

## NTA AND MONTHLY REPORT

October 2019

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

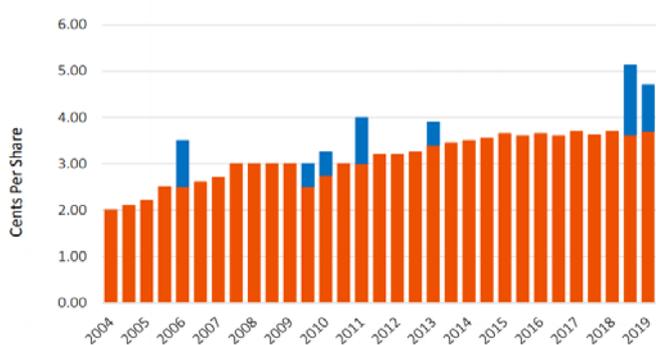
### Business Overview

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 October 2019, using the interim dividend of 3.625cps, final dividend of 3.70cps and a share price of \$1.66, the historical dividend yield is 4.4%. Including both special dividends which total 2.5cps, the historical BKI dividend yield increases to 5.9%.



BKI has paid out over \$640m or \$1.02 per share in Dividends and Franking Credits to Shareholders since listing.

**Pre-Tax Net Tangible Assets: \$1.66**

**Post-Tax Net Tangible Assets: \$1.55**

### 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	\$1,218m
Investment Portfolio	\$1,167m
Cash & Cash Equivalents	\$51m
Total Portfolio Including Cash	\$1,238m
Debt	\$0
MER*	0.17%
Rolling 12 Month Dividend**	9.825cps
Historical Dividend Yield (excl. Specials)	4.4%
Percentage Franked	100%
Grossed Up Yield#^ (excl. Specials)	6.3%
DRP	Active
Share Price	\$1.66

### Net Tangible Assets (NTA)

Pre Tax NTA	\$1.66
Post Tax NTA	\$1.55

Grossed Up  
Dividend Yield

**6.3%**

As at 31 October 2019

Management  
Expense Ratio

**0.17%**

As at 30 June 2019

15Yr Total Shareholder  
Returns^

**10.7% pa**

As at 31 October 2019

Total Assets

**\$1,238m**

As at 31 October 2019

No  
Performance  
Fees

**~18,000**  
Shareholders

\*MER as at 30 June 2019 \*\*Includes FY2019 Final Ordinary Dividend of 3.70cps, FY2019 Interim Ordinary Dividend of 3.625cps and Special Dividends of 2.50cps, #Based on share price as at 31 October 2019. ^Grossed up yield includes franking credits and is based on a tax rate of 30%.

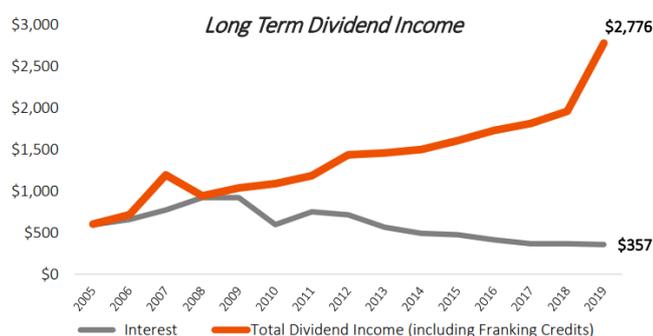
# BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

## 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 \$1,943pa. The franking credits enhance the income by a further \$833, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning \$357pa with no franking credits.

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



## Contact Us

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Company	% of Total Portfolio
1 Commonwealth Bank	6.7%
2 National Australia Bank	5.9%
3 Macquarie Group	5.4%
4 Westpac Banking Corporation	4.8%
5 APA Group	4.7%
6 Transurban Group	4.5%
7 Woolworths Limited	4.4%
8 BHP Limited	4.4%
9 Wesfarmers Limited	3.7%
10 ANZ Banking Group	3.4%
11 Sydney Airport	3.3%
12 Ramsay Healthcare	2.9%
13 Woodside Petroleum	2.9%
14 ASX Limited	2.7%
15 Telstra Corporation	2.6%
16 New Hope Corporation	2.6%
17 TPG Telecom	2.6%
18 AGL Energy Limited	2.4%
19 Sonic Healthcare	2.3%
20 IAG Limited	2.2%
21 Invocare Limited	1.8%
22 Magellan Financial Group	1.5%
23 ARB Corporation	1.4%
24 Coles Group	1.4%
25 Harvey Norman	1.3%
Cash and cash equivalents	4.1%
<b>Total of top 25 plus Cash and cash equivalents</b>	<b>85.9%</b>

BKI Performance 31 October 2019	1 Year	3 Years (pa)	5 Years (pa)	10 Years (pa)	15 Years (pa)
S&P/ASX 300 Accumulation Index	19.5%	12.5%	8.6%	8.2%	8.4%
BKI Total Shareholder Returns (TSR)	15.0%	6.9%	5.8%	7.7%	8.5%
<b>BKI TSR Outperformance vs Index</b>	<b>-4.5%</b>	<b>-5.6%</b>	<b>-2.8%</b>	<b>-0.5%</b>	<b>0.1%</b>
BKI Portfolio Performance	15.0%	8.2%	5.0%	6.7%	7.0%
<b>BKI Portfolio Outperformance vs Index</b>	<b>-4.5%</b>	<b>-4.3%</b>	<b>-3.6%</b>	<b>-1.5%</b>	<b>-1.4%</b>
S&P/ASX 300 Accumulation Index – 80% franked	21.9%	14.4%	10.3%	10.0%	10.2%
<b>BKI Total Shareholder Returns – 100% Franked</b>	<b>18.0%</b>	<b>9.2%</b>	<b>7.9%</b>	<b>10.0%</b>	<b>10.7%</b>

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.

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