

NTA AND MONTHLY REPORT

August 2020

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

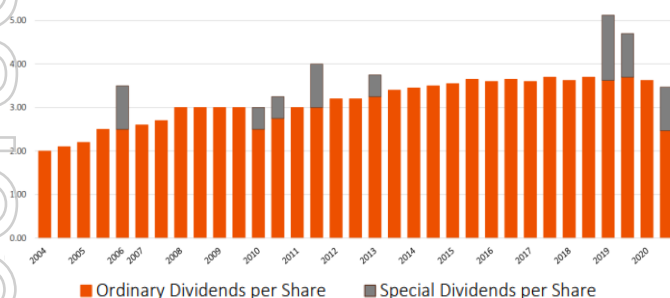
Business Overview

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 August 2020, using the FY2020 interim dividend of 3.625cps, FY2020 final dividend of 2.32cps, FY2020 final special dividend of 1.00cps and a share price of \$1.39, the dividend yield is 5.0%.



All calculations are after providing for the FY2020 Final Dividend of 2.32cps and Final Special Dividend of 1.00cps.

Pre-Tax Net Tangible Assets: **\$1.45**

Post-Tax Net Tangible Assets: **\$1.41**

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 (Portfolio Manager)

Will Culbert (Portfolio Manager)



Company Overview

ASX Code	BKI.ASX
Mandate	Australian Listed Equities
Market Capitalisation	\$1,025m
Investment Portfolio	\$1,025m
Cash & Cash Equivalents	\$50m
Total Portfolio Including Cash	\$1,075m
Debt	\$0
MER*	0.17%
Rolling 12 Month Dividend**	6.945cps
Dividend Yield	5.0%
Percentage Franked	100%
Grossed Up Yield#^	7.1%
DRP	Active
Share Price	\$1.39

Net Tangible Assets (NTA)

Pre Tax NTA	\$1.45
Post Tax NTA	\$1.41

Grossed Up
Dividend Yield #^

7.1%

As at 31 August 2020

Management
Expense Ratio

0.17%

As at 30 June 2020

15Yr Total Shareholder
Returns^

8.3% pa

As at 31 August 2020

Total Portfolio
Including Cash

\$1,075m

As at 31 August 2020

No
Performance
Fees

~18,000
Shareholders

*MER as at 30 June 2020 **Includes FY2020 final ordinary dividend of 2.32cps, FY2020 final special dividend of 1.00cps and FY2020 interim ordinary dividend of 3.625cps, #Based on share price as at 31 August 2020. ^Grossed up yield includes franking credits and is based on a tax rate of 30%.

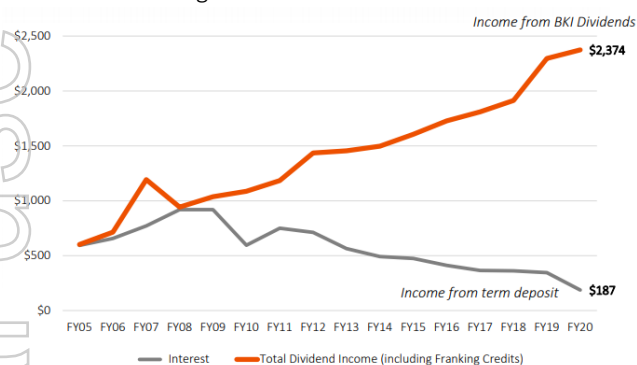
BKI INVESTMENT COMPANY LIMITED

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, and who participated in all of the Company's DRP's would now be receiving fully franked dividends of \$1,662pa. The franking credits enhance the income by a further \$712, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning \$187pa 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 Macquarie Group	7.8%
2 BHP Group	7.1%
3 Commonwealth Bank	7.0%
4 APA Group	5.6%
5 Woolworths Limited	5.3%
6 Transurban Group	5.0%
7 Wesfarmers Limited	5.0%
8 TPG Telecom	4.4%
9 National Australia Bank	3.6%
10 ASX Limited	3.2%
11 Ramsay Healthcare	3.1%
12 Sonic Healthcare	2.9%
13 ARB Corporation	2.3%
14 Telstra Corporation	2.3%
15 Woodside Petroleum	2.1%
16 Magellan Financial Group	2.1%
17 New Hope Corporation	2.0%
18 Coles Group	1.9%
19 Harvey Norman	1.8%
20 AGL Energy	1.7%
21 Amcor Corporation	1.7%
22 Goodman Group	1.6%
23 NAB Convertible Notes	1.5%
24 Invocare Limited	1.5%
25 Rio Tinto Limited	1.4%
Cash and cash equivalents	4.6%
Total of top 25 plus Cash and cash equivalents	88.5%

BKI Performance	1 Year	3 Years	5 Years	10 Years	15 Years
August 2020		(pa)	(pa)	(pa)	(pa)
S&P/ASX 300 Accumulation Index	-4.8%	6.2%	7.6%	7.7%	6.6%
BKI Total Shareholder Returns (TSR)	-10.3%	-0.8%	1.3%	6.9%	6.1%
BKI TSR Outperformance vs Index	-5.5%	-7.0%	-6.3%	-0.8%	-0.5%
BKI Portfolio Performance	-6.8%	2.4%	3.5%	5.8%	5.5%
BKI Portfolio Outperformance vs Index	-2.0%	-3.8%	-4.1%	-1.9%	-1.1%
S&P/ASX 300 Accumulation Index – 80% Franked	-3.4%	8.0%	9.3%	9.5%	8.3%
BKI Total Shareholder Returns – 100% Franked	-8.5%	1.4%	3.4%	9.1%	8.3%

Source: Contact Asset Management, Factset. 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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