BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

ASX Announcement

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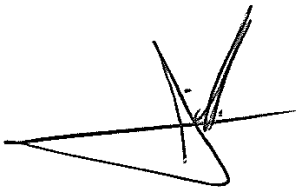
10 October 2017

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

September 2017 NTA & Monthly Report – Correction

The enclosed updated September 2017 NTA & Monthly Report for BKI Investment Company Limited ("BKI") includes a corrected value of 84.6% for "Total of top 25 plus Cash & cash equivalents".

Yours faithfully



Jaime Pinto
Company Secretary.

BKI INVESTMENT COMPANY LIMITED
ABN: 23 106 719 868

NTA AND MONTHLY REPORT

September 2017

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

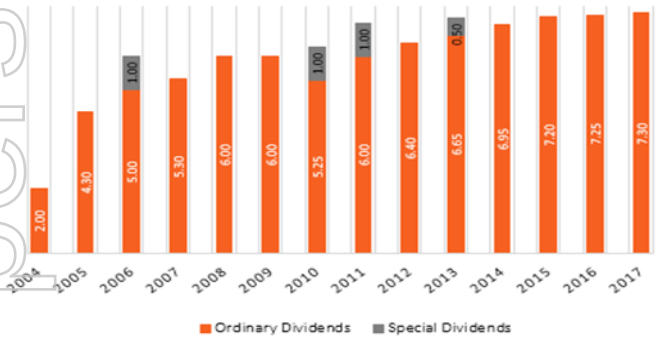
Business Overview

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 30 September 2017, BKI's fully franked dividend yield was 4.4% (based on the immediate past 12 Month rolling dividend** and share price of $1.645), while the grossed up yield was 6.3% (tax rate of 30%).



We focus on dividend payments and not generating excessive management fees or performance fees.

Board of Directors

Robert Millner (Chairman), Alex Payne, David Hall, Ian Huntley, Jaime Pinto (Company Secretary)

Investment Management

Contact Asset Management:
Contact 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	$1,021m
Investment Portfolio	$917m
Cash & Cash Equivalents	$57m
Total Portfolio Including Cash	$974m
Debt	$0
MER*	0.15%
Performance Fee	N/A
Rolling 12 Month Dividend**	7.30cps
Historical Dividend Yield	4.4%
Percentage Franked	100%
Grossed Up Yield***	6.3%
DRP	Active
Share Price	$1.645

Net Tangible Assets (NTA)	
Pre Tax NTA	$1.57
Post Tax NTA	$1.48

*MER as at 30 June 2017, **Includes FY2017 Final Dividend of 3.70cps and FY2017 Interim Dividend of 3.60cps, *** Based on share price as at 30 September 2017. Grossed up yield based on a tax rate of 30%.

Dividend Yield
6.3%
Grossed up, as at 30 Sept 2017

Management Expense Ratio
0.15%
As at 30 June 17

13Yr Total Shareholder Returns
11.2% pa
As at 30 Sept 17

Market Capitalisation
$1.02b
As at 30 Sept 17

No Performance Fees

14,900 Shareholders

BKI INVESTMENT COMPANY LIMITED

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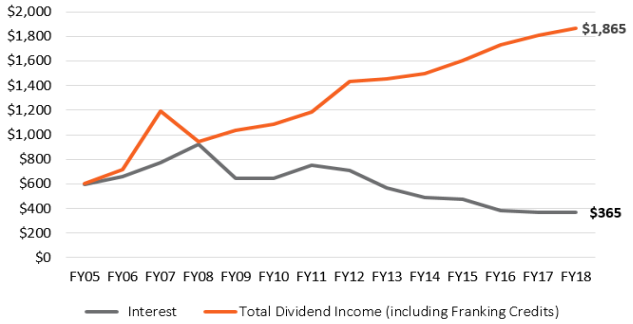
	Company	% of Total Portfolio
1	National Australia Bank	8.8%
2	Westpac Banking Corp	7.4%
3	Commonwealth Bank	7.2%
4	ANZ Banking Group	4.7%
5	Wesfarmers Limited	4.4%
6	Telstra Corporation	3.3%
7	Transurban Group	3.2%
8	APA Group	3.1%
9	AGL Energy Limited	3.0%
10	New Hope Corporation	2.9%
11	Woolworths Limited	2.8%
12	Sydney Airport	2.5%
13	TPG Telecom	2.4%
14	Invocare Limited	2.4%
15	Ramsay HealthCare	2.2%
16	Macquarie Group	2.2%
17	IAG Limited	2.1%
18	ASX Limited	2.0%
19	Sonic Healthcare	2.0%
20	BHP Billiton	1.9%
21	Challenger Limited	1.9%
22	Woodside Petroleum	1.8%
23	ARB Corporation	1.7%
24	Suncorp Group	1.6%
25	IOOF Holdings	1.3%
Cash and cash equivalents		5.8%
Total of top 25 plus Cash and cash equivalents		**84.6%**

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 $1,305pa. The franking credits enhance the income by a further $559, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning $365pa with no franking credits.



This chart highlights the opportunity of receiving a fully franked dividend in a falling interest rate environment.

Contact Us	
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Will Culbert	0410 627 378
Jaime Pinto	02 9210 7000

BKI Performance 30 September 2017	1 Year	3 Years (pa)	5 Years (pa)	7 Years (pa)	10 Years (pa)	13 Years (pa)
S&P/ASX 300 Accumulation Index	9.0%	7.1%	9.9%	7.7%	2.9%	8.0%
BKI Total Shareholder Returns (TSR)	10.9%	6.5%	10.5%	9.6%	6.1%	9.0%
BKI TSR Outperformance vs Index	**1.9%**	**-0.6%**	**0.6%**	**1.9%**	**3.2%**	**1.0%**
BKI Portfolio Performance	5.3%	4.4%	7.5%	6.5%	3.9%	7.4%
BKI Portfolio Outperformance vs Index	**-3.7%**	**-2.7%**	**-2.4%**	**-1.2%**	**1.0%**	**-0.6%**
S&P/ASX 300 Accumulation Index – 80% franked	10.7%	8.7%	11.6%	9.5%	4.7%	9.7%
BKI Total Shareholder Returns – 100% Franked	13.0%	8.5%	12.6%	11.8%	8.3%	11.2%

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.

The material contained within the BKI Investment Company Limited 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.

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