

# BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

## NTA AND MONTHLY REPORT

August 2021

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

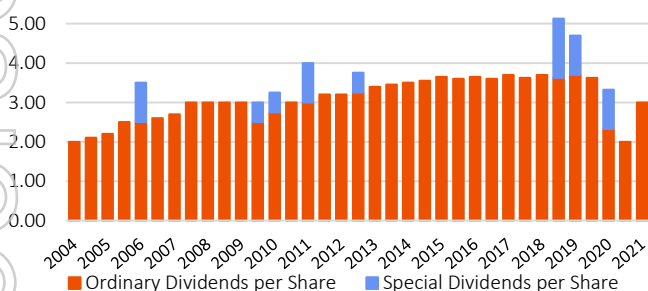
### Business Overview

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 2021, using the FY2021 Interim Dividend of 2.00cps and FY2021 Final Dividend of 3.00cps, and a share price of \$1.645, the historical grossed-up dividend yield is 4.3%.



Pre-Tax Net Tangible Assets: **\$1.73**

Post-Tax Net Tangible Assets: **\$1.60**

All NTA calculations are after providing for the FY2021 Final Dividend of 3.00cps.

### 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	\$1,219m
Investment Portfolio	\$1,262m
Cash & Cash Equivalents	\$20m
Total Portfolio Including Cash	\$1,281m
Debt	\$0
MER*	0.17%
Rolling 12 Month Dividend**	5.00cps
Dividend Yield	3.0%
Percentage Franked	100%
Grossed Up Yield#^	4.3%
DRP	Active
Share Price	\$1.645

### Net Tangible Assets (NTA)

Pre Tax NTA	\$1.73
Post Tax NTA	\$1.60

Grossed Up  
Dividend Yield #^

**4.3%**

As at 31 August 2021

Management  
Expense Ratio

**0.17%**

As at 30 June 2021

15Yr Total Shareholder  
Returns^

**8.6% pa**

As at 31 August 2021

Total Portfolio  
Including Cash

**\$1,286m**

As at 31 August 2021

No  
Performance  
Fees

**~18,000**  
Shareholders

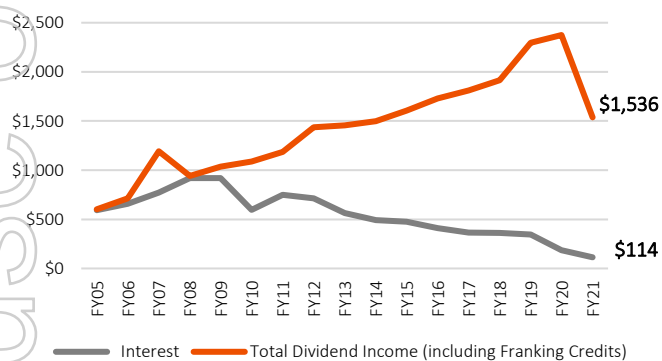
\*MER as at 30 June 2021 \*\*Includes FY2021 Interim Dividend of 2.00cps and FY2021 Final Dividend of 3.00cps, #Based on share price as at 31 August 2021. ^Grossed up yield includes franking credits and is based on a tax rate of 30%.

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## 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 \$1,075pa. The franking credits enhance the income by a further \$461, assuming a tax rate of 30%. The same investment in a term deposit (based on the cash rate + 0.50%) would be earning \$114pa 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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## BKI Performance

31 August 2021	1 Year	3 Years (pa)	5 Years (pa)	10 Years (pa)	15 Years (pa)
BKI Portfolio Performance	22.5%	6.2%	6.6%	7.5%	6.0%
BKI Total Shareholder Returns (TSR)	22.2%	7.1%	5.6%	8.8%	6.4%
BKI Total Shareholder Returns – 100% Franked	23.8%	9.3%	7.6%	10.9%	8.6%

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.

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.

Company	% of Total Portfolio
1 BHP Group	8.7%
2 Commonwealth Bank	8.5%
3 Macquarie Group	8.5%
4 APA Group	5.6%
5 National Australia Bank	5.4%
6 Wesfarmers Limited	5.3%
7 Woolworths Limited	4.7%
8 Transurban Group	3.9%
9 ARB Corporation	3.8%
10 Sonic Healthcare	3.3%
11 Ramsay HealthCare	2.8%
12 TPG Telecom Limited	2.8%
13 ASX Limited	2.7%
14 Rio Tinto Limited	2.6%
15 Telstra Corporation	2.6%
16 Amcor	2.3%
17 Harvey Norman Holdings Limited	2.1%
18 New Hope Corporation	2.1%
19 Fortescue Metals Group Ltd	2.1%
20 Woodside Petroleum	1.8%
21 Goodman Group Limited	1.7%
22 Coles Group	1.6%
23 Invocare Limited	1.6%
24 Suncorp Group	1.5%
25 Milton Corporation	1.1%
Cash and cash equivalents	1.5%
<b>Total of top 25 plus Cash and cash equivalents</b>	<b>90.6%</b>