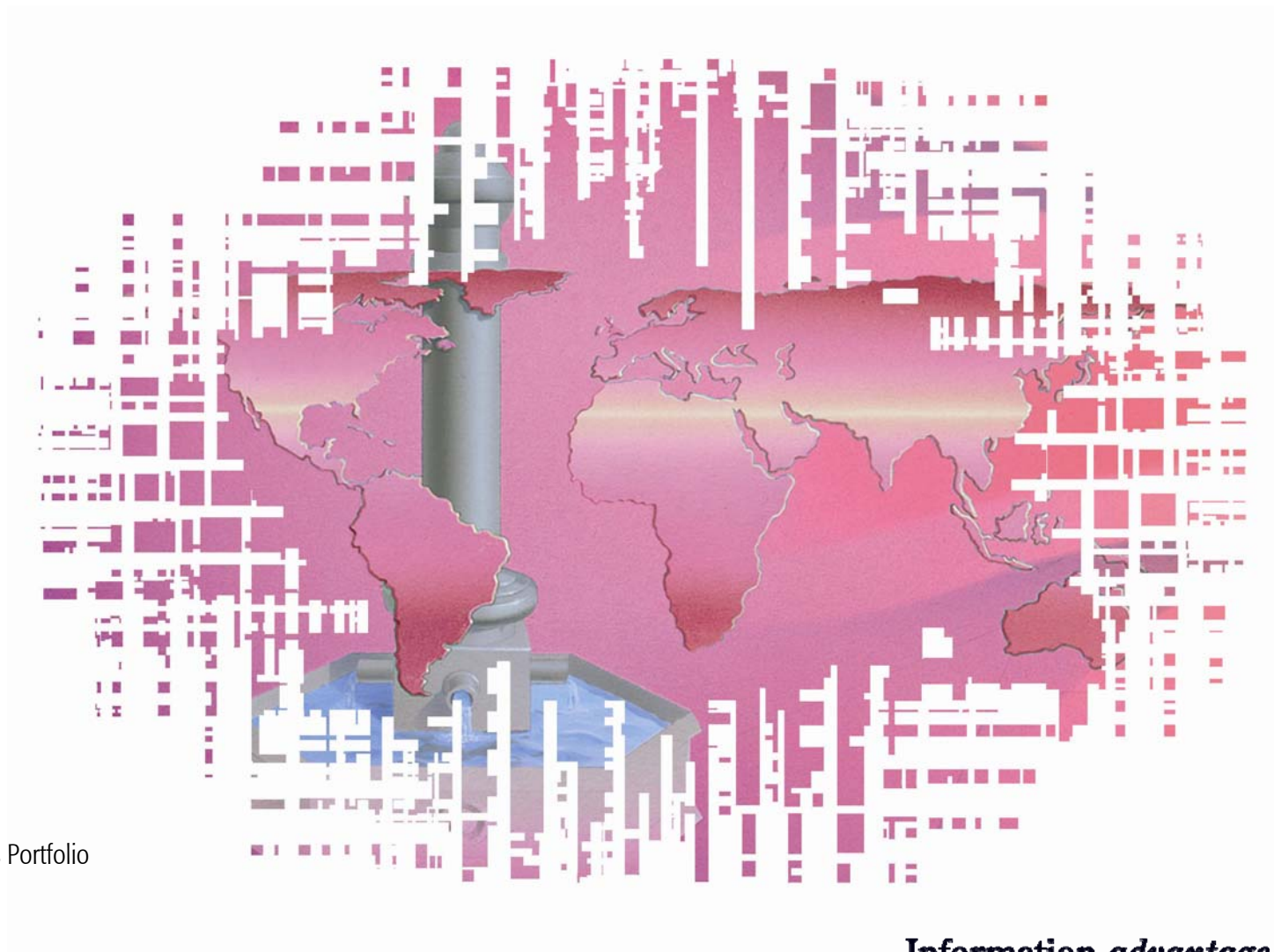


# The Brunner Investment Trust PLC

Presentation to The Annual General Meeting, 20<sup>th</sup> March 2008

*informed*  
**RCM**



## **Representing RCM:**

Mark Lovett: Fund Manager, UK Portfolio

Lucy MacDonald: Fund Manager, Overseas Portfolio

A company of **Allianz**   
Global Investors

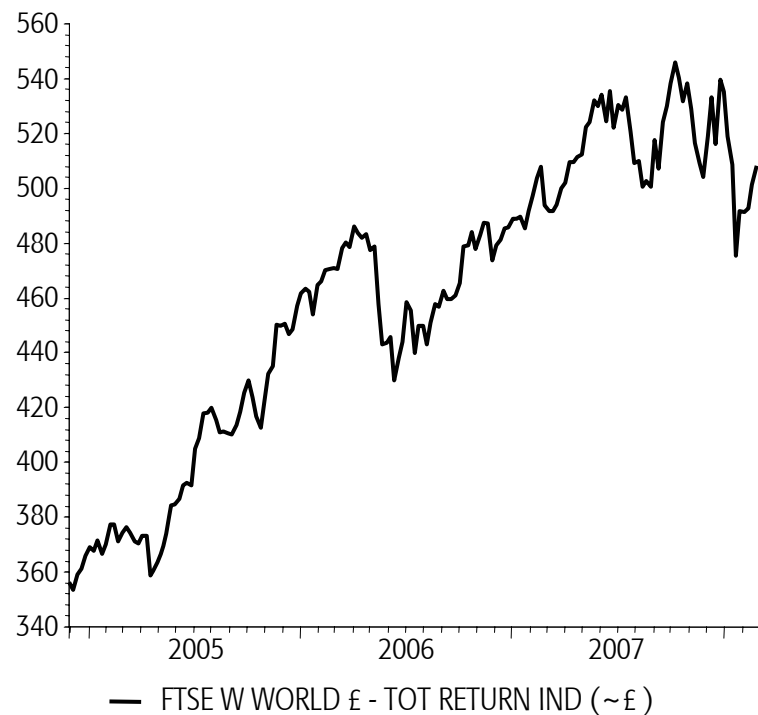
**Information *advantage***

# Investment update:

## **Agenda**

1. Market Background
2. Recent Performance
3. Current Portfolio
4. Outlook

## Market background



30 November 2004 - 29 February 2008		
	£	Local
FTSE World	38.6	37.2
FTSE All Share	42.1	42.1
FTSE Europe ex UK	63.8	50.5
S&P 500	15.8	20.5
Nikkei 225	18.4	24.8
MSCI Pacific Ex Japan	83.9	66.0
MSCI Emerging Markets	136.2	124.2

## Move to a more focused approach - November 2004 and August 2005

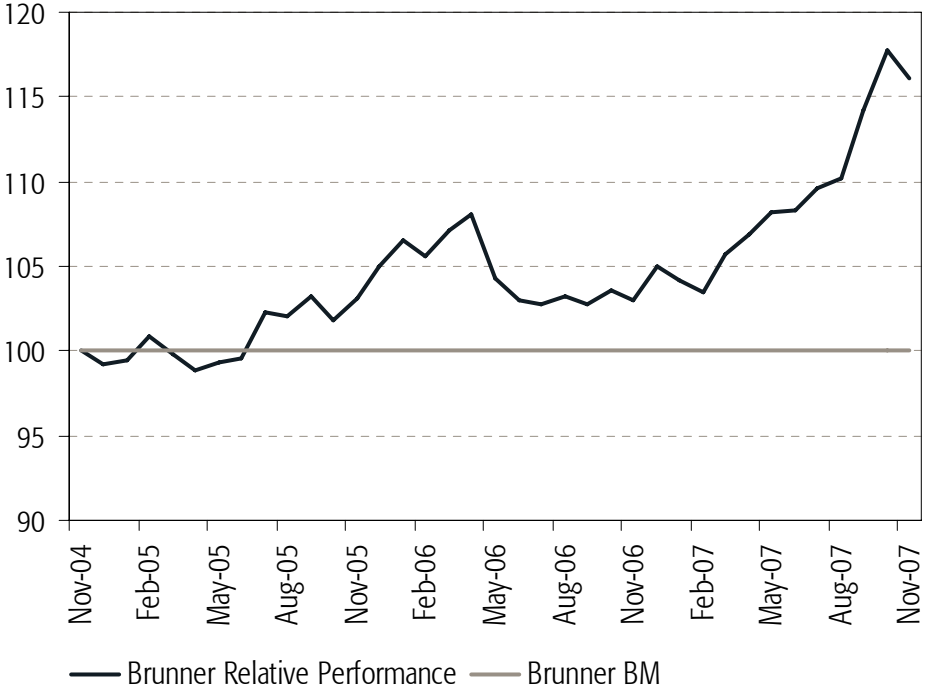
	Previous	Target
Number of Holdings	140-170	85-120
Active Risk	2-3%	3-5%

### Objectives

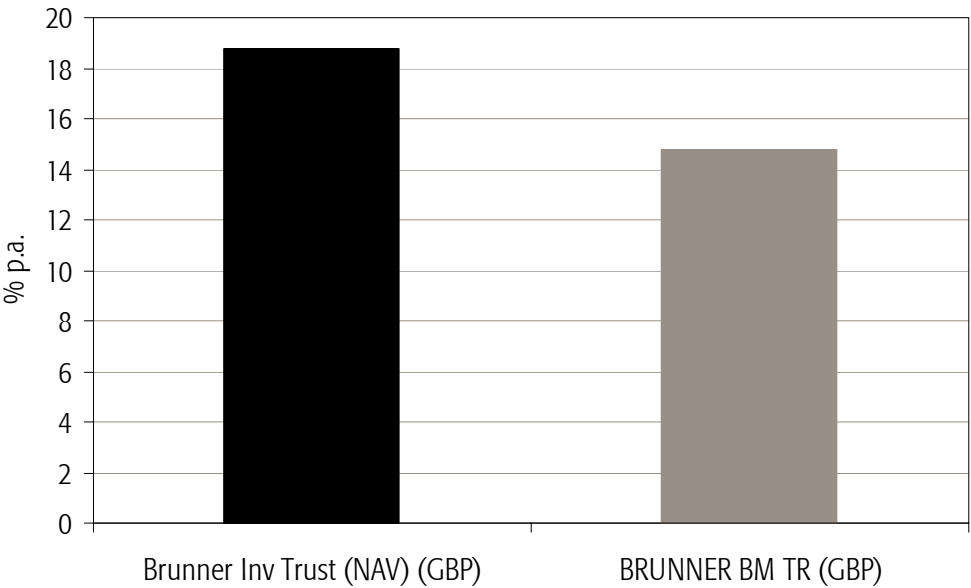
- Reduced number of holdings
- Increased active risk
- Increased target outperformance

# Performance since adoption of focused approach

**Cumulative, Rebased to 100**



**Performance Nov 2004 – Nov 2007 (Annualised)**



Source: RCM, as at 29 February 2008.

# Performance attribution: Portfolio returns – last financial year

**30 November 2006 to 30 November 2007**

	<b>Fund %</b>	<b>Benchmark %</b>	<b>+/-</b>
Total Equity*	+18.4	+9.3	+9.1
UK Equity	+14.1	+8.6	+5.5
Overseas Equity	+25.1	+10.3	+14.8
NAV Performance**	+15.6	+6.3	+9.3

<b>Attribution</b>	<b>Sector Allocation</b>	<b>Stock Selection</b>
UK Equity*	+0.4	+5.1
Overseas Equity	0.0	+14.8

\* Based on Wilshire buy and hold methodology total return (equity only). \*\* Capital only  
Source: Wilshire.

# Balance sheet and portfolio yield

<b>Balance Sheet and Portfolio Yield</b>	
Potential Gearing	23.0%
Actual Net Gearing*	6.0%
Portfolio Yield	3.2%

<b>Benchmark Composite (from 20 March 2008)**</b>	
50% FTSE All Share	
50% FTSE World Index (ex UK)	

\*After netting off cash and fixed interest.

\*\*Subject to shareholder approval.

Source: RCM, as at 14 March 2008.

## Current asset allocation

### Asset allocation of invested portfolio versus current composite benchmark

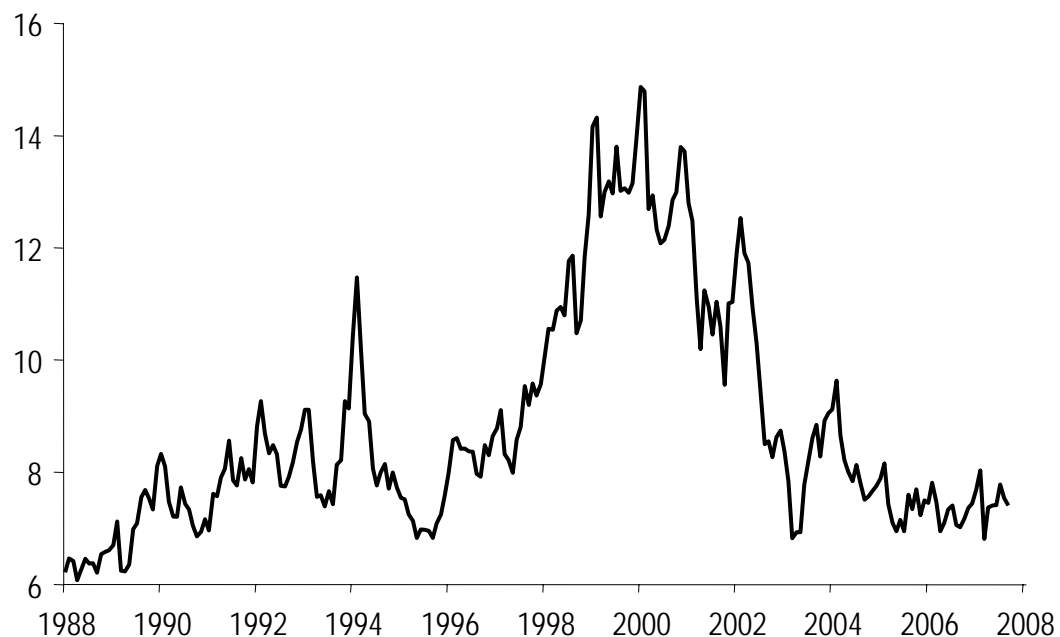
Country	Trust's Current Weighting %	Customised Benchmark Weighting %	Active Weight %
UK	61.5	60.0	1.5
North America	20.9	21.8	-0.9
Europe	10.5	9.4	1.1
Japan	3.7	4.5	-0.8
Asia Ex Japan	1.3	1.8	-0.5
Emerging Markets	2.1	2.5	-0.4



## Within equities which area will do well?

**Positive outlook - growth**

### PE dispersion (fourth minus first quartile)



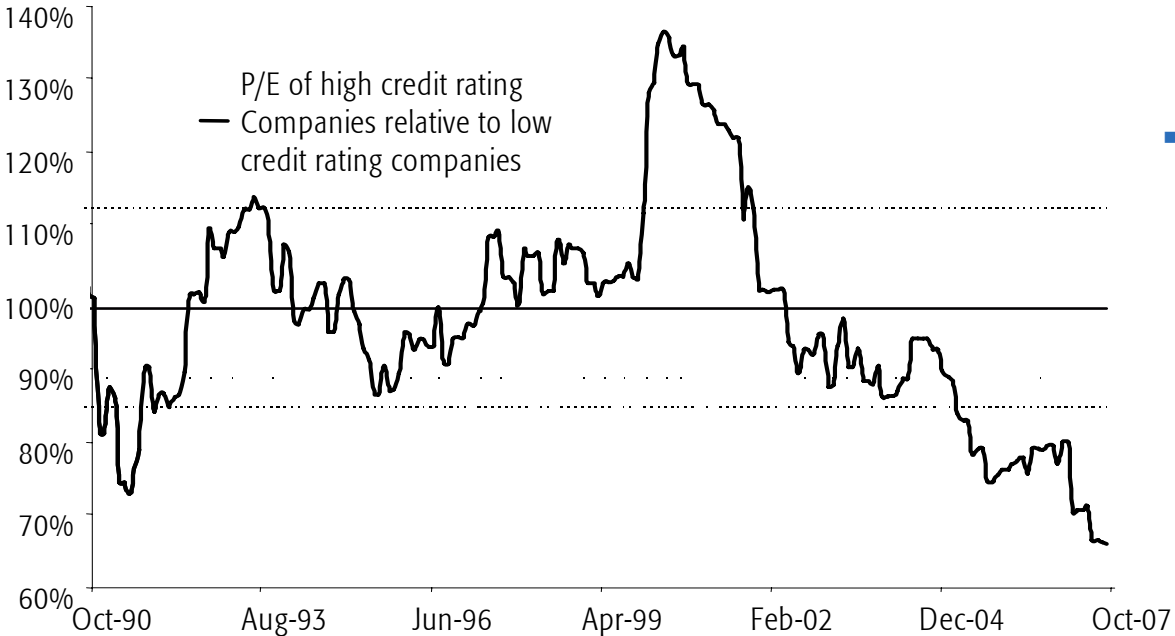
- The dispersion of P/Es across global equities remains historically low

Medium term quality growth is undervalued

# Within equities which area will do well?

**Positive outlook - quality**

## PE (12 Months - Forward) of high credit rating stocks relative to low credit rating



- Looking at the ratings of lowly rated companies versus highly rated companies, indicates that a high credit rating has now been more cheaply valued

Source: Credit Suisse Research/Thomson Datastream.

## Significant holdings – active positions

<b>UK Portfolio</b>	<b>%</b>
Xstrata Plc	2.4
Cobham	2.4
Bae Systems	2.2
Reed Elsevier	2.1
International Power	1.9
Man Group	1.8
Unilever Plc	1.5
Compass Group Plc	1.4
Informa	1.3
International Personal Finance	1.3

<b>Overseas Portfolio</b>	<b>%</b>
L-3 Communications H	2.5
Monsanto Co New	2.5
Shoppers Drug Mart C	2.4
Altria Group Inc	2.4
East Japan Railway	2.1
Veolia Environnement	2.0
Transocean Inc New	2.0
Vinci	1.9
Exxon Mobil Corp	1.9
Disney Walt Prodtns	1.8

# Outlook

- Earnings growth deteriorating as weaker US demand affects top line growth and higher input costs squeeze margins
- Volatility has risen significantly as growth slows and credit concerns mount
- Equities continue to look good value relative to bonds and fair value against their own history
- Within equity markets, which areas should do well?
  - Growth orientated stocks look attractive versus value
  - High quality stocks appear under priced by the market
  - Large cap stocks look attractive versus small cap

An environment favouring quality, growth stock picking

# Disclaimer

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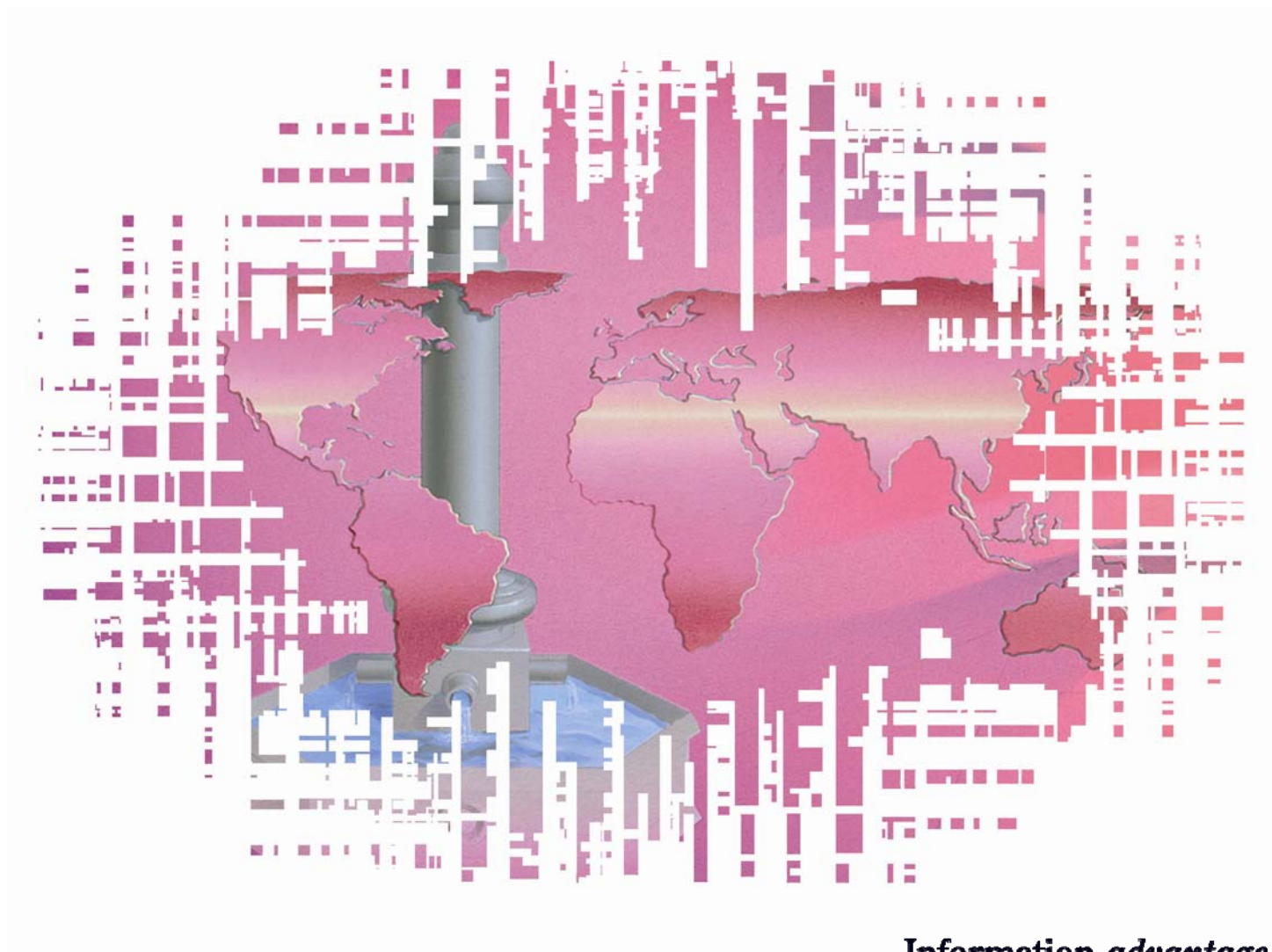
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# The Brunner Investment Trust PLC

Presentation to the Annual General Meeting, 20<sup>th</sup> March 2008

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**RCM**



The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 1** - to receive and adopt the Annual Financial Report

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,581,129</b>	<b>8,277</b>	<b>0</b>	<b>34,194</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 2** - to declare a final dividend

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,607,309</b>	<b>8,277</b>	<b>8,014</b>	<b>0</b>



The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 3** - to re-elect Mr B C R Siddons as a Director

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,275,918</b>	<b>8,277</b>	<b>322,280</b>	<b>17,125</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

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

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,539,911</b>	<b>8,277</b>	<b>53,331</b>	<b>22,081</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 5** - to approve the Directors' Remuneration Report

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,432,521</b>	<b>9,318</b>	<b>135,009</b>	<b>46,752</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 6** - to re-appoint Deloitte & Touche LLP as Auditors

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,268,027</b>	<b>8,277</b>	<b>92,669</b>	<b>254,627</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**



**Resolution 7** - to authorise the Directors to determine the remuneration of the Auditors

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,575,097</b>	<b>8,277</b>	<b>35,596</b>	<b>4,630</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 8** - to amend the investment policy

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,570,933</b>	<b>9,202</b>	<b>24,288</b>	<b>19,177</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 9** - to increase the total maximum Directors' fees

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,266,941</b>	<b>9,202</b>	<b>274,120</b>	<b>73,337</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 10** - to approve and adopt new Articles of Association

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,509,097</b>	<b>12,549</b>	<b>65,006</b>	<b>36,948</b>



The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 11** - to authorise the Directors to allot Shares

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,535,430</b>	<b>11,999</b>	<b>65,650</b>	<b>10,521</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**

**Resolution 12** - to disapply pre-emption rights

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,467,380</b>	<b>11,999</b>	<b>107,366</b>	<b>36,855</b>

The Brunner Investment Trust PLC  
**Annual General Meeting, 20<sup>th</sup> March 2008**



**Resolution 13** - to authorise the Company to make market purchases of Ordinary Shares

<b>For</b>	<b>Discretion</b>	<b>Against</b>	<b>Withheld</b>
<b>18,541,045</b>	<b>11,999</b>	<b>56,628</b>	<b>13,928</b>

# The Brunner Investment Trust PLC

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