

# NTA and Monthly Report

November 2024

## 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 Securities Exchange (BKI.ASX) and managed by Contact Asset Management, an investment in BKI gives shareholders access to a diversified Australian equity portfolio. BKI's Board & Portfolio Managers are shareholders in BKI. We invest for the long term and focus on creating wealth for all shareholders through capital growth, increasing fully franked dividends and by keeping costs low.

## Monthly Portfolio Commentary

The S&P/ASX 300 Accumulation Index continued its positive trajectory in November, delivering a solid 3.7% return. The S&P/ASX Midcap 50 outperformed with an impressive 5.7% return, while the S&P/ASX 20 Index posted a 3.3% return. The Small Ordinaries recorded a modest 1.3% return for the month.

Sector performance was mixed, with Information Technology and Utilities leading the way, returning 10.2% and 9.1% respectively. In contrast, Materials and Energy lagged, delivering -2.8% and -0.7% respectively. On a one year basis to 30 November 2024, the IT sector has returned an exceptional 64.2%, while Financials and Real Estate have delivered strong returns of 48.1% and 36.8%, respectively.

BKI's portfolio remains well-positioned, with a significant weighting in the Financials sector, including Commonwealth Bank (CBA), National Australia Bank (NAB), and Macquarie Group (MQG), three of BKI's top four holdings.

It was a big month for these three positions with CBA delivering an 11.1% return. MQG released 1H2025 results, highlighting a 4% increase in Net Operating Income, cash earnings of \$1.6b, and slightly lower expenses. The dividend rose to \$2.60, franked at 35%. Strong performances came from Macquarie Asset Management up 64% and Banking and Financial Services up 2% and growing deposits to \$153b and loans to \$150b. A partial performance fee was recognized from the AirTrunk sale, while Assets Under Management reached \$916.8b. NAB's FY2025 results saw Net Operating Income decline 2%, impacted by lower NIM and Markets & Treasury income, while operating expenses rose 4%. Despite competitive pressures, NAB's second half results were pleasingly stronger and the final dividend lifted from 84cps to 85cps within the target payout range of 65%-75%.

Following Donald Trump's victory in the US presidential election, U.S stock markets including the Dow, S&P 500, and Nasdaq, reached record highs as investors jumped on the "Trump Trade" and priced in expectations of tax cuts and tariffs promised by the President-elect. These policies also fuelled the dollar's strength, a further lift in Bitcoin and triggered a sell-off in U.S. bonds.

## Company Overview

ASX Code	BKI.ASX
Mandate	Australian Listed Equities
Market Capitalisation	\$1,384m
Investment Portfolio	\$1,414m
Cash & Cash Equivalents	\$126m
Debt	\$0
Rolling 12 Month Dividend**	7.85cps
DRP	Active

## Net Tangible Assets (NTA)

BKI Share Price	\$1.715
Pre-Tax NTA	\$1.91
Post Tax NTA	\$1.75

Historical Grossed  
Up Dividend Yield \*

**6.5%**

As at 30 November 2024

20Yr Total  
Shareholder Returns<sup>^</sup>

**9.9% pa**

As at 30 November 2024

Management  
Fee

**0.10%**

Contact Asset Management

No  
Performance  
Fees

Total Portfolio  
Including Cash

**\$1,540m**

As at 30 November 2024

Lonsec Recommended Rating



\*Grossed up yield includes franking credits and is based on a tax rate of 30%. Includes FY2024 Interim Dividend of 3.85cps and FY2024 Final Dividend of 4.00cps and is based on share price as at 30/11/2024. ^Includes Franking Credits

## Board of Directors

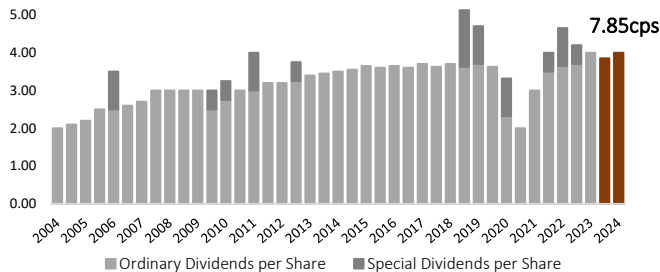
Robert Millner AO (Chair), Alex Payne, David Hall AM, Ian Huntley, Jacqui Clarke, Amanda Wong (Company Secretary).

## Investment Management

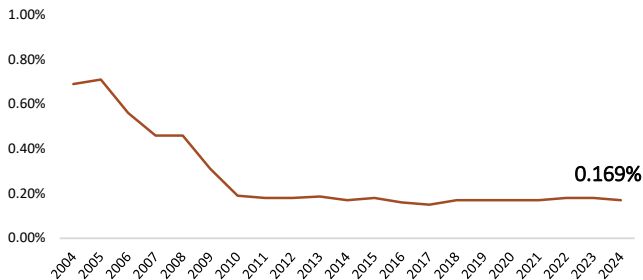
Tom Millner (Portfolio Manager), Will Culbert (Portfolio Manager), Rob Horne (Investment Analyst).

## Investor Focused

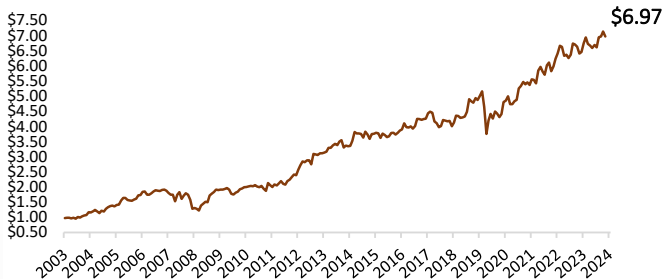
**Fully Franked Dividends** - BKI has a strong 20-year history of paying fully franked dividends and offering an attractive yield. BKI's FY2024 Dividends of 7.85cps was up 2% on FY2023 and was BKI's highest full year ordinary dividends paid in the 20 years of being listed on the ASX.



**Management Expense Ratio (MER)** – BKI offers a very competitive fee structure, with an external, active Management Fee of 0.10% and a total MER of only 0.169%.



**Cumulative Share Price Returns** - Assuming all dividends were reinvested and using the full benefit of franking credits, since IPO on 12<sup>th</sup> December 2003, the cumulative share price of BKI shares was \$6.97 per share as at 30 November 2024.



Company	% of Total Portfolio
1 Commonwealth Bank	8.9%
2 BHP Group	7.6%
3 National Australia Bank	7.5%
4 Macquarie Group	4.8%
5 APA Group	4.6%
6 Wesfarmers Limited	4.5%
7 New Hope Corporation	4.0%
8 Woodside Energy Group	3.5%
9 Telstra Group Limited	3.5%
10 Harvey Norman Holdings	3.1%
11 Transurban Group	2.9%
12 ARB Corporation	2.7%
13 Suncorp Group	2.7%
14 Woolworths Limited	2.4%
15 Sonic Healthcare	2.3%
16 Goodman Group Limited	2.3%
17 Amcor	2.1%
18 Aurizon Holdings	1.8%
19 Dalrymple Bay Infrastructure	1.8%
20 Stockland	1.7%
21 TPG Telecom Limited	1.7%
22 Ramsay HealthCare	1.5%
23 Coles Group	1.4%
24 Mirvac Limited	1.3%
25 Tuas Limited	1.0%
Cash and cash equivalents	8.2%
<b>Total of Top 25 plus Cash and cash equivalents</b>	<b>89.8%</b>

## Contact Us



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BKI Performance 30 November 2024	1 Year	3 Years (pa)	5 Years (pa)	10 Years (pa)	15 Years (pa)	20 Years (pa)
BKI Portfolio Performance	17.6%	10.6%	8.8%	8.4%	9.0%	9.7%
BKI Total Shareholder Returns (TSR)	5.9%	6.9%	5.4%	5.6%	6.9%	7.2%
<b>BKI Total Shareholder Returns – 100% Franked</b>	<b>7.9%</b>	<b>9.1%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>9.1%</b>	<b>9.9%</b>

Source: Contact Asset Management, Factset. BKI 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 and includes franking. TSR includes the reinvestment of dividends. TSR including franking credits are based on BKI's dividends being fully franked. Past performance is generally not indicative of future performance. The material contained within the BKI Investment Company Limited NTA and Monthly Report (The Report) has been prepared by Contact Asset Management (AFSL 494045). 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 Contact Asset Management 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.