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2024 Annual General Meeting

Tuesday 15th October 2024

Brickworks Design Studio
2 Barrack Street, Sydney, NSW 2000



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Investors should consult their financial adviser in relation to any material within this document.

bkilimited.com.au

Agenda

1. Welcome
2. Introductions
3. Chairman's Address
4. Investment Manager's Report
5. Questions
6. Formal Business

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Introductions

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Non-Executive Directors

Robert Millner AO

Chairman of the Board
Chairman of the Investment Committee
Member of the Remuneration and Nomination Committees

David Hall AM

Independent Non-Executive Director
Chairman of the Audit Committee
Member of the Remuneration Committee

Alex Payne

Non-Executive Director
Chairman of the Remuneration Committee
Member of the Audit, Investment and Nomination Committees

Ian Huntley

Independent Non-Executive Director
Member of the Audit, Investment and Remuneration Committees

Jacqui Clarke

Independent Non-Executive Director
Member of the Audit, Investment, Remuneration and Nomination Committees

Introductions



Contact Asset Management

Tom Millner Portfolio Manager
Member of the Investment Committee

Will Culbert Portfolio Manager
Member of the Investment Committee

Amanda Wong Company Secretary

Rob Horne Investment Analyst

MGI Sydney Assurance Services

Kimmy Jongue Company Auditor

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Chairman's Address



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Full Year Results

For the year ended 30 June 2024

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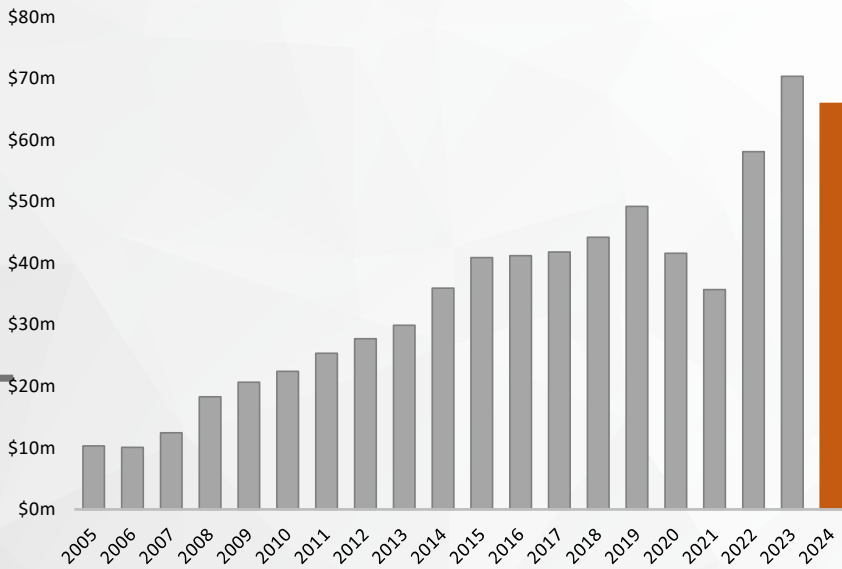
Result <u>excluding</u> special investment revenue	FY2024 (\$m)	FY2023 (\$m)	Movement (%)
Ordinary revenue from Investment Portfolio	\$64.0	\$71.1	-10%
Total Revenue - Ordinary	\$68.0	\$72.8	-7%
Operating Result (before tax and special investment revenue)	\$65.9	\$70.3	-6%
Earnings per share	7.83	8.68	-10%
Ordinary Dividend per share	7.85	7.70	2%
Result including special investment revenue	FY2024 (\$m)	FY2023 (\$m)	Movement (%)
Net profit after tax	\$64.4	\$70.1	-8%
Earnings per share	8.03	9.35	-14%
Special Dividend per share	-	0.50	-100%

Full Year Results

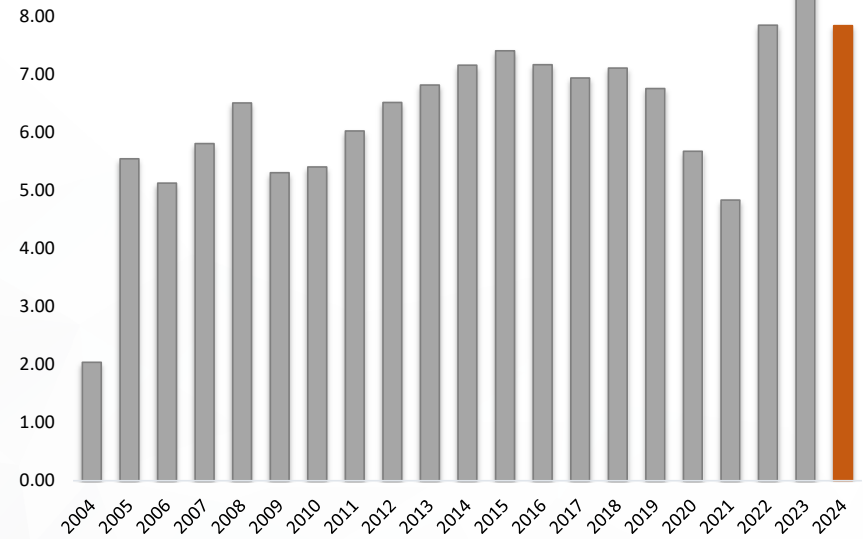
Following the record result announced in FY2023, BKI has delivered a solid EPS and Net Operating Result during FY2024.

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Full Year Net Operating Result (before special dividends)



Full Year Earnings Per Share (before special dividends)



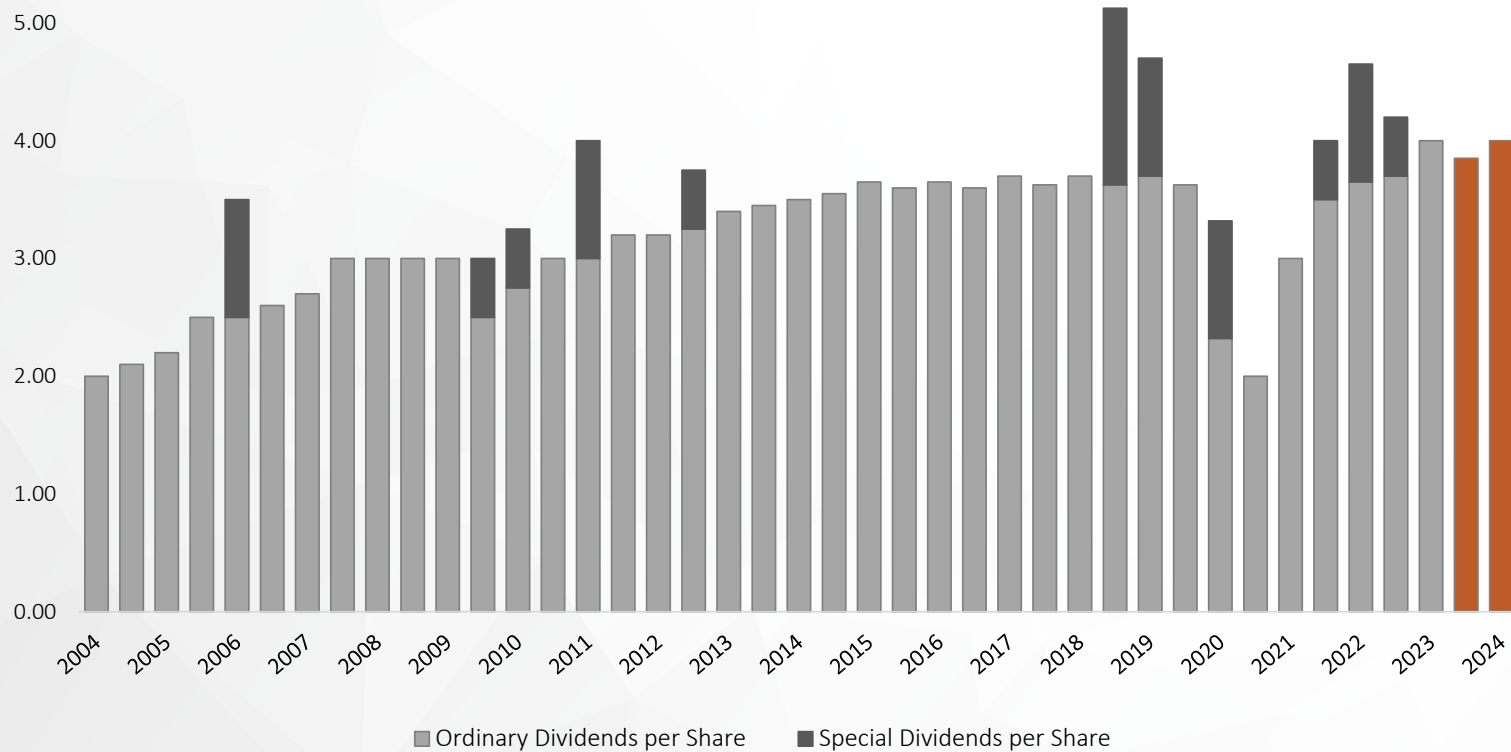
Source: BKI, Contact Asset Management

20 Years of Strong Dividends

BKI has a strong history of paying fully franked dividends and offering an attractive yield.



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FY2024 Full Year Dividends of **7.85cps** up 2% on FY2023

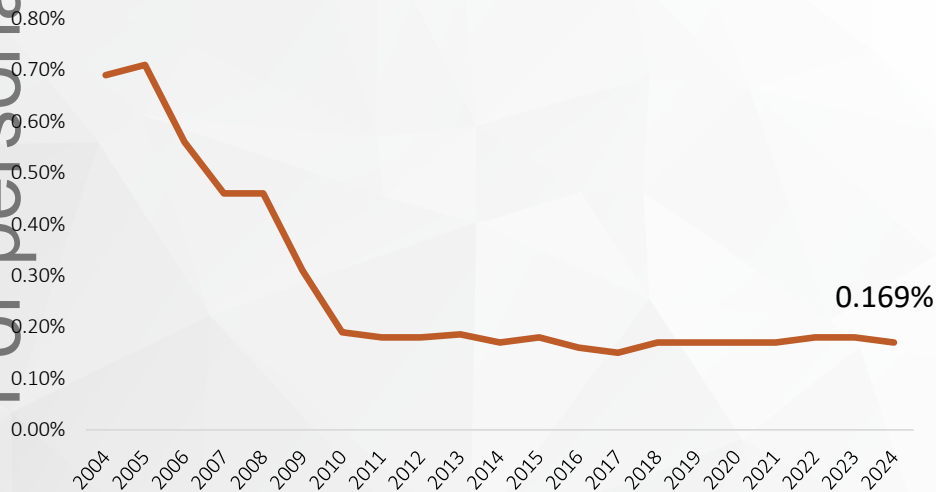
Source: BKI, Contact Asset Management

Investor Focused

BKI has an investor focused approach. Higher fees don't automatically translate into better returns.

History of BKI's MER

We know that small fees have positive impacts on investor returns. BKI offers a very competitive fee structure, with a Management Expense Ratio of 0.169%.



Source: BKI, Contact Asset Management

Cumulative Share Price Returns

Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares was \$6.61 per share as at 30 June 2024.



Investor Focused

BKI has an investor focused approach. Higher fees don't automatically translate into better returns.



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Weekly NTA Update

NTA and Monthly Report

Contact Insights

Quarterly Report

Investor Presentations

Annual Report

Weekly NTA Update
BKI Investment Company confirms its weekly Pre-Tax Net Tangible Assets per share ("Pre-Tax NTA") as \$1.85 as at Friday 5 July 2024 below.

Weekly NTA Update
BKI Investment Company confirms its weekly Pre-Tax Net Tangible Assets per share ("Pre-Tax NTA") as \$1.85 as at Friday 5 July 2024 below.

Pre-Tax NTA \$1.85
Pre-Tax NTA is unaudited and indicative only.

Share Price
Closing price of BKI Investment Company share price ("BLASK") as at Friday 5 July 2024 was \$1.69.

NTA and Monthly Report
June 2024

Company Overview

ASX Code	BLI
Market	Australian Dollar
Market Capitalisation	\$1,320m
Investment Portfolio	\$1,320m
Operating Expenses	\$100m
Dividend Yield	5.0%
Dividend Payout Ratio	100%

New Tangible Assets (NTA)

BKI Share Price	\$1.68
Pre-Tax NTA	\$1.85
Post-Tax NTA	\$1.72

Historical Growth
Up 6.7% since 1st Dec 2023

Management Expense Ratio
0.17% since 1st Dec 2023

20th Year Dividend Yield
9.8% pa since 1st Dec 2004

Total Portfolio Including Cash
\$1,479m as at 30 June 2024

No Performance Fees

Contact Asset Management
INSIGHTS NOVEMBER 2023

A Compelling Opportunity amongst Beaten Up Small Caps

As off-shore environmental sentiment in recent months, investors in global fund markets, combined with the recapitalisation of assets in the Middle East and other markets, many global investors are now in a "buyers' market". Consequently, while corporate liquidity markets have remained firm, there has been subdued activity in small caps, relative to the broader market. We believe there are several excellent long-term buying opportunities in this area, we discuss a small but an investor-focused, particularly in Quality companies.

Contrasting Performance Between Large Caps and Small Caps

For the better part of the year, Australian Small Caps have delivered very underwhelming returns, benchmarked against small caps in developed markets. This is despite the fact that several emerging opportunities appear to be emerging. The following charts compare the returns of the index performance.

Historical Growth
Up 6.7% since 1st Dec 2023

Management Expense Ratio
0.17% since 1st Dec 2023

20th Year Dividend Yield
9.8% pa since 1st Dec 2004

Total Portfolio Including Cash
\$1,479m as at 30 June 2024

No Performance Fees

BKI CELEBRATING 20 YEARS
BKI INVESTMENT COMPANY LIMITED
NOVEMBER 2023

QUARTERLY REPORT
The Power of Recurring Revenue

Recurring revenue is not merely a financial strategy, it represents a fundamental shift in the way business operates and thrives. By ensuring steady cash flow, businesses can build robust customer base, manage innovation, and secure financial stability. In our view, this is a high-quality indicator of an investment, and for our shareholders, it is a key driver of our long-term success.

Recurring Revenue: Building Business Resilience

Recurring revenue is not merely a financial strategy, it represents a fundamental shift in the way business operates and thrives. By ensuring steady cash flow, businesses can build robust customer base, manage innovation, and secure financial stability. In our view, this is a high-quality indicator of an investment, and for our shareholders, it is a key driver of our long-term success.

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2024 Annual General Meeting
Tuesday 15th October 2024

Bricworks Design Studio
3 Bank Street, Sydney, NSW 2000

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BKI INVESTMENT COMPANY LIMITED
JUNE 30, 2024

2024 Annual Report
for the year ended 30 June 2024

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Source: BKI, Contact Asset Management

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Investment Manager's Address



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Portfolio Movements

As at 30 June 2024

Main Purchases Add

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Portfolio Movements

As at 30 June 2024

Sales
Reduce




Sales
Exit

Top 10 Positions

As at 30 June 2024

BKI's Top 10 Investments

Company Name	Portfolio Weight	Active Weight	1 Year TSR*	Dividend Yield
Commonwealth Bank	8.7%	0.5%	27.4%	3.6%
BHP Group	8.3%	-0.2%	0.8%	5.2%
National Australia Bank	7.3%	3.0%	36.3%	4.6%
Macquarie Group	6.9%	3.8%	17.3%	3.4%
Wesfarmers Limited	5.4%	2.6%	30.8%	3.0%
APA Group	5.2%	4.9%	-12.5%	7.0%
New Hope Corporation	4.3%	4.3%	9.8%	8.1%
Woodside Energy	3.5%	1.4%	-12.6%	5.6%
Transurban Group	2.9%	1.4%	-9.0%	5.0%
Woolworths Limited	2.8%	1.2%	-13.1%	3.4%

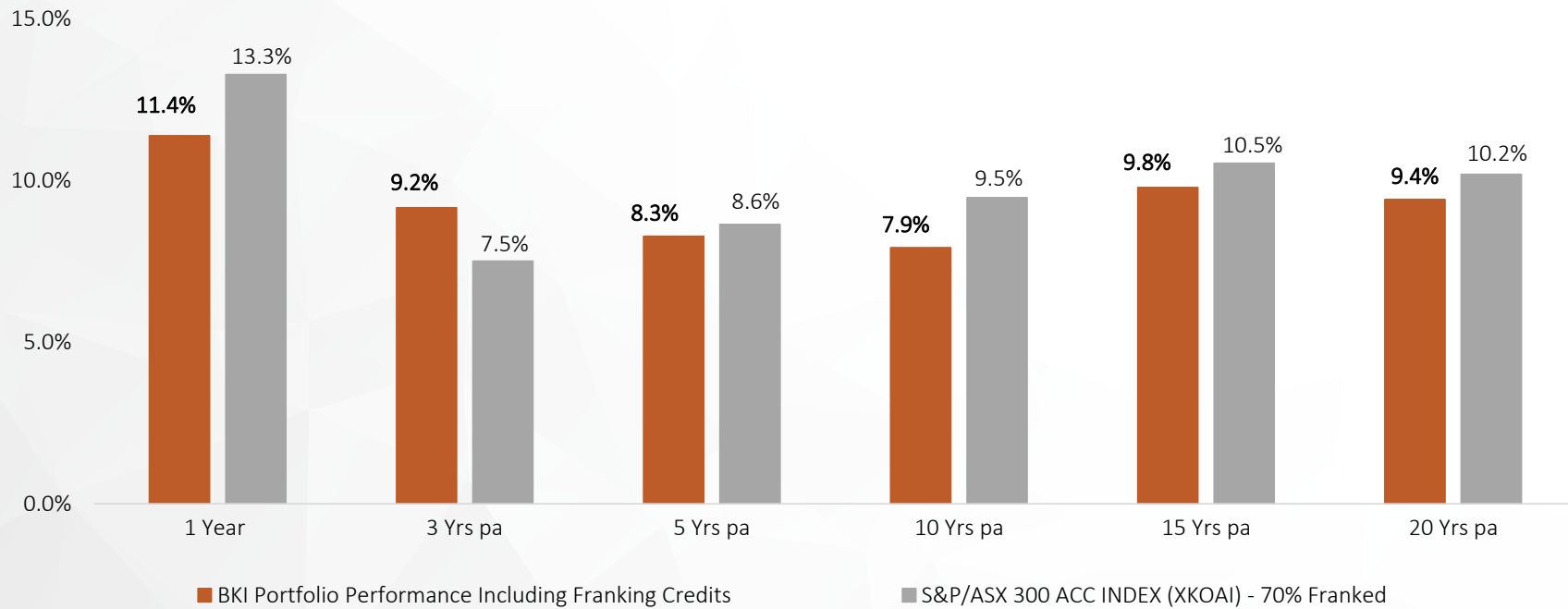
Source: IRESS, Factset, BKI, Contact Asset Management. *TSR = Total Shareholder Returns, includes the reinvestment of dividends excludes franking credits

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Performance – Portfolio Return

As at 30 June 2024

BKI Portfolio Return*



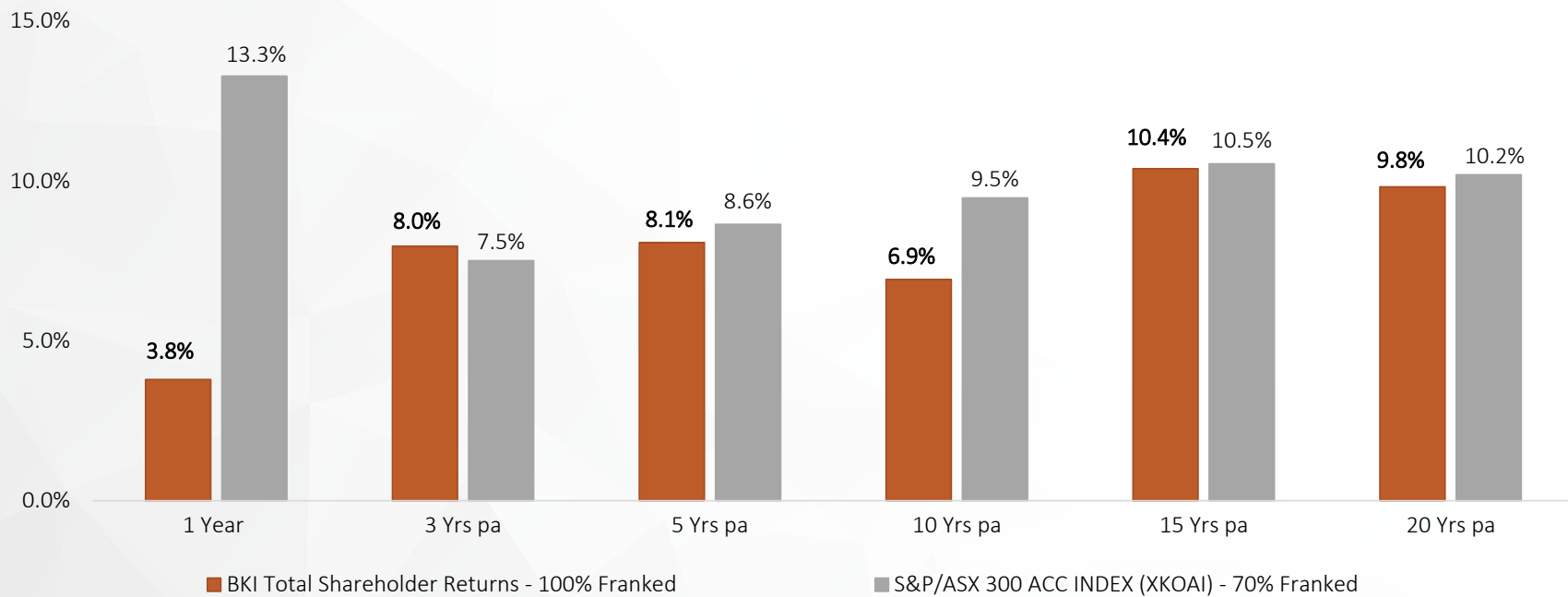
Source: IRESS, Factset, BKI, Contact Asset Management. * BKI's Net Portfolio Return (after all operating expenses, provisions and payment of both income and capital gains tax and the reinvestment of dividends, and including franking credits. S&P/ASX 300 Accumulation Index Franked at 70%.

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Performance - Total Shareholder Return (TSR)

As at 30 June 2024

Total Shareholder Returns (TSR)



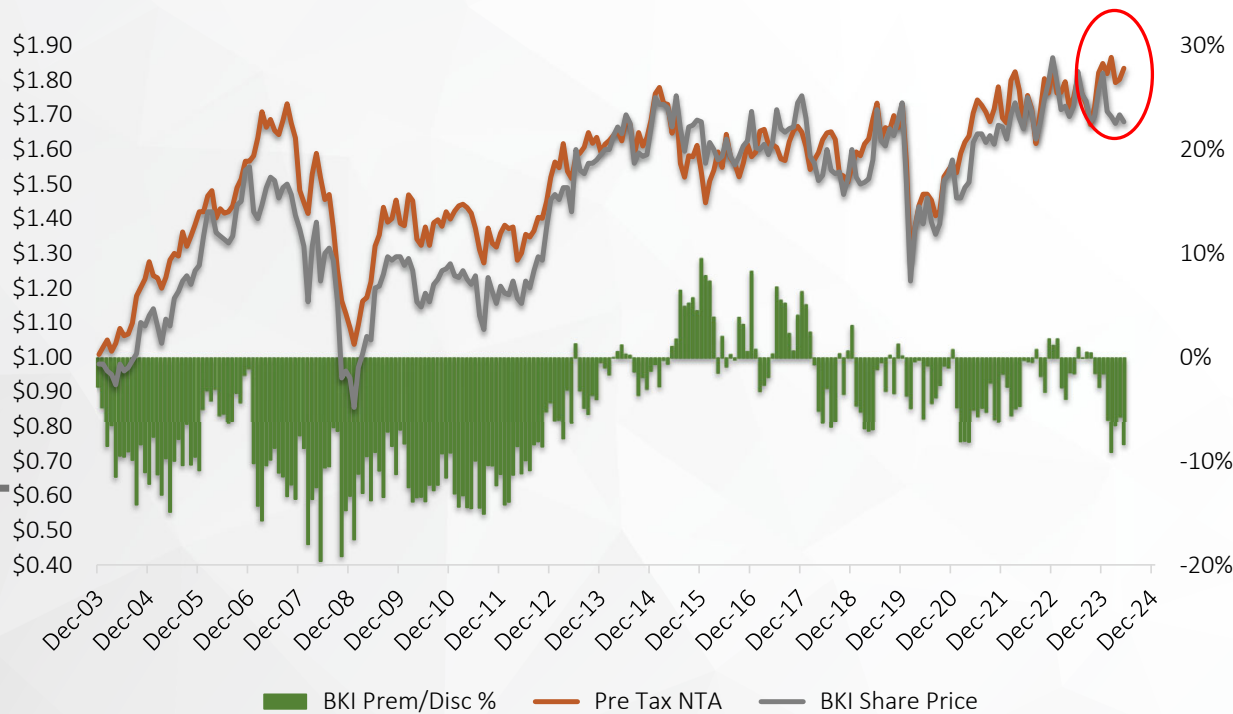
Source: IRESS, Factset, BKI, Contact Asset Management. S&P/ASX 300 Accumulation Index Franked at 70%.

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Investor Focused

Pre-Tax NTA Premium/Discount History
As at 30 June 2024

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BKI's Pre-Tax Net Tangible Assets as at 30 June 2024 was \$1.83.

BKI's share price of \$1.68 represented an 8.4% discount to the pre-tax NTA.

The recent discount spread is the widest discount the shares have traded on since 2012. Contributors to BKI's recent discount include:

- Trading Ex-Dividend
- High Cash Rate
- High Bond Rate
- Strong Equity Markets

Source: IRESS, Factset, BKI, Contact Asset Management.

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FY2025 Update

As at 30 September 2024



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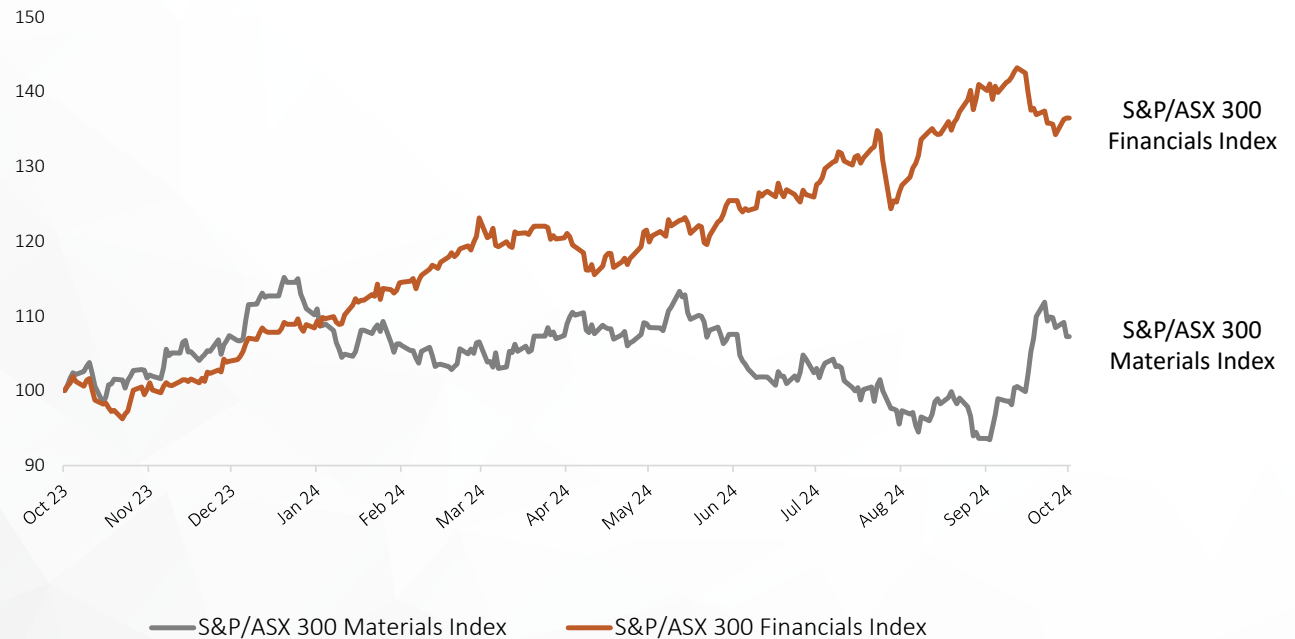
Portfolio Positioning – Market Rotation

As at 30 September 2024

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Recent stimulus announcements from The Peoples Bank of China, as well as the Federal Reserve's 0.50% interest rate cut has seen a significant rally in resources and commodity prices.

Financials and Materials 1 Year Performance



Source: IRESS, Factset, BKI, Contact Asset Management.

Portfolio Positioning – Banks/Financials

As at 30 September 2024

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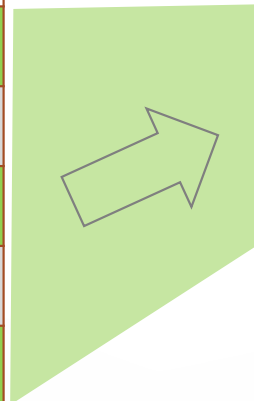
Appreciating share prices in Banks and Financials has seen BKI's weighting to this sector increase over the year.

With projected super assets in Australia forecast to grow to \$10 trillion by 2040, a growing population, significant market share and robust financial strength, we expect to see ongoing support for Australian Banks.

We continue to believe that Australian Banks are great long-term investments.

September 2023

BHP Group	1
Macquarie Group	2
APA Group	3
Commonwealth Bank	4
New Hope Group	5
National Aust Bank	6
Woodside Energy	7
Wesfarmers	8
Transurban	9
Woolworths	10



September 2024

1	BHP Group
2	Commonwealth Bank
3	Macquarie Group
4	National Australia Bank
5	APA Group
6	Wesfarmers
7	New Hope Group
8	Woodside Energy
9	Telstra Group
10	Harvey Norman

Portfolio Positioning – Resources/Energy

As at 30 September 2024

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Declining share prices in Resources and Energy has seen BKI's weighting to these sectors reduce over the year.

The future energy transition will lead to a significant increase in the demand for critical minerals and we continue to see investment in upstream Oil, LNG and Thermal Coal to ensure today's energy requirements are met.

We continue to believe in the Energy thematic and our investments within the sector.

September 2023

BHP Group	1
Macquarie Group	2
APA Group	3
Commonwealth Bank	4
New Hope Group	5
National Aust Bank	6
Woodside Energy	7
Wesfarmers	8
Transurban	9
Woolworths	10

September 2024

1	BHP Group
2	Commonwealth Bank
3	Macquarie Group
4	National Australia Bank
5	APA Group
6	Wesfarmers
7	New Hope Group
8	Woodside Energy
9	Telstra Group Limited
10	Harvey Norman



Portfolio Positioning – Market Rotation

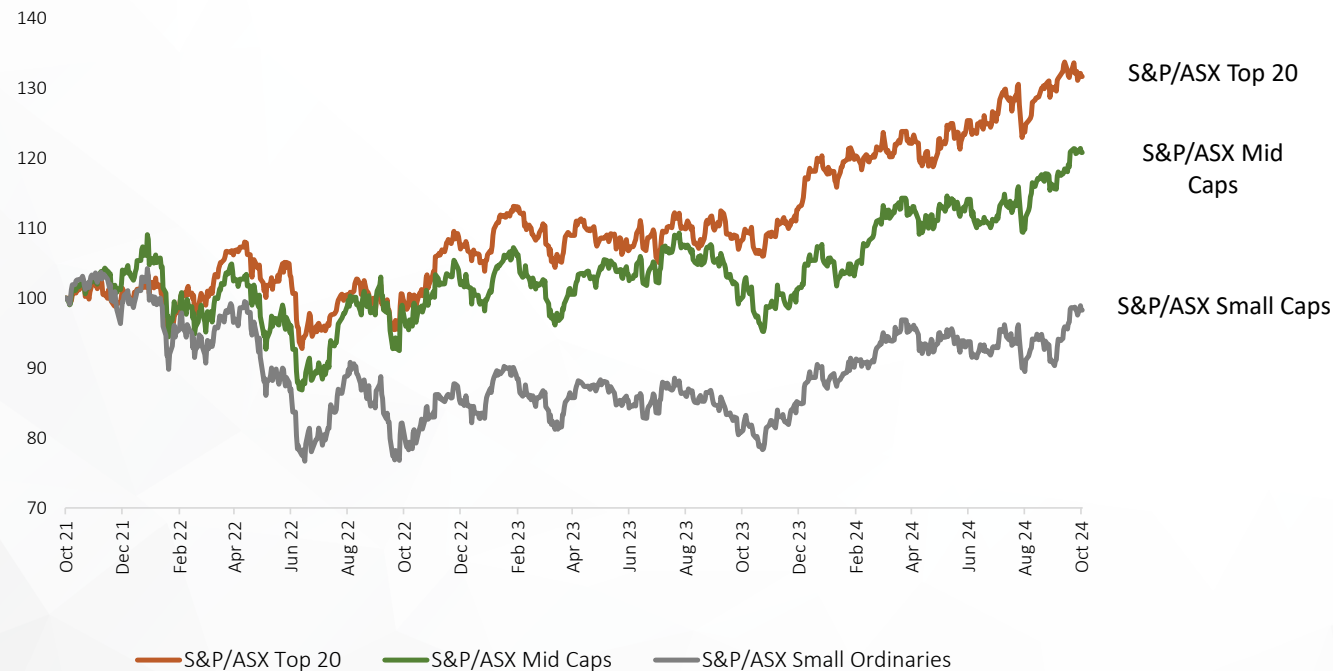
As at 30 September 2024

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Quality Mid/Small-cap stocks can offer a compelling investment opportunity into a diversified portfolio.

Mid/Small-cap stocks can enhance the risk-adjusted return of a portfolio through exposure to companies with high growth potential.

Large Cap and Mid/Small Cap Stocks



Areas of Focus – PE Comparison

As at 30 September 2024

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Australian Equities Market P/E Multiple Comparison



Source: Factset, BKI, Contact Asset Management.

Portfolio Positioning – Yield and Valuation

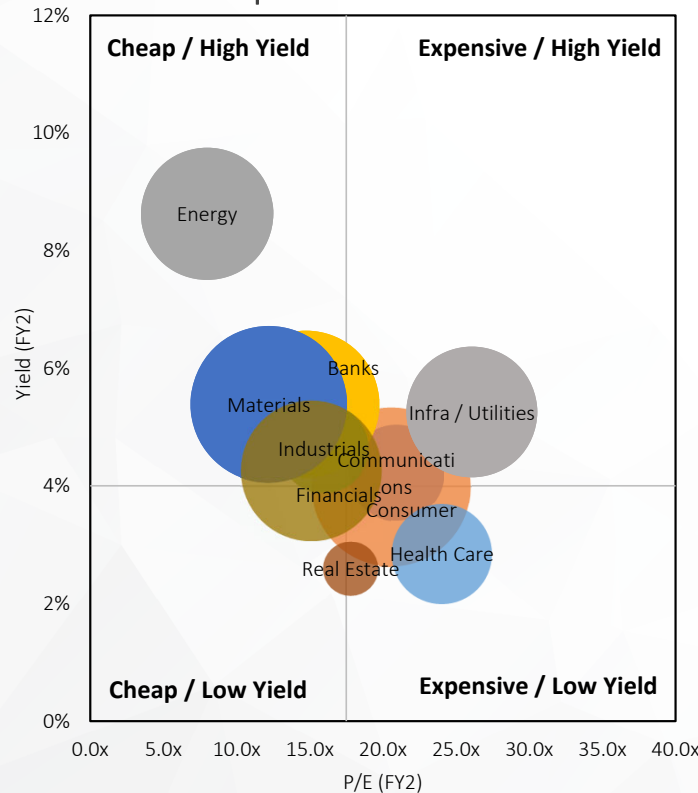
As at 30 September 2024

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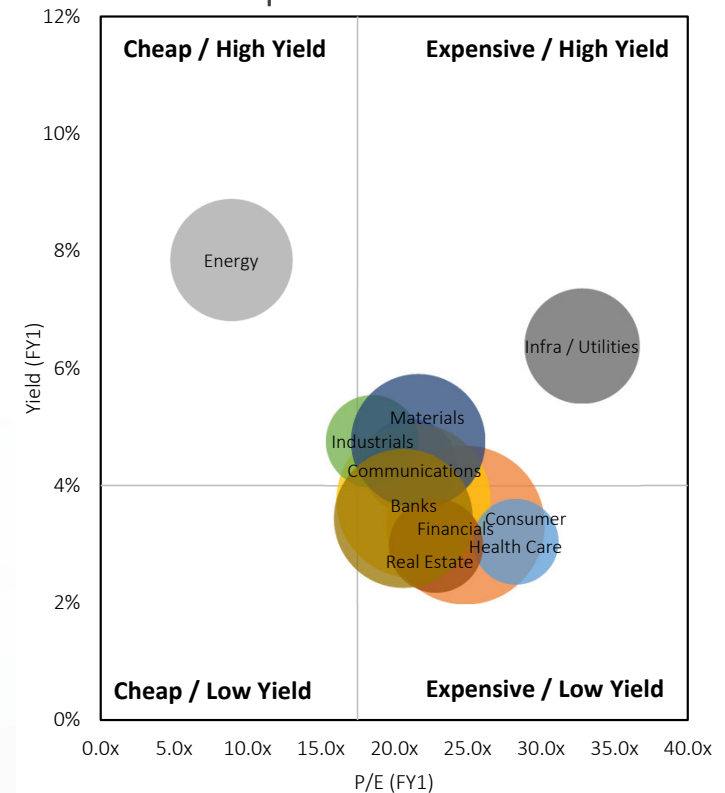
The significant appreciation in equity markets has seen most stocks trade at expensive levels and are now offering lower yields.

Energy, Utilities and Infrastructure continue to offer attractive yields.

September 2023



September 2024



Source: IRESS, Factset, BKI, Contact Asset Management.

Portfolio Movements

As at 30 September 2024

Main Purchases

Company Name	Yield
Dalrymple Bay Infrastructure	6.8%
Suncorp Group	4.5%
Telstra Group Limited	4.9%
Woodside Energy Group	7.5%
Aurizon Holdings	5.7%
Harvey Norman Holdings	5.0%
Smartgroup Corporation	5.3%
Amcor Plc	4.7%

Main Sales

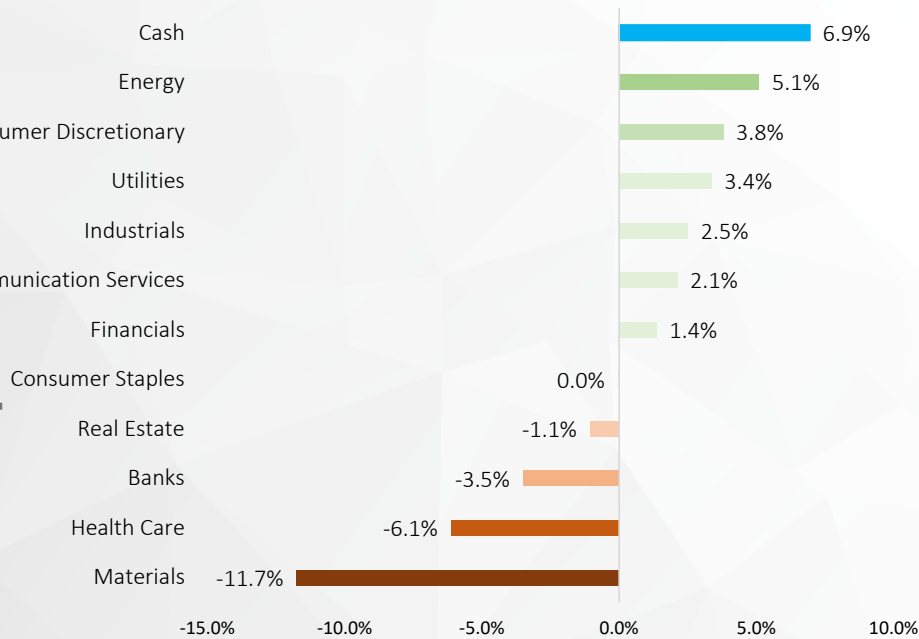
Company Name	Yield
Wesfarmers Limited	3.0%
Commonwealth Bank	3.5%
National Australia Bank	4.5%
Yancoal Australia Ltd	0.0%
Nine Entertainment	5.0%

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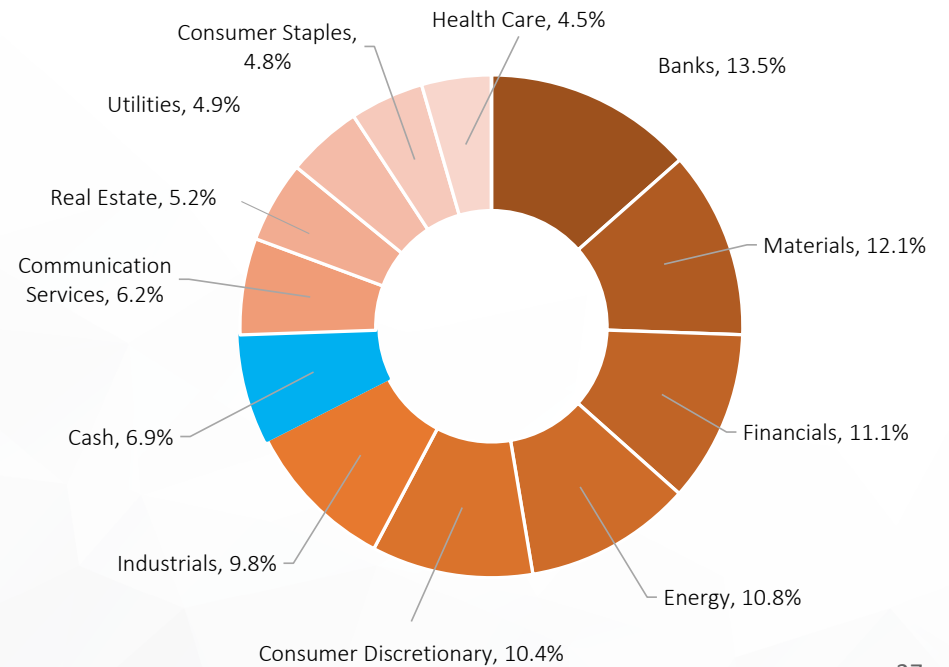
Portfolio Positioning – Sector Analysis

As at 30 September 2024

Active Weight by Sector



Exposure by Sector



Source: IRESS, Factset, BKI, Contact Asset Management.

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Portfolio Positioning

As at 30 September 2024

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Stock	% of Total Portfolio	Stock	% of Total Portfolio
1 BHP Group	8.6%	11 ARB Corporation	3.0%
2 Commonwealth Bank	7.6%	12 Transurban Group	3.0%
3 Macquarie Group	7.4%	13 Woolworths Limited	2.6%
4 National Australia Bank	5.9%	14 Suncorp Group	2.4%
5 APA Group	4.9%	15 Goodman Group	2.3%
6 Wesfarmers Limited	4.4%	16 Sonic Healthcare	2.2%
7 New Hope Group	4.4%	17 Amcor Plc	2.1%
8 Woodside Energy Group	3.6%	18 Aurizon Holdings	1.9%
9 Telstra Group Limited	3.4%	19 TPG Telecom Limited	1.8%
10 Harvey Norman Holdings	3.0%	20 Stockland	1.7%

Portfolio Positioning

As at 30 September 2024

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Stock	% of Total Portfolio	Stock	% of Total Portfolio
21 Dalrymple Bay Infra	1.7%	31 EQT Holdings	0.9%
22 Ramsay Healthcare	1.5%	32 Smartgroup Corporation	0.9%
23 Coles Group	1.3%	33 Metcash Limited	0.8%
24 Mirvac Group	1.3%	34 Brickworks Limited	0.8%
25 Yancoal Australia	1.0%	35 Regis Healthcare	0.7%
26 Lindsay Australia	1.0%	36 Orora Limited	0.6%
27 Tuas Limited	1.0%	37 IPH Limited	0.4%
28 Reece Limited	0.9%	38 E&P Financial Group	0.2%
29 Ampol Limited	0.9%	39 Calton Investments	0.1%
30 W H. Soul Pattinson	0.9%		
		Cash and Cash Equivalents	6.8%

Overweight / Underweight Positions

As at 30 September 2024

Overweight Positions

Company	Active Weight
APA Group	4.9%
New Hope Group	4.1%
Macquarie Group	3.8%
National Australia Bank	3.0%
Wesfarmers Limited	2.6%
ARB Corporation	2.4%
Harvey Norman	2.1%
Sonic Healthcare	1.8%
Amcor Plc	1.5%
TPG Telecom	1.5%

Underweight Positions

Company	Active Weight
CSL Limited	-5.5%
Westpac Bank	-3.6%
ANZ Banking Group	-3.3%
Fortescue Metals	-2.6%
Rio Tinto Limited	-1.8%
WiseTech Global	-1.3%
Aristocrat Leisure	-1.2%
REA Group	-1.0%
QBE Insurance Group	-1.0%
Santos Limited	-1.0%

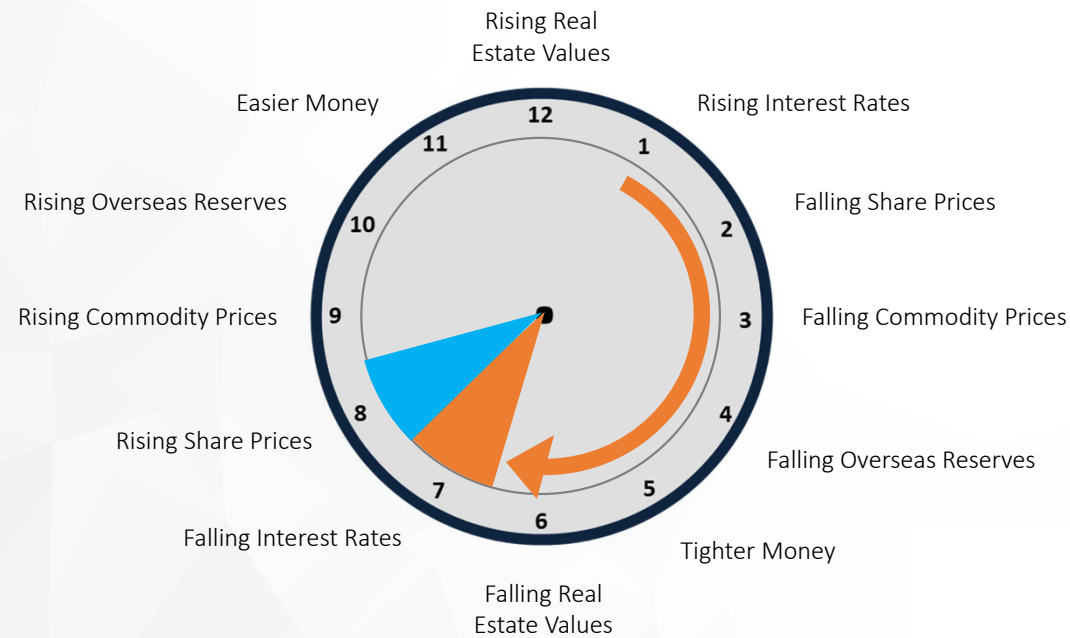
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Opportunities for Long-Term Investment

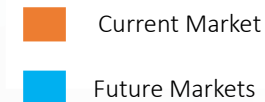
As at 30 September 2024

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Top of the Boom



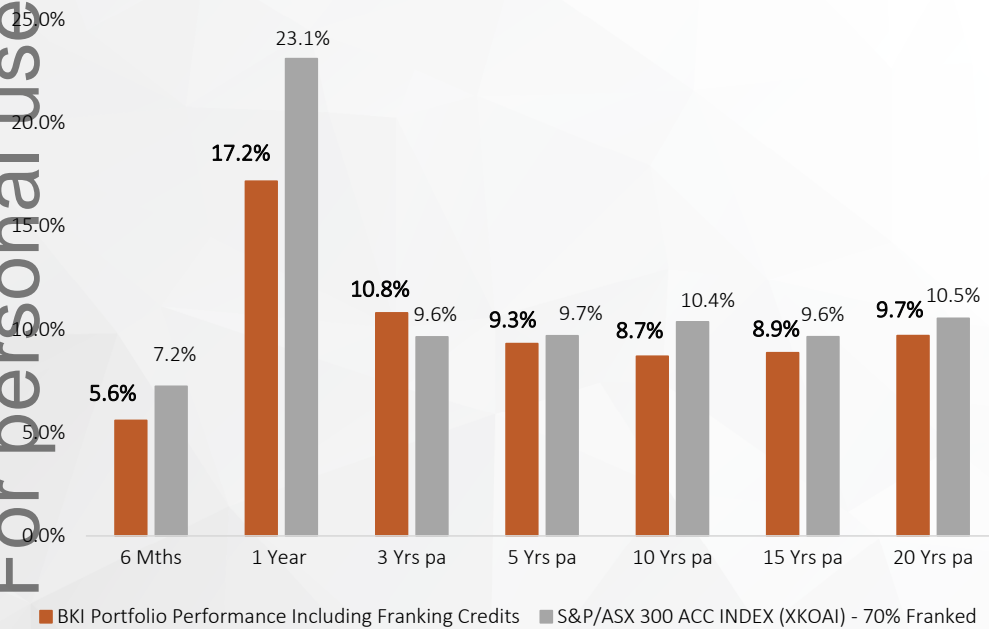
Depth of Depression



Performance

As at 30 September 2024

BKI Portfolio Performance*



Cumulative Share Price Performance



Source: IRESS, Factset, BKI, Contact Asset Management. *BKI's Net Portfolio Return is calculated after all operating expenses, provisions and payment of both income and capital gains tax and the reinvestment of dividends, and including franking credits. The BKI cumulative share price assumes the reinvestment of dividends and includes franking credits.

FY2025 Update

As at 30 September 2024



Following the August/September reporting season, BKI expects to receive approximately \$31.0m in **Ordinary Revenue** (excluding Special Dividend Income) for the first half of FY2025. This compares to BKI's first half FY2024 Ordinary Revenue result of \$33.0m.

BKI also expects to receive approx. \$480k in **Special Dividend Income** in the first half of FY2025 after a special dividend from Woolworths Limited was declared.

Barring any unforeseen circumstance, BKI is confident of at least maintaining ordinary dividends paid to shareholders during FY2025.

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2024 Annual General Meeting

Questions



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20 YEARS**

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