



# BKI Investment Company Limited

NTA AND MONTHLY REPORT—AUGUST 2015

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

## Top 25 Investments

Stock	% of Total Portfolio
1 National Australia Bank	9.3%
2 Commonwealth Bank	8.8%
3 Westpac Banking Corp	7.4%
4 Telstra Corporation	5.7%
5 ANZ Banking Group	4.8%
6 TPG Telecom	4.7%
7 BHP Billiton	4.5%
8 Wesfarmers Limited	4.5%
9 APA Group	3.4%
10 Woolworths Limited	3.1%
11 New Hope Corporation	3.0%
12 AGL Energy Limited	2.4%
13 Transurban Group	2.3%
14 IAG Limited	1.8%
15 Invocare Limited	1.8%
16 Suncorp Group	1.7%
17 Woodside Petroleum	1.6%
18 Ramsay HealthCare	1.6%
19 ASX Limited	1.4%
20 ARB Corporation	1.4%
21 Sonic Healthcare	1.3%
22 AMP Limited	1.3%
23 Coca-Cola Amatil	1.2%
24 Brambles Limited	1.2%
25 Bank of Queensland	1.2%
Cash and cash equivalents	4.2%
<b>Total of Top 25 plus cash and cash equivalents</b>	<b>85.6%</b>

### Business Overview

BKI is a research driven, active equities manager investing for the long term in profitable, high yielding, well managed companies. Listed on the Australian Stock Exchange (BKI.ASX), an investment in BKI gives shareholders access to a diversified Australian equity portfolio without charging external portfolio management fees or performance fees.

### Net Tangible Asset Backing

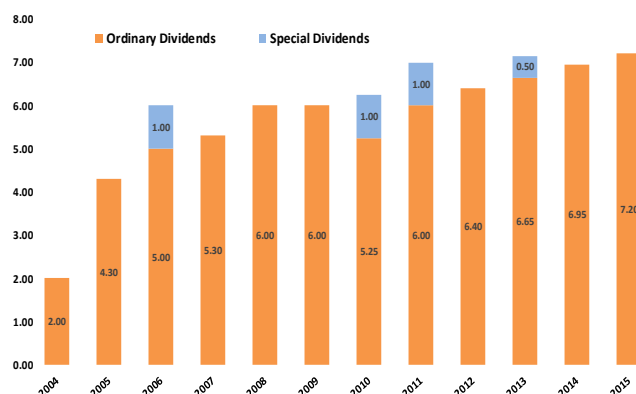
The consolidated unaudited pre tax net asset backing at 31 August 2015 was **\$1.56** per share. The company is a long term equity investor and does not intend to dispose of its total portfolio. If estimated tax at 30% on unrealised portfolio gains were to be recognised, net asset backing post tax would be **\$1.47** per share.

All calculations are after providing for the Final Dividend of 3.65cps. BKI traded ex-dividend on the 5 August 2015. The payment date for the Final Dividend was 27 August 2015.

### Growing Fully Franked Dividends

BKI's Board & Management 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 August 2015, BKI's fully franked dividend yield was 4.3% (based on the immediate past 12 Month rolling dividend\*\* and share price of \$1.66), while the grossed up yield was 6.2% (at a tax rate of 30%).



*We focus on dividend payments - not generating management or performance fees*

BKI Dividends paid to shareholders (cents per share).

## Board and Management

**Directors:** Robert Millner (Chairman), Alex Payne, David Hall and Ian Huntley.

**Management:** Tom Millner (CEO), Will Culbert (Senior Investment Analyst) and Jaime Pinto (Company Secretary).

## Benefits of Investing in BKI Investment Company Limited

- **High Value / Low Cost** - Active, high conviction, closed end portfolio. No external portfolio management or performance fees.
- **Tax Effective** - All dividends have been fully franked.
- **Performance** - Delivering sound returns plus dividend growth.
- **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 \$944m.
  - Simplicity** – An investment in BKI.ASX provides administration simplicity.
  - Liquidity** – Shares trade on the ASX. 13,800 shareholders. Settlement T+3.
- **Experience** - The Board and Management of BKI has over 180 years of collective industry experience (average of 26 years). The average tenure at BKI is 7.6 years.
- **Alignment** - Directors and Management are shareholders in BKI. We focus on dividend payments - not generating management or performance fees.

## Company Overview

Mandate	Australian Listed Equities
Market Capitalisation	\$944m
Investment Portfolio	\$853m
Cash & Cash Equivalents	\$37m
Total Portfolio Including Cash	\$890m
Debt	\$0
MER*	0.18%
Performance Fee	N/A
Rolling 12 Month Dividend**	7.20cps
Historical Dividend Yield***	4.3%
Percentage Franked	100%
Grossed up Yield***	6.2%
DRP	Active
Pre Tax NTA	\$1.56
Post Tax NTA	\$1.47
Share Price	\$1.66

### Contact

Website	www.bkilimited.com.au
E-Mail	info@bkilimited.com.au
Tom Millner	0408 754 180
Will Culbert	0410 627 378
Jaime Pinto	02 9210 7000

<b>BKI Performance as at 31 August 2015</b>	<b>1 Year</b>	<b>3 Yrs (pa)</b>	<b>5 Yrs (pa)</b>	<b>7 Yrs (pa)</b>	<b>10 Yrs (pa)</b>
S&P/ASX 300 ACC INDEX (XKOA1)	-3.2%	10.9%	7.9%	4.6%	6.0%
BKI Total Shareholder Returns (TSR)	3.3%	16.4%	12.8%	8.7%	8.6%
<b>BKI TSR Outperformance V's XKOA1</b>	<b>6.6%</b>	<b>5.5%</b>	<b>4.9%</b>	<b>4.1%</b>	<b>2.6%</b>
BKI Portfolio Performance	-2.6%	9.6%	8.2%	5.6%	6.7%
<b>BKI Portfolio Outperformance V's XKOA1</b>	<b>0.6%</b>	<b>-1.3%</b>	<b>0.3%</b>	<b>1.0%</b>	<b>0.7%</b>

<b>BKI Performance Including Franking Credits</b>	<b>1 Year</b>	<b>3 Yrs (pa)</b>	<b>5 Yrs (pa)</b>	<b>7 Yrs (pa)</b>	<b>10 Yrs (pa)</b>
S&P/ASX 300 ACC INDEX (XKOA1) - 80% Franked	-1.8%	12.7%	9.8%	6.5%	7.9%
<b>BKI Total Shareholder Returns - 100% Franked</b>	<b>5.2%</b>	<b>18.6%</b>	<b>15.1%</b>	<b>11.1%</b>	<b>10.8%</b>

**Source:** BKI Investment Company Limited, 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.

The material contained within the BKI Investment Company Limited Monthly Report (The Report) has been prepared by BKI Investment Company Limited (ABN 23 106 719 868). Figures referred to in The Report are unaudited. The Report is not intended to provide advice to investors or take into account an individual's financial circumstances or investment objectives. This is general investment advice only and does not constitute advice to any person. The opinions within The Report are not intended to represent recommendations to investors, they are the view of BKI Investment Company Limited as of this date and are accordingly subject to change. Information related to any company or security is for information purposes only and should not be interpreted as a solicitation of offer to buy or sell any security. The information on which The Report is based has been obtained from sources we believe to be reliable, but we do not guarantee its accuracy or completeness. Investors should consult their financial adviser in relation to any material within this document. \*MER as at 30 June 2015; \*\*Includes FY2015 Final Dividend of 3.65cps and FY2015 Interim Dividend of 3.55cps \*\*\* Based on share price as at 31 August 2015. Grossed up yield based on a tax rate of 30%.