

# 2024

## Annual General Meeting

Tuesday 15<sup>th</sup> October 2024

Brickworks Design Studio  
2 Barrack Street, Sydney, NSW 2000



BKI is managed by Contact Asset  
Management AFSL 494045

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# Agenda

1. Welcome
2. Introductions
3. Chairman's Address
4. Investment Manager's Report
5. Questions
6. Formal Business

# Introductions

## Non-Executive Directors

### Robert Millner AO

Chairman of the Board  
Chairman of the Investment Committee  
Member of the Remuneration and Nomination Committees

### David Hall AM

Independent Non-Executive Director  
Chairman of the Audit Committee  
Member of the Remuneration Committee

### Alex Payne

Non-Executive Director  
Chairman of the Remuneration Committee  
Member of the Audit, Investment and Nomination Committees

### Ian Huntley

Independent Non-Executive Director  
Member of the Audit, Investment and Remuneration Committees

### Jacqui Clarke

Independent Non-Executive Director  
Member of the Audit, Investment, Remuneration and Nomination Committees

# Introductions

## Contact Asset Management

Tom Millner	Portfolio Manager Member of the Investment Committee
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Will Culbert	Portfolio Manager Member of the Investment Committee
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Amanda Wong	Company Secretary
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Rob Horne	Investment Analyst
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## MGI Sydney Assurance Services

Kimmy Jongue	Company Auditor
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# Chairman's Address

# Full Year Results

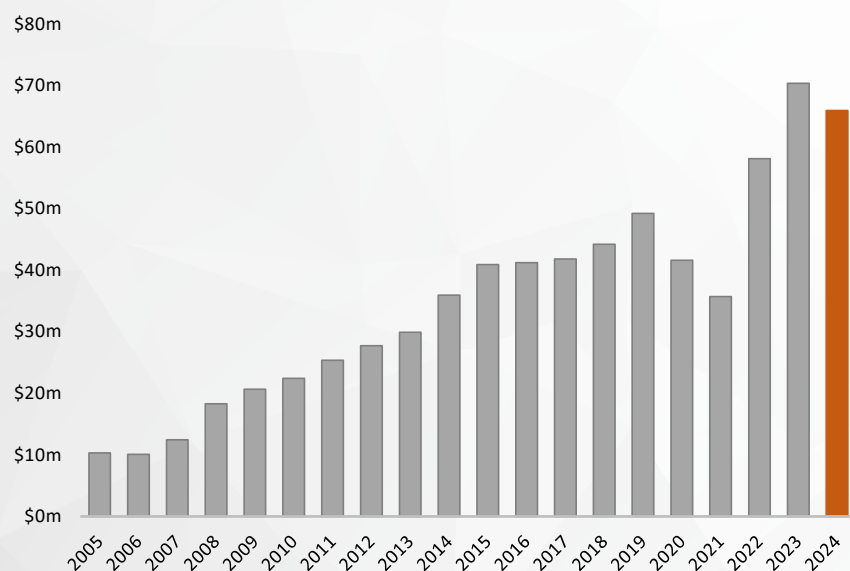
For the year ended 30 June 2024

Result <u>excluding</u> special investment revenue	FY2024 (\$m)	FY2023 (\$m)	Movement (%)
Ordinary revenue from Investment Portfolio	\$64.0	\$71.1	-10%
Total Revenue - Ordinary	\$68.0	\$72.8	-7%
Operating Result (before tax and special investment revenue)	\$65.9	\$70.3	-6%
Earnings per share	7.83	8.68	-10%
Ordinary Dividend per share	7.85	7.70	2%
Result <u>including</u> special investment revenue	FY2024 (\$m)	FY2023 (\$m)	Movement (%)
Net profit after tax	\$64.4	\$70.1	-8%
Earnings per share	8.03	9.35	-14%
Special Dividend per share	-	0.50	-100%

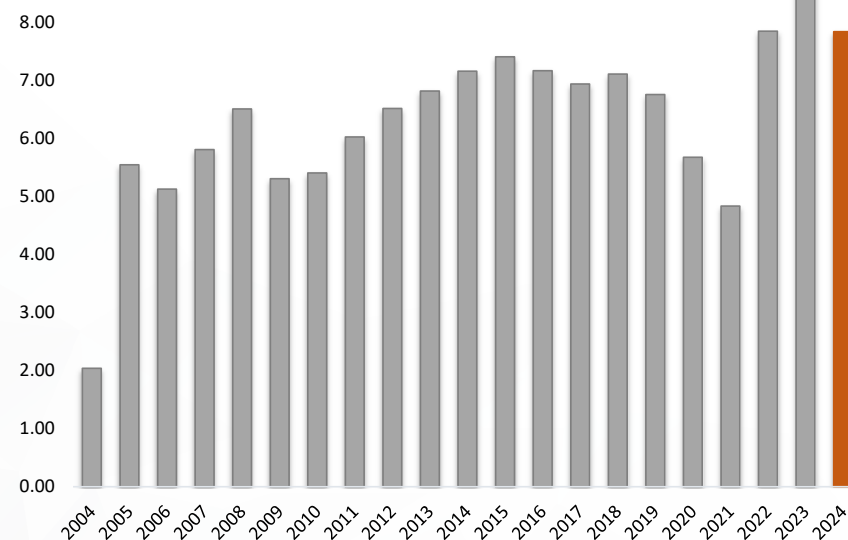
# Full Year Results

*Following the record result announced in FY2023, BKI has delivered a solid EPS and Net Operating Result during FY2024.*

## Full Year Net Operating Result (before special dividends)



## Full Year Earnings Per Share (before special dividends)

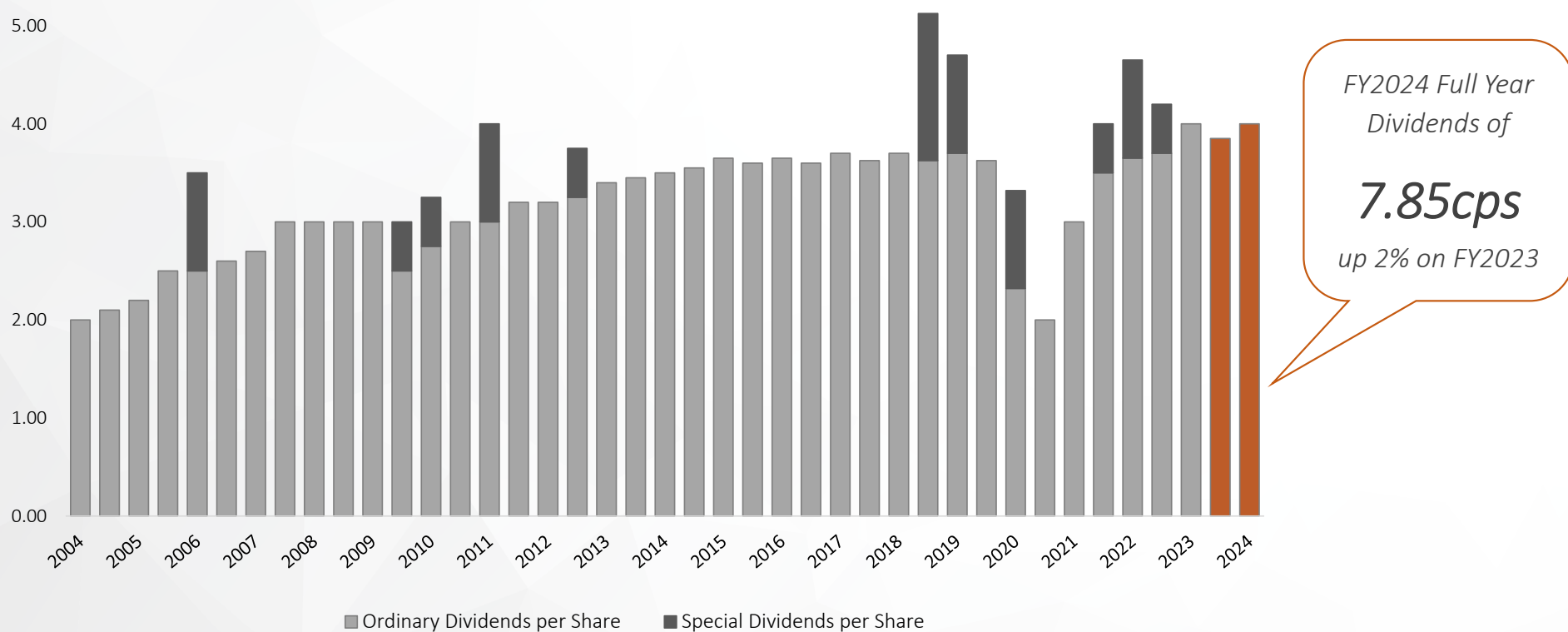


Source: BKI, Contact Asset Management



# 20 Years of Strong Dividends

*BKI has a strong history of paying fully franked dividends and offering an attractive yield.*



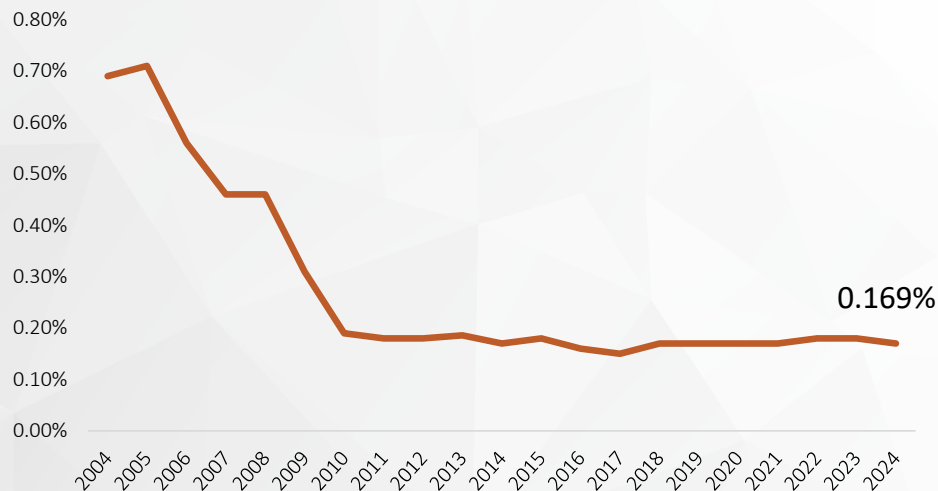
# Investor Focused

*BKI has an investor focused approach. Higher fees don't automatically translate into better returns.*



## History of BKI's MER

We know that small fees have positive impacts on investor returns. BKI offers a very competitive fee structure, with a Management Expense Ratio of 0.169%.



Source: BKI, Contact Asset Management

## Cumulative Share Price Returns

Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares was \$6.61 per share as at 30 June 2024.



# Investor Focused

*BKI has an investor focused approach. Higher fees don't automatically translate into better returns.*

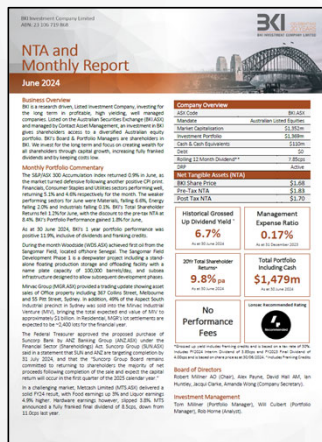


# Weekly NTA Update

## NTA and Monthly Report

## Contact Insights

## Quarterly Report

Investor  
PresentationsAnnual  
Report

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[Click Here to Subscribe to BKI](#)

Source: BKI, Contact Asset Management

# Investment Manager's Address

# Portfolio Movements

As at 30 June 2024

## Main Purchases

### Add

		 Commonwealth Bank	
		 Stockland	
	 YANCOAL 兗煤澳大利亚有限公司	 AURIZON	

# Portfolio Movements

As at 30 June 2024

Sales  
Reduce




Sales  
Exit

# Top 10 Positions

As at 30 June 2024

## BKI's Top 10 Investments

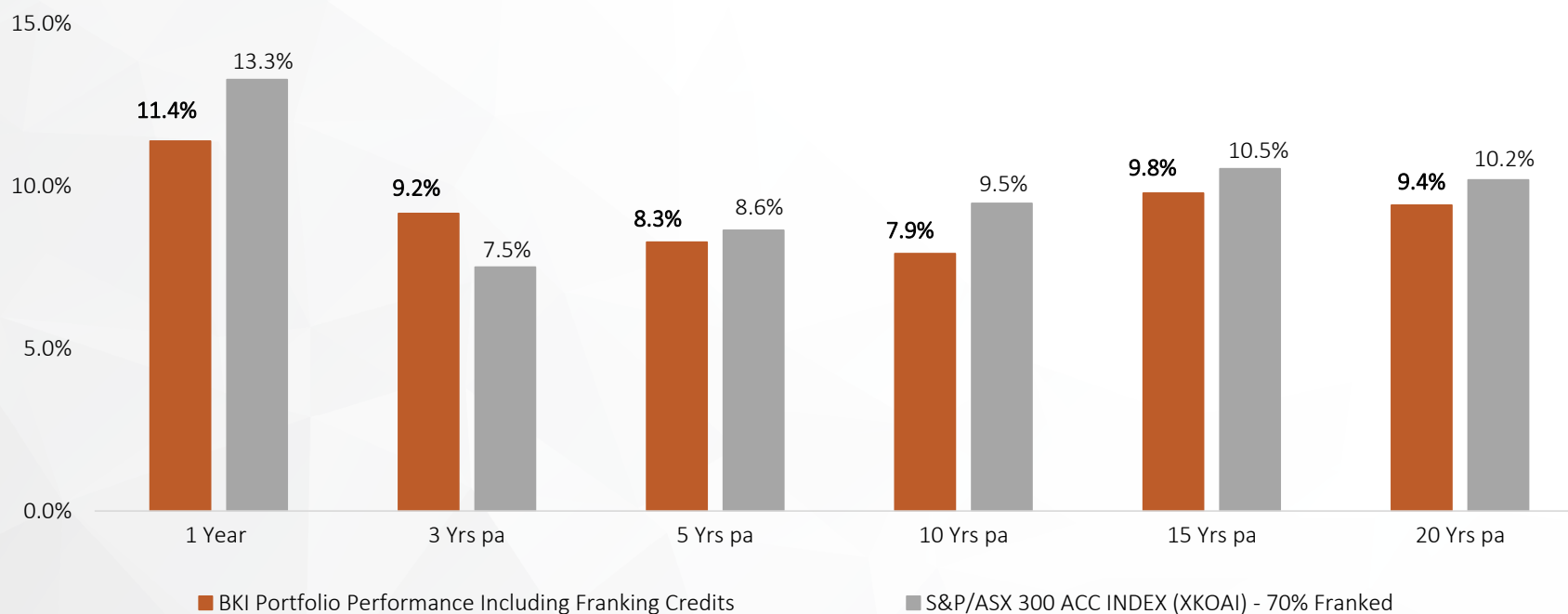
Company Name	Portfolio Weight	Active Weight	1 Year TSR*	Dividend Yield
Commonwealth Bank	8.7%	0.5%	27.4%	3.6%
BHP Group	8.3%	-0.2%	0.8%	5.2%
National Australia Bank	7.3%	3.0%	36.3%	4.6%
Macquarie Group	6.9%	3.8%	17.3%	3.4%
Wesfarmers Limited	5.4%	2.6%	30.8%	3.0%
APA Group	5.2%	4.9%	-12.5%	7.0%
New Hope Corporation	4.3%	4.3%	9.8%	8.1%
Woodside Energy	3.5%	1.4%	-12.6%	5.6%
Transurban Group	2.9%	1.4%	-9.0%	5.0%
Woolworths Limited	2.8%	1.2%	-13.1%	3.4%

Source: IRESS, Factset, BKI, Contact Asset Management. \*TSR = Total Shareholder Returns, includes the reinvestment of dividends excludes franking credits

# Performance – Portfolio Return

As at 30 June 2024

## BKI Portfolio Return\*



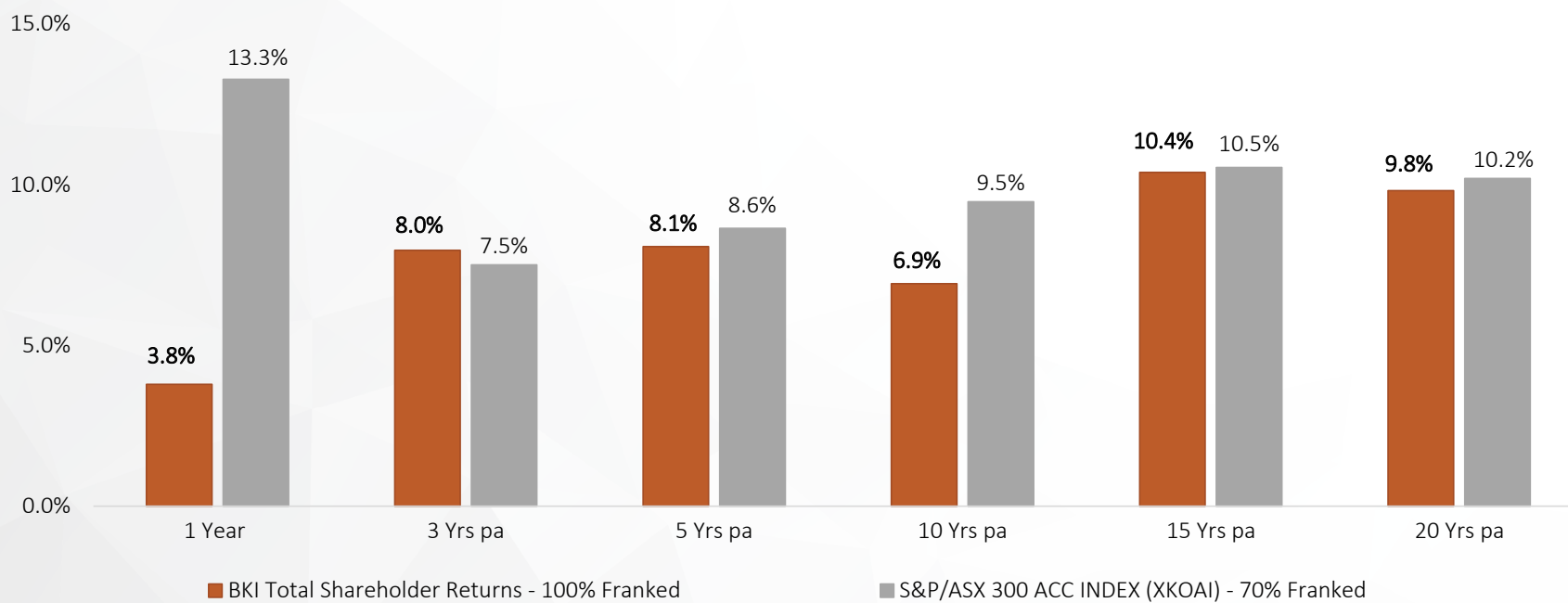
Source: IRESS, Factset, BKI, Contact Asset Management. \* BKI's Net Portfolio Return (after all operating expenses, provisions and payment of both income and capital gains tax and the reinvestment of dividends, and including franking credits. S&P/ASX 300 Accumulation Index Franked at 70%.



# Performance - Total Shareholder Return (TSR)

As at 30 June 2024

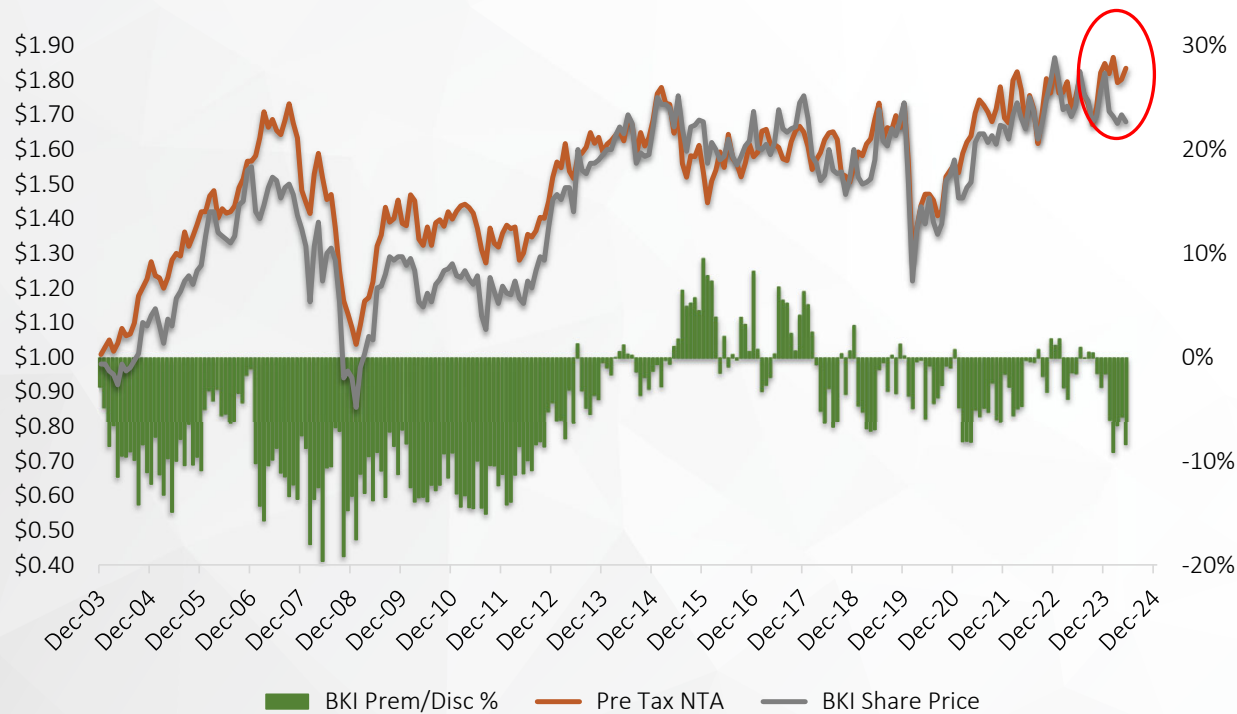
## Total Shareholder Returns (TSR)



Source: IRESS, Factset, BKI, Contact Asset Management. S&P/ASX 300 Accumulation Index Franked at 70%.

# Investor Focused

Pre-Tax NTA Premium/Discount History  
As at 30 June 2024



Source: IRESS, Factset, BKI, Contact Asset Management.

BKI's Pre-Tax Net Tangible Assets as at 30 June 2024 was \$1.83.

BKI's share price of \$1.68 represented an 8.4% discount to the pre-tax NTA.

The recent discount spread is the widest discount the shares have traded on since 2012. Contributors to BKI's recent discount include:

- Trading Ex-Dividend
- High Cash Rate
- High Bond Rate
- Strong Equity Markets

# FY2025 Update

As at 30 September 2024



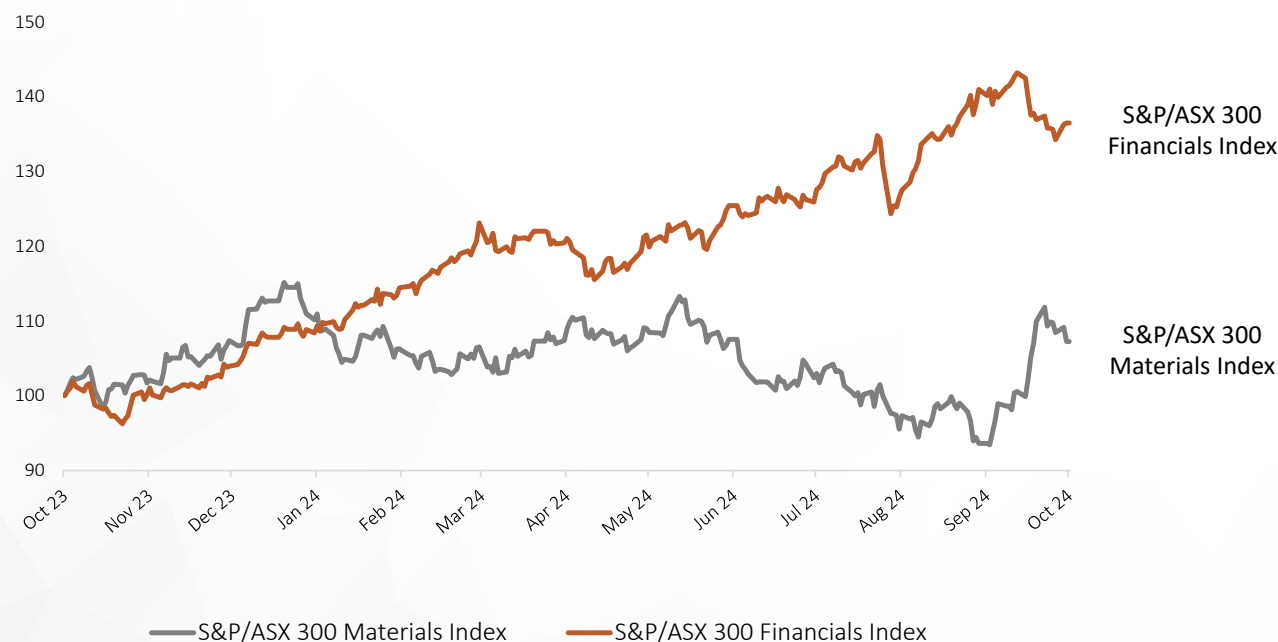
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# Portfolio Positioning – Market Rotation

As at 30 September 2024

## Financials and Materials 1 Year Performance

Recent stimulus announcements from The Peoples Bank of China, as well as the Federal Reserve's 0.50% interest rate cut has seen a significant rally in resources and commodity prices.



Source: IRESS, Factset, BKI, Contact Asset Management.

# Portfolio Positioning – Banks/Financials

As at 30 September 2024

Appreciating share prices in Banks and Financials has seen BKI's weighting to this sector increase over the year.

With projected super assets in Australia forecast to grow to \$10 trillion by 2040, a growing population, significant market share and robust financial strength, we expect to see ongoing support for Australian Banks.

We continue to believe that Australian Banks are great long-term investments.

September 2023

BHP Group	1
Macquarie Group	2
APA Group	3
Commonwealth Bank	4
New Hope Group	5
National Aust Bank	6
Woodside Energy	7
Wesfarmers	8
Transurban	9
Woolworths	10



September 2024

1	BHP Group
2	Commonwealth Bank
3	Macquarie Group
4	National Australia Bank
5	APA Group
6	Wesfarmers
7	New Hope Group
8	Woodside Energy
9	Telstra Group
10	Harvey Norman

# Portfolio Positioning – Resources/Energy

As at 30 September 2024

Declining share prices in Resources and Energy has seen BKI's weighting to these sectors reduce over the year.

The future energy transition will lead to a significant increase in the demand for critical minerals and we continue to see investment in upstream Oil, LNG and Thermal Coal to ensure today's energy requirements are met.

We continue to believe in the Energy thematic and our investments within the sector.

## September 2023

BHP Group	1
Macquarie Group	2
APA Group	3
Commonwealth Bank	4
New Hope Group	5
National Aust Bank	6
Woodside Energy	7
Wesfarmers	8
Transurban	9
Woolworths	10

## September 2024

1	BHP Group
2	Commonwealth Bank
3	Macquarie Group
4	National Australia Bank
5	APA Group
6	Wesfarmers
7	New Hope Group
8	Woodside Energy
9	Telstra Group Limited
10	Harvey Norman

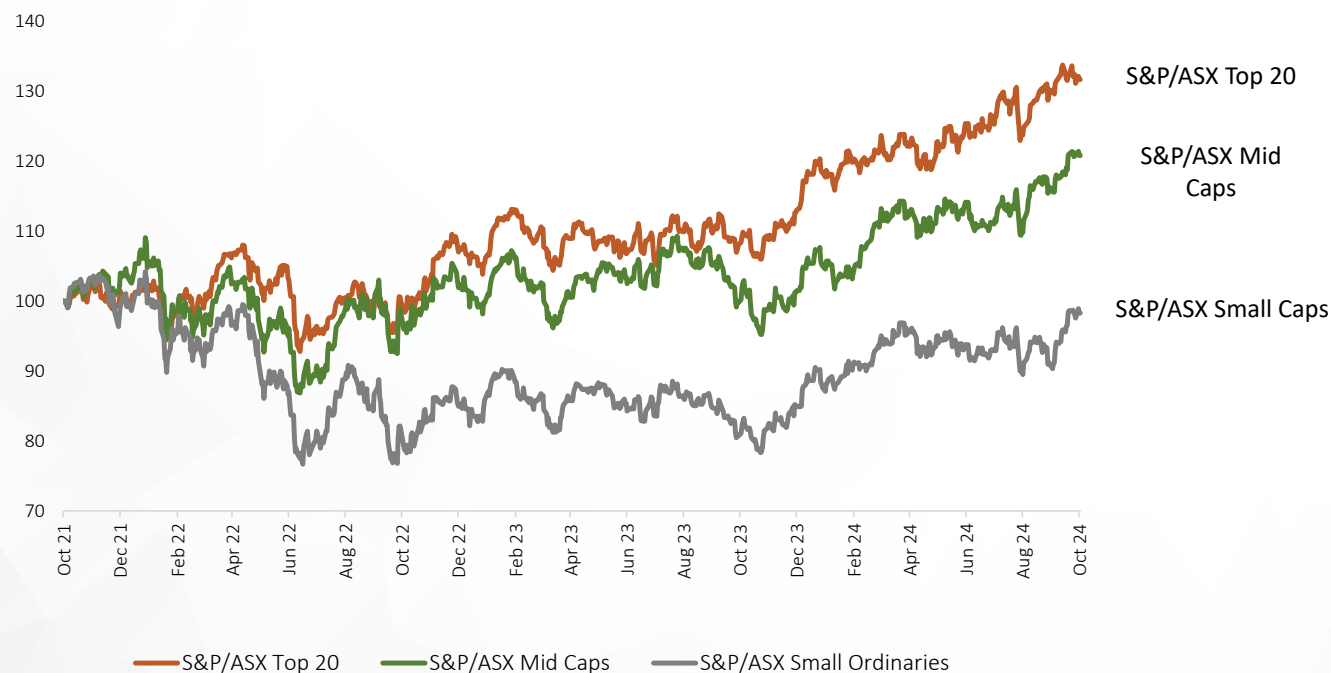
# Portfolio Positioning – Market Rotation

As at 30 September 2024

Quality Mid/Small-cap stocks can offer a compelling investment opportunity into a diversified portfolio.

Mid/Small-cap stocks can enhance the risk-adjusted return of a portfolio through exposure to companies with high growth potential.

## Large Cap and Mid/Small Cap Stocks





# Areas of Focus – PE Comparison

As at 30 September 2024

## Australian Equities Market P/E Multiple Comparison



Source: Factset, BKI, Contact Asset Management.

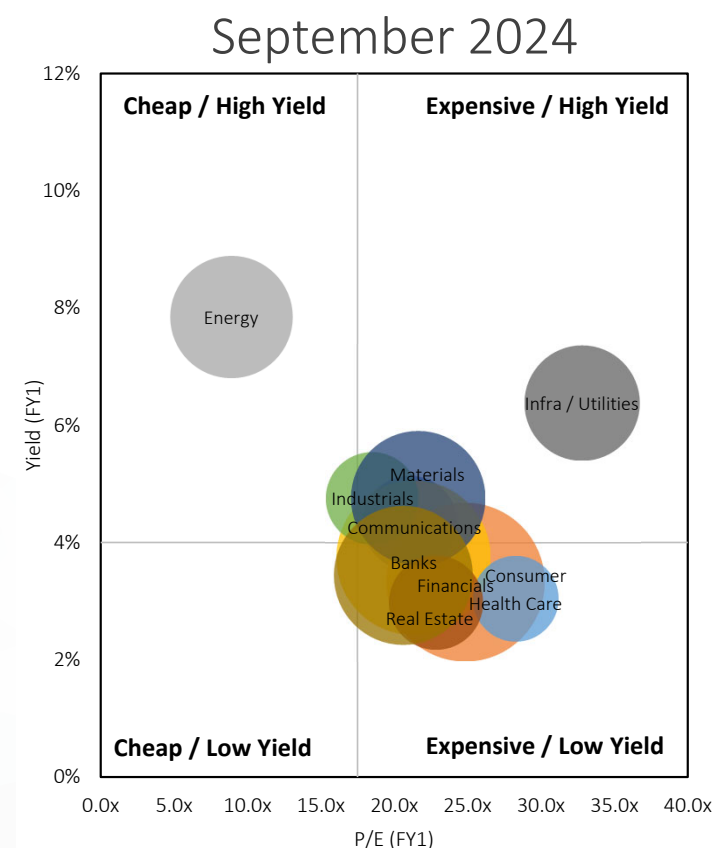
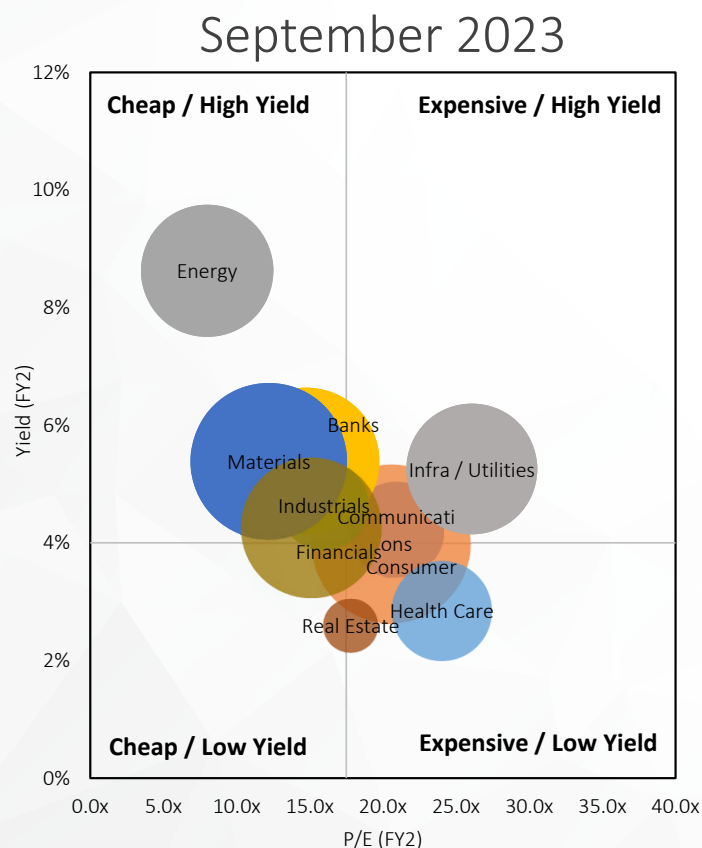


# Portfolio Positioning – Yield and Valuation

As at 30 September 2024

The significant appreciation in equity markets has seen most stocks trade at “expensive levels” and are now offering “lower yields”.

Energy, Utilities and Infrastructure continue to offer attractive yields.



Source: IRESS, Factset, BKI, Contact Asset Management.

# Portfolio Movements

As at 30 September 2024

## Main Purchases

Company Name	Yield
Dalrymple Bay Infrastructure	6.8%
Suncorp Group	4.5%
Telstra Group Limited	4.9%
Woodside Energy Group	7.5%
Aurizon Holdings	5.7%
Harvey Norman Holdings	5.0%
Smartgroup Corporation	5.3%
Amcor Plc	4.7%

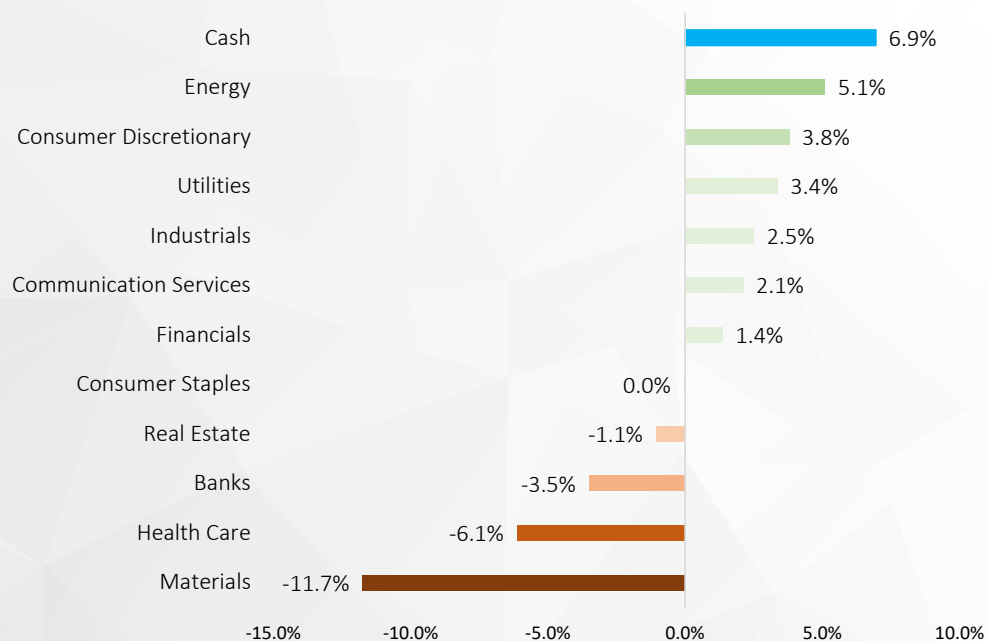
## Main Sales

Company Name	Yield
Wesfarmers Limited	3.0%
Commonwealth Bank	3.5%
National Australia Bank	4.5%
Yancoal Australia Ltd	0.0%
Nine Entertainment	5.0%

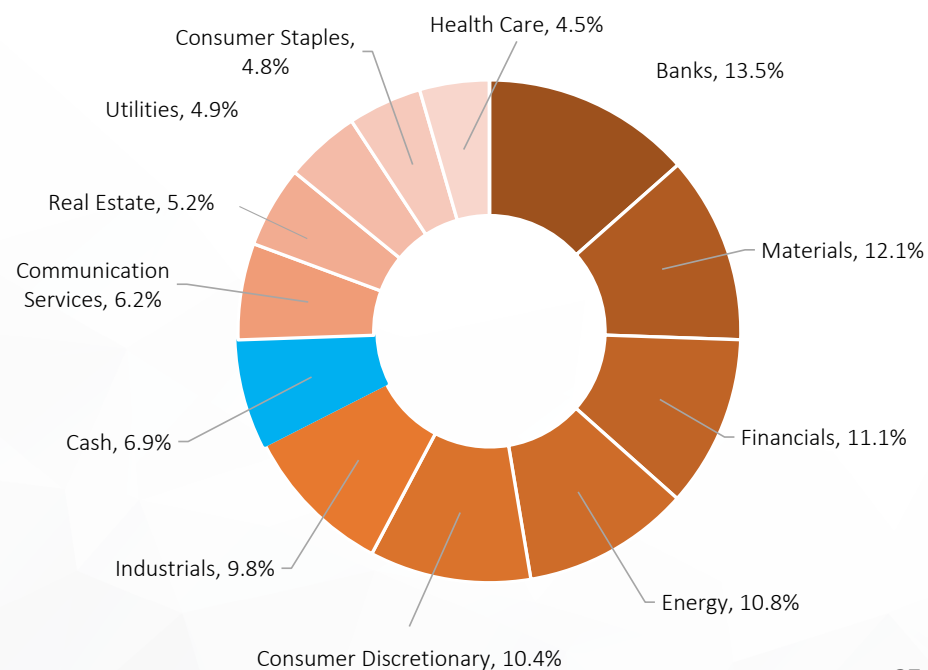
# Portfolio Positioning – Sector Analysis

As at 30 September 2024

## Active Weight by Sector



## Exposure by Sector



Source: IRESS, Factset, BKI, Contact Asset Management.

# Portfolio Positioning

As at 30 September 2024

## Stock % of Total Portfolio

1	BHP Group	8.6%
2	Commonwealth Bank	7.6%
3	Macquarie Group	7.4%
4	National Australia Bank	5.9%
5	APA Group	4.9%
6	Wesfarmers Limited	4.4%
7	New Hope Group	4.4%
8	Woodside Energy Group	3.6%
9	Telstra Group Limited	3.4%
10	Harvey Norman Holdings	3.0%

## Stock % of Total Portfolio

11	ARB Corporation	3.0%
12	Transurban Group	3.0%
13	Woolworths Limited	2.6%
14	Suncorp Group	2.4%
15	Goodman Group	2.3%
16	Sonic Healthcare	2.2%
17	Amcor Plc	2.1%
18	Aurizon Holdings	1.9%
19	TPG Telecom Limited	1.8%
20	Stockland	1.7%

# Portfolio Positioning

As at 30 September 2024

Stock	% of Total Portfolio
21 Dalrymple Bay Infra	1.7%
22 Ramsay Healthcare	1.5%
23 Coles Group	1.3%
24 Mirvac Group	1.3%
25 Yancoal Australia	1.0%
26 Lindsay Australia	1.0%
27 Tuas Limited	1.0%
28 Reece Limited	0.9%
29 Ampol Limited	0.9%
30 W H. Soul Pattinson	0.9%

Stock	% of Total Portfolio
31 EQT Holdings	0.9%
32 Smartgroup Corporation	0.9%
33 Metcash Limited	0.8%
34 Brickworks Limited	0.8%
35 Regis Healthcare	0.7%
36 Orora Limited	0.6%
37 IPH Limited	0.4%
38 E&P Financial Group	0.2%
39 Calton Investments	0.1%
<hr/>	
Cash and Cash Equivalents	6.8%

# Overweight / Underweight Positions

As at 30 September 2024

## Overweight Positions

Company	Active Weight
APA Group	4.9%
New Hope Group	4.1%
Macquarie Group	3.8%
National Australia Bank	3.0%
Wesfarmers Limited	2.6%
ARB Corporation	2.4%
Harvey Norman	2.1%
Sonic Healthcare	1.8%
Amcor Plc	1.5%
TPG Telecom	1.5%

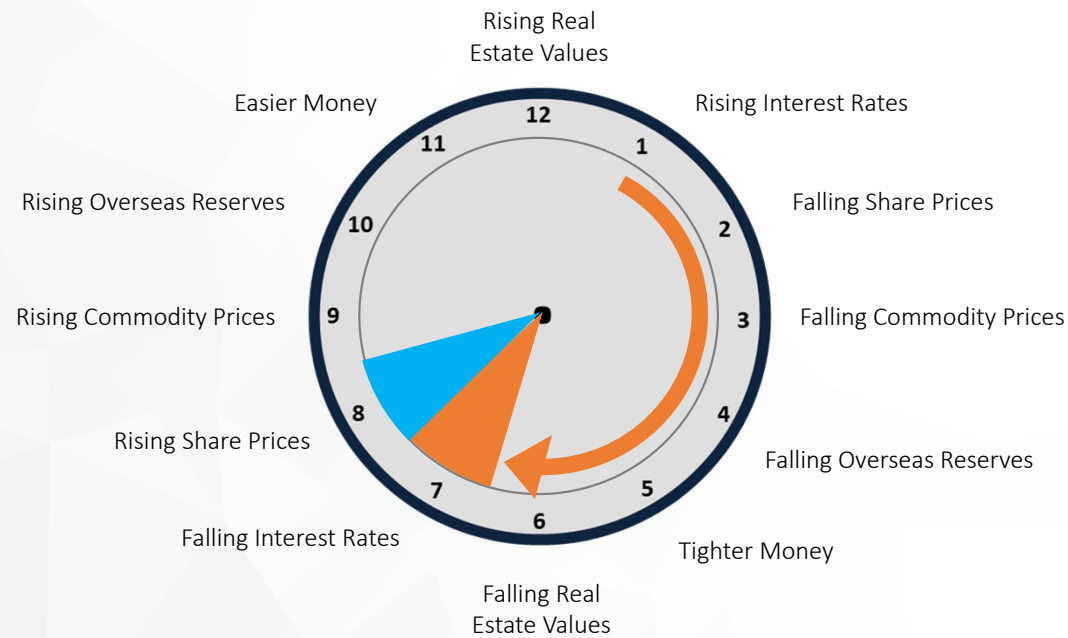
## Underweight Positions

Company	Active Weight
CSL Limited	-5.5%
Westpac Bank	-3.6%
ANZ Banking Group	-3.3%
Fortescue Metals	-2.6%
Rio Tinto Limited	-1.8%
WiseTech Global	-1.3%
Aristocrat Leisure	-1.2%
REA Group	-1.0%
QBE Insurance Group	-1.0%
Santos Limited	-1.0%

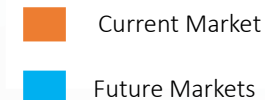
# Opportunities for Long-Term Investment

As at 30 September 2024

## Top of the Boom



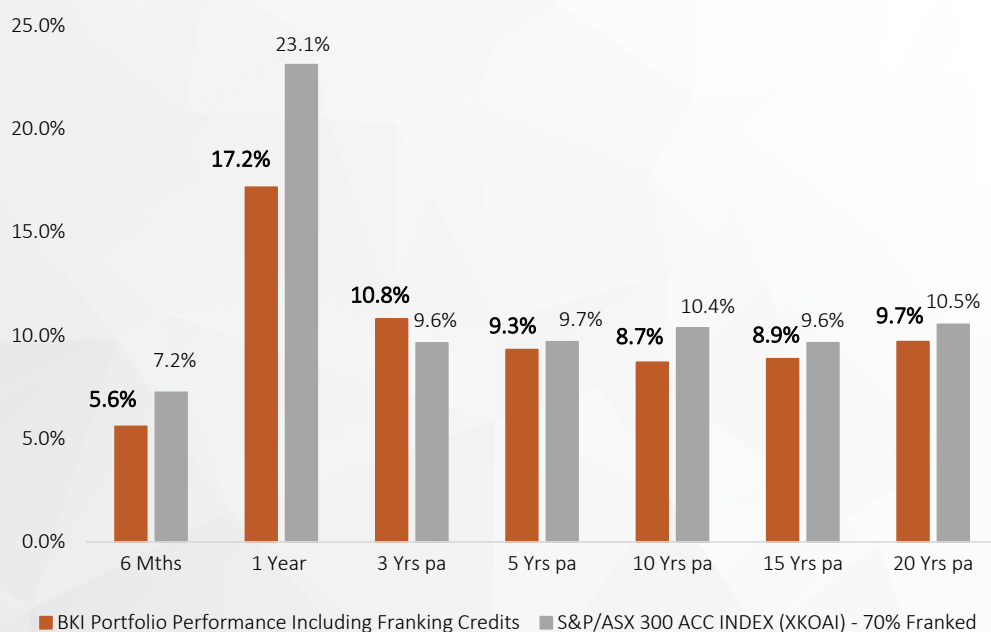
## Depth of Depression



# Performance

As at 30 September 2024

## BKI Portfolio Performance\*



## Cumulative Share Price Performance



Source: IRESS, Factset, BKI, Contact Asset Management. \*BKI's Net Portfolio Return is calculated after all operating expenses, provisions and payment of both income and capital gains tax and the reinvestment of dividends, and including franking credits. The BKI cumulative share price assumes the reinvestment of dividends and includes franking credits.



# FY2025 Update

*As at 30 September 2024*



Following the August/September reporting season, BKI expects to receive approximately \$31.0m in **Ordinary Revenue** (excluding Special Dividend Income) for the first half of FY2025. This compares to BKI's first half FY2024 Ordinary Revenue result of \$33.0m.

BKI also expects to receive approx. \$480k in **Special Dividend Income** in the first half of FY2025 after a special dividend from Woolworths Limited was declared.

Barring any unforeseen circumstance, BKI is confident of at least maintaining ordinary dividends paid to shareholders during FY2025.

# 2024 Annual General Meeting

Questions

  
**CONTACT**  
ASSET MANAGEMENT

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Management AFSL 494045