BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

NTA AND MONTHLY REPORT

March 2019

"Our aim is to create wealth for BKI shareholders, through an increasing fully franked dividend and capital growth"

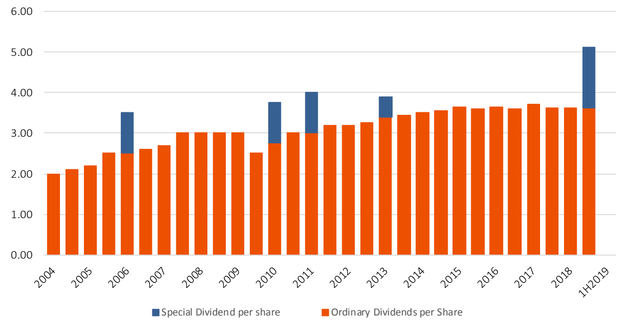
Business Overview

BKI is a research driven, Listed Investment Company, investing for the long term in profitable, high yielding, well managed companies. Listed on the Australian Stock Exchange (BKI.ASX) with the equity portfolio managed by Contact Asset Management, an investment in BKI gives shareholders access to a diversified Australian equity portfolio.

Growing Fully Franked Dividends

BKI's Board & Portfolio Managers are shareholders in BKI. We invest for the long term and focus on creating wealth for all shareholders by keeping costs low and increasing fully franked dividends and capital growth.

As at 31 March 2019, BKI's fully franked dividend yield was 5.9% (based on the immediate past 12 month rolling dividend** and share price of $1.50), while the grossed-up yield was 8.4%# (tax rate of 30%).



Since listing in 2003, BKI has paid out 97.55cps or approximately $600m in dividends and franking credits to shareholders.

Pre-Tax Net Tangible Assets: ***$1.58***
Post-Tax Net Tangible Assets: ***$1.50***

All calculations are after providing for the FY2019 Interim Dividend of 3.625cps and Special Dividend of 1.50cps. BKI traded ex-dividend on 8 February 2019. The payment date for the dividends was 28 February 2019.

Board of Directors

Robert Millner (Chairman), Alex Payne, David Hall, Ian Huntley, Jaime Pinto (Company Secretary)

Investment Management

Contact Asset Management provides investment management services in accordance with the directions of the BKI Board and BKI Investment Committee.

Tom Millner (Director - Portfolio Manager)

Will Culbert (Director - Portfolio Manager)

Company Overview

ASX Code	BKI.ASX
Mandate	Australian Listed Equities
Market Capitalisation	$1,096m
Investment Portfolio	$1,096m
Cash & Cash Equivalents	$62m
Total Portfolio Including Cash	$1,158m
Debt	$0
MER*	0.18%
Performance Fee	N/A
Rolling 12 Month Dividend**	8.825cps
Historical Dividend Yield	5.9%
Percentage Franked	100%
Grossed Up Yield#	8.4%
DRP	Active
Share Price	$1.50

Net Tangible Assets (NTA)

Pre Tax NTA	$1.58
Post Tax NTA	$1.50

Dividend Yield**

8.4%

Grossed up# as at 31 March 2019

Management Expense Ratio

0.18%

As at 31 December 2018

15Yr Total Shareholder Returns

10.2% pa

As at 31 March 2019

Total Assets

$1,178m

As at 31 March 2019

No Performance Fees

~17,000 Shareholders

*MER as at 31 December 2018 **Includes FY2018 Final Dividend of 3.70cps and FY2019 Interim Dividend of 3.625cps and Special Dividend of 1.50cps, #Based on share price as at 31 March 2019. Grossed up yield includes franking credits and is based on a tax rate of 30%.

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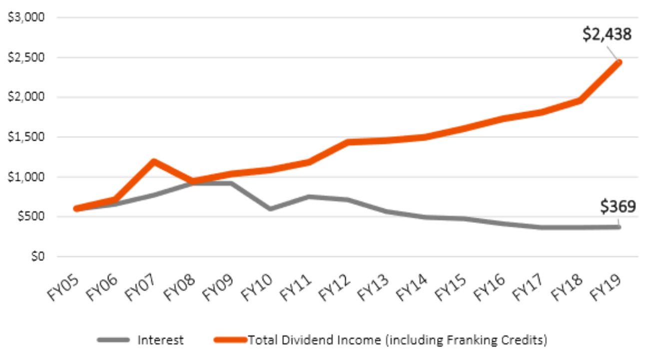
Focused on Capital Management

The chart below shows the dividends and franking credits received from a $10,000 investment in BKI at inception versus bank quarterly interest. An investor who spent the equivalent of $10,000 to purchase BKI shares upon listing in December 2003 would now be receiving fully franked dividends of $1,707pa. The franking credits enhance the income by a further $731, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning $369pa with no franking credits.



This chart highlights the benefit of receiving a fully franked dividend in a falling interest rate environment.

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	Company	% of Total Portfolio
1	Commonwealth Bank	6.1%
2	National Australia Bank	6.1%
3	Westpac Banking Corporation	5.2%
4	BHP Group	4.5%
5	APA Group	4.2%
6	Transurban Group	4.2%
7	New Hope Corporation	3.9%
8	Woolworths Group	3.8%
9	Macquarie Group	3.7%
10	ANZ Banking Group	3.5%
11	Wesfarmers Limited	3.4%
12	Woodside Petroleum	3.0%
13	Sydney Airport	2.9%
14	TPG Telecom	2.9%
15	Ramsay Healthcare	2.9%
16	AGL Energy Limited	2.8%
17	Telstra Corporation	2.6%
18	ASX Limited	2.4%
19	IAG Limited	2.3%
20	Sonic Healthcare	2.0%
21	Invocare Limited	2.0%
22	Suncorp Group	1.4%
23	ARB Corporation	1.4%
24	QUBE Holdings	1.2%
25	Magellan Financial Group	1.2%
Cash and cash equivalents		5.3%
Total of top 25 plus Cash and cash equivalents		**84.9%**

BKI Performance 31 March 2019	1 Year	3 Years (pa)	5 Years (pa)	10 Years (pa)	15 Years (pa)
S&P/ASX 300 Accumulation Index	11.7%	11.4%	7.4%	10.3%	8.6%
BKI Total Shareholder Returns (TSR)	0.5%	2.3%	3.4%	9.7%	8.0%
BKI TSR Outperformance vs Index	**-11.2%**	**-9.1%**	**-4.0%**	**-0.6%**	**-0.6%**
BKI Portfolio Performance	8.3%	6.6%	4.2%	8.7%	7.5%
BKI Portfolio Outperformance vs Index	**-3.4%**	**-4.8%**	**-3.2%**	**-1.6%**	**-1.1%**
S&P/ASX 300 Accumulation Index – 80% franked	13.7%	13.1%	9.0%	12.1%	10.3%
BKI Total Shareholder Returns – 100% Franked	**2.9%**	**4.4%**	**5.4%**	**11.9%**	**10.2%**

Source: Contact Asset Management, Bloomberg. Portfolio Performance is measured by change in pre-tax NTA and is after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends. TSR include reinvestment of dividends. TSR including franking credits are based on BKI's dividends being fully franked and the S&P/ASX300 Accumulation Index franked at 80%. Past performance is generally not indicative of future performance.