

## NTA AND MONTHLY REPORT

May 2019

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

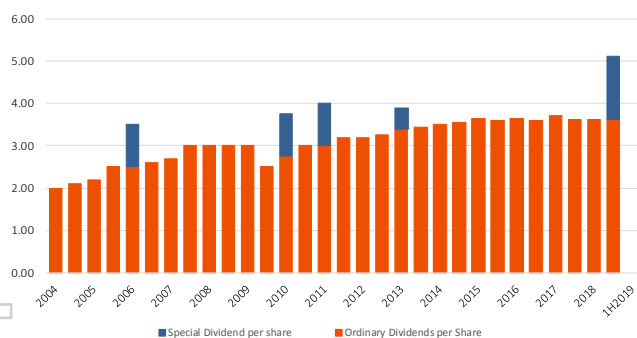
### Business Overview

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 2019, BKI's fully franked dividend yield was 5.8% (based on the immediate past 12 month rolling dividend\*\* and share price of \$1.515), while the grossed-up yield was 8.3%# (tax rate of 30%).



Since listing in 2003, BKI has paid out 97.55cps or approximately \$600m in dividends and franking credits to shareholders.

**Pre-Tax Net Tangible Assets: \$1.63**

**Post-Tax Net Tangible Assets: \$1.54**

### 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 (Director - Portfolio Manager)

Will Culbert (Director - Portfolio Manager)



### Company Overview

ASX Code	BKI.ASX
Mandate	Australian Listed Equities
Market Capitalisation	\$1,107m
Investment Portfolio	\$1,099m
Cash & Cash Equivalents	\$95m
Total Portfolio Including Cash	\$1,194m
Debt	\$0
MER*	0.18%
Performance Fee	N/A
Rolling 12 Month Dividend**	8.825cps
Historical Dividend Yield	5.8%
Percentage Franked	100%
Grossed Up Yield#	8.3%
DRP	Active
Share Price	\$1.515

### Net Tangible Assets (NTA)

Pre Tax NTA	\$1.63
Post Tax NTA	\$1.54

#### Dividend Yield

**5.8%**

As at 31 May 2019

#### Management Expense Ratio

**0.18%**

As at 31 December 2018

#### 15Yr Total Shareholder Returns

**10.6% pa**

As at 31 May 2019

#### Total Assets

**\$1,214m**

As at 31 May 2019

**No Performance Fees**

**~18,000 Shareholders**

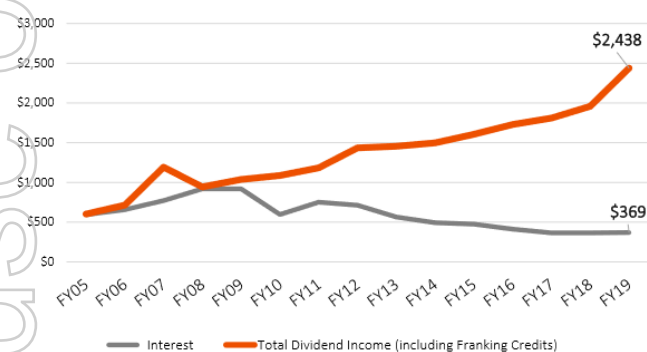
\*MER as at 31 December 2018 \*\*Includes FY2018 Final Dividend of 3.70cps and FY2019 Interim Dividend of 3.625cps and Special Dividend of 1.50cps, #Based on share price as at 31 May 2019. Grossed up yield includes franking credits and is based on a tax rate of 30%.

# 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 would now be receiving fully franked dividends of \$1,707pa. The franking credits enhance the income by a further \$731, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning \$369pa 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 Commonwealth Bank	6.5%
2 National Australia Bank	5.6%
3 Macquarie Group	4.9%
4 Westpac Banking Corporation	4.8%
5 Transurban Group	4.3%
6 BHP Billiton	4.2%
7 APA Group	4.2%
8 Woolworths Group	3.8%
9 ANZ Banking Group	3.6%
10 Wesfarmers Limited	3.5%
11 New Hope Corporation	3.3%
12 Ramsay Healthcare	3.0%
13 Woodside Petroleum	3.0%
14 Sydney Airport	2.8%
15 Telstra Corporation	2.8%
16 AGL Energy Limited	2.6%
17 TPG Telecom	2.5%
18 ASX Limited	2.5%
19 IAG Limited	2.2%
20 Invocare Limited	2.1%
21 Sonic Healthcare	2.1%
22 ARB Corporation	1.5%
23 Magellan Financial Group	1.4%
24 Suncorp Group	1.3%
25 Coles Group	1.2%
Cash and cash equivalents	7.9%
<b>Total of top 25 plus Cash and cash equivalents</b>	<b>87.6%</b>

BKI Performance	1 Year	3 Years	5 Years	10 Years	15 Years
31 May 2019		(pa)	(pa)	(pa)	(pa)
S&P/ASX 300 Accumulation Index	10.9%	10.6%	7.8%	9.9%	8.8%
BKI Total Shareholder Returns (TSR)	6.2%	3.7%	2.8%	8.8%	8.4%
<b>BKI TSR Outperformance vs Index</b>	<b>-4.7%</b>	<b>-6.9%</b>	<b>-5.0%</b>	<b>-1.1%</b>	<b>-0.4%</b>
BKI Portfolio Performance	8.2%	5.8%	4.5%	8.3%	7.7%
<b>BKI Portfolio Outperformance vs Index</b>	<b>-2.7%</b>	<b>-4.8%</b>	<b>-3.3%</b>	<b>-1.6%</b>	<b>-1.1%</b>
S&P/ASX 300 Accumulation Index – 80% franked	13.0%	12.3%	9.4%	11.7%	10.5%
<b>BKI Total Shareholder Returns – 100% Franked</b>	<b>8.8%</b>	<b>5.9%</b>	<b>4.8%</b>	<b>11.1%</b>	<b>10.6%</b>

Source: Contact Asset Management, 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.

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