

BKI INVESTMENT COMPANY LIMITED

2021 ANNUAL GENERAL MEETING



*BKI is managed by Contact Asset Management
AFSL 494045*



CHAIRMAN'S ADDRESS

2021 ANNUAL GENERAL MEETING



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Good Morning Ladies and Gentlemen

My name is Robert Millner, and I am Chairman of BKI.

I would like to welcome you to the 18th Annual General Meeting of BKI Investment Company Limited. The health and safety of our Shareholders and our staff is of great importance to us. That is why, in light of the ongoing health risks created by COVID-19, we have decided to once again hold the AGM in a virtual format, so thank you to you all for your understanding, co-operation and for joining us via this webcast today.

It is now 11am, and I have been advised that a quorum is present and so I now declare the 2021 Annual General Meeting of BKI Investment Company Limited open.

(CHAIRMAN - NOTE : A QUORUM AS STATED IN OUR CONSTITUTION IS AT LEAST 2 MEMBERS PERSONALLY PRESENT OR REPRESENTED)

DISCLAIMER

This material has been prepared by Contact Asset Management on behalf of BKI Investment Company Limited.

The information within this document 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 this document are not intended to represent recommendations to investors, they are the view of Contact Asset Management and BKI Investment Company Limited as of this date and are accordingly subject to change.

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



I will now explain the running order for today's meeting.

I will make a few remarks about the results for the 2021 financial year. Then Tom Millner, from Contact, BKI's Investment Manager, will present the Investment Report.

We will then have questions. Shareholders may submit questions about each item of business using the online platform at any time during the meeting. Questions submitted either in writing or by voicemail via the online meeting platform, which will be moderated by Will Culbert of Contact Asset Management. To avoid repetition, and if questions are similar or particularly lengthy, we may need to summarise them in the interests of time or respond to them after the meeting.

After questions, we will attend to the formal business of the meeting.

All resolutions to be put to the meeting today will be decided on a poll. Shareholders may submit their vote at any time. If you have already submitted a proxy form, those votes will be included in the determination of resolutions, even if you don't participate in the online poll.

I now declare the poll open.

I would like to welcome and introduce our Company Secretary, Jaime Pinto. Jaime will now explain the instructions on how to vote online.

NON-EXECUTIVE DIRECTORS

Robert Millner	Chairman of the Board Chairman of the Investment Committee Member of the Remuneration and Nomination Committee
David Hall AM	Independent Non-Executive Director Chairman of the Audit Committee Member of the Remuneration and Nomination Committees
Alex Payne	Non-Executive Director Chairman of the Remuneration Committee Member of the Audit and Investment Committees
Ian Huntley	Independent Non-Executive Director Member of the Audit, Investment, Remuneration and Nomination Committees



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Thank you Jaime.

Before turning to my Chairman's Address I would like to introduce my fellow Directors who are also present online:

Mr David Hall AM

Mr Alex Payne

and

Mr Ian Huntley

INVESTMENT MANAGER

Contact Asset Management

Tom Millner

Portfolio Manager - Member of the Investment Committee

Will Culbert

Portfolio Manager - Member of the Investment Committee

COMPANY SECRETARY

Corporate Administration Services

Jaime Pinto

Company Secretary

COMPANY AUDITOR

MGI Sydney Assurance Services

Clayton Lawrence

Company Auditor



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I would also like to welcome and introduce:

Portfolio Managers from Contact Asset Management, **Tom Millner** and **Will Culbert**.

As well as our Auditor from MGI Sydney, **Clayton Lawrence**.

RESULT SUMMARY

For the full year ended 30 June 2021



Result excluding special investment revenue	2021	2020	Movement
Investment revenue – ordinary	\$39.7m	\$45.4m	-17%
Revenue from operating activities	\$40.2m	\$46.7m	-14%
Net operating profit after tax	\$35.7m	\$41.6m	-14%
Earnings per share	4.83c	5.67c	-15%
Dividends per share	5.00c	5.945c	-16%

Result including special investment revenue	2021	2020	Movement
Net operating profit after tax	\$36.6m	\$48.6m	-25%
Earnings per share	4.97c	6.63c	-25%
Special dividends per share	0.00c	1.00c	N/A

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Source: BKI, Contact Asset Management.

Australia's performance in controlling the COVID-19 pandemic was world class. The Government's substantial economic support packages and the banks' loan deferrals were very well received and placed the economy in a strong position during the last year.

The severe fluctuations in global share markets we experienced in FY20 and early in FY21 dissipated with the backdrop of a stronger global economy. However, many Australian equity investors continued to receive lower dividends than they received a year ago. These cuts have again impacted BKI's profit results in FY21.

BKI's Ordinary Investment Revenue was down 17% to \$39.7 million. The result was impacted by lower ordinary dividends received over the last year from New Hope Corporation, Invocare Limited, Woodside Petroleum, Commonwealth Bank, AGL Energy and Transurban Group.

BKI realised \$300,000 from the trading portfolio, and interest received was only \$100,000, down 82% on last year due to the extremely low interest rates on offer.

BKI's Net Operating Profit After Tax, but before special investment revenue, was \$35.7 million, a decrease of 14%. BKI's basic earnings per share before special investment revenue decreased 15% to 4.83 cents per share.

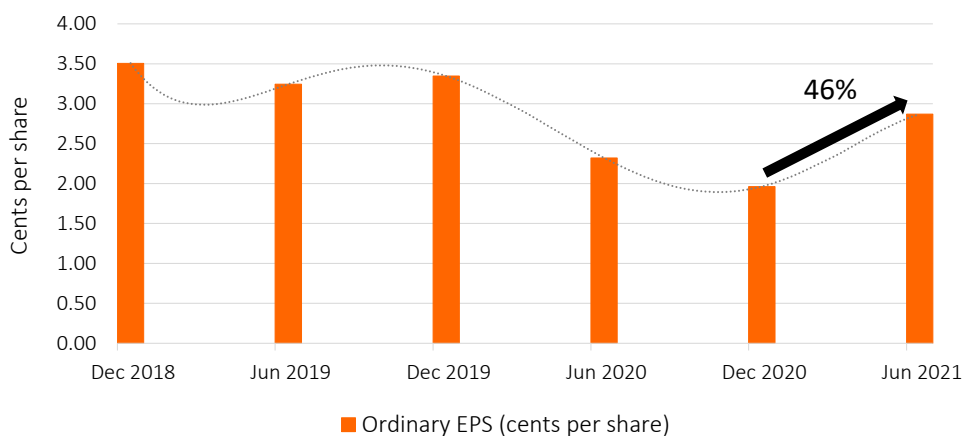
Special Dividend Revenue was lower in FY2021, falling from \$7.2 million to \$1.0 million. BKI's Net Operating Profit After Tax including special investment revenue for FY2021 was \$36.6 million, down 25% on last year.

EPS IMPROVEMENT

For the full year ended 30 June 2021



As can be seen in the chart below, it was pleasing to see that in the second half of FY2021, BKI recorded an increase of 46% in ordinary EPS excluding special investment revenue on the first half of FY2021.



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Source: BKI, Contact Asset Management.

However, it is pleasing to note, that in the second half of FY21, BKI recorded an increase of 46% in ordinary EPS excluding special investment revenue over the first half of the year, as can be seen in the chart on slide 7.

EPS IMPROVEMENT

For the full year ended 30 June 2021



For the period between December 2020 and June 2021, BKI received increased dividends from major investments including:



Macquarie Group up 155%



National Aust Bank up 30%



Fortescue Metals up 71%



Harvey Norman up 20%



Rio Tinto up 48%



Wesfarmers Limited up 13%



BHP Group up 34%

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The outlook for dividends received from BKI's investments should continue to improve in the periods ahead.

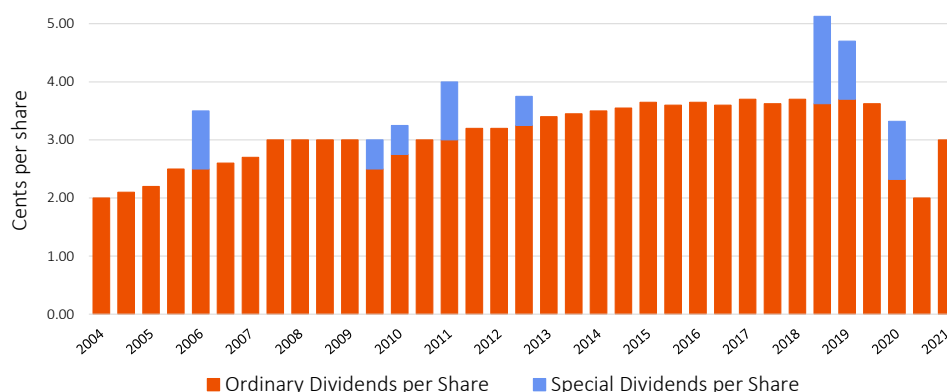
In the second half of FY21, BKI received increased dividends from major investments including Macquarie Group (dividends were up 155%), Fortescue (dividends up 71%), Rio Tinto (dividends up 48%), BHP Group (dividends up 34%), National Australia Bank (dividends up 30%), Harvey Norman (dividends up 20%) and Wesfarmers Limited (dividends up 13%).

The outlook for dividends received from BKI's investments at this time was promising and we were hopeful that this could continue to improve in the periods ahead. Tom will give you an update for the first quarter of FY22, with some very positive news on this front from dividends just received in the most recent reporting period.

DIVIDEND HISTORY

As at 30 June 2021

BKI has paid out \$1.14 per share, or over \$780m in dividends and franking credits to shareholders since listing in 2003[#]



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Note: [#]Includes FY2021 Final Dividend of 3.00cps and FY2021 Interim Dividend of 2.00cps.

Despite another difficult year with lower dividend income received, the BKI Board have paid out a total of 5 cents per share, fully franked, over the year to shareholders. This includes a fully franked final ordinary dividend of 3 cents per share which was paid in August.

While the Board is disappointed in last years dividend payments, we remain very proud that the Company has now paid out over \$780 million or \$1.14 per share in Dividends and Franking Credits to Shareholders since listing.

Going forward, BKI continues to have additional retained earnings and franking credits that can be drawn upon during future uncertain times. BKI's ability to return to a growing dividend stream is very promising.

LONG TERM PERFORMANCE AND LOW COST

As at 30 June 2021

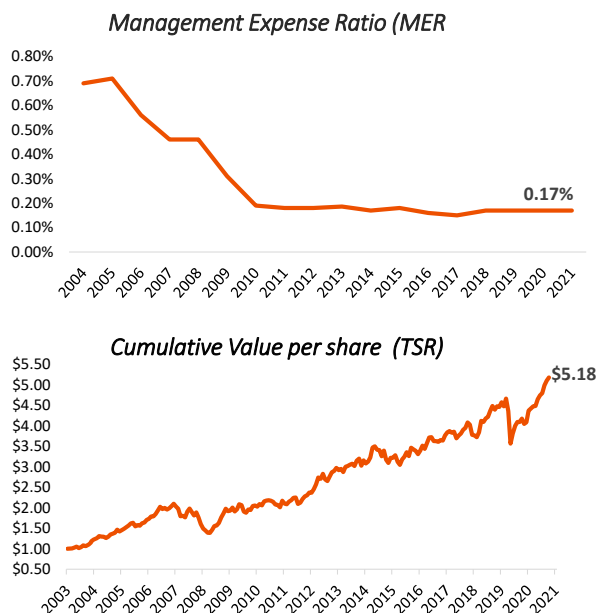
Since listing in 2003, BKI's investment strategy has been, and will continue to be, focused on research driven, active equities management, investing for the long term, in profitable companies, with a history of paying attractive fully franked dividend yields.

Dividends and Franking Credits

BKI's MER as at 30 June 2021 was 0.17%. BKI's MER continues to compare very favourably to other externally managed LICs, ETFs and managed funds in the domestic market that provide a similar broad-based exposure to Australian equities.

Cumulative Value of BKI Shares

If dividends were reinvested through the DRP (Dividend Investment Plan) over this time, IPO shares would have grown from \$1.00 to a cumulative value of \$5.18 per share, inclusive of franking credits.



Source: BKI, Contact Asset Management, Factset. Cumulative Value assumes reinvestment of all BKI Dividends and Franking Credits and participation in all Rights Issues and Entitlement Offers

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BKI's long term dividend growth and accumulative performance for shareholders since listing has been, in our view, excellent. Our investment strategy has been, and will continue to be, focused on research driven, equities management, investing for the long term, in profitable companies, with a history of paying attractive dividend yields.

The Board and Portfolio Managers are shareholders in BKI. We invest for the long term and do not charge excessive external portfolio management fees or any performance fees. BKI's MER as at 30 June 2021 was 0.17%.

BKI's MER continues to compare very favourably to other externally managed LICs, ETFs and managed funds in the domestic market that provide a similar broad-based exposure to Australian equities.

INVESTMENT MANAGER'S ADDRESS

2021 ANNUAL GENERAL MEETING



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I will now hand over to Tom for the Investment Managers Address.

Thank you

CONTACT ASSET MANAGEMENT

Experienced, Alignment, Consistency, Sensible, Outcomes Focused



Tom Millner
Portfolio Manager
B.Des (Industrial),
GDipAppFin, F Fin, GAICD

Tom has 19 years' experience in investment markets. Prior to Contact, Tom was CEO of BKI Investment Company Limited from 2008 to 2016. Since 2008, BKI has grown total assets from \$440m to \$1.2bn today. Tom has been a Director of WHSP since 2011 and also sits on the Board of NHC.



Will Culbert
Portfolio Manager
B.Bus, MCom,
GDipAppFin, F Fin, GAICD

Will has 22 years' experience in funds management in Australia and the UK. Prior to Contact Will was Portfolio Manager for BKI for 3 years. Will spent 11 years with Invesco as an Equity Analyst and Portfolio Manager. Will has also worked for the Bank of New York and Challenger Group.



Jakov Maleš
Senior Investment Analyst
B. Com, MBus, CFA

Jakov joined Contact in 2021. Jakov has 25 years' experience as an Analyst and Portfolio Manager. Prior to Contact, Jakov was Head of Australian Equities at UBS Asset Management for 12 years and Head of Equities at Allianz Global Investors for 5 years.



Rob Horne
Investment Analyst
MCom, GDipCom

Rob joined Contact in 2019. Prior to joining Contact, Rob had a successful professional Rugby career spanning over ten years, representing the NSW Waratahs and Australian Wallabies. Rob holds a Masters of Commerce degree.



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Thankyou Chairman and good morning ladies and gentlemen.

What a difference a year can make. This time last year we watched as COVID-19 raced through all countries across the globe, leaving in its wake a trail of destruction to many businesses. Earlier in the presentation the Chairman ran through the BKI results, the knock on effect that this pandemic has had on companies' profits and their ability to pay dividends to their shareholders such as BKI has been immense.

Last year we experienced travel restrictions. This year on top of restricted travel we've also seen multiple lockdowns, offices closed and a significant change in the way many businesses such as ours operate.

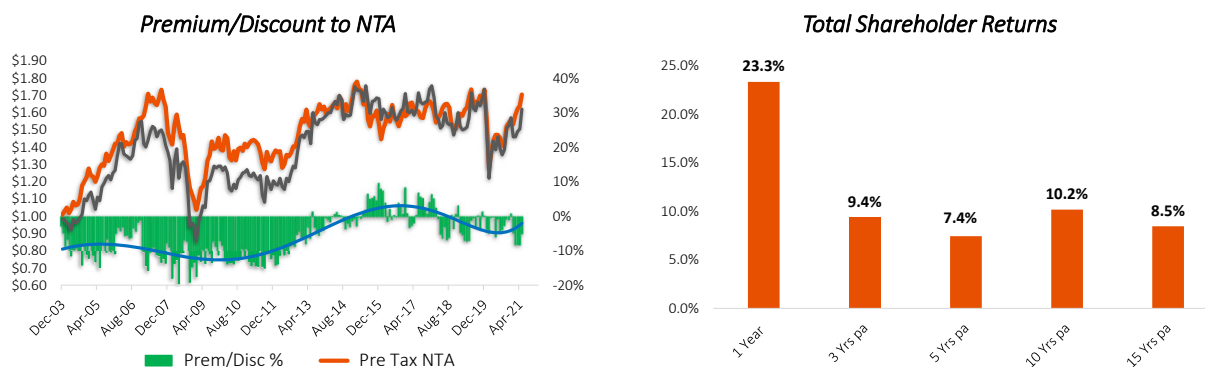
We've had some staff changes at Contact during the year. In April we were very pleased to appoint Jakov Males as Senior Investment Analyst at Contact. Jakov has 25 years asset management experience as both an Analyst and Portfolio Manager. Jakov was most recently Head of Australian Equities at UBS Asset Management for 12 years. Will, Rob and myself believe he has been a great fit for Contact.

BKI Performance

As at 30 June 2021

BKI's One Year Total Shareholder Return, including franking credits, was 23.3% for the year to 30 June 2021.

BKI's Pre-Tax Net Tangible Assets as at 30 June 2021 was \$1.71, up from \$1.47 last year.



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Source: BKI, Contact Asset Management.

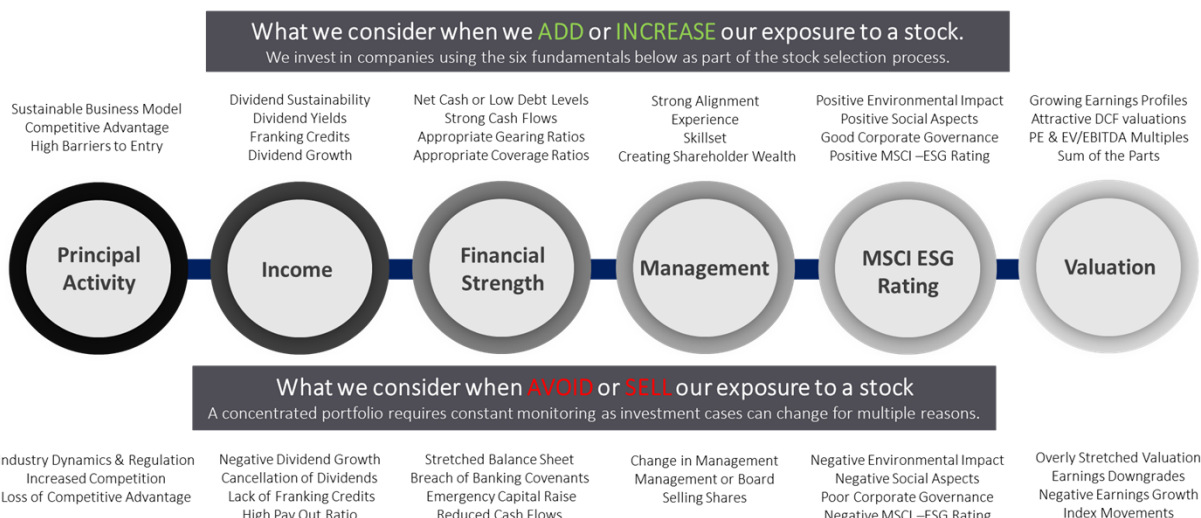
Despite the impacts COVID has had on BKI's profits and dividends, we are pleased to report that BKI's Pre-Tax Net Tangible Assets as at 30 June 2021 was \$1.71, up from \$1.47 last year.

BKI's One Year Total Shareholder Return, including franking credits, was 23.3%. And pleasingly BKI returned a 10 year and 15 Year TSR of 10.2% and 8.5% respectively over the period.

As stated in the September NTA and Monthly Report released to the market yesterday, BKI is trading on a 5.5% discount to the pre-tax NTA. In our view, this is presenting a very compelling opportunity.

BKI INVESTMENT PROCESS

Research driven, active management



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In periods like these, its more important than ever to maintain a robust investment process. And that is what we have done. The quality assessment of companies that Contact undertakes forms a critical part of the BKI investment process. This is complemented by further discussions with the BKI Investment Committee, who approves all investment decisions for the BKI Portfolio. The Investment Committee met over 20 times during the year to monitor existing positions and to assess new investment opportunities Contact brought forward.

Our goal is always to invest in high quality businesses with a strong balance sheet, competitive advantage and that are managed by capable and trustworthy people. We seek to invest in businesses that will pay us an attractive and sustainable dividend stream and we look to invest in these businesses at a reasonable price with a view of holding them for the long-term.

This core investment process that Contact applies for BKI has remained unchanged for many years. However during this last year, Contact improved the process through the addition of some very thorough ESG considerations.

BKI INVESTMENT PROCESS – ESG Enhancement

Contact has Introduced MSCI's ESG Ratings and Research data overlay into BKI's Investment Process.

MSCI ESG Ratings Drill Down

Environmental Pillar Score
Carbon Emissions
Water Stress
Biodiversity and Land Use
Toxic Emissions and Waste

Social Pillar Score

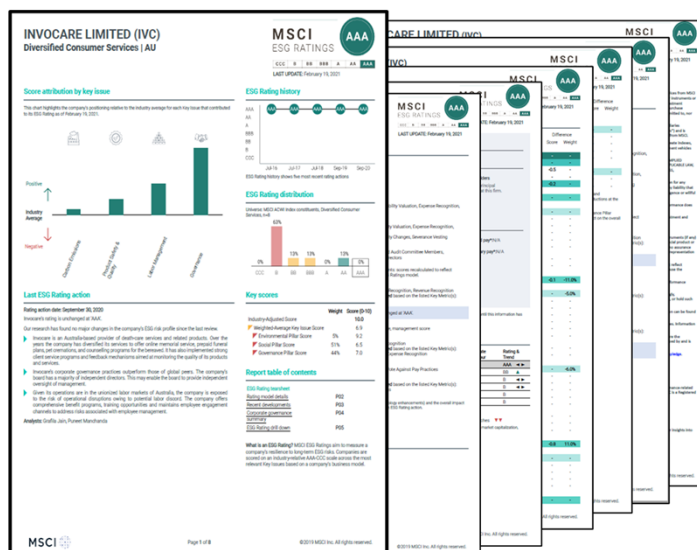
Health and Safety
Labour Management
Community Relations

Governance Pillar Score

Corporate Governance
Board Overview
Ownership and Control
Board and Management Pay
Accounting

Corporate Behaviour

Anticompetitive Practices
Business Ethics and Fraud
Corruption and Instability



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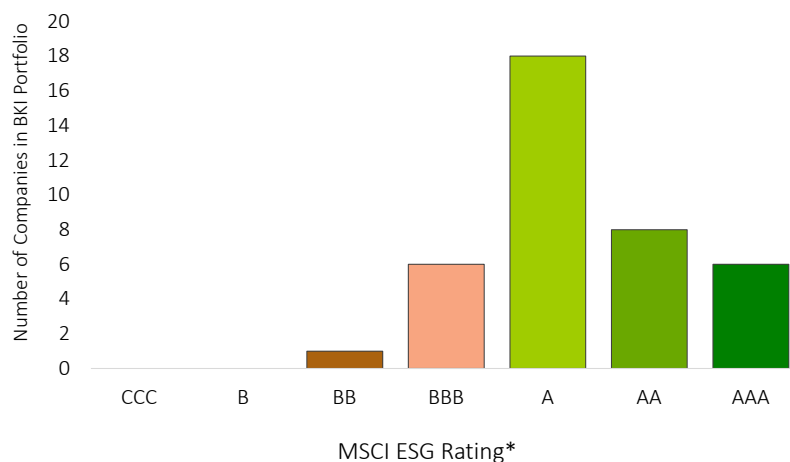
Contact has introduced a more rigorous ESG filter into the investment process through the use of the MSCI ESG Ratings and Research database. The database covers 280 companies in the S&P/ASX 300 Index and assesses companies on a range of ESG factors such as Environmental, Health and Safety, Corporate Governance, Accounting, Ownership and Control and Corporate Behaviour.

The ESG input further assisted Contact with stock selection and portfolio management with ESG providing an insight into the long-term sustainability of an investment case.

BKI INVESTMENT PROCESS - ESG Enhancement

A MSCI ESG Rating aims to measure a company's resilience to long-term ESG risks.

BKI Portfolio Exposure - MSCI Ratings



Source: BKI, Contact Asset Management. MSCI ESG Rating, A MSCI ESG Rating aims to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.*Ratings include both company, sector and peer group reviews for the companies held within BKI.



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While Contact uses the MSCI ESG ratings as a guide, the ESG rating is not a sole determining factor in an investment case.

A MSCI ESG Rating aims to measure a company's resilience to long-term ESG risks. For example, where the ESG rating is low with a score of BB there is typically a clear rationale for holding the investment.

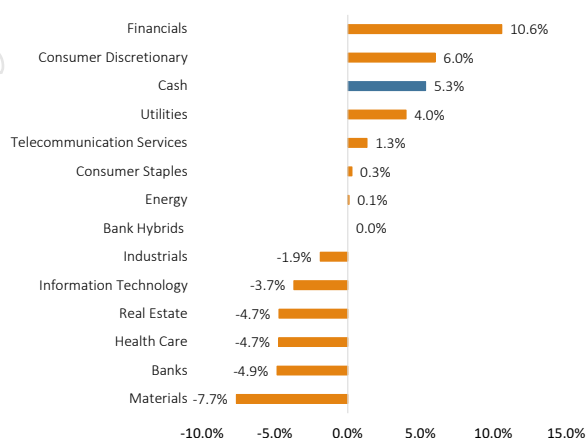
The graph on this page shows the MSCI Ratings of the current BKI portfolio. As the chart highlights, the BKI portfolio rates very well, with 82% of the outcomes with ratings of A or better.

PORTFOLIO POSITIONING - Active Positions

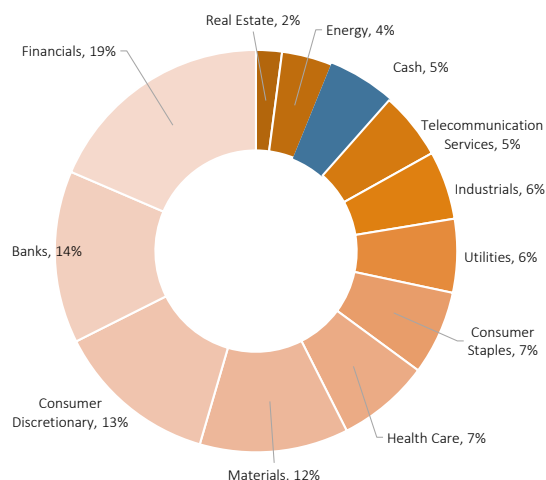
For the year to 30 June 2021



BKI Portfolio: Active Weight by Sector



BKI Portfolio: Exposure by Sector



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The BKI portfolio continues to offer shareholders a diverse range of companies in a variety of sectors. Over the last year to 30 June 2021, the portfolio was typically overweight financials, consumer discretionary and utilities and underweight Materials, Banks, Healthcare, Real Estate and IT.

Financials, Banks and Consumer Discretionary continue to be the largest exposures for the portfolio.

BKI held 5.3% in cash at the end of the 2021 financial year.

PORTFOLIO POSITIONING – Purchases/Sales

For the year to 30 June 2021



Buy	New	Reduce	Exit
APA Group	Fortescue Metals	New Hope Corporation	Westpac Banking Corp
Transurban Group	Rio Tinto Limited	Commonwealth Bank	AGL Energy
Commonwealth Bank	IPH Group	Transurban Group	Sydney Airport
National Aust Bank	Tuas Limited		IAG Limited
BHP Group	Metcash Limited		LendLease
Ancor Inc	Endeavour Group		Inghams Group
Harvey Norman			Seek Limited

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With these challenging markets the Investment Committee was quite active throughout the year in our portfolio management.

We increased exposure to a number of high quality companies across a range of sectors. The most significant purchases including:

APA Group, Transurban Group, Commonwealth Bank, National Australia Bank, BHP Group Ancor and Harvey Norman.

We introduced 6 new positions into the BKI portfolio over the year. Fortescue Metals, Rio Tinto, IPH Group and Metcash all offered significant dividend yields at the time of purchase. Both Tuas and Endeavour Group were positions we inherited following corporate activity with demergers from head companies TPG and Woolworths respectively.

We slightly reduced our exposure to New Hope Corporation, Commonwealth Bank and Transurban Group at various points over the year.

And we exited a few positions completely where the investment case had changed. We believed that these changes were going to place pressure on the company to be able to provide sustainable dividends going forward, with some of these dividends being cut completely. These positions included Westpac Banking Corp, AGL Energy, Sydney Airport, IAG Limited, LendLease, Inghams Group and Seek Limited

1Q FY2022 UPDATE

2021 ANNUAL GENERAL MEETING

Figures referred to in the 1Q FY2022 Update are unaudited.



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I'd like to now provide an update of the 1st Quarter of FY22.

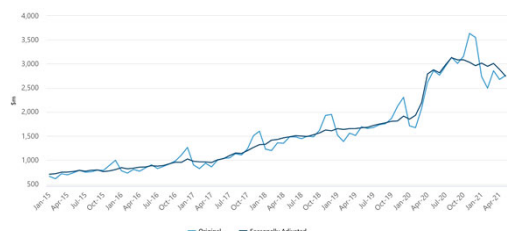
Please note that figures referred to in the 1Q FY22 Update are unaudited.

AUGUST REPORTING SEASON REVIEW

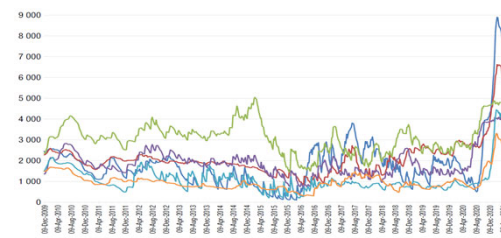
Dividends, E-Commerce, Inflation and Ongoing Supply Chain Issues



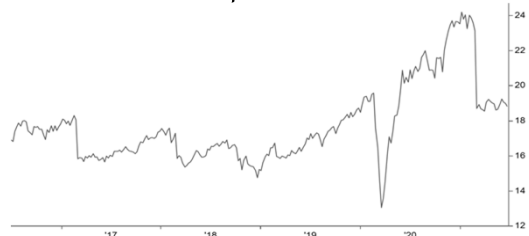
ABS Online Sales – April 2021



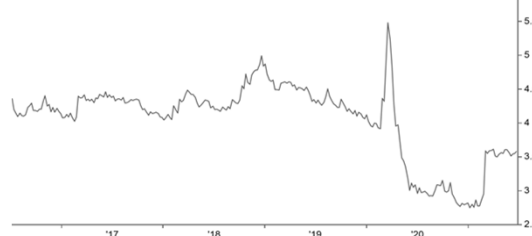
The Shanghai containerized freight index



ASX300 – PE Multiple – Last 5 Years



ASX300 – Dividend Yield – Last 5 Years



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Source: Contact Asset Management, Factset.

The August 21 reporting period was very solid – one that was characterised by profit increases and strong dividend or capital management announcements. However, the return of the virus and several State-wide lockdowns meant that many corporates shied away from providing guidance. There were though, some distinct themes that have continued to play out.

Convenience, Technology and online shopping have all been areas of significant growth. The chart in the top right corner shows the growth in online sales to April 21. COVID has changed the way many of us shop forever and there are still elements of the “stay at home trade” that have remained robust as we saw in the recent US reporting season. It appears that we won’t necessarily see a big pullback in electronics spending by the consumer even in a post-lockdown world. However we do expect there to be an interesting dynamic in the Consumer Discretionary space as Australians seek to spend on “Experiences” rather than “Things” in going forward. If this is the case there could be a risk of inventory build up in items such as fashion and apparel.

Inflation and Supply Chain issues have continued to feature. Several retailers, manufacturers and developers lamented the pressure on the supply chain. This is an issue that we have discussed previously and we continue to keep a close eye on. The chart on the top right shows the significant cost blowouts of containerised freight out of Shanghai. Record freight rates are adding to inflationary pressures for many businesses, as does labour costs and shortages and remains a longer term threat.

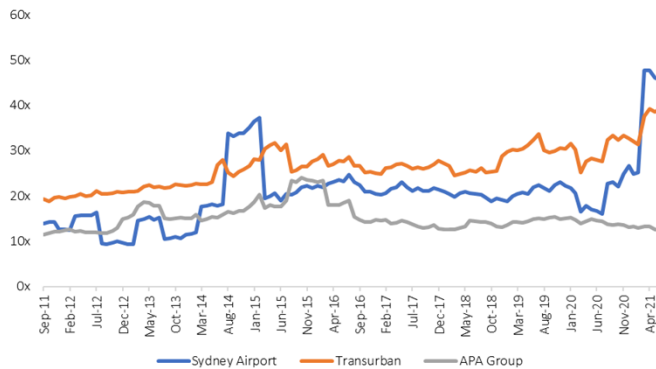
Earnings expectations have been pulled back slightly, however, the earnings forecasts across the market are solid trading on a P/E multiple of approximately 18 times. A lot more attractive than the 24X multiples we saw in December January period earlier this year. The dividend yield for the ASX 300 is now approximately 3.75%, which is attractive by global standards and particularly compelling in a low interest rate environment, as seen in the chart on the bottom right.

INFRASTRUCTURE ASSETS

Significant demand for Australian Infrastructure Assets.



EV/EBITDA Multiples - Based on previous years earnings



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Source: Contact Asset Management, Factset

We have been constantly reminded over the last year of the inherent value many investors place on long duration infrastructure assets. There are several dynamics driving demand for Australian Infrastructure Assets in this current market:

- cheap money and low interest rates
- increasing dominance of Industry Super Funds and Private Equity and
- demand from offshore capital

The rationale for possible transactions within this space can be justified in many ways, not least of which is that many of the assets held by Sydney Airports, Transurban, APA Group, Telstra and TPG are world class monopoly-like assets. Many of these assets have been valued by investors at a fraction of their true value or replacement value.

These infrastructure assets whether, they are Airports, Telecommunication Towers, Fibre Networks, Gas Pipelines or Toll Roads are a perfect fit for investors with very long-term investment strategies and who can afford to be patient.

FY2022 UPDATE — PORTFOLIO POSITIONING

For the quarter to 30 September 2021

Buy	New	Reduce	Exit
BHP Group	Aurizon Holdings	ASX Limited	Brambles Limited
Fortescue Metals	Endeavour Group		Platinum Asset Mgt
Rio Tinto Limited			Magellan Financial
Suncorp Group			Endeavour Group
Harvey Norman Holdings			

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Figures referred to in the 1Q FY2022 Update are unaudited.



During the first quarter of this financial year, we added to 5 existing positions, all of which were offering significant grossed up dividend yields. They are positions well known to the Investment Committee and provided a very good opportunity for us to increase BKI's Investment Revenue and Net Profits.

- BHP Group was offering a grossed up yield of 10.1%
- Fortescue Metals was bought on a grossed up yield of 17.3%
- Rio Tinto was offering a grossed up yield of 10.6%
- Suncorp Group's yield of 7.6% grossed up was very compelling.

We also added new holdings to the portfolio including rail and freight operator Aurizon Holdings. Formally known as QR National, Aurizon operates under 3 main divisions 1)Network, 2)Coal and 3)Bulk. Aurizon transports a variety of commodities, across the country including mining, agricultural, industrial and retail goods.

Endeavour Group was held briefly during the period. Endeavour was received as a demerger dividend from Woolworths. The business consists of the Dan Murphy's and BWS brands as well as a portfolio of hotels and hospitality venues. The stock was transferred to BKI's Trading Account, with the shares sold realising trading profits of \$350,000. BKI also traded the Transurban Rights received as part of the entitlement offer following the successful bid for the Westconnex Assets. Trading profits of ~ \$300,000 were realised.

Our exposure to ASX Limited was reduced after the company announced a fall in profits, a cut in dividends and a poor delivery of their capital expenditure program. The stock experienced a rapid run up in value that we didn't feel was supported by the current performance of the business and the dividends on offer.

We sold out of positions including Brambles, Platinum Asset Management and Magellan Financial. And BKI accepted the WHSP Proposal to merge with Milton Corporation, which was implemented on the 5th October.

FY2022 UPDATE – PORTFOLIO POSITIONING

As at 30 September 2021

Stock	% of Total Portfolio	Stock	% of Total Portfolio
1 Macquarie Group	9.4%	14 New Hope Corporation	2.5%
2 Commonwealth Bank	9.0%	15 Rio Tinto Limited	2.3%
3 BHP Group	7.2%	16 Woodside Petroleum	2.2%
4 National Australia Bank	5.5%	17 Amcor PLC	2.2%
5 APA Group	5.3%	18 Harvey Norman Holdings	2.2%
6 Wesfarmers Limited	5.0%	19 Fortescue Metals	1.7%
7 Woolworths Limited	4.4%	20 Goodman Group	1.6%
8 Transurban Group	3.9%	21 Invocare Limited	1.5%
9 ARB Corporation	3.6%	22 Suncorp Group	1.5%
10 TPG Telecom	3.2%	23 Coles Group	1.5%
11 Sonic Healthcare	3.1%	24 ASX Limited	1.3%
12 Ramsay Healthcare	2.8%	25 Milton Corporation	1.2%
13 Telstra Corporation	2.6%	Cash & Cash Equivalents	4.5%
		Total	91.3%



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Figures referred to in the 1Q FY2022 Update are unaudited.

On slide 23 we show BKI's Top 25 Shareholdings as at 30 September. BKI's main holdings continue to display a good balance of companies covering:

- Growth and yield,
- Large cap and Mid cap, and
- Diversified sector allocation

The BKI portfolio is always transparent, we disclose approximately 90% of the portfolio each month in our NTA announcements to the ASX, and a full list of portfolio holdings is displayed in our half year and full year accounts.

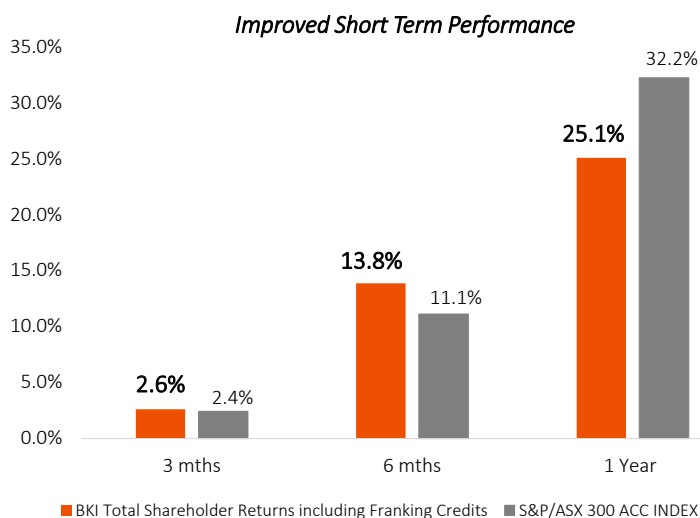
FY2022 UPDATE – PERFORMANCE

As at 30 September 2021

BKI's Total Shareholder Return including franking credits for the 3 months to 30 September 2021 was 2.6%.

BKI's Total Shareholder Return including franking credits for the 6 months to 30 September 2021 was 13.8%.

BKI's Total Shareholder Return including franking credits for the year to 30 September 2021 was 25.1%.



Figures referred to in the 1Q FY2022 Update are unaudited.

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Source: Contact Asset Management, Factset. As at 30 September 2021. TSR includes dividends and franking credits.

Our goal is to maintain a portfolio that is durable and able to withstand most market risks. Most importantly we want to manage a portfolio that provides shareholders with an attractive dividend yield.

BKI has a strong, long-term track record of paying fully franked dividends and meeting its investment objectives.

BKI's Total Shareholder Return including franking credits for the 3 and 6 months period to 30 September 2021 has also been pleasing.

FY2022 UPDATE – PROFITS

As a result of the increase in dividend income seen in the most recent reporting season, BKI expects to receive approx. \$30m in **Ordinary Investment Revenue** (excluding Special Dividend Income) for the first half on FY2022. This compares very favourably to the \$39.7m received for the full year of FY2021.

BKI also expects to receive approx. \$20m in **Special Dividend Income** in the first half of FY2022 after receiving special dividends from Rio Tinto Limited, Suncorp Group, Milton Corporation, Telstra Corporation and participating in the Metcash Limited, Commonwealth Bank and Woolworths off market share buy backs.

Barring any unforeseen circumstance, BKI is confident of increasing dividends paid to shareholders during FY2022.

25 Figures referred to in the 1Q FY2022 Update are unaudited.

As discussed earlier, the August 21 Reporting Season showed some very positive results. On average the stocks held in the BKI portfolio recorded a 33% improvement in Net Profits After Tax, a 35% improvement in Earnings Per Share and a 30% average increase in dividends per share paid. These results across the board were a significant turnaround on this time last year.

As a result of the increase in dividend income seen in the most recent reporting season, BKI expects to receive approx. \$30m in Ordinary Investment Revenue (excluding Special Dividend Income) for the first half on FY2022. This compares very favourably to the \$39.7m received for the full year of FY2021.

BKI also expects to receive approximately \$20m in Special Dividend Income in the first half of FY22 after receiving special dividends from Rio Tinto Limited, Suncorp Group, Milton Corporation, Telstra and participating in the Metcash Limited, Commonwealth Bank and Woolworths off market share buy backs.

Barring any unforeseen circumstance, BKI is confident of increasing dividends paid to shareholders during FY2022.

FY2022 UPDATE – RESEARCH



LISTED INVESTMENT COMPANY
ADVISOR CHOICE
FINALIST
CORE DATA selfmanagedsuper

During the quarter the Self Managed Super Fund Awards for 2021 were held. It was pleasing to see BKI recognised as a Finalist in the Listed Investment Company Advisor Choice category.



In September, Lonsec Research completed their product review with BKI maintaining its Recommended Rating. This rating indicates that Lonsec has strong conviction that BKI can generate risk adjusted returns in line with relevant objectives.



Also in September, Independent Investment Research reaffirmed the Recommended Plus rating for BKI Investment Company.

26 Figures referred to in the 1Q FY2022 Update are unaudited.

To finish up our investment managers report, we thought it important to advise shareholders that in July the Self Managed Super Fund Awards for 2021 were held. It was pleasing to see BKI recognised as a Finalist in the Listed Investment Company Advisor Choice category.

In September, Lonsec Research completed their product review with BKI maintaining its Recommended Rating. This is a very good rating and indicates that Lonsec has strong conviction that BKI can generate risk adjusted returns in line with relevant objectives.

Also in September, Independent Investment Research reaffirmed the Recommended Plus rating for BKI Investment Company. Again a very strong rating for BKI.

These are all very good results for BKI and places us well for the year ahead.

That concludes the Investment Managers presentation. On behalf of Will and the Contact team, we'd like to once again thank the Chairman and the Board for their significant support and guidance during this year. We'd also like to thank Company Secretaries Jaime and Larina, and our fellow shareholders, for your continued support.

I will now hand back to the Chairman. Thank you

QUESTIONS

2021 ANNUAL GENERAL MEETING



*BKI is managed by Contact Asset Management
AFSL 494045*



Questions sent via the online meeting platform will be moderated to avoid repetition, and if questions are similar or particularly lengthy, we may need to summarise them in the interests of time.

To assist with the smooth running of the meeting, Will Culbert, Portfolio Manager at Contact will read out the name of the shareholder and their question. We will give all shareholders a reasonable opportunity to ask questions, but it is possible that not all questions will be answered today.

I will now hand over to Will for the questions.

BKI INVESTMENT COMPANY LIMITED

2021 ANNUAL GENERAL MEETING



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