

NTA AND MONTHLY REPORT

May 2020

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

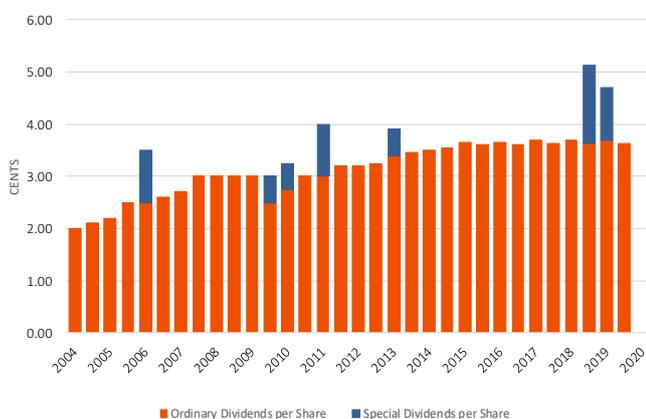
Business Overview

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 May 2020, using the 2020FY interim dividend of 3.625cps, 2019FY final dividend of 3.70cps and a share price of \$1.435, the historical dividend yield is 5.1%.



Pre-Tax Net Tangible Assets: **\$1.44**

Post-Tax Net Tangible Assets: **\$1.40**

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 (Portfolio Manager)

Will Culbert (Portfolio Manager)



Company Overview

ASX Code	BKI.ASX
Mandate	Australian Listed Equities
Market Capitalisation	\$1,055m
Investment Portfolio	\$991m
Cash & Cash Equivalents	\$69m
Total Portfolio Including Cash	\$1,060m
Debt	\$0
MER*	0.18%
Rolling 12 Month Dividend**	7.325cps
Historical Dividend Yield (excl. Special)	5.1%
Percentage Franked	100%
Grossed Up Yield#^ (excl. Special)	7.2%
DRP	Active
Share Price	\$1.435

Net Tangible Assets (NTA)

Pre Tax NTA	\$1.44
Post Tax NTA	\$1.40

Historical
Dividend Yield

5.1%

As at 31 May 2020

Management
Expense Ratio

0.18%

As at 31 December 2019

15Yr Total Shareholder
Returns^

9.0% pa

As at 31 May 2020

Total Assets

\$1,055m

As at 31 May 2020

No
Performance
Fees

~18,000
Shareholders

*MER as at 31 December 2019 **Includes FY2019 Final Ordinary Dividend of 3.70cps and FY2020 Interim Ordinary Dividend of 3.625cps, #Based on share price as at 31 May 2020. ^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, and who participated in all of the Company's DRP's would now be receiving fully franked dividends of \$1,661pa. The franking credits enhance the income by a further \$712, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning \$234pa 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 Macquarie Group	6.8%
2 BHP Billiton	6.3%
3 Commonwealth Bank	6.2%
4 APA Group	5.8%
5 Transurban Group	5.4%
6 Woolworths Limited	4.8%
7 Wesfarmers Limited	4.3%
8 TPG Telecom	3.9%
9 National Australia Bank	3.6%
10 Ramsay Healthcare	3.4%
11 ASX Limited	3.3%
12 Sydney Airport	2.8%
13 Telstra Corporation	2.6%
14 Sonic Healthcare	2.6%
15 Woodside Petroleum	2.5%
16 New Hope Corporation	2.3%
17 Westpac Banking Corporation	2.1%
18 Magellan Financial Group	2.1%
19 AGL Energy	1.9%
20 IAG Limited	1.8%
21 Invocare Limited	1.8%
22 Amcor Corporation	1.7%
23 Coles Group	1.6%
24 ARB Corporation	1.5%
25 Goodman Group	1.4%
Cash and cash equivalents	6.5%
Total of top 25 plus Cash and cash equivalents	89.0%

BKI Performance May 2020	1 Year	3 Years (pa)	5 Years (pa)	10 Years (pa)	15 Years (pa)
S&P/ASX 300 Accumulation Index	-6.5%	4.5%	4.3%	7.2%	6.8%
BKI Total Shareholder Returns (TSR)	-0.2%	1.8%	1.2%	7.3%	6.8%
BKI TSR Outperformance vs Index	6.3%	-2.7%	-3.1%	0.1%	0.0%
BKI Portfolio Performance	-7.2%	1.2%	1.2%	5.6%	5.8%
BKI Portfolio Outperformance vs Index	-0.7%	-3.3%	-3.1%	-1.6%	-1.0%
S&P/ASX 300 Accumulation Index – 80% Franked	-4.7%	6.2%	6.0%	9.0%	8.6%
BKI Total Shareholder Returns – 100% Franked	2.0%	4.0%	3.3%	9.5%	9.0%

Source: Contact Asset Management, Factset. 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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