



BKI Investment Company Limited

FY2016 HALF YEAR RESULTS PRESENTATION

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BKI Investment Company Limited

BKI OVERVIEW

Business Overview

- BKI is a research driven, active equities manager investing for the long term in profitable, high yielding, well managed companies.
- BKI is a closed end company listed on the ASX (BKI.ASX) and does not charge external portfolio management or performance fees.
- Our aim is to create wealth for BKI shareholders, through an increasing fully franked dividend and capital growth.

Experience

The Board and Management of BKI has over 180 years of collective industry experience (average of 27 years).

Non Executive Directors

Robert Millner	Chairman of the Board
David Hall AM	Chairman of the Audit Committee
Alex Payne	Member of the Investment Committee
Ian Huntley	Member of the Investment Committee

Management

Tom Millner	Chief Executive Officer
Will Culbert	Portfolio Manager
Jaime Pinto	Company Secretary

Auditors

MGI Sydney Assurance Services



BKI Investment Company Limited

RESULT HIGHLIGHTS

Delivering Strong Results

	1H 2016	1H 2015	Growth
Ordinary Investment Income	\$21.7m	\$20.2m	7.4%
Net Operating Result*	\$21.4m	\$20.8m	2.6%
Earnings Per Share*	3.78cps	3.80cps	-0.5%
Total Ordinary Dividends Per Share	3.60cps	3.55cps	1.4%
Management Expense Ratio (MER)	0.17% Down from 0.18% at Full Year 2015		



BKI Investment Company Limited

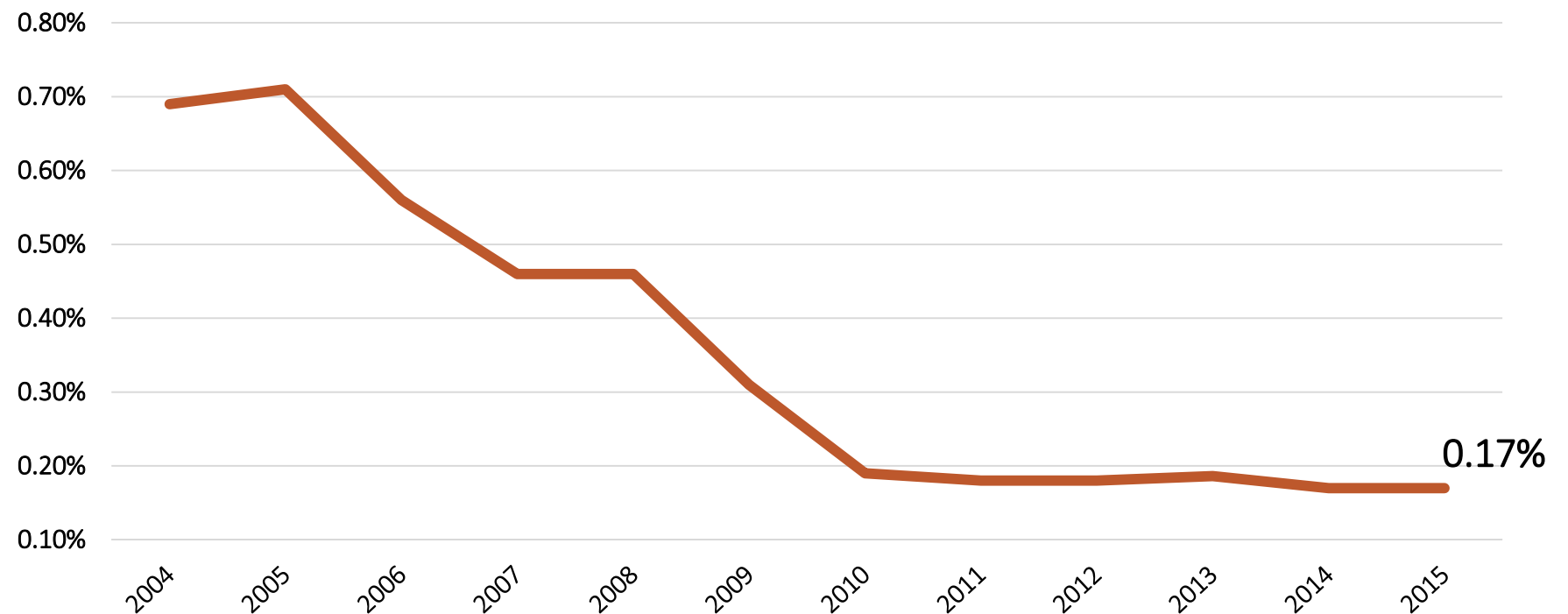
DIVIDEND, PERFORMANCE

Low Cost



BKI's Board & Management are shareholders in BKI.

We invest for the long term and do not charge external portfolio management or performance fees.

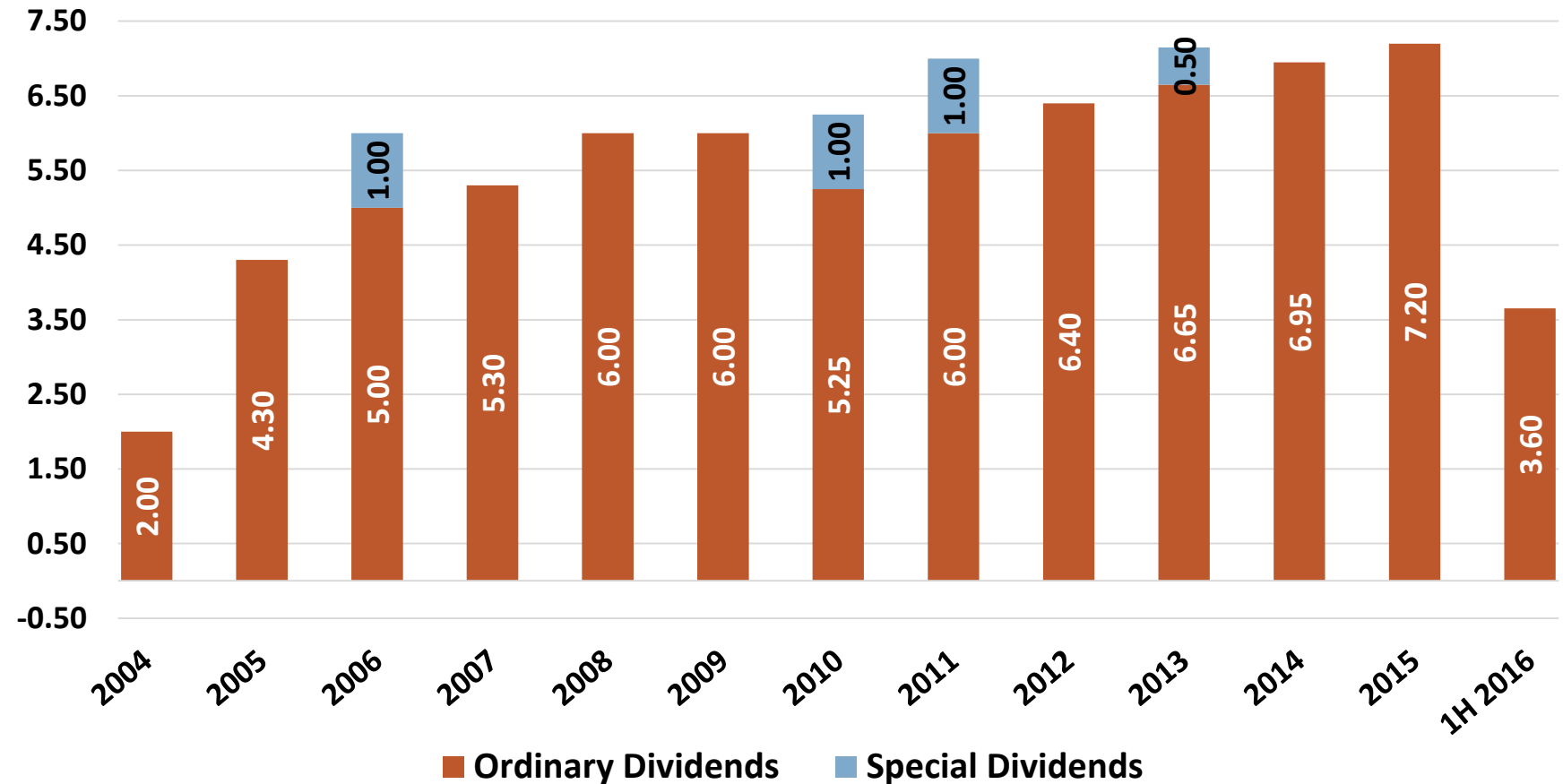


Low Costs - BKI Management Expense Ratio

*The thicker
the carpet...
The thinner
the dividend!*

Growing Fully Franked Dividend

We focus on creating wealth for all shareholders by keeping costs low and increasing fully franked dividends and capital growth.



*The thicker
the carpet...
The thinner
the dividend!*

Interim 2016 Fully Franked Dividend – Key Dates

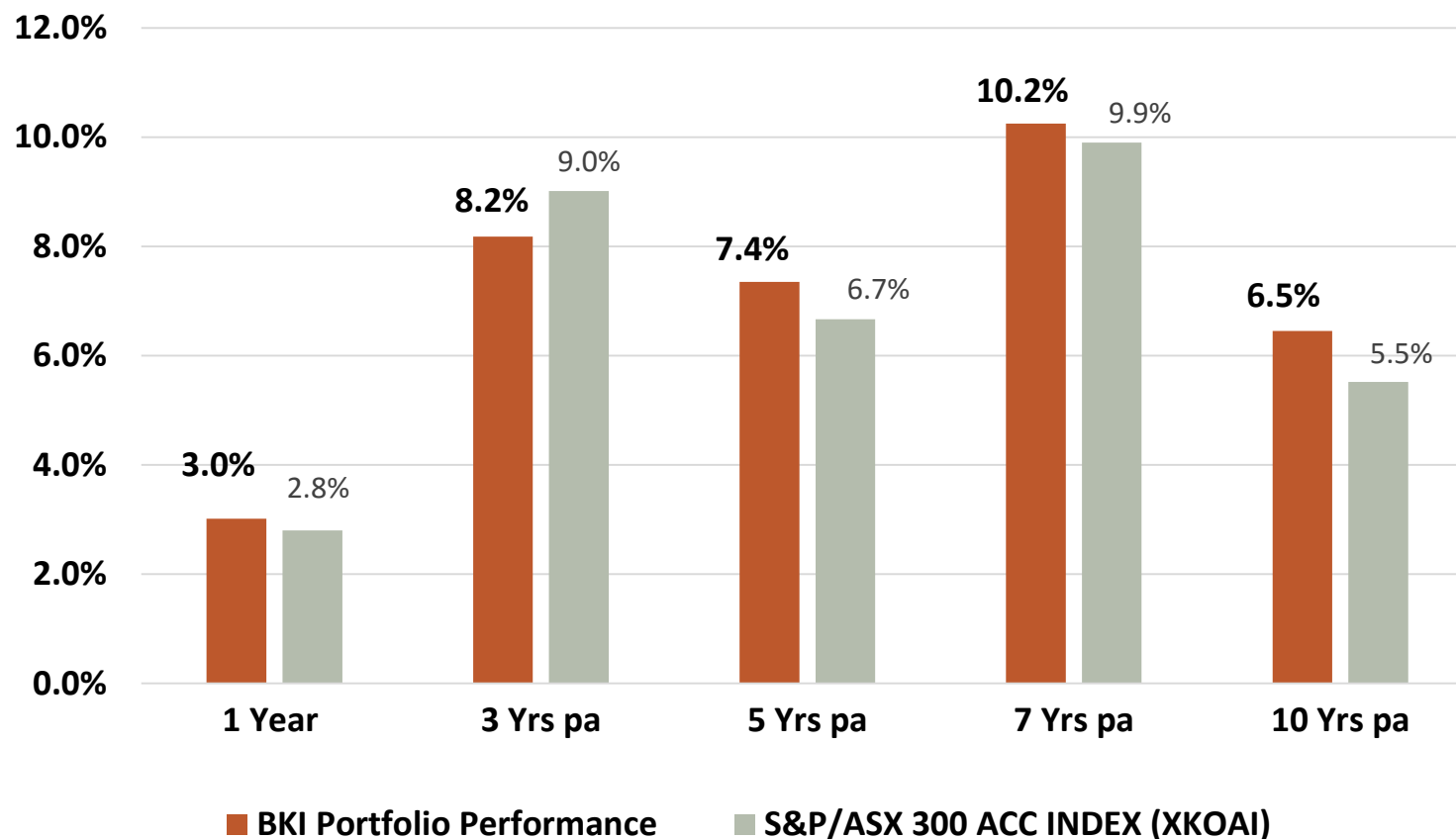
Event	Date
Last trading date to be eligible for the Interim 2016 Dividend	Wednesday 3 February 2016
Ex-Dividend Date	Thursday 4 February 2016
Record Date	Monday 8 February 2016
DRP Nomination	Tuesday 9 February 2016
Payment Date	Friday 26 February 2016

*BKI Portfolio
Returns are
measured after
all operating
expenses,
provision and
payment of
income tax and
capital gains tax.*

Portfolio Performance

Net of tax and Expenses

As at 31 December 2015

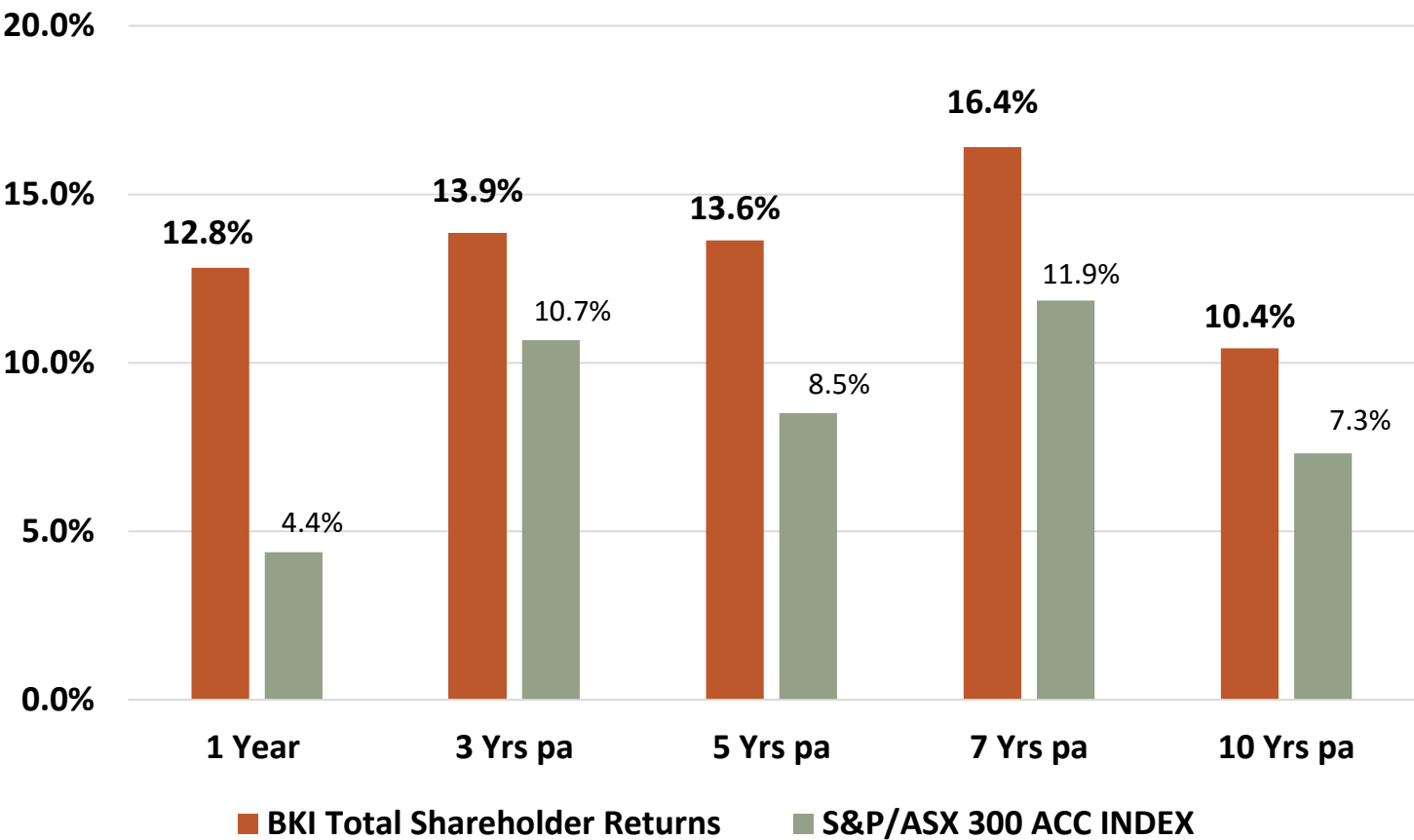


Total Shareholder Returns including the benefit of franking credits passed on from BKI to shareholders.

BKI has ample franking credits to ensure dividends are fully franked into the future.

Total Shareholder Returns

Including Franking Credits
As at 31 December 2015



The S&P/ASX300 Accumulation Index has been franked at 80%



BKI Investment Company Limited

LONG TERM INVESTMENT PORTFOLIO

BKI Portfolio – 1H 2016 Movements

July – December 2015

Main Purchases

ANZ Banking Group
National Australia Bank
Commonwealth Bank
APA Group
Sydney Airport
Woolworths Limited
Transurban Group

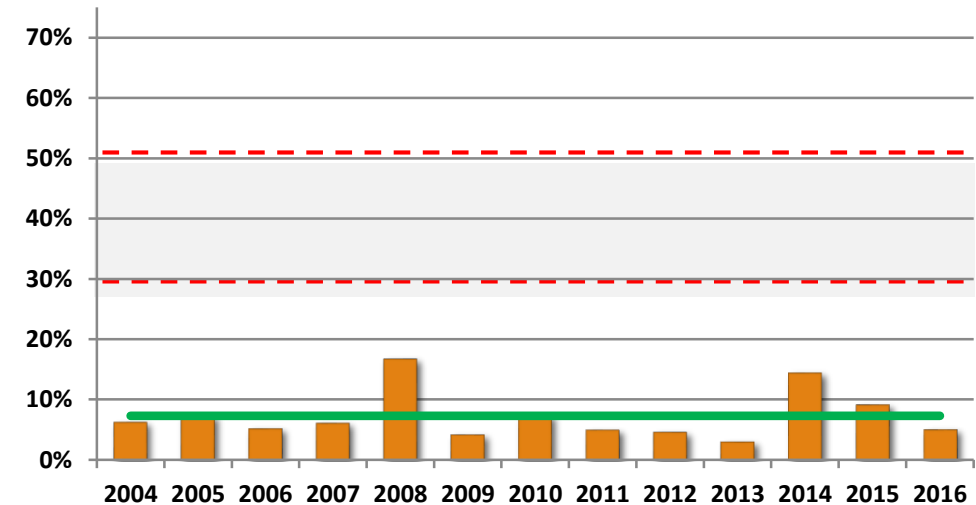
Total Investment \$38m

Main Sales

MaxiTrans Industries
G8 Education
Origin Energy
Skilled Group

Total Sales \$8m

Low Portfolio Turnover



— BKI Average Portfolio Turnover = 7.3%
- - - Typical Active Equity Manager Portfolio Turnover = 30% - 50%+
(Average Turnover = (Total Sales + Total Purchases) / Total Assets)

BKI Portfolio – Top 25 Shareholdings as at 31 December 2015



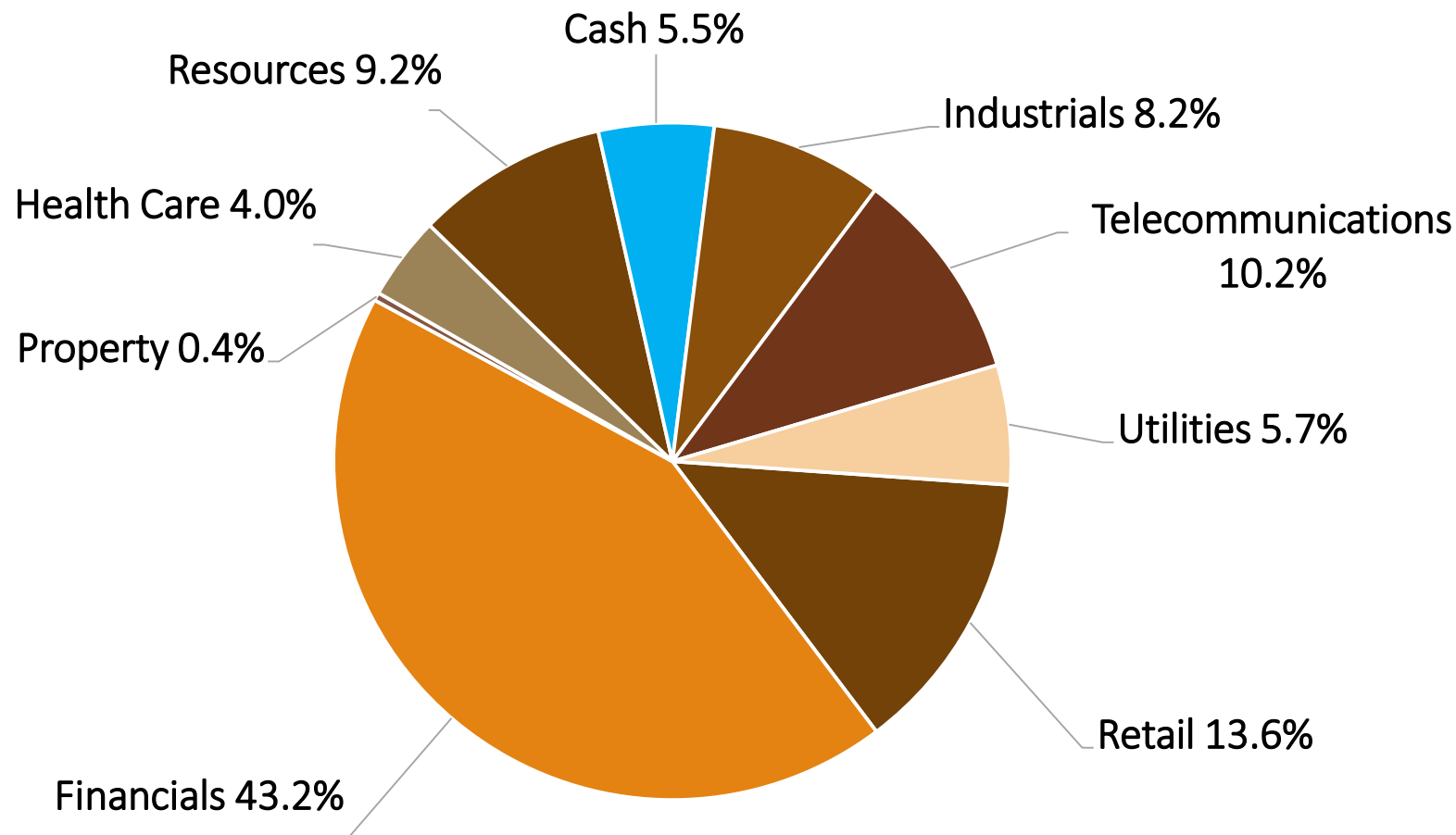
	Stock	% of Total Portfolio		Stock	% of Total Portfolio
1	Commonwealth Bank	9.7%	14	IAG Limited	1.9%
2	National Australia Bank	8.8%	15	Invocare Limited	1.8%
3	Westpac Bank	7.7%	16	Ramsay Healthcare	1.7%
4	Telstra Corporation	5.4%	17	ARB Corporation	1.7%
5	TPG Telecom	4.8%	18	Suncorp Group	1.5%
6	ANZ Banking Group	4.6%	19	ASX Limited	1.5%
7	Wesfarmers Limited	4.5%	20	Sydney Airport	1.4%
8	APA Group	3.5%	21	Woodside Petroleum	1.4%
9	New Hope Corporation	3.0%	22	Brambles Limited	1.3%
10	BHP Billiton	2.9%	23	Coca-Cola Amatil	1.2%
11	Woolworths Limited	2.7%	24	Bank of Queensland	1.2%
12	Transurban Group	2.5%	25	Tatts Group	1.2%
13	AGL Energy Limited	2.5%		Cash & Cash Equivalents	5.5%
			Total		85.9%

BKI Portfolio — Exposure by Sector

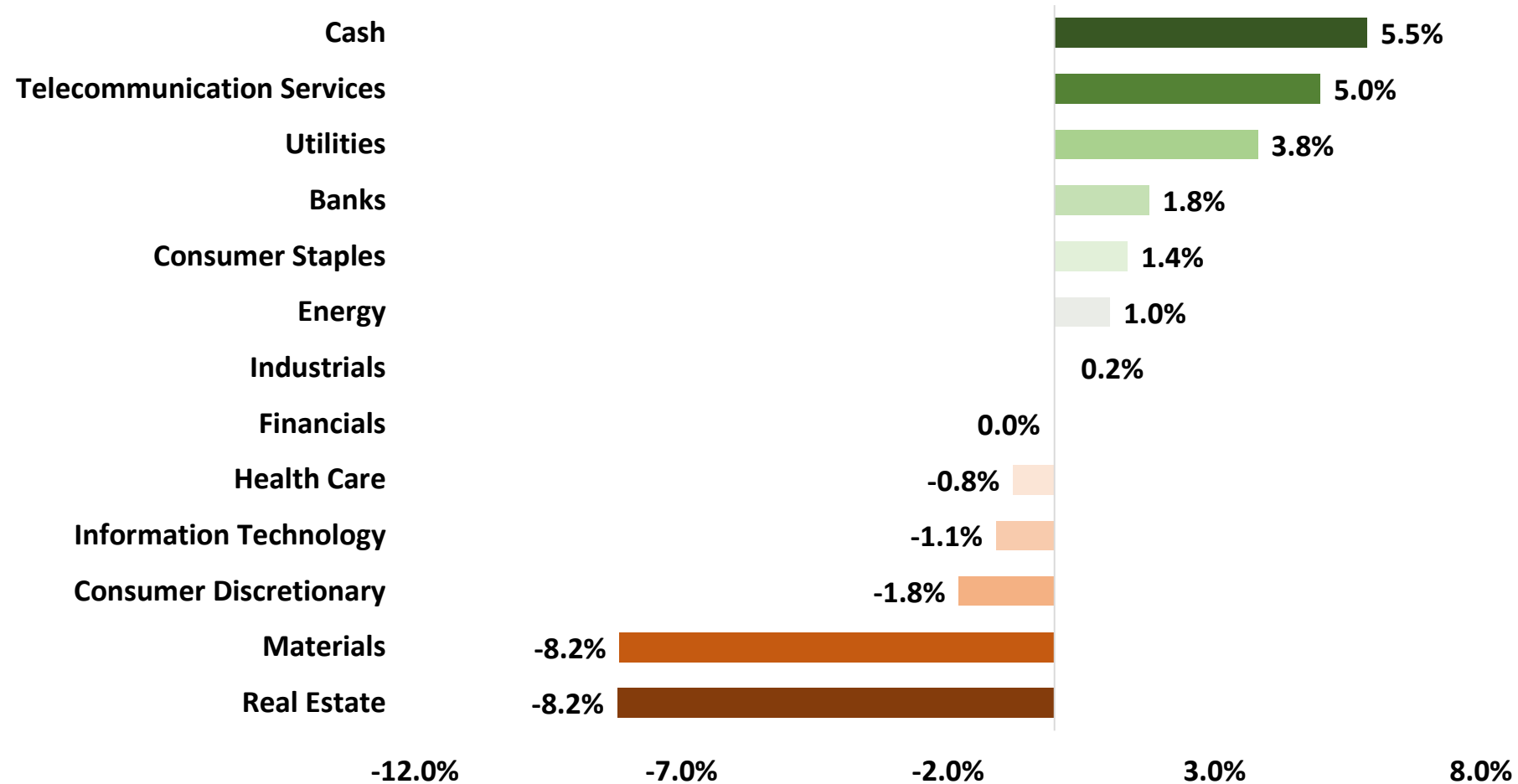
High Conviction

Benchmark Unaware

BKI's long term strategy of investing in dividend paying stocks means the portfolio is not aligned with an index.



BKI Portfolio – Active Weight by Sector



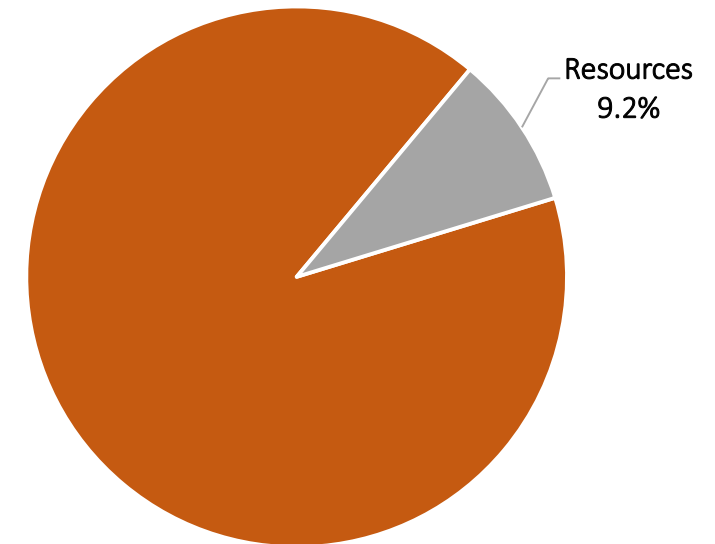
BKI Portfolio - A Focus on the Future

Portfolio exposure to Resources is currently 9.2%. Main investments New Hope, BHP Billiton and Woodside continue to have robust balance sheets and sound diversified assets, placing them well for future growth.

Our weighting to a diversified range of Industrial stocks represents 85.3% of the total portfolio.

The following sectors continue to have an attractive long term thematic and the BKI portfolio is well positioned to capture future growth expected within these sectors.

- Finance
- Healthcare
- Energy
- Infrastructure



BKI Portfolio – Financials



BKI Portfolio – Healthcare



PRIMARY
HEALTH CARE LIMITED



BKI Portfolio – Energy



BKI Portfolio – Infrastructure





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APPENDIX

Key Differentiators

- High Value / Low Cost - Active, high conviction, closed end portfolio, with no Debt. MER of 0.17%. No external portfolio management or performance fees.
- Performance - Delivering sound returns plus dividend growth.
- Alignment - Directors and Management are shareholders in BKI. We focus on dividend payments - not generating management or performance fees.
- Experience - The Board and Management of BKI has over 180 years of collective industry experience (average of 27 years); Average tenure at BKI being 7.6 years.

Key Differentiators

- Diversification – Exposure to well managed, dividend paying companies.
- Listed on the ASX
 - ASX Listing Rules - Continuous Disclosure requirements, High levels of Transparency and Compliance.
 - Size & strength - Market Capitalisation of \$901m*.
 - Simplicity – An investment in BKI.ASX provides administration simplicity.
 - Liquidity – Shares trade on the ASX. 14,000 shareholders. Settlement T+3.
- Tax Effective - Dividends are fully franked; tax credits passed on to shareholders.
- Capital Management - 5 Fully Franked Special Dividends distributed since listing.

Experience and Alignment

Team Member	Qualifications	Position	Investment Experience	Tenure With BKI	Equity Ownership ¹
Robert Millner	FAICD	Chairman Investment Committee	32 yrs	12 yrs	8,490,539
David Hall, AM	FCA, FAICD	Non Executive Director Chairman Audit Committee	36 yrs	12 yrs	277,970
Alex Payne	B.Comm, Dip Cm, FCPA, FCIM	Non Executive Director Investment Committee	28 yrs	12 yrs	286,194
Ian Huntley	BA	Non Executive Director Investment Committee	41 yrs	7 yrs	11,224,980
Tom Millner	B.Des (Ind), GDipAppFin, F.Fin, GAICD	CEO Investment Committee	14 yrs	12 yrs	7,625,279
Will Culbert	B.Bus, GDipAppFin, F.Fin, M.Comm	Portfolio Manager Investment Committee	16 yrs	2 yrs	74,809
Jaime Pinto	B.Comm, CA	Company Secretary	21 yrs	4 yrs	51,892

¹Common to R.Millner and T.Millner as at 4 August 2015 are 7,231,771 shares held in related companies and trusts in which both hold beneficial interests.

BKI Fact Sheet

ASX Code	BKI.ASX
Listing Date	December 2003
Mandate	Aust Listed Equities
Investment Sectors	Diversified
Benchmark	S&P/ASX 300 Acc Index
Market Cap	\$901m
Debt	Nil
Management Expense Ratio	0.17%
Performance Fee	Nil
Rolling 12 Month Dividend*	7.25cps
Historical Dividend Yield**	4.6%
Percentage Franked	100%
Grossed Up Yield#	6.5%
Dividend Distribution Frequency	Half Yearly
Dividend Payout Policy	90%-95%
Dividend Reinvestment Plan	Active

Research Coverage	Morningstar
	Morgan Stanley
	Bell Potter
	Evans and Partners
	BaillieuHolst
Approved Product List	Dixon Advisory
	BaillieuHolst
Model Portfolio	Dixon Advisory
	BaillieuHolst
	AIOFP
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*Our aim is to
create wealth
for BKI
shareholders,
through an
increasing fully
franked
dividend and
capital growth.*



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