

Top 25 Investments

Stock	% of Total Portfolio
1 National Australia Bank	9.6%
2 Commonwealth Bank	8.9%
3 Westpac Banking Corporation	8.0%
4 BHP Billiton Limited	6.5%
5 New Hope Corporation	5.8%
6 Telstra Corporation Limited	5.2%
7 ANZ Bank	4.7%
8 Wesfarmers Limited	4.5%
9 Woolworths Limited	3.8%
10 TPG Telecom Limited	2.9%
11 AGL Energy Limited	2.3%
12 APA Group	2.2%
13 Woodside Petroleum Limited	1.9%
14 ALS Limited	1.8%
15 Insurance Australia Group	1.6%
16 Coca Cola Amatil Limited	1.4%
17 InvoCare Limited	1.3%
18 Suncorp-Metway Limited	1.3%
19 ARB Corporation Limited	1.2%
20 Bank of Queensland Limited	1.2%
21 Bendigo Bank Limited	1.1%
22 Perpetual Limited	1.1%
23 Ramsay Healthcare Limited	1.1%
24 Milton Corporation Limited	1.0%
25 Transurban Group	1.0%
Cash and cash equivalents	4.7%
Total of Top 25 including cash and cash equivalents	86.1%

BKI Investment Company Limited Monthly Report

February 2014

Objective

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

Investment Strategy

BKI is a research driven, active equities manager investing for the long term in profitable, high yielding, well managed companies. An investment in BKI gives shareholders access to a diversified equity portfolio across most sectors of the market. BKI is managed for the benefit of shareholders, not charging external portfolio management fees or performance fees.

Net Tangible Asset Backing

The consolidated unaudited pre tax net asset backing at 28 February 2014 was **\$1.62** per share.

The company is a long-term equity investor and does not intend to dispose of its total portfolio. If estimated tax at 30% on unrealised portfolio gains were to be recognised, net asset backing post tax would be **\$1.49** per share.

NTA calculations are after providing for the Interim Dividend of 3.45cps.

Dividends

BKI aims to generate an increasing income stream in the form of fully franked dividends, to the extent of available imputation tax credits, through long-term investment in a portfolio of assets that are also able to deliver long term capital growth to shareholders. All historical dividends paid have been fully franked.

BKI's historical fully franked dividend yield as at 28 February 2014 was 4.3% (based on the rolling 12 Month Dividend** and share price of \$1.60). BKI's historical grossed up yield as at 28 February 2014 was 6.1% (based on a tax rate of 30%). BKI's Dividend Reinvestment Plan has been maintained.

The record date for the Ordinary Interim Dividend was 17 February 2014, whilst the payment date was 27 February 2014.

Management Expense Ratio (MER)

BKI's MER as at 31 December 2013 was 0.17%. BKI does not charge shareholders external management or performance fees.

Board and Management

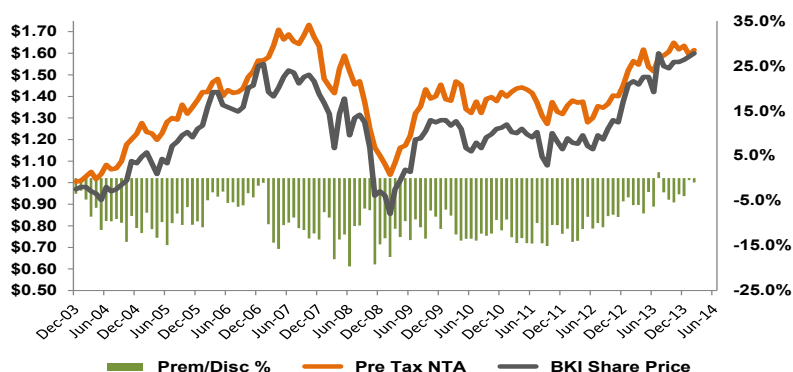
Directors: Robert Millner (Chairman), Alex Payne, David Hall and Ian Huntley.

Management: Tom Millner (CEO), Will Culbert (Senior Investment Analyst) and Jaime Pinto (Company Secretary).



Discount to NTA

BKI Investment Company Limited's share price (BKI.ASX) is currently trading at a 1% discount to the Pre Tax NTA and 7% premium to the Post Tax NTA.



Benefits of Investing in BKI Investment Company Limited

Performance - Delivering sound long term returns to shareholders.

High Value / Low Cost - Opportunity to invest in an active, high conviction, closed end portfolio with a MER of only 0.17%. BKI does not charge external portfolio management fees or a performance fee.

Dividends - Predictable fully franked income stream.

Franking Credits - 30% tax rate already paid on dividend income, tax credits passed on directly to shareholders.

Diversification - Exposure to most sectors of the market through well managed, dividend paying companies.

Simplicity - An investment in BKI.ASX provides administration simplicity.

Structure - BKI is a Company with a closed end investment structure.

Listed on the ASX - High levels of Transparency and Compliance, ASX Listing Rules, Continuous Disclosure requirements.

Company Overview

Mandate	Australian Listed Equities
Benchmark	S&P/ASX 300 Acc Index
Market Capitalisation	\$835m
Investment Portfolio	\$802m
Cash & Cash Equivalents	\$42m
Total Portfolio Including Cash	\$844m
Debt	\$0
MER*	0.17%
Performance Fee	N/A
Rolling 12 Month Dividend**	6.85cps
Historical Dividend Yield***	4.3%
Percentage Franked	100%
Grossed up Yield***	6.1%
DRP	Active
Pre Tax NTA	\$1.62
Post Tax NTA	\$1.49
Share Price	\$1.60

BKI Portfolio Returns are measured after all operating expenses, provision and payment of income and capital gains tax.

BKI Performance

as at 28 February 2014

	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
		(pa)	(pa)	(pa)	(pa)
S&P/ASX 300 ACC INDEX (XKOA)	10.2%	8.2%	14.9%	3.2%	9.4%
BKI Total Shareholder Returns	13.6%	14.9%	19.3%	7.1%	10.2%
BKI Share Price Outperformance V's XKOA	3.5%	6.6%	4.4%	3.9%	0.8%
BKI Portfolio Performance	7.7%	9.4%	14.4%	5.1%	9.5%
BKI Portfolio Outperformance V's XKOA	-2.5%	1.2%	-0.5%	1.9%	0.1%

Source: BKI Investment Company Limited, IRESS. 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. Total Shareholder Returns include reinvestment of dividends. Past performance is generally not indicative of future performance.

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*MER as at 31 December 2013; **Includes FY2013 Final Ordinary Dividend of 3.40cps and FY2014 Interim Ordinary Dividend of 3.45cps *** Based on share price as at 28 February 2014. Grossed up yield based on a tax rate of 30%.