

The Brunner Investment Trust PLC

Presentation to the Annual General Meeting

17th March 2011



Representing RCM:

Lucy Macdonald, Fund Manager (CIO, Global Equities, London)

Jeremy Thomas, Fund Manager (CIO, UK Equities, London)

Agenda

- The Brunner Investment Trust –background, recent developments and performance
- Equity market background and outlook
- Summary

Brunner Investment Trust

A bottom-up global stock-picking trust

- Two portfolios managed on a 'bottom up' basis by Lucy Macdonald (Overseas) and Jeremy Thomas (UK)
- Stock-picking philosophy based on fundamental research
- £275 million (total assets)
- Discount of 11.1% (debt at fair value)
- Global growth sector

Background

- Move to a more focused approach - November 2004 (UK) and August 2005 (Overseas)
- Adoption of new benchmark (March 2008)
- Further reduction in number of portfolio holdings in February 2011
- Equity Portfolio holdings March 2011: 102

UK		
	Previous	Current
Number of Stocks	60 – 70	35 – 45

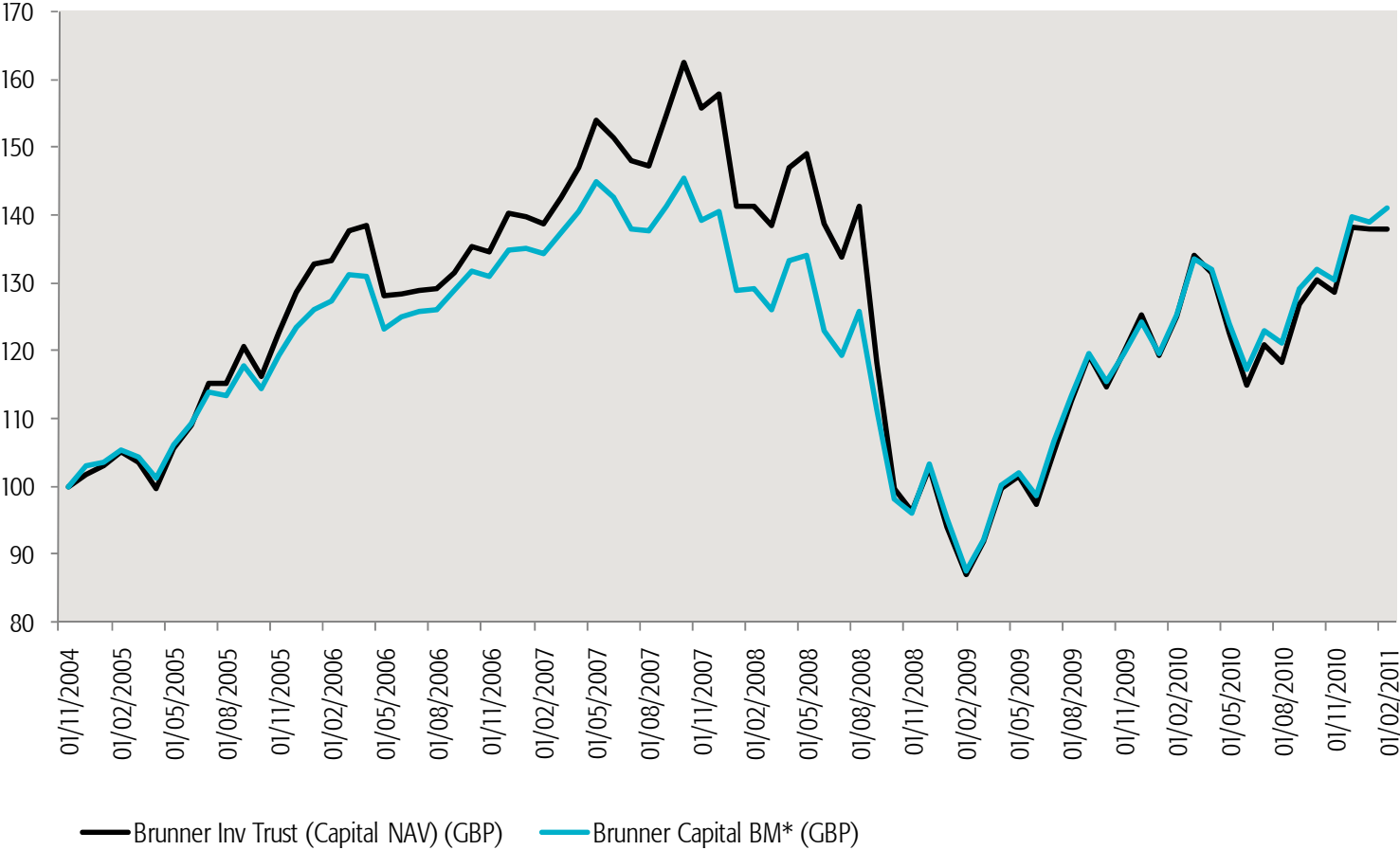
Global		
	Previous	Current
Number of Stocks	80 – 100	55 - 65

Objectives

- Increase focus
- Increase target outperformance
- Greater overseas exposure (50:50 FTSE World ex UK: FTSE All Share)

Performance

1 December 2004 to 28 February 2011

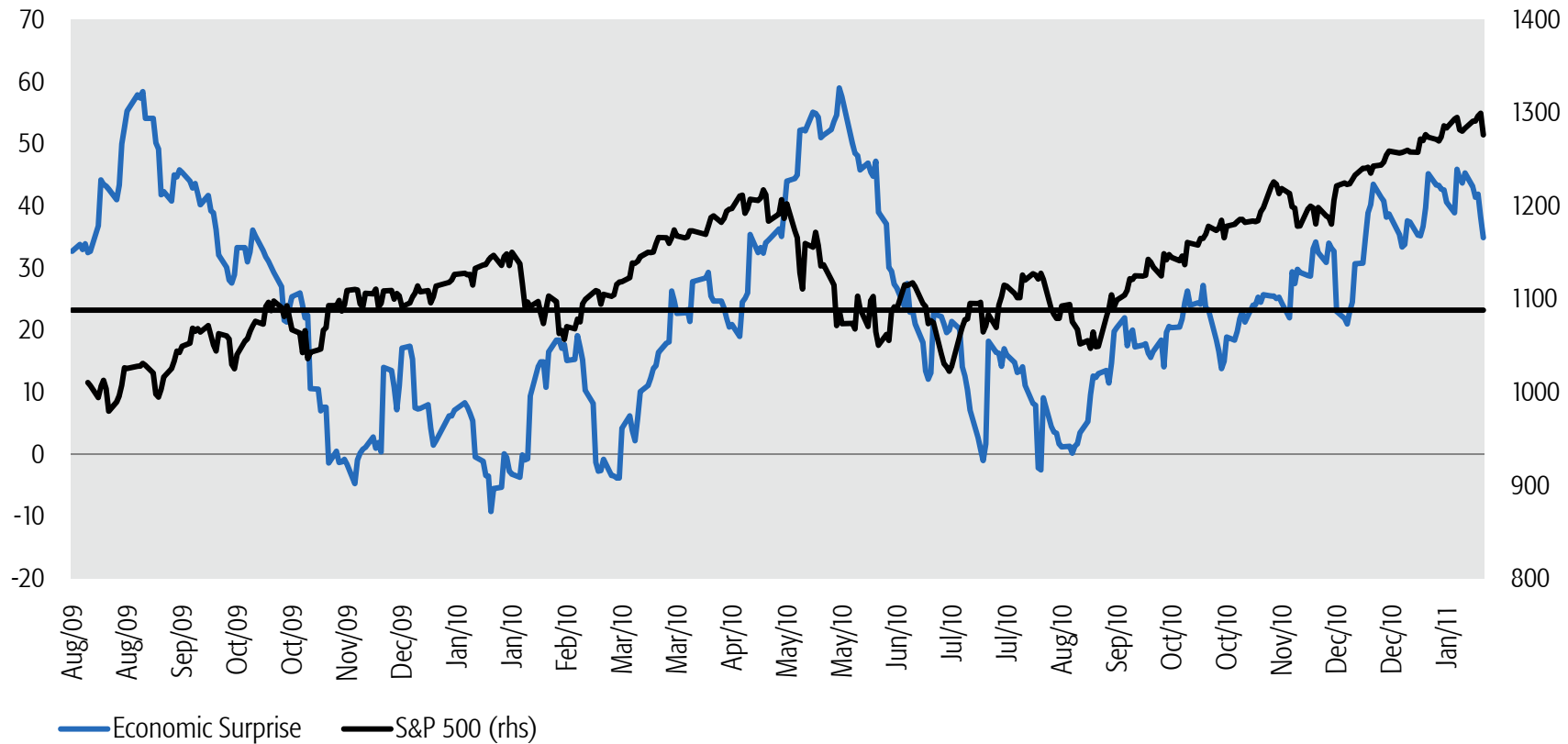


NAV performance – financial year ending November 2010	
	%
Brunner	7.3
Benchmark	9.2

Source: Mellon Analytical Solutions, RCM, as at 28 February 2011.

What has driven markets?

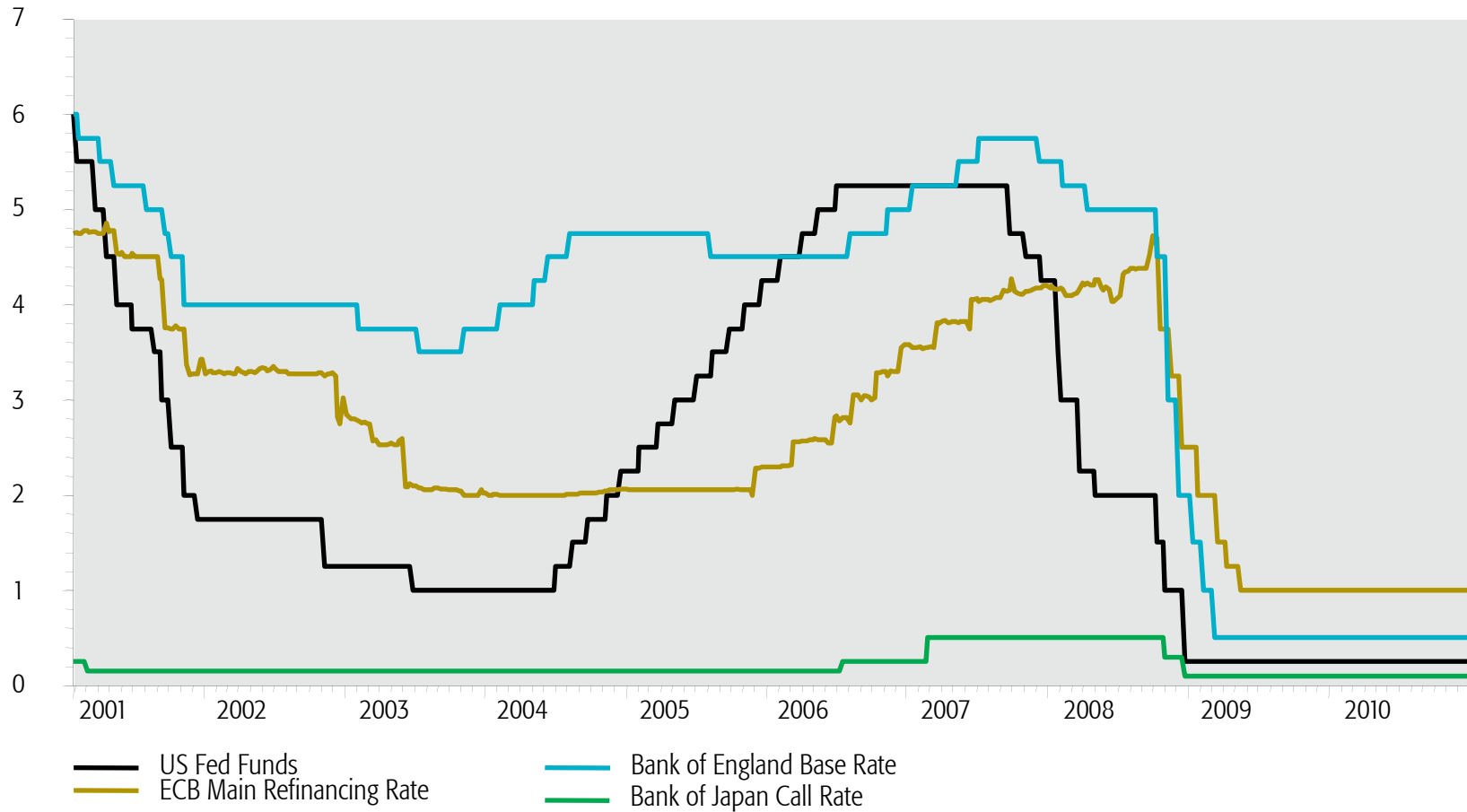
Citi US Economic Surprise Indicator and S&P 500 (rhs)



Long term issues remain

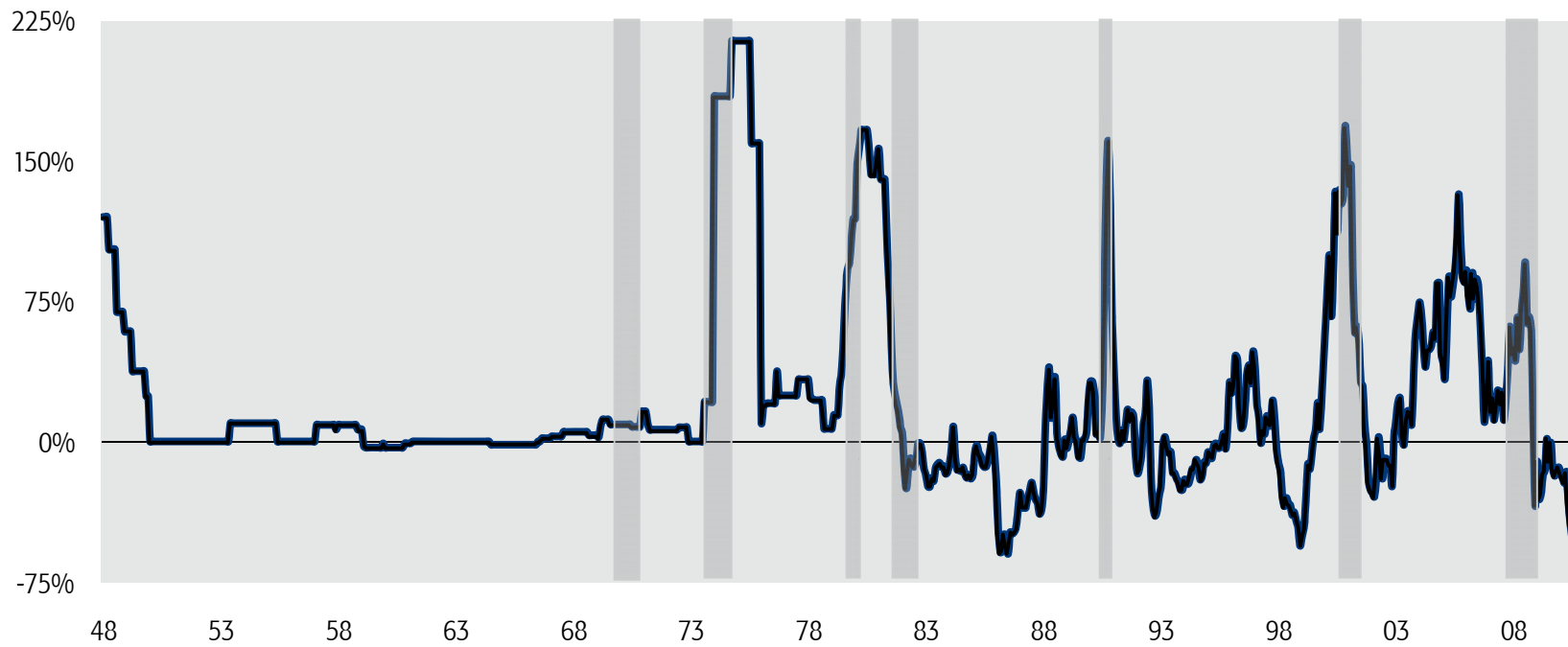
Zero Interest Rate Policy is not sustainable forever

Central Bank Rates



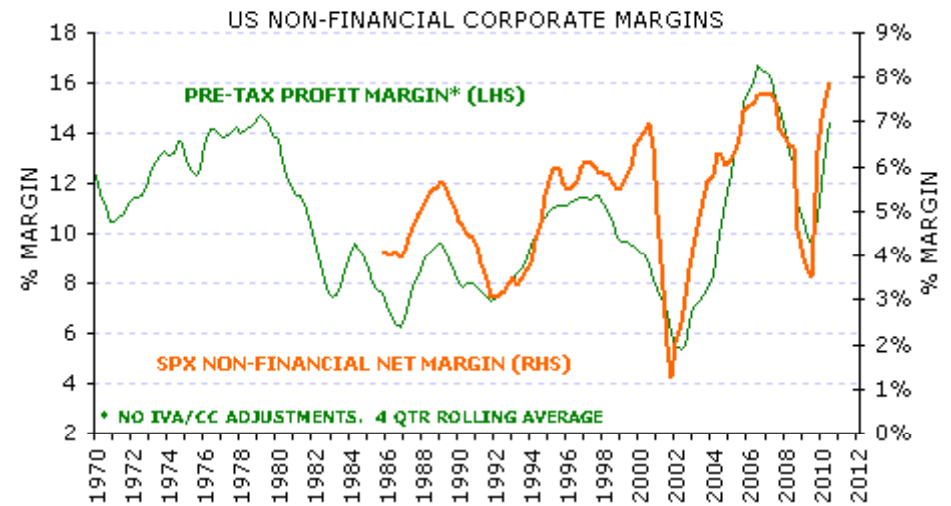
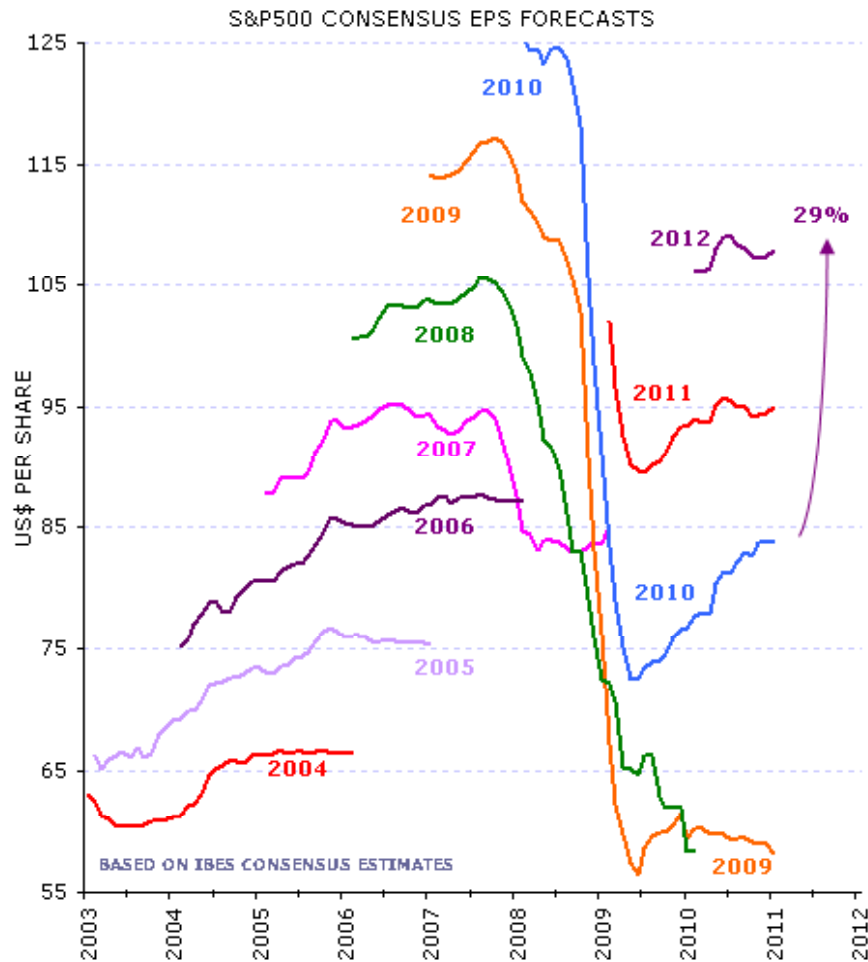
Long term issues remain

High commodity prices impact economic growth



Long term issues remain

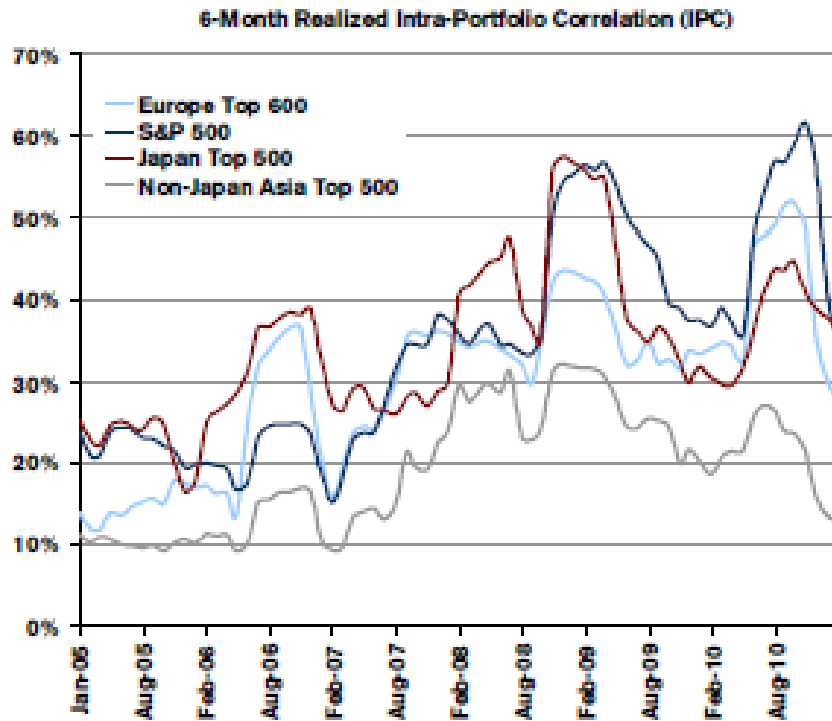
Earnings expectations now elevated and margins at record levels



Source: FactSet JCF, Redburn Partners.. Data are mean, weighted, in pence

Stock correlation within the market

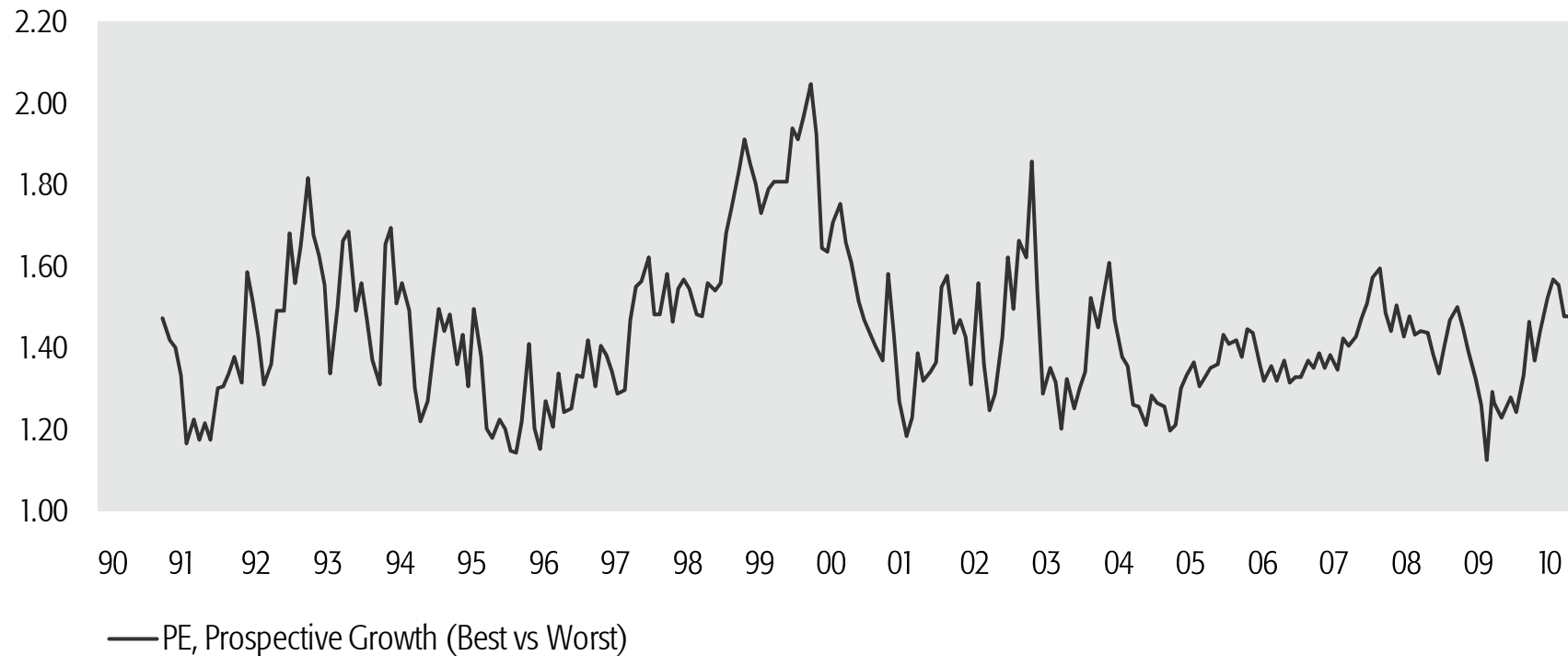
6-Month correlation



- Correlations in all regions have declined significantly

Attractive opportunities

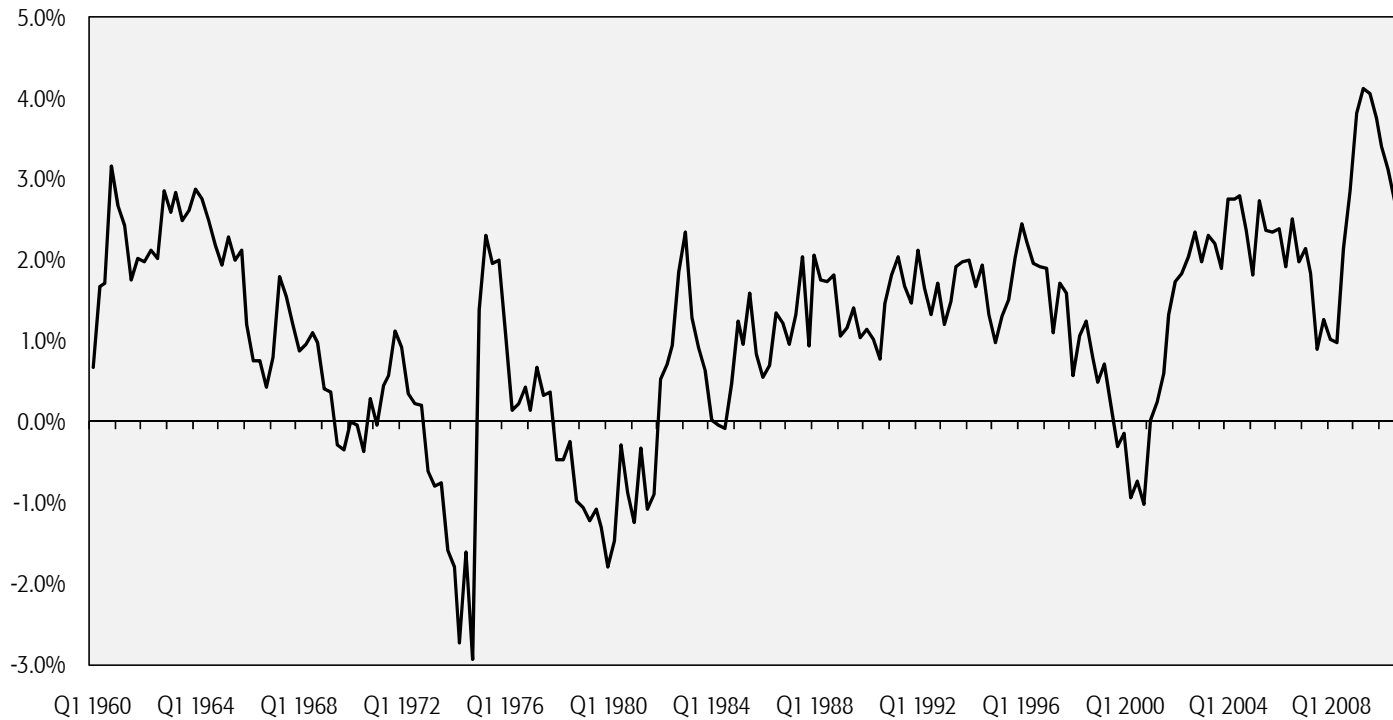
12m forward P/E: best earnings growth quintile vs. worst



The valuation for quality growth stocks is attractive...

Excess corporate liquidity

Non-financial corporate sector FCF as a % of GDP



- US FCF is close to an all-time high as a share of GDP
- Supportive for growth in capex, dividends, buybacks and M&A activity

Strong corporate balance sheets positive for equity investment

Portfolio positioning

In a below trend growth environment we are allocating investment to three specific areas:

- **Organic growth:** Companies with the ability to grow organically, companies such as Amazon and Google
- **Restructuring candidates:** Companies such as Starbucks, Estee Lauder, Wells Fargo, BNP Paribas and Suncor that are going through a period of restructuring and are able to improve their own business models and profits within a weak macro-economic environment
- **Corporate spending beneficiaries:** Ranging from pick-up in advertising (which could benefit companies such as Google) to technology upgrades which could affect businesses such as Canon and Danaher
- **Unleveraged consumers:** in Asia, Emerging Markets and Core Europe. Consumers are not as indebted as those in the developed nations. This allows the consumer to maintain spending, aiding companies such as Henkel

Outlook and summary

- Uneven recovery with economic growth in developed countries remaining below trend while developing countries are still strong
- Central banks to remain relatively accommodative and core inflation to remain moderate in developed countries
- Gradual tightening measures from central banks in Emerging Markets which are faced with higher inflation
- As extreme style rotations and stock correlations subside from peak levels, markets are beginning to evaluate and reward individual companies on the basis of fundamentals
- Equities look good value compared to bonds as we do not believe the future risks to bonds e.g. Sovereign debt uncertainties, are fully priced in
- Within equities large cap quality growth stocks are very good value
- Brunner will remain focused on bottom-up research

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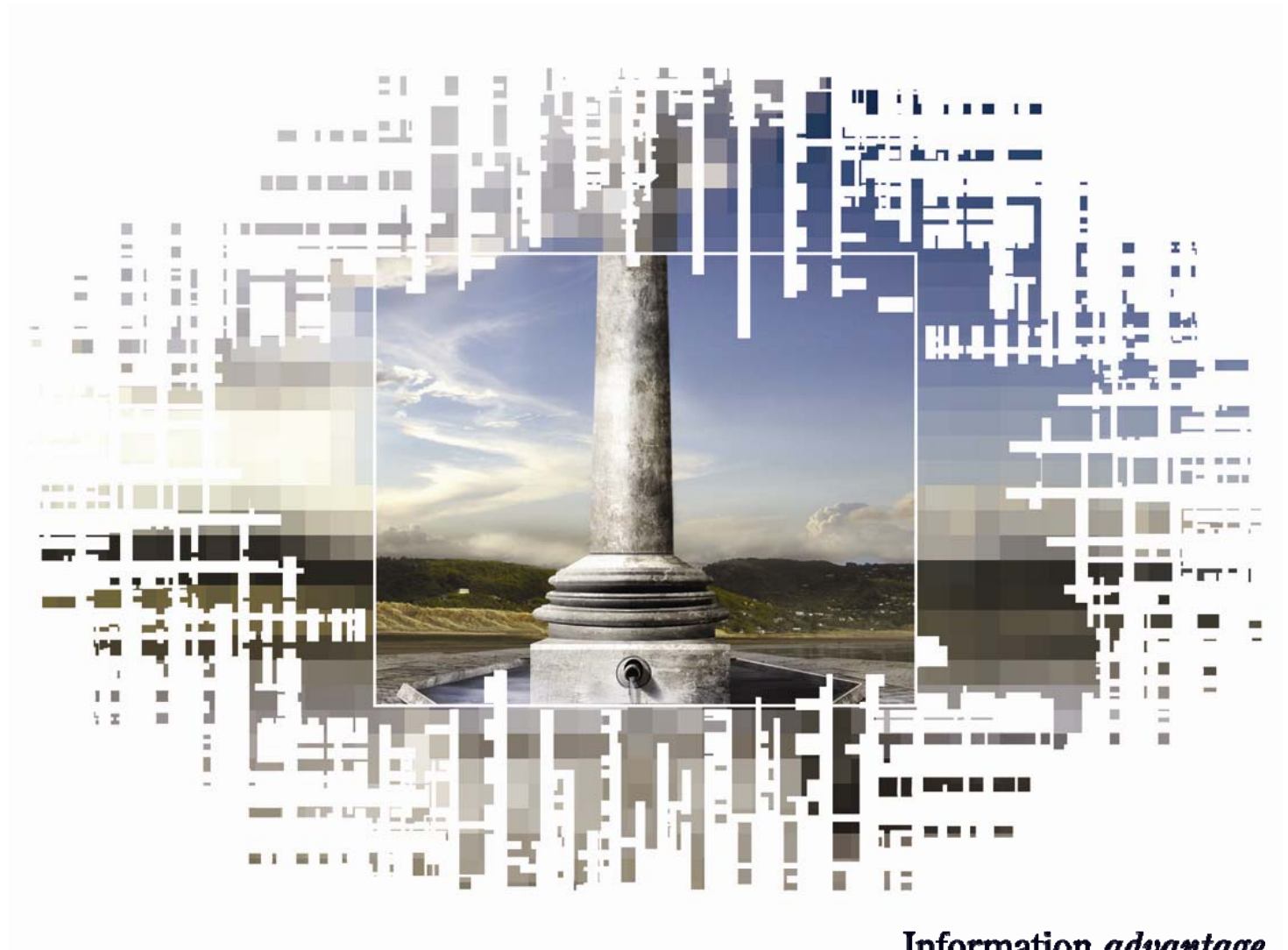
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The Brunner Investment Trust PLC

Presentation to the Annual General Meeting,
17th March 2011



The Brunner Investment Trust PLC
Annual General Meeting, 17th March 2011

Resolution 1 - to receive and adopt the Annual Financial Report

For	Discretion	Against	Withheld
21,690,726	13,722	0	37,880

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Annual General Meeting, 17th March 2011

Resolution 2 - to declare and approve a final dividend

For	Discretion	Against	Withheld
21,728,607	13,722	0	0

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Resolution 3 - to re-elect Mr V P Bazalgette as a Director

For	Discretion	Against	Withheld
20,654,744	15,479	941,193	130,913

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Resolution 4 - to re-elect Mr W R Worsley as a Director

For	Discretion	Against	Withheld
20,624,580	15,479	968,299	133,971

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Resolution 5 - to elect Mr P M Maynard as a Director

For	Discretion	Against	Withheld
20,627,063	16,404	932,980	165,882

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Resolution 6 - to approve the Directors' Remuneration Report

For	Discretion	Against	Withheld
20,345,956	14,647	1,045,967	335,759

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Resolution 7 - to re-appoint Deloitte LLP as Auditors

For	Discretion	Against	Withheld
20,634,503	13,722	14,316	1,079,788

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Resolution 8 - to authorise the Directors to determine the remuneration of the Auditors

For	Discretion	Against	Withheld
20,727,482	13,722	1,269	999,856

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Resolution 9 - to renew the Directors' authority to allot Ordinary Shares

For	Discretion	Against	Withheld
20,636,469	37,085	1,029,210	39,565

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Resolution 10 - to disapply pre-emption rights

For	Discretion	Against	Withheld
20,604,180	16,047	1,058,951	63,151

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Resolution 11 - to authorise the Company to make market purchases of Ordinary Shares

For	Discretion	Against	Withheld
20,654,886	32,316	1,016,291	38,836

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Resolution 12 - to enable the Company to convene a meeting on not less than 14 days' clear notice

For	Discretion	Against	Withheld
20,525,116	14,647	1,057,783	144,783

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