Colgate-Palmolive Co	8.6%	58.6%	27.0%	24.2%	327.2%	12.2%	59,026
Henkel & Co KGaA AG	9.9%	47.5%	18.3%	16.0%	14.8%	8.2%	42,189
Unilever NV	10.7%	41.4%	16.8%	14.5%	33.2%	11.8%	127,537
Clorox Co	10.7%	43.6%	21.0%	18.0%	274.3%	14.4%	16,557
Church & Dwight Co Inc	12.1%	44.5%	22.8%	19.9%	19.9%	9.5%	11,594
L'Oreal SA	12.3%	71.1%	20.1%	16.2%	12.9%	8.8%	95,428
Nestle SA	15.8%	48.1%	18.7%	15.4%	23.9%	5.4%	238,868
Reckitt Benckiser Group PLC	18.8%	57.7%	26.6%	24.7%	24.9%	10.9%	61,019
Procter & Gamble Co	**11.7%**	**49.9%**	**20.9%**	**16.8%**	**13.6%**	**6.5%**	**223,260**
Procter & Gamble Co (5yr average)	**13.0%**	**50.0%**	**21.9%**	**17.9%**	**15.6%**	**8.0%**	
Median	**10.7%**	**47.5%**	**20.1%**	**16.2%**	**24.9%**	**9.5%**	**59,026**
Mean	11.6%	49.8%	20.4%	17.5%	121.8%	9.7%	77,710

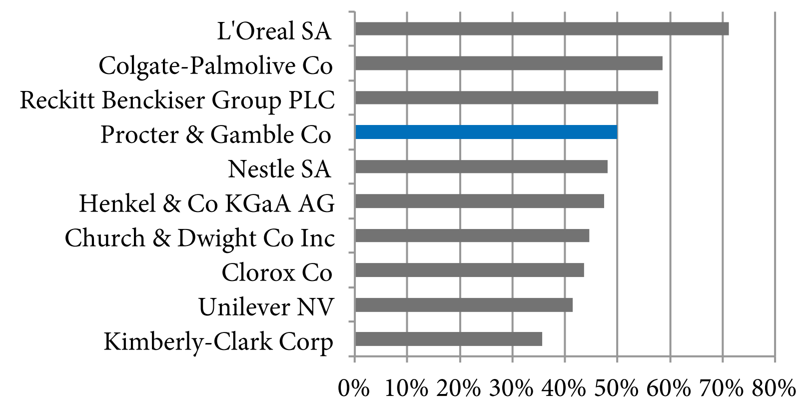
Data Source: Thomson Reuters Eikon as at 2 March 2016

P&G: COMPARABLE COMPANIES – MARGINS AND RETURNS (2)

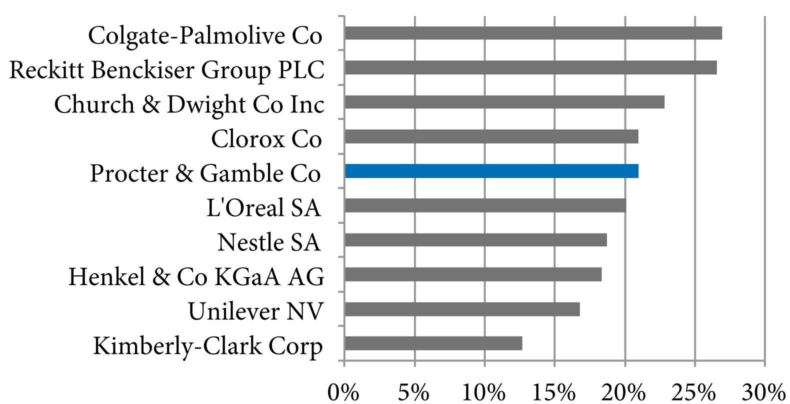
Net Profit Margin



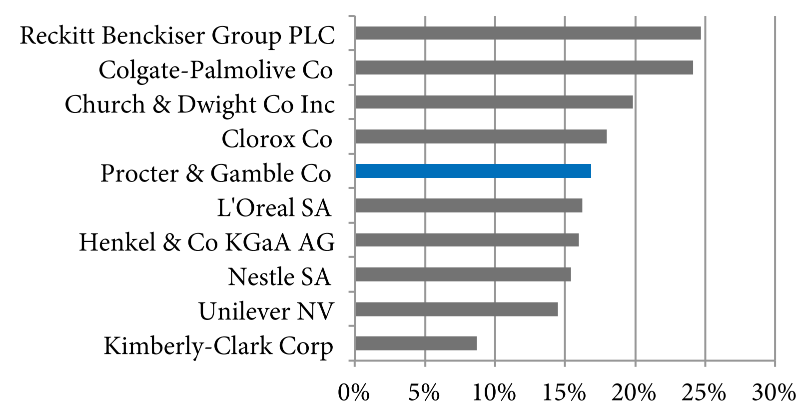
Gross Profit Margin



EBITDA Margin



EBIT Margin



Data Source: Thomson Reuters Eikon as at 2 March 2016

P&G: COMPARABLE COMPANIES – FINANCIAL LEVERAGE

- Because of the historically steady nature of the industry, and the high levels of cash flow, FMCG businesses have relatively high levels of leverage (with the exception of Henkel and L'Oreal).
- P&G has average levels of debt relative to the industry. We expect these metrics to further improve with the "Shrink-To-Grow" strategy now in place.
- Current indications are that P&G will seek to return capital to shareholders to the tune of US$ 70B over the next four years (31.5% of market cap and 29.0% of enterprise value), through share buybacks and dividends.

Company Name	Net Debt To EV	Net Debt To EBITDA	Total Debt to Total Equity	Quick Ratio	Market Cap (USD M)
Church & Dwight Co Inc	5.8%	92.7%	51.9%	0.72	11,594
Clorox Co	10.3%	151.4%	1,856.8%	0.74	16,557
Colgate-Palmolive Co	8.6%	123.9%	Negative Equity	0.99	59,026
Henkel & Co KGaA AG	Net Cash	Net Cash	15.4%	0.92	42,189
Kimberly-Clark Corp	13.2%	306.1%	Negative Equity	0.55	47,175
L'Oreal SA	1.6%	28.1%	12.8%	0.70	95,428
Nestle SA	7.2%	106.2%	30.2%	0.75	238,868
Reckitt Benckiser Group PLC	4.0%	79.8%	37.6%	0.46	61,019
Unilever NV	9.4%	134.0%	90.6%	0.49	127,537
Procter & Gamble Co	**7.2%**	**107.7%**	**48.6%**	**0.83**	**223,260**
Median	**7.9%**	**115.0%**	**37.6%**	**0.72**	**59,026**
Mean	7.5%	127.8%	299.3%	0.70	77,710

Data Source: Thomson Reuters Eikon as at 2 March 2016

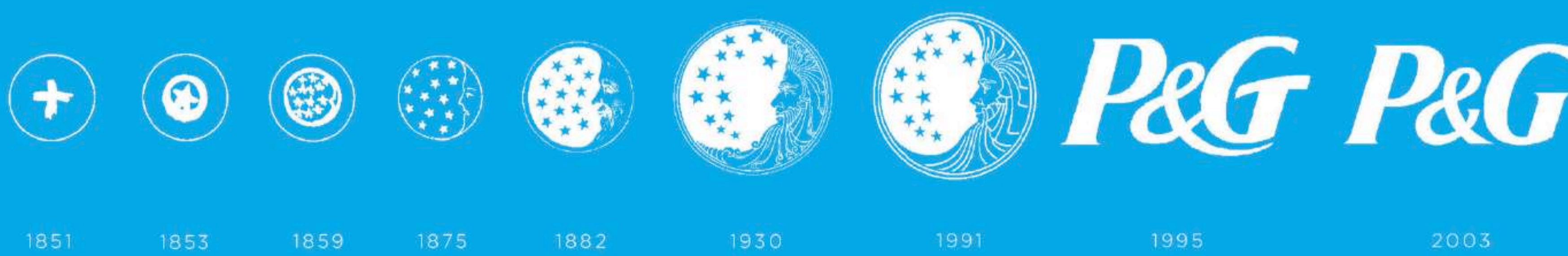
P&G: COMPARABLE COMPANIES – VALUATION

- While P&G does not look “absolutely” cheap when compared to peers on various key metrics below, we suggest the completion of its portfolio restructure will produce an optimised P&G that should deliver improved earnings and accordingly we believe we are actually purchasing P&G at a discounted price to its future “optimised” value.
- Additionally, a breakup into two companies as we suggest on Pages 46-52 – could create material value for shareholders based on historical precedents.
- The strong cash flow generation capability has allowed P&G to be one of the most consistent dividend payers in US corporate history. The high dividend yield should continue to provide a floor to its stock price in the current low interest rate environment globally.

Company Name	P/E	Forward P/E	P/S	EV/ EBITDA	P/CF	P/B	Gross Div Yield	Market Cap (USD M)
Kimberly-Clark Corp	46.0	21.2	2.5	22.8	20.5	-271.3	2.7%	47,175
L'Oreal SA	29.5	24.6	3.5	17.2	21.6	3.7	1.8%	95,428
Reckitt Benckiser Group PLC	22.9	24.8	4.9	16.7	20.3	6.8	2.2%	61,019
Church & Dwight Co Inc	27.6	25.2	3.4	15.3	19.1	5.7	1.5%	11,594
Colgate-Palmolive Co	43.8	24.0	3.7	15.2	20.0	-197.4	2.9%	59,026
Nestle SA	16.1	23.1	2.5	14.3	16.3	3.7	3.0%	238,868
Henkel & Co KGaA AG	23.9	17.7	2.3	13.0	18.9	3.1	1.4%	42,189
Clorox Co	22.8	26.0	2.9	12.8	21.2	83.6	2.4%	16,557
Unilever NV	18.2	20.0	2.2	12.6	18.7	7.0	2.9%	127,537
Procter & Gamble Co	**25.6**	**22.5**	**3.2**	**14.6**	**14.2**	**3.6**	**3.2%**	**223,260**
Median	**23.9**	**24.0**	**2.9**	**15.2**	**20.0**	**3.7**	**2.4%**	**59,026**
Mean	27.9	23.0	3.1	15.5	19.6	-39.5	2.3%	77,710

Data Source: Thomson Reuters Eikon as at 2 March 2016
CF = Cash Flow, BV = Book Value

KEY OPPORTUNITIES & RISKS



P&G: KEY OPPORTUNITIES (1)

Divestment Opportunities

P&G can benefit from further divestment of slow growth/low margin non-core assets. The recent transaction with Coty is a good example of a divestment which will add value for shareholders. P&G management could divest further assets in a number of categories either by brand or as entire segments. This could be achieved via trade sales, private equity sales or through a spin-off to shareholders.

Go-to-Market Capabilities

P&G is consistently ranked by leading retailers in industry surveys as a preferred supplier. P&G is also frequently ranked as the industry leader in a wide range of capabilities, including clearest company strategy, brands most important to retailers, strong business fundamentals and innovative marketing programs.

Brand-Building

P&G is a company of leading brands. It has 21 brands with annual sales of \$1 billion to more than \$10 billion, and a further 11 brands with sales of \$500 million to \$1 billion — many of these with billion-dollar potential. Nearly all of these 21 billion-dollar brands and the vast majority of the \$500 million to \$1 billion brands hold the number one or two positions in their category or segment, and they all have significant growth and value creation potential globally.

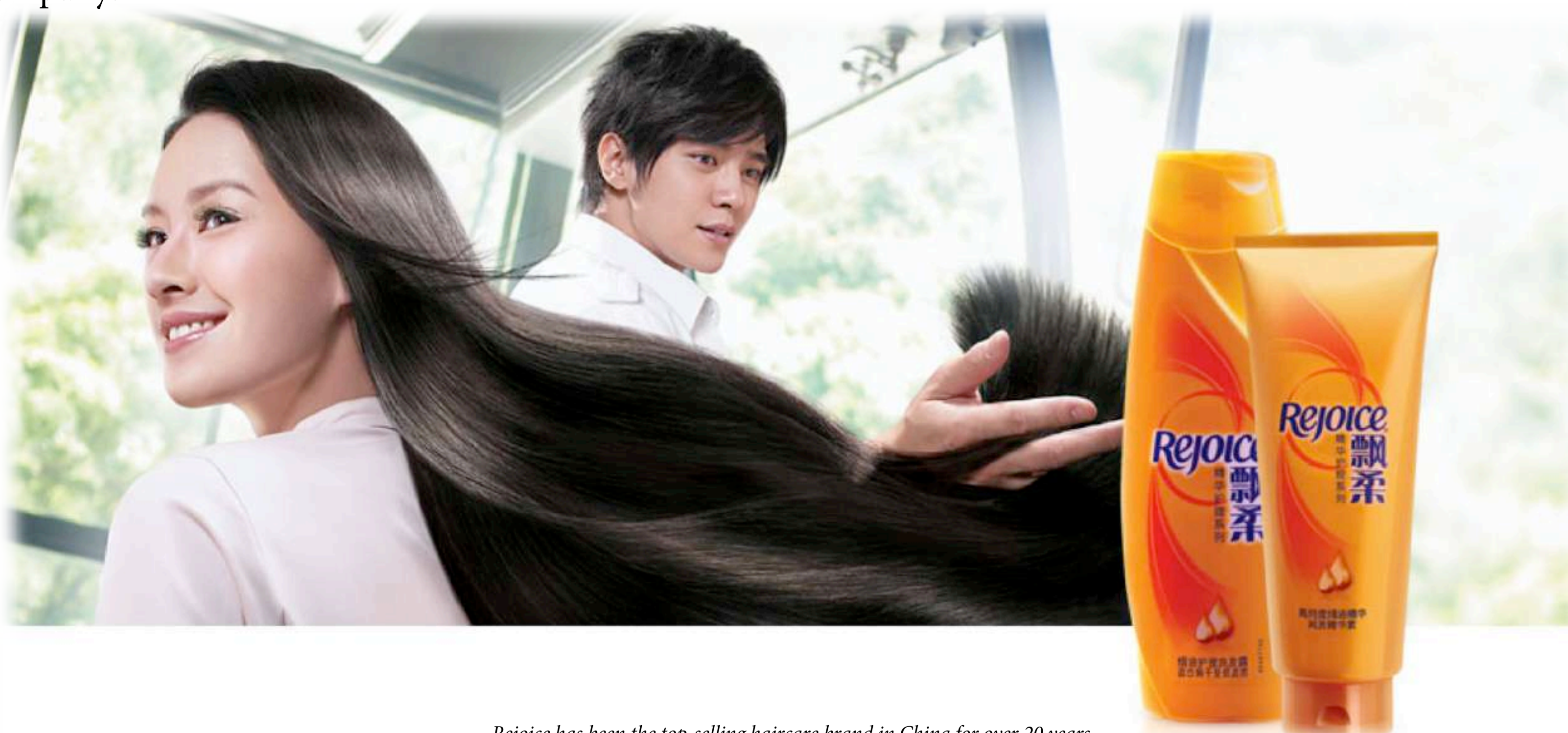
P&G: KEY OPPORTUNITIES (2)

Scale

As one of the world's largest consumer packaged goods companies, P&G has the advantage of scale across brands, businesses and operations. However, we believe the Management still have a lot of work to do to utilise this economies of scale to its advantage for the benefit of its shareholders – e.g., supply chain optimisation.

International Exposure and Growth

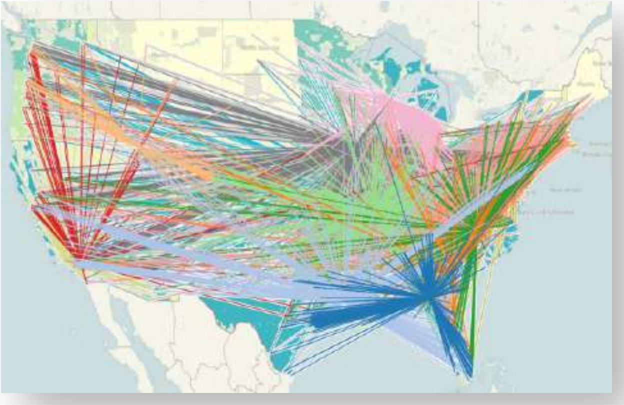
P&G is well diversified geographically, with over 60% of its revenue coming from outside North America. However, this has recently been a head-wind to earnings growth due to depreciating developing market currencies. In the long run, P&G's international exposure will be one of the major growth engines for the Company.



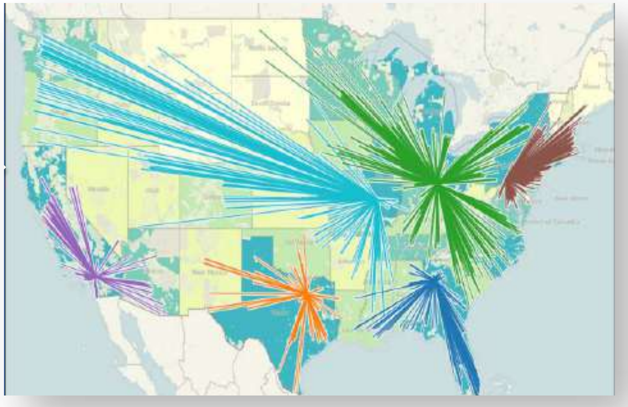
Rejoice has been the top-selling haircare brand in China for over 20 years.

P&G: KEY OPPORTUNITIES (3) – SUPPLY CHAIN TRANSFORMATION*

- P&G has over 130 manufacturing sites and 200 distribution centres globally, with 7,000+ suppliers.
- P&G is currently implementing the largest supply chain redesign in the Company's history, starting with a major redesign of its flagship supply networks in North America and Europe. It is…
    1. moving away from a dispersed supply networks that are forecast-driven, to a responsiveness-focused supply network;
    2. building six mega-distribution centres in strategic locations across US, with a distribution goal of being within one day's transit to 80% of retailers;
    3. creating "supplier villages" next to its plants so suppliers can respond much more quickly to P&G; and,
    4. adopting a demand-driven replenishment model based on point of sale (POS) information from its retail customers.
- We believe this supply chain redesign is significant to P&G as its huge supply chain is transformed into something leaner, more efficient, and closer to its customers. By doing so, P&G could maintain/improve margins while selling products at a more competitive price.



Before - Dispersed supply networks that are forecast-driven.



After – Redesigned supply networks with responsiveness in mind. Six mega-distribution centres with a distribution goal of being within one day's transit to 80% of retailers.

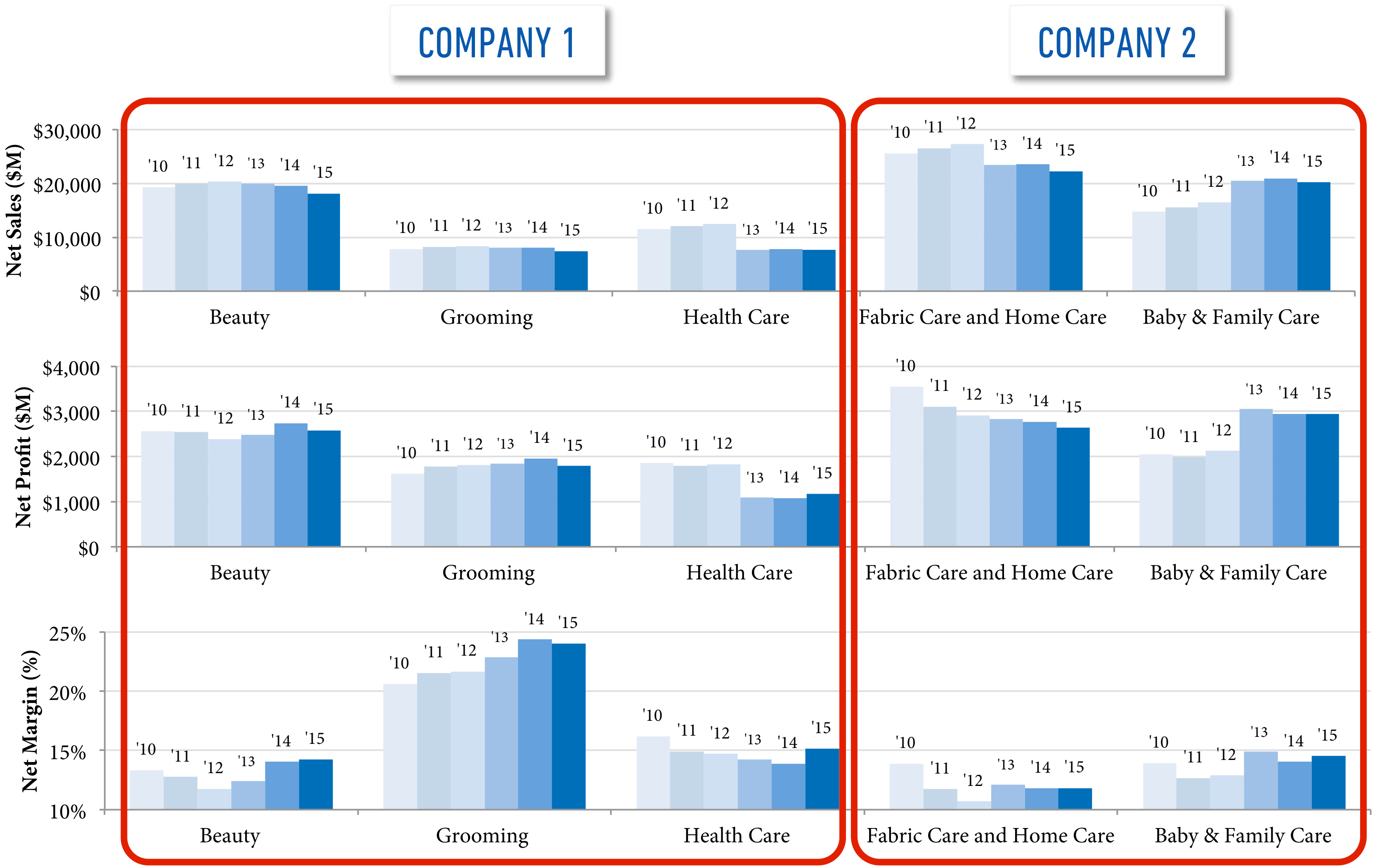
* Comments from Yannis Skoufalos, P&G's global product supply officer, published by Supply Chain 24/7 on 2 January 2015

P&G: KEY OPPORTUNITIES (4) – POSSIBLE BREAKUP OF P&G…

- Apart from divestments, we also suggest a possible breakup (a derivative of its "Shrink-To-Grow" strategy).
- Recent examples include Kraft Foods Inc. split into Mondelez International and Kraft Foods Group in 2012, the split up of Sara Lee, and the separation of Energizer Holdings and Edgewell Personal Care.
- Below we present one possible break-up scenario where P&G is broken up into two companies that can independently focus on their respective businesses and growth opportunities:

Source: P&G 2015 Annual Report

P&G: KEY OPPORTUNITIES (5) – POSSIBLE BREAKUP OF P&G



Source: P&G 2015 Annual Report

BREAKUP

CORPORATE BREAKUP: HISTORICAL CASE STUDY 1 – KRAFT FOODS

Before

US$73.5B

2012 Market Value

After

US$120.3B

Aggregated Value*

* As at 1 March 2016

CORPORATE BREAKUP: HISTORICAL CASE STUDY 1 – KRAFT FOODS

TIMELINE

2012

Kraft Foods Pre-Split
Market Cap = US$73.5B

Kraft Foods Group
Market Cap = US$52.2B

Mondelēz International
Market Cap = US$64.6B*

KraftHeinz
Market Cap = US$93.2B*
Kraft owners own 49% = US$45.7B

Special Dividends US$10B

2015

* As at 1 March 2016

CORPORATE BREAKUP: HISTORICAL CASE STUDY 2 – SARA LEE

Before

US$11.0B

2012 Market Value

After

US$19.3B

Aggregated Value

CORPORATE BREAKUP: HISTORICAL CASE STUDY 2 – SARA LEE

TIMELINE

2012

Sara Lee → Special Dividends US$1.8B

Sara Lee Pre-Split Market Cap = US$11.0B

D·E MASTER BLENDERS 1753

Hillshire BRANDS

JOH. A. BENCKISER SE

Acquired for US$ 9.8B

Tyson

Acquired for US$7.7B

2014

P&G: KEY RISKS (1)

Competitive Environment

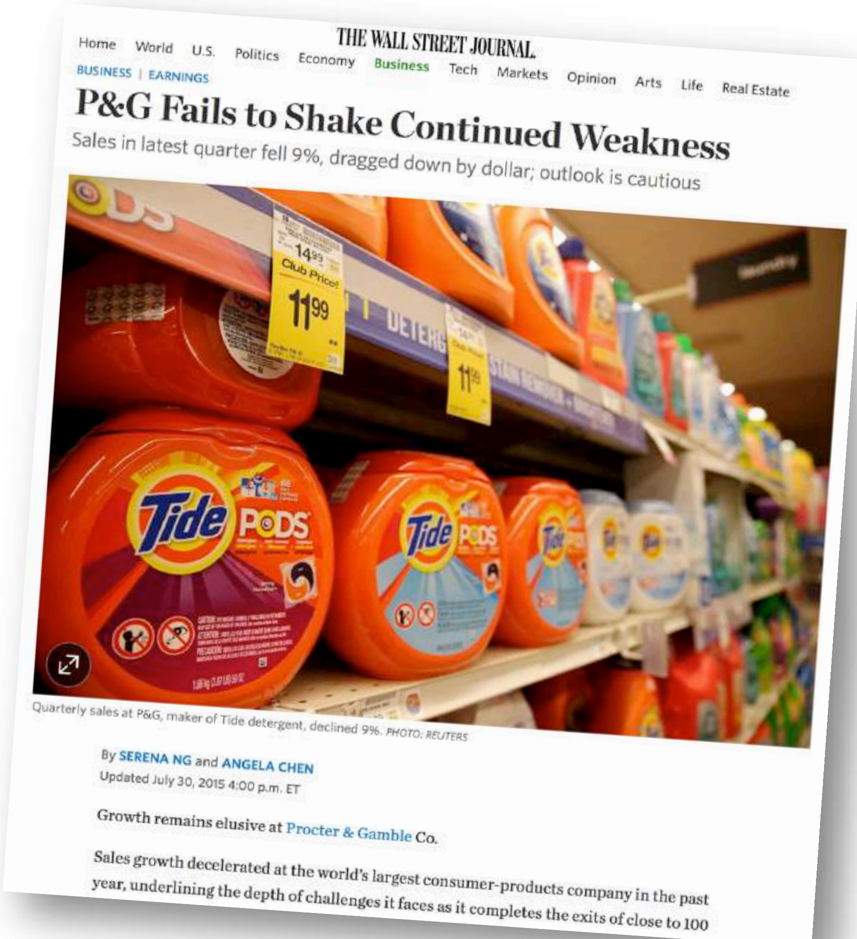
P&G operates in a number of categories which are highly competitive. Distinguishing products against competitor's offerings requires significant expenditure on marketing, particularly in the highly competitive categories of Beauty and Fabric and Home Care. The prospect of increased competition represents a risk for P&G given the stock price's high level/s of sensitivity to change/s in market share.

Strong US Dollar

A number of US based multinationals have struggled with the strengthening US dollar over the past two years. Given the prospect of the Federal Reserve increasing the Federal Funds rate further in 2016, the risk of further increases in the USD is very real. This will impact both revenue and earnings.

Sensitivity to Macroeconomic Conditions

Fast Moving Consumer Goods are often less sensitive to macroeconomic cycles than discretionary goods because consumers have to buy them regardless of the economic situation. However, certain categories in which P&G operates such as beauty are more vulnerable to economic fluctuations.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BUSINESS | EARNINGS

P&G Fails to Shake Continued Weakness

Sales in latest quarter fell 9%, dragged down by dollar; outlook is cautious

Quarterly sales at P&G, maker of Tide detergent, declined 9%. PHOTO: REUTERS

By SERENA NG and ANGELA CHEN

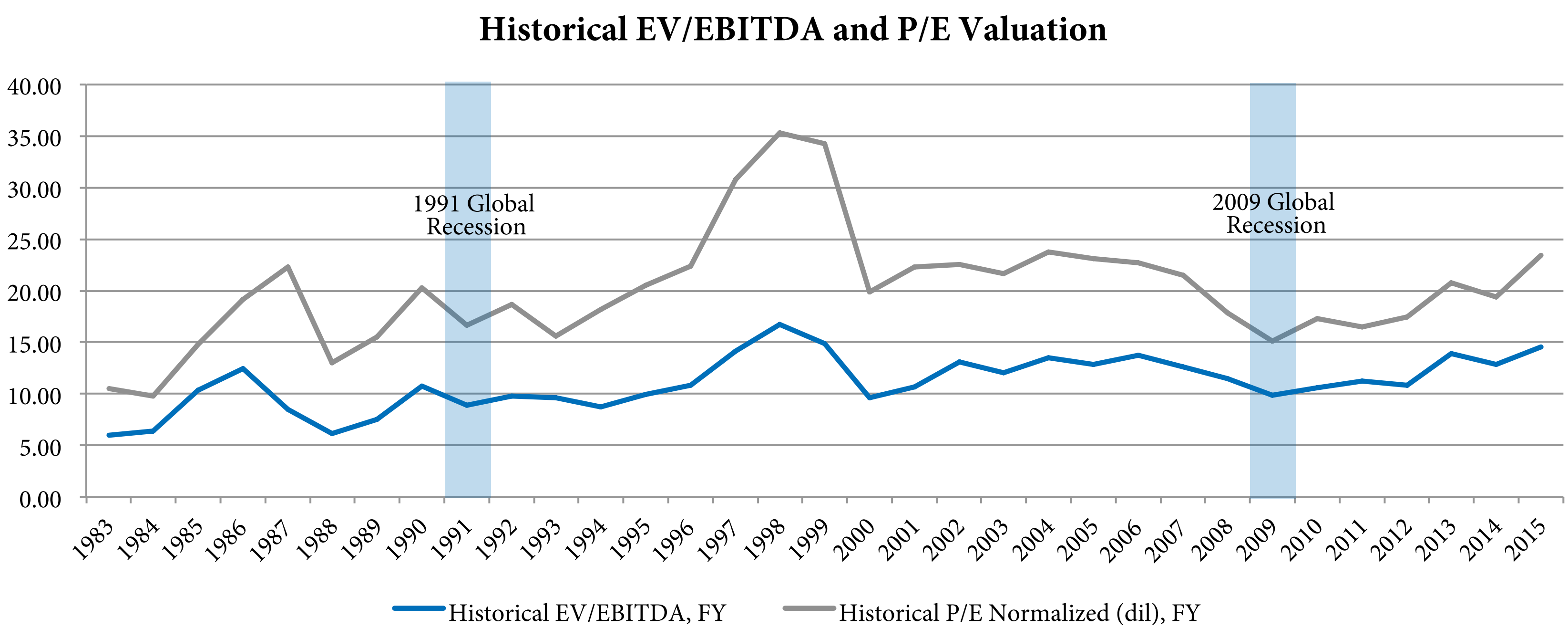
Updated July 30, 2015 4:00 p.m. ET

Growth remains elusive at Procter & Gamble Co.

Sales growth decelerated at the world's largest consumer-products company in the past year, underlining the depth of challenges it faces as it completes the exits of close to 100

P&G: KEY RISKS (2) – GLOBAL RECESSION

- According to IMF, there have been four global recessions since WWII (1975, 1982, 1991, 2009).
- In the last two global recessions, P&G traded at an average of EV/EBITDA of 9.4x (vs 14.6x currently), and P/E of 15.9x (vs 25.6x currently).
- If P&G were to trade at a historical global recession EV/EBITDA multiple of 9.4x, the implied share price would be US$ 53.37* which is 35% lower than the current share price of US$ 82.55** and 27% lower than Elevation Capital Value Fund's cost basis of US$ 74.34 per share**.



Data Source: Thomson Reuters Eikon as at 2 March 2016
* Based on EC Normalised EBITDA of US$ 16.91B
** As at 2 March 2016

P&G: KEY RISKS (3)

Regulation, Trade Agreements and Tax Regimes

P&G operates in a number of regions and countries throughout the world and is therefore exposed to changes in regulations and tax regimes in many jurisdictions. Changes are particularly frequent in emerging markets which P&G has focused on in recent years. Likewise, the imposition of increased or new tariffs, quotas, trade barriers or other restrictions on trade may have an adverse impact on P&G.

Management of Acquisitions, Divestments and Joint Ventures

P&G are constantly undertaking transactions such as acquisitions, divestitures and joint ventures. If management fail to realise full value from a divestment, overpay for, or fail to integrate an acquisition or fail to manage a joint venture adequately investors may be adversely affected.

FINANCIAL TIMES

Last updated: July 9, 2015 6:06 pm

Procter & Gamble sells beauty arm to Coty in complex deal

Lindsay Whipp in Chicago and Arash Massoudi in London

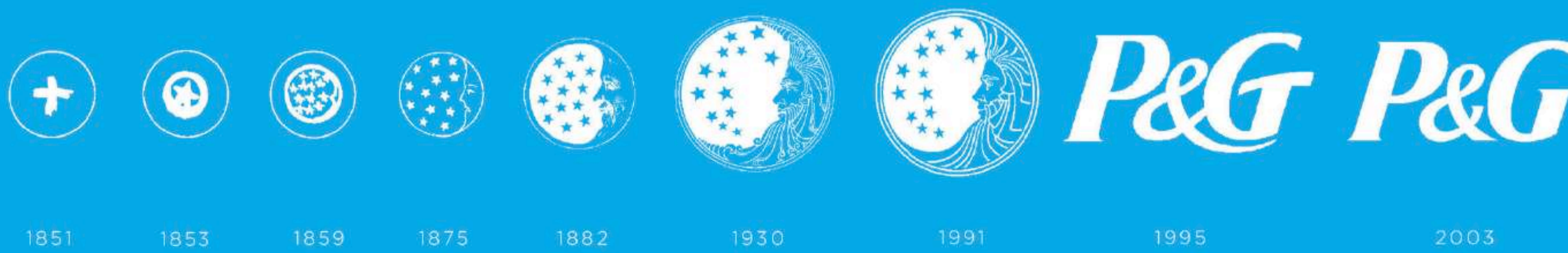
Procter & Gamble has agreed to spin off Clairol and 42 other beauty brands to Coty in a complicated $12.5bn-plus deal that largely completes the divestitures promised by the world's largest consumer goods company as it narrows its focus on its biggest businesses.

P&G has proposed to execute the split off — which includes the sale of its salon professional and retail hair care and colour, cosmetics and fragrances businesses — via a so-called Reverse Morris Trust transaction.

This enables P&G to minimise tax and will result in a one-time gain of $5bn-$7bn, depending on the deal's value when it closes. P&G shareholders will exchange some or all of their current holdings for 52 per cent of the company created by the deal, with Coty shareholders owning 48 per cent.

P&G also announced that it would return $70bn to shareholders over the next four years in addition to its existing buyback programme.

CONCLUSION



P&G: ELEVATION CAPITAL CONCLUSION

- P&G has the advantage of economies of scale and brand power, but it is not reflected in current financial results primarily due to a weak consumer environment globally for premium brands, an inefficient supply chain, and a strengthening US Dollar.
- P&G is well diversified geographically, with over 60% of its revenue coming from outside North America. However, this has recently led to volatility upon currency translation. In the long run, the international exposure will allow it access to the highest growth regions in the world.
- P&G pays a dividend which yields above its peers at 3.2% and it has similar debt levels relative to its peers.
- Most importantly, P&G has the chance to divest a number of assets which will allow it to focus on the segments in which it performs best. This is expected to maximise value for shareholders, allowing the Company to return significant sums of cash in the form of dividends or buybacks – up to US$70B by 2019 (31% of current market cap).
- We also suggest the possibility of breaking up the Company to further optimise and release value for shareholders. The two separated smaller companies (which are suggested on page 37) could also reverse the perception of a "slow-to-react" culture and allow more efficient execution to take on competitors in a fast changing consumer environment.
- P&G is currently trading at a discount to our Sum-of-the-Parts ("SOTP") valuation estimates, with an upside potential range of +8.5% to +30%. In our global recession scenario analysis, P&G has a downside risk of -35% from current prices (-27% from Elevation Capital Value Fund's cost basis).
- On review such a downside scenario of -27% seems unattractive from an investor's perspective. We may concur if it were any other company than P&G. However, P&G has many levers to pull to deal with a global recession scenario but also to further optimise its business as outlined in this presentation. We also believe our breakup scenario in all likelihood would prove conservative if such a transaction were to occur - something we believe should happen if current management cannot deliver clear improvements in the business over the next few years.

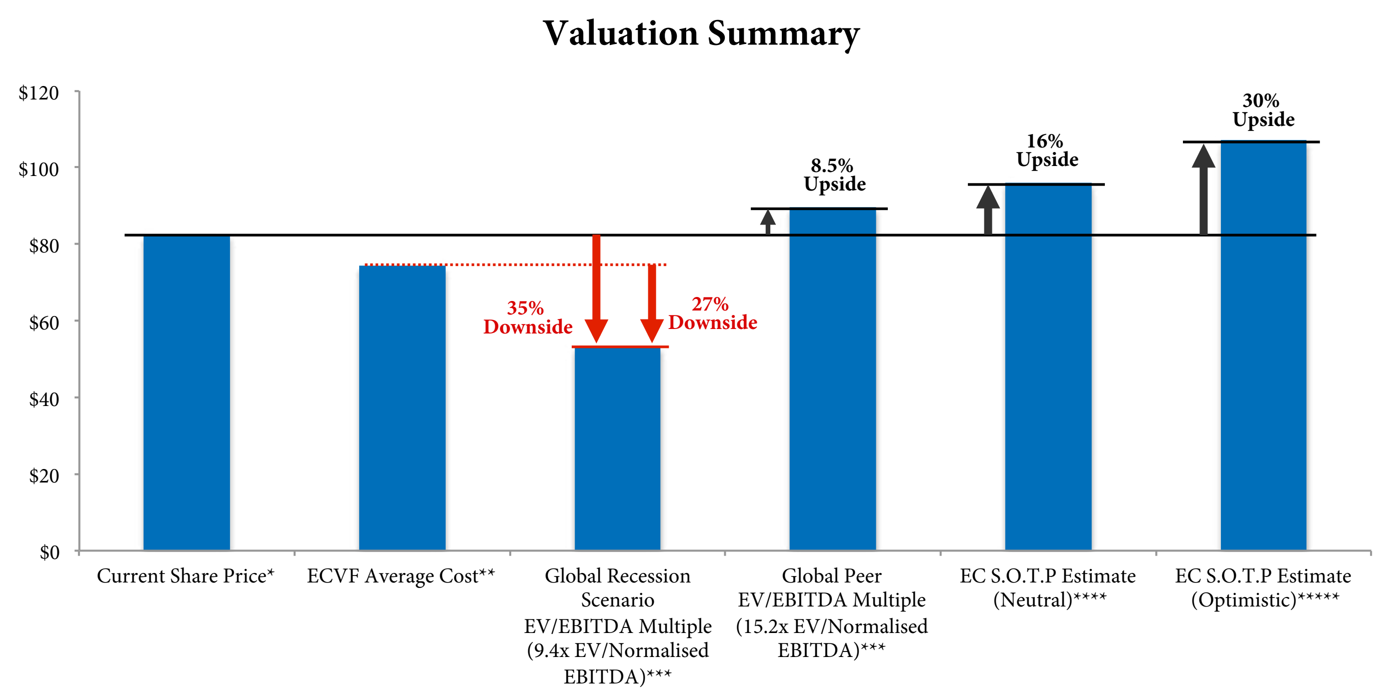
P&G: ELEVATION CAPITAL ESTIMATED INTRINSIC VALUE RANGE

Elevation Capital Estimated Intrinsic Value Range:

US$ 53.37 – US$107.13 PER SHARE

Upside Potential Range:

+8.5% - +30%



* Current Share Price = US$ 82.55 (as at 2 March 2016)
** Elevation Capital Value Fund ("ECVF") Average Cost = US$ 74.34
*** Based on EC Normalised EBITDA of US$ 16.91B
**** SOTP Valuation based on the following EBITDA Multiples: Beauty: 15.7x, Grooming: 15.7x, Health Care: 15.2x, Fabric Care and Home Care: 13.1x, Baby, Feminine and Family Care: 13.5x
***** SOTP Valuation based on the following EBITDA Multiples: Beauty: 17.2x, Grooming: 17.2x, Health Care: 16.7x, Fabric Care and Home Care: 14.4x, Baby, Feminine and Family Care: 14.9x

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ELEVATION CAPITAL®

‘INDEPENDENT THINKING – DISCIPLINED INVESTING’

INDEPENDENT THINKING

[In-de-pend-ent Think-ing] **ində’pendənt THiNkiNG** *verb*

Is essential to long-term investment success. We are often contrarian and do not pay attention to index compositions when making investment decisions. We believe that when you’re several thousand miles away from Wall Street in a different nation, it’s easier to be independent and buy the things that other people are selling, and sell the things that other people are buying. We also believe that cash is sometimes the most attractive investment.

DISCIPLINED INVESTING

[Dis-ci-plined In-vest-ing] **disciplinəd inves’ting** *verb*

The market presents opportunities every day, but disciplined investing is as much about the opportunities you do not take. Our investments are premised on the concept of “Margin of Safety” which we believe reduces risk.

ELEVATION CAPITAL®