



BKI Investment Company Limited

2023 Share Purchase Plan (SPP) & 3rd Quarter Update



*BKI is managed by Contact Asset Management
AFSL 494045*

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Investors should also read the BKI SPP Offer Booklet as it contains important information. The BKI SPP Offer Booklet should be read in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in BKI or about the impact of the transactions described in the SPP Offer Booklet. This SPP Offer Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

2023 Share Purchase Plan Overview

Key Points of the SPP

- Opportunity to subscribe for up to \$30,000 worth of new BKI shares¹
- SPP Shares eligible for the fully franked final dividend expected to be at least 3.70cps²
- Each Director intends to participate for the maximum amount of \$30,000 new SPP Shares.³
- Maximum Issue Price of \$1.67 offered at a 3.0% discount to 5 day VWAP.⁴
- As at 14th April 2023, the SPP Issue Price of \$1.67 represents a 7.2% discount to BKI's Pre-tax NTA.

1. The Share Purchase Plan allows eligible BKI shareholders the opportunity to subscribe for up to \$30,000 worth of new, fully paid, ordinary shares in BKI, without incurring brokerage or other transaction costs.
2. All SPP Shares will rank equally with existing ordinary, fully paid BKI Shares (BKI Shares), including being eligible for any fully franked final dividend declared by the Company in respect of the 2023 financial year which is currently expected to be at least 3.70 cents per share. The amount of any final dividend for the 2023 financial year is subject to the Directors' final determination which is expected to be made in July 2023.
3. Each Director is eligible to participate in the SPP and intends to participate and apply for the maximum amount of \$30,000 of SPP Shares.
4. \$1.67 which is a 3.0% discount to the volume weighted average price (VWAP) of BKI Shares traded on ASX over the 5 trading days up to and including the Record Date (i.e. Thursday, 16 March 2023 to Wednesday, 22 March 2023), rounded to the nearest half cent; and b) a 3.0% discount to the VWAP of BKI Shares traded on ASX over the 5 trading days up to and including Friday, 28 April 2023 (being the date the SPP closes) (i.e. Friday, 21 April 2023 to Friday, 28 April 2023), rounded to the nearest half cent, (Issue Price). Therefore, the maximum price that Eligible Shareholders will pay is \$1.67 per SPP Share. BKI will announce the Issue Price after close of market on Friday, 28 April 2023.

2023 Share Purchase Plan Overview



Key Dates - SPP and FY2023 Results

SPP Key Dates

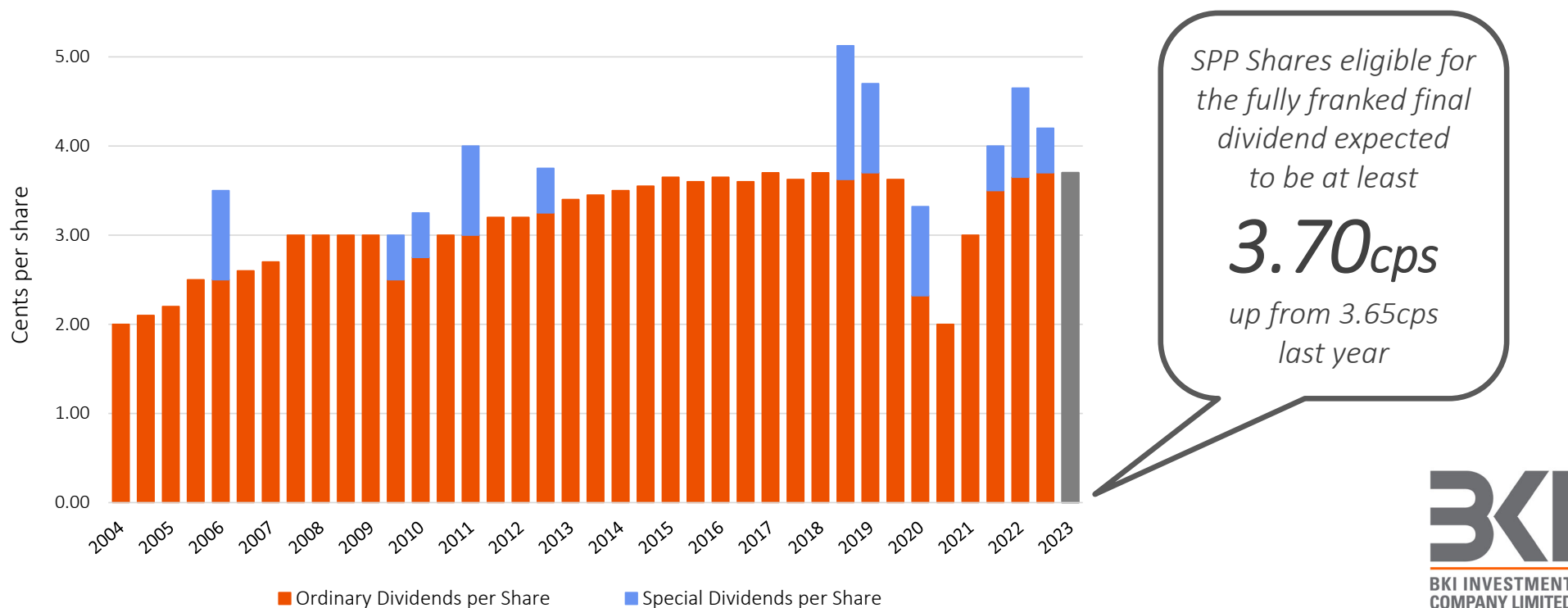
Record Date – 5.00pm Sydney time	Wednesday 22 March 2023
Opening Date – 9.00am Sydney time	Thursday 30 March 2023
Closing Date – 5.00pm Sydney time	Friday 28 April 2023
Issue Price announced to ASX	Friday 28 April 2023
Results of SPP announced to ASX and Issue of SPP shares	Friday 5 May 2023
SPP Shares commence trading on ASX	Monday 8 May 2023
Share holding statements dispatched	Tuesday 9 May 2023

FY2023 Results Key Dates

BKI Announce Full Year FY2023 Results	Wednesday 19 July 2023
Last trading date to be eligible for dividend	Thursday 10 August 2023
Ex-dividend Date	Friday 11 August 2023
Record Date	Monday 14 August 2023
DRP Nomination	Tuesday 15 August 2023
Dividend Payment Date	Tuesday 29 August 2023

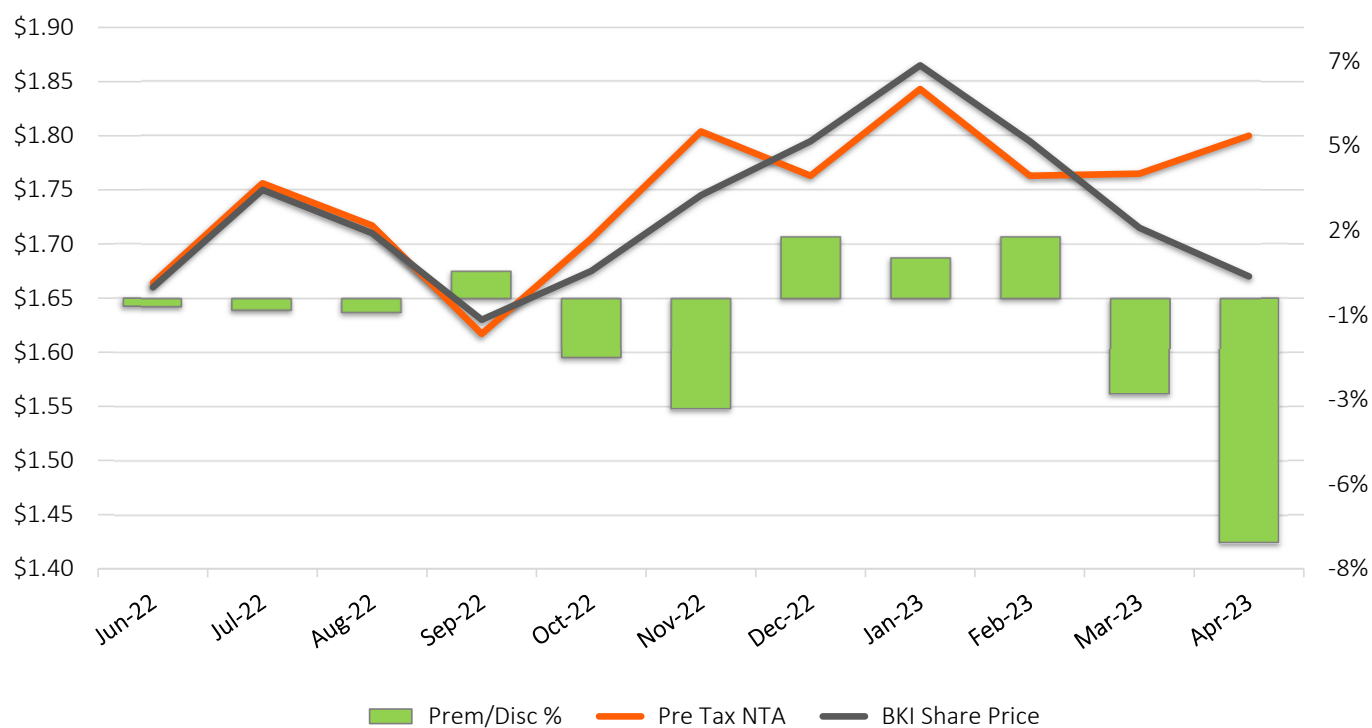
SPP Shares eligible for the fully franked final dividend

All SPP Shares will rank equally with existing ordinary, fully paid BKI shares, including being eligible for any fully franked final dividend declared by BKI in respect of the 2023 financial year.



Discount to NTA — As at 14 April 2023

The maximum price that Eligible Shareholders will pay is \$1.67 per SPP Share.



This represents a
7.2%
discount to BKI's
Weekly Pre-Tax NTA
as at 14 April 2023
of \$1.80.

What will the proceeds under the SPP be used for?



The funds will be used to continue to deliver on BKI's investment strategy by investing for the long term in profitable, high income producing, well managed companies.

BKI believes that the current market is offering a great opportunity for the long-term investor.

Many companies within the BKI portfolio are offering:

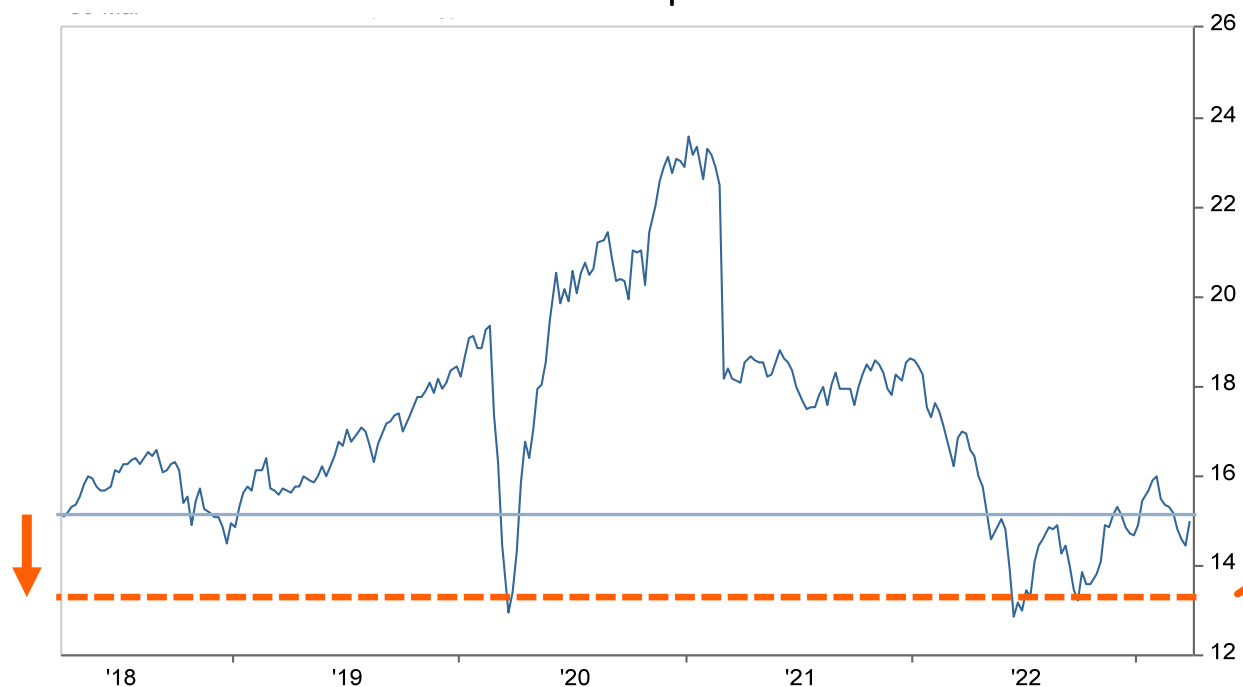
- Fully franked dividends that are growing and offer an attractive yield
- Growth prospects and a reasonable Return on Equity with which to reinvest
- Sound Balance Sheets
- Good Management Teams
- Attractive Valuation Metrics

What will the proceeds under the SPP be used for?



BKI believes that the current market is offering a great opportunity for the long-term investor.

ASX 300 Index – PE Multiple - Last 5 Years



As at 31 March 2023 the PE Multiple for the BKI Portfolio is

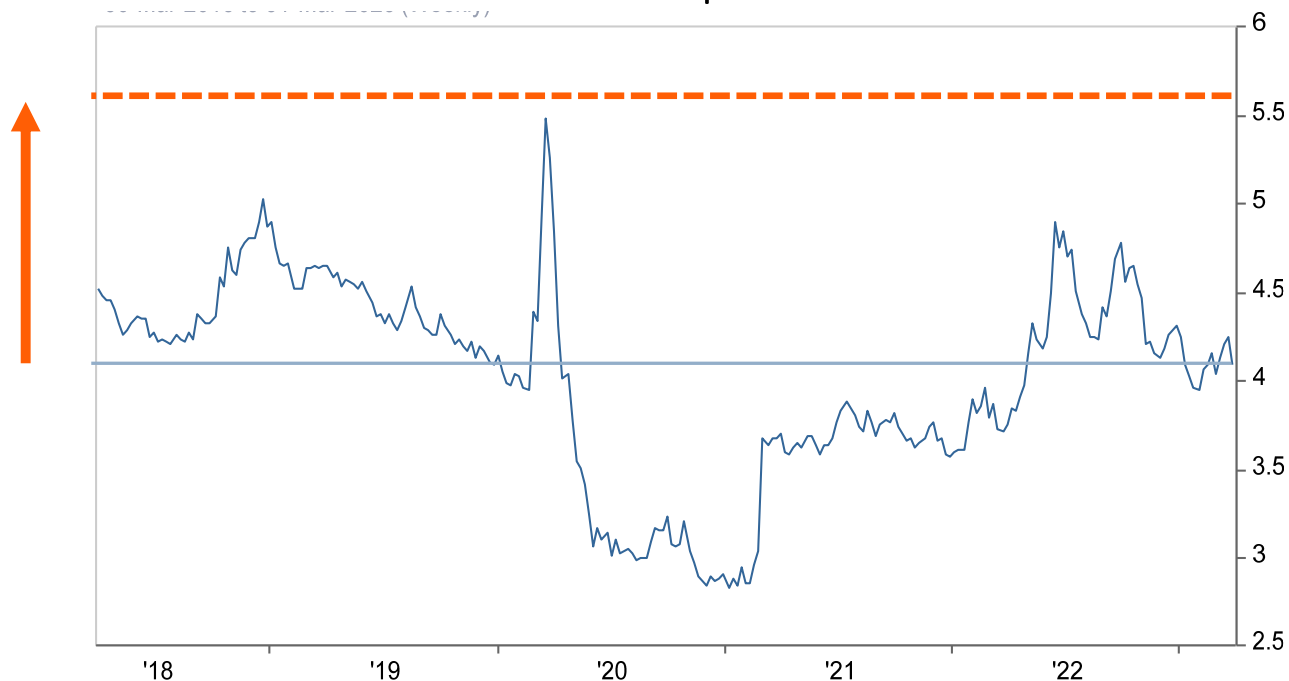
13.4X

compared to the PE Multiple of the ASX 300 Index of 15.0X

What will the proceeds under the SPP be used for?

BKI believes that the current market is offering a great opportunity for the long-term investor.

ASX 300 Index – PE Multiple - Last 5 Years



As at 31 March 2023 the Dividend Yield for the BKI Portfolio is

5.6%

compared to the Dividend Yield of the ASX 300 Index of 4.1%

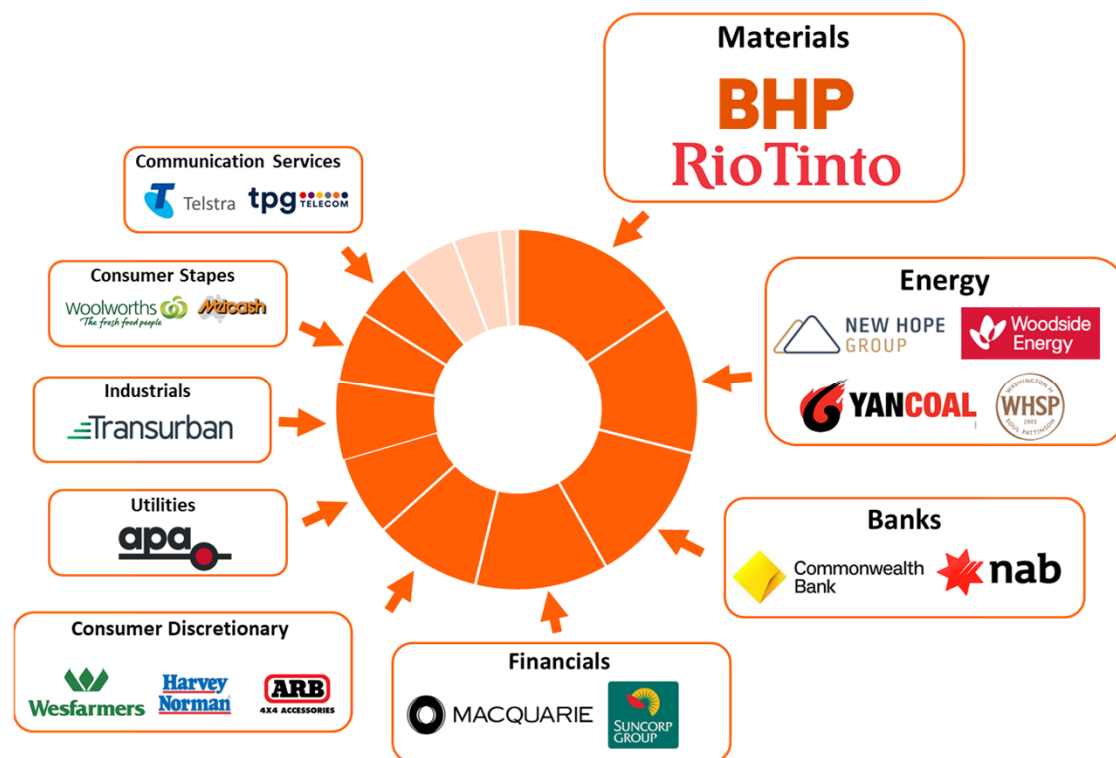
What will the proceeds under the SPP be used for?

BKI's Main Investments – Focusing on Quality

BKI aims to generate an increasing income stream for distribution to shareholders in the form of fully franked dividends.

We achieve this through long term investment in a portfolio of assets that are also able to deliver long term capital growth to shareholders.

The SPP funds will be used to continue to deliver on our investment strategy by investing for the long term in profitable, high income producing, well managed companies.



Portfolio Exposure by Sector

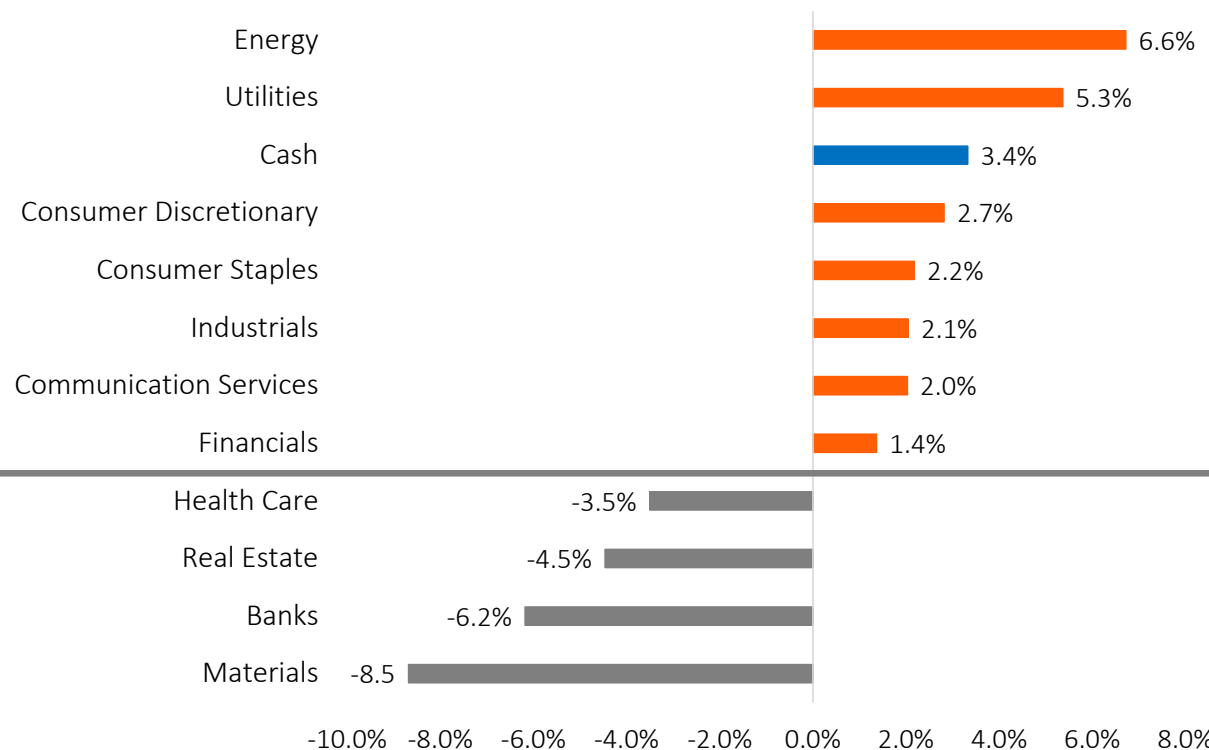
What will the proceeds under the SPP be used for?



BKI's Main Investments – Focusing on Quality

Overweight

Underweight



BKI Portfolio - Active Weight by Sector

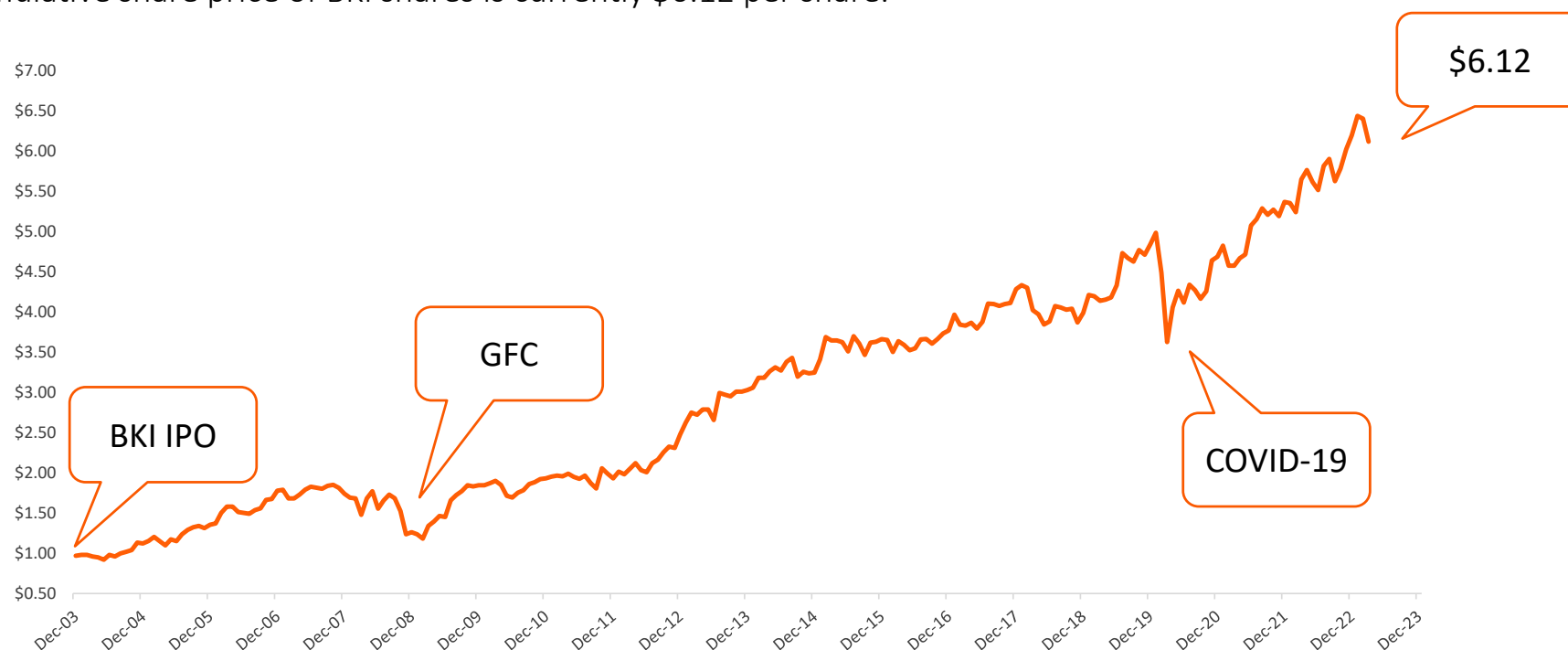
Source: BKI, Contact Asset Management. As at 31 March 2023.

Long Term Investing — As at 31 March 2023



Cumulative Share Price Returns

Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares is currently \$6.12 per share.



Performance — As at 28 February 2023

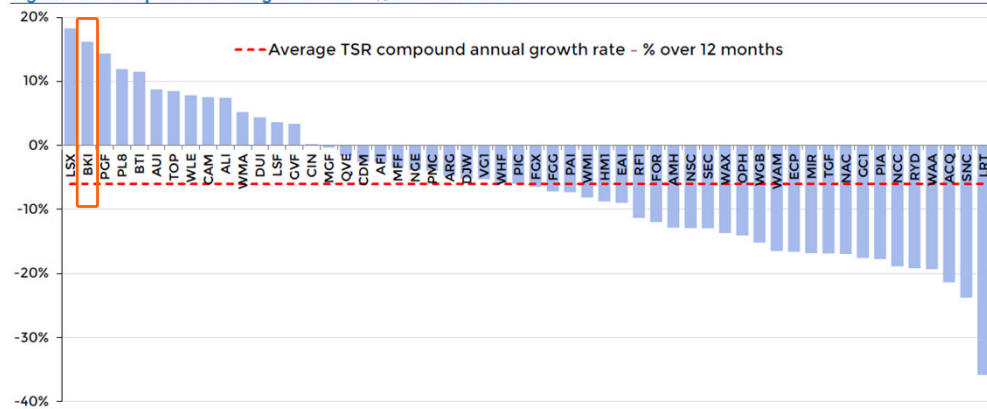


Ord Minnett Research - Listed Investment Companies February 2023 performance review and sector update

“Preferred LIC BKI Investment Company (BKI) returned -1.5% TSR and -2.1% on a pre-tax NTA basis. The fund currently trades on an estimated premium to NTA of 1.1%, above its 1 and 3-year average discounts of 1.3% and 3.0%. BKI remains the best performing traditional LIC on a 1- and 3-year time horizon for both TSR and NTA growth.”

TSR compound annual growth rate – % over 12 months

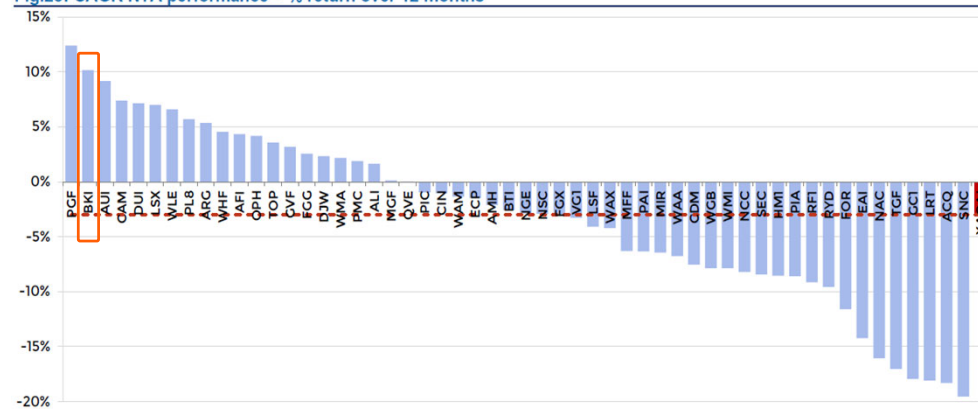
Fig.26: TSR compound annual growth rate – % over 12 months



Source: Bloomberg, IRESS, OML. Figures as at 28 February 2023.

Fig.23: CAGR NTA performance – % return over 12 months

Fig.23: CAGR NTA performance – % return over 12 months



Source: Bloomberg, IRESS, OML. Figures as at 28 February 2023.

BKI Investment Company Limited

3rd Quarter Update 2023



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FY2023 - 3rd Quarter Update

Portfolio Positioning – Purchases/Disposals during January 2023 – March 2023

Purchases

Add



Disposals

Exit



FY2023 - 3rd Quarter Update



Top 25 Investments - as at 31 March 2023

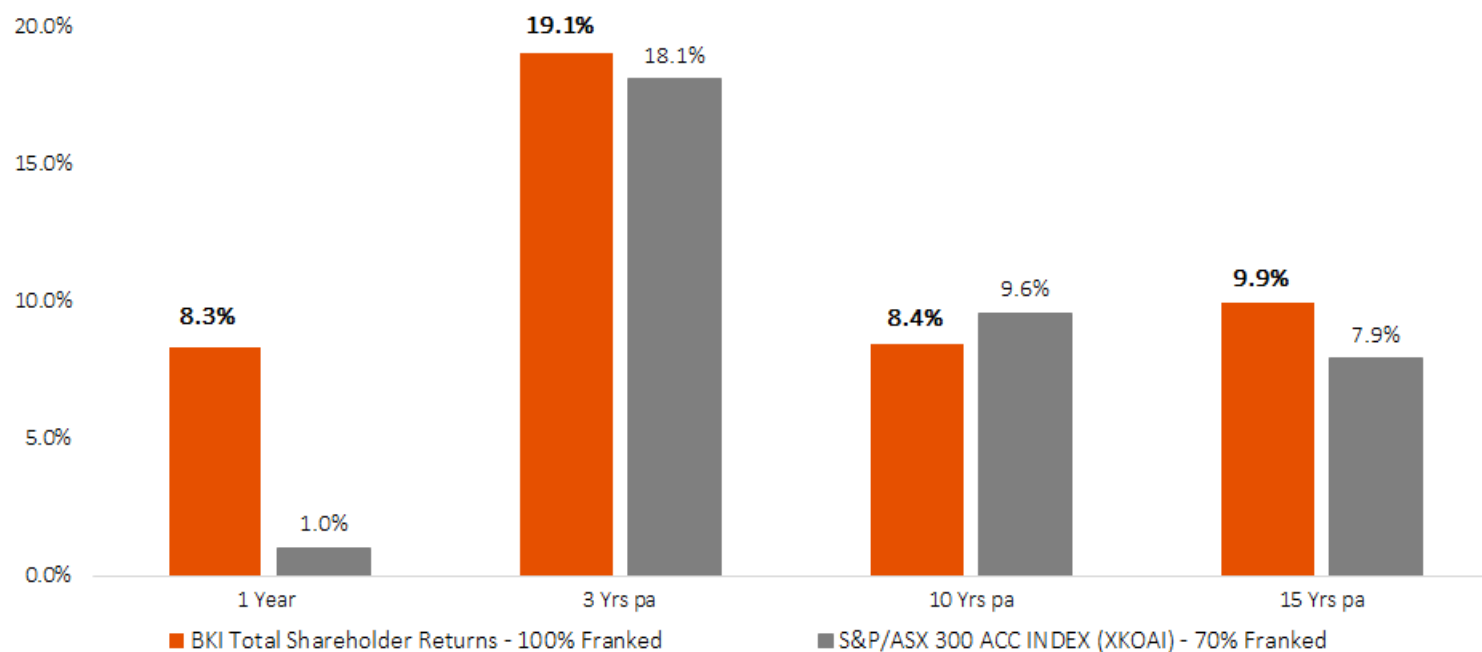
Stock	% of Total Portfolio	Stock	% of Total Portfolio
1 BHP Group	9.4%	14 Rio Tinto Limited	2.7%
2 Macquarie Group	8.7%	15 ARB Corporation	2.3%
3 Commonwealth Bank	6.8%	16 Harvey Norman Holdings	2.2%
4 APA Group	6.7%	17 TPG Telecom Limited	2.1%
5 New Hope Corporation	5.6%	18 Amcor	2.1%
6 National Australia Bank	5.4%	19 Coles Group	1.5%
7 Wesfarmers Limited	4.7%	20 Yancoal Ltd	1.5%
8 Woodside Energy Group	4.2%	21 Suncorp Group	1.4%
9 Transurban Group	3.7%	22 Goodman Group Limited	1.3%
10 Sonic Healthcare	3.3%	23 Aurizon Holdings	1.3%
11 Woolworths Limited	3.3%	24 Lindsay Australia	1.2%
12 Telstra Group Limited	3.1%	25 Metcash Limited	1.1%
13 Ramsay HealthCare	2.9%	Cash & Cash Equivalents	3.4%
		Total	91.9%

FY2023 - 3rd Quarter Update



Total Shareholder Returns (TSR) - as at 31 March 2023

BKI's TSR, including franking credits, was positive 8.3% for 1 year, outperforming the S&P/ASX Accumulation Index (franked at 70%) by 7.3%.



FY2023 - 3rd Quarter Update



Ordinary Investment Revenue - as at 31 March 2023

Following another successful reporting season, BKI expects to receive over **\$67.0m in Ordinary Investment Revenue** (excluding Special Dividend Income) for FY2023. This compares favourably to BKI's FY2022 result of \$63.4m.

BKI also expects to receive over **\$3.7m in Special Dividend Income** in FY2023 after special dividends from Telstra Corporation, Washington H Soul Pattinson, Ampol Limited, Smart Group and New Hope Corporation were declared.

Barring any unforeseen circumstance, BKI is confident of declaring a fully franked final dividend in respect of the 2023 financial year of at least **3.70 cents per share**.*

BKI Investment Company

A sensible, low cost investment option, focused on quality - as at 31 March 2023.



**Historical Grossed
Dividend Yield ^{1^}**

7.4%

As at 31 March 2023

1 Year TSR[^]

8.3%

As at 31 March 2023

3 Year TSR[^]

19.1%_{pa}

As at 31 March 2023

MER

0.18%

As at 31 December 2022

**Forecast FY2023
Ordinary Investment
Revenue²**

+6.0%

As at 31 March 2023

Total Assets

\$1,322m

As at 31 March 2023



Lonsec Recommended Rating

**No
Performance Fees**

Source: BKI, Contact Asset Management, Factset. 1)Grossed Up (includes the full benefit of Franking Credits) Based on the FY2022 Final dividends and FY2023 Interim dividends. ^TSR (Total Shareholder Return), includes the full benefit of Franking Credits and assumes the reinvestment of all dividends, based on a BKI share price of \$1.715. MER = Management Expense Ratio. 2)Excludes Special Investment Revenue.



For more information, please visit
www.bkilimited.com.au

