

# The Brunner Investment Trust PLC

Annual General Meeting

21 March 2017

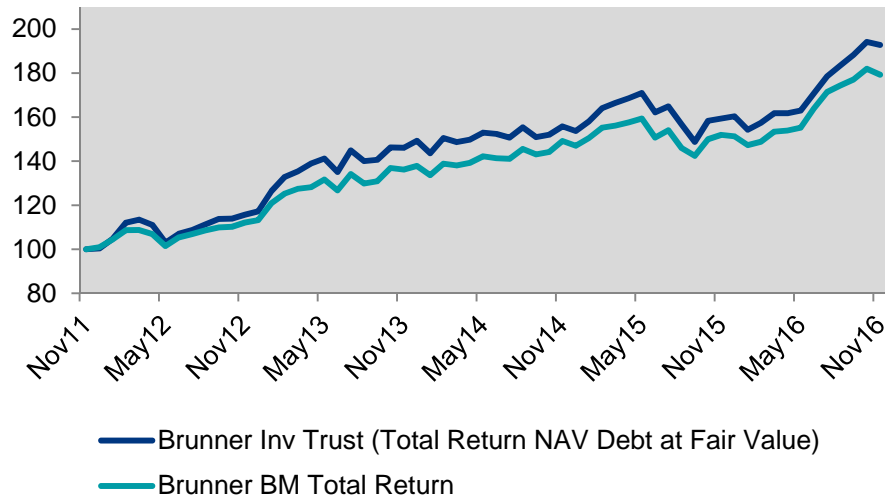


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Lucy Macdonald, Portfolio Manager

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# Performance relative to benchmark as at 30<sup>th</sup> November 2016

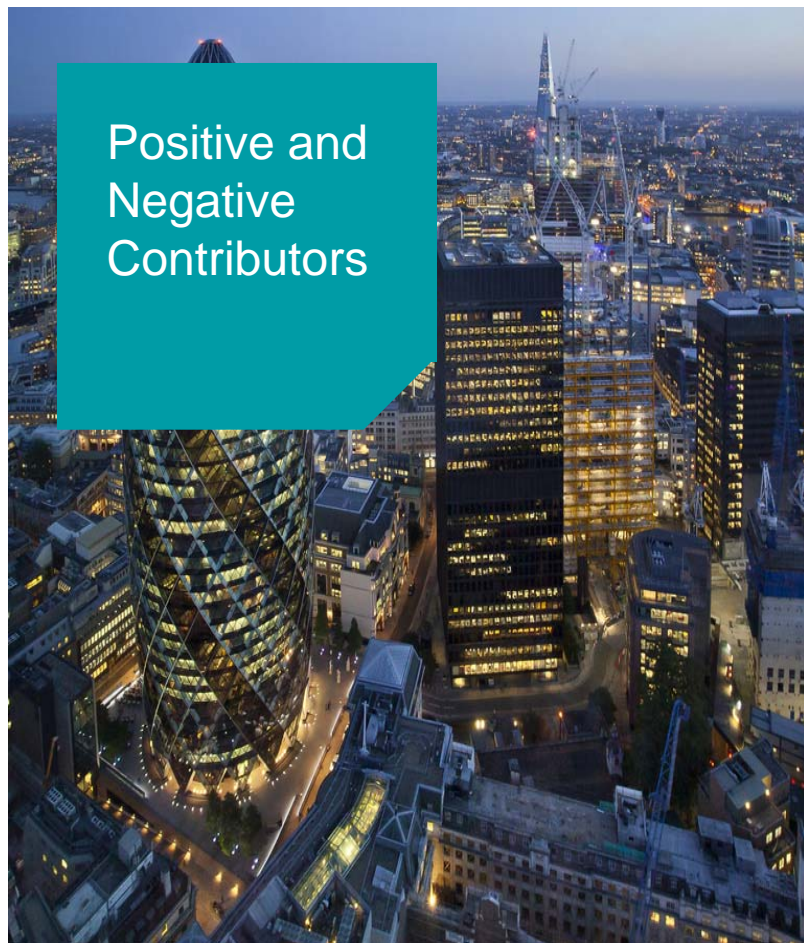


As at 30/11/2016	NAV debt @ fair value	Benchmark
1 Year	20.2	18.0
3 Years	29.8	31.6
5 Years	89.4	79.3

Benchmark is 50% FTSE All-Share and 50% FTSE World (ex UK) Index (£).

Source: AllianzGI UK/ DataStream, as at 30 November 2016, GBP. Total Return. Cumulative returns.

# One year attribution



Positive and Negative Contributors

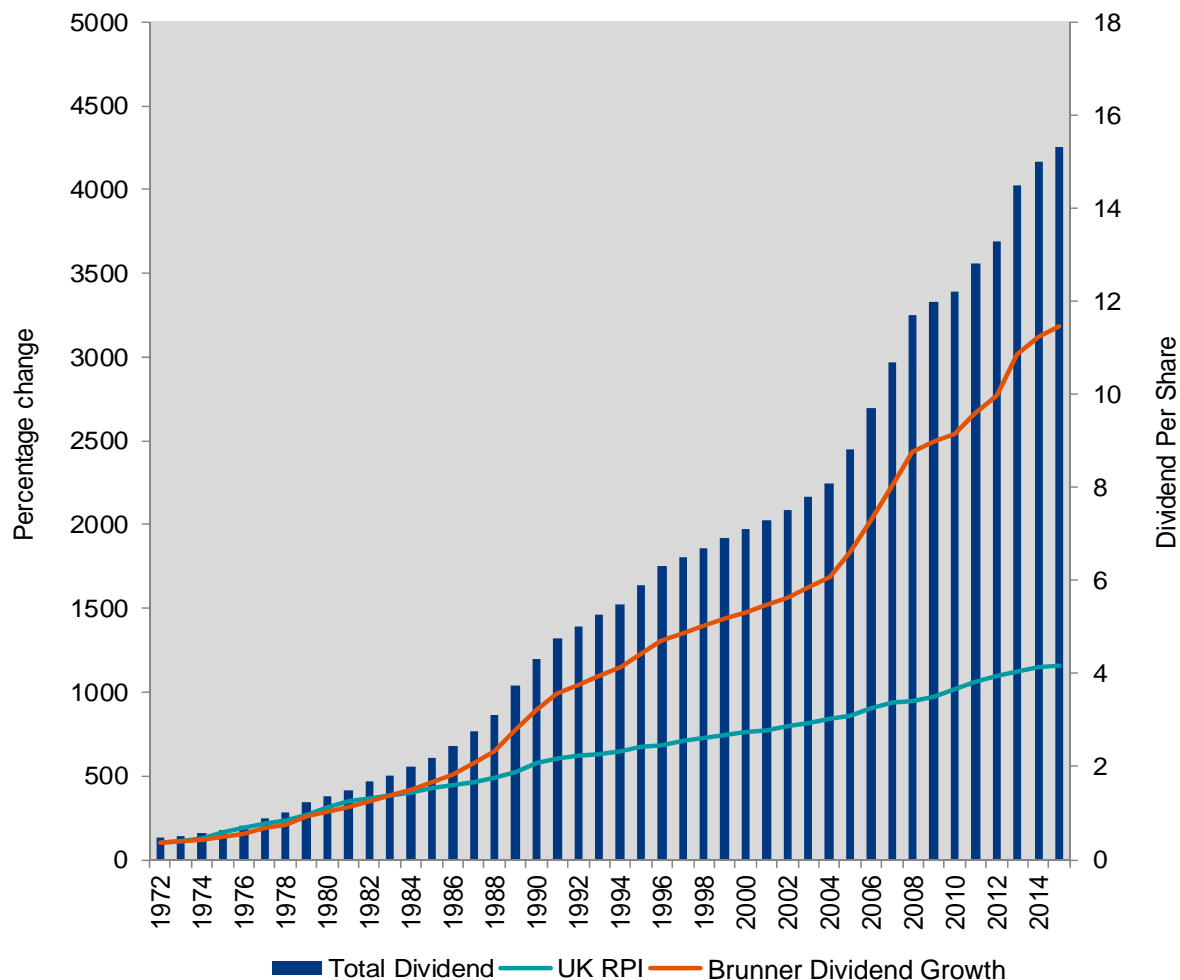
Positive Contributors	Active Contribution
Covestro	1.0%
UnitedHealth Group	1.0%
Adidas	0.9%

Negative Contributors	Active Contribution
Mothercare	-1.2%
United Internet	-0.5%
Glencore Plc	-0.5%

# Consistently growing dividend

44 years of uninterrupted dividend growth

- Pays out **quarterly dividends**
- One of **highest yielding trusts** in its sector = 2.4%<sup>1</sup>
- **Strong revenue reserves** = 1.5x total dividend for 2015
- **Board is minded to grow the dividend in excess of inflation**



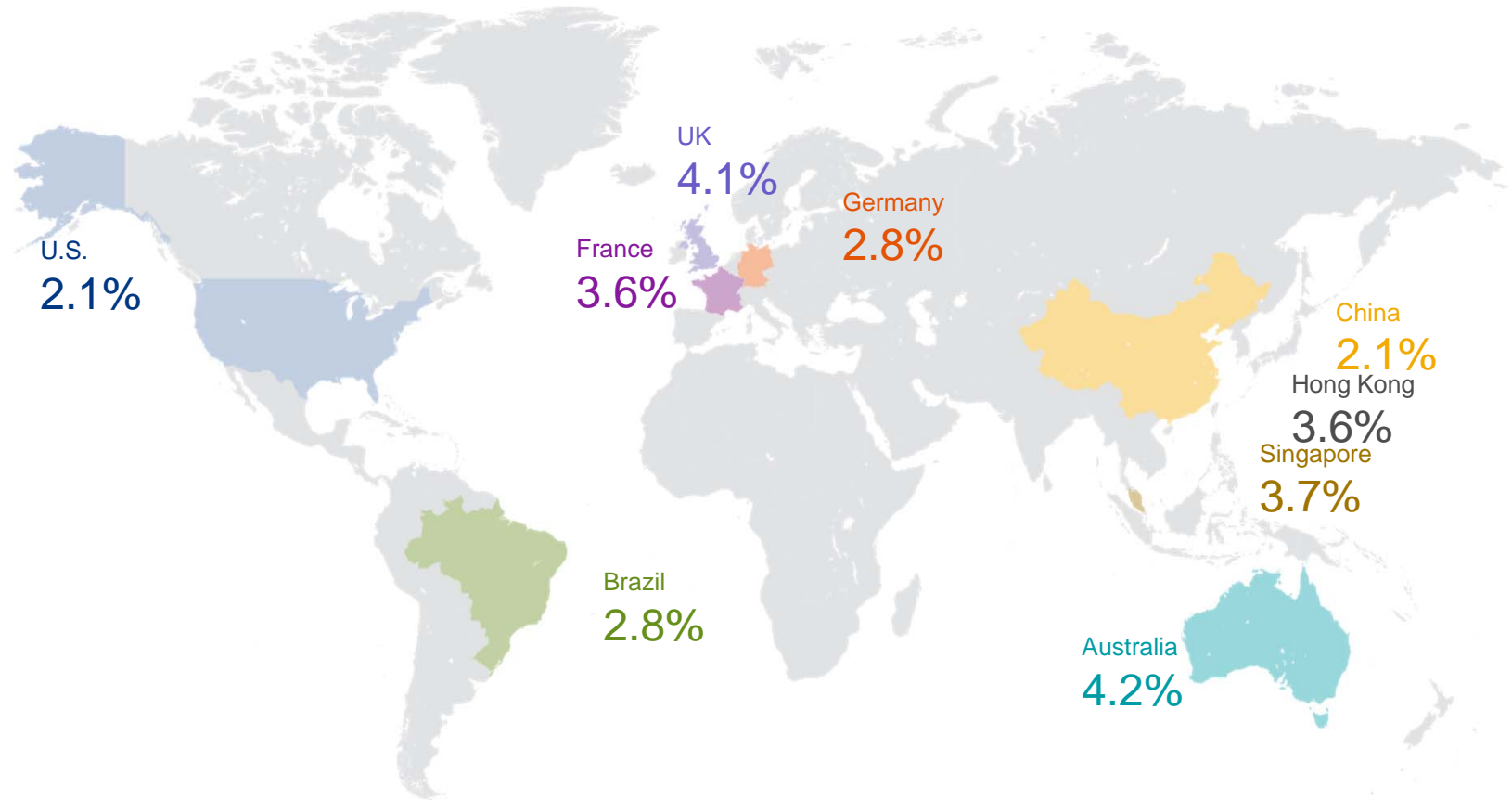
Source: Brunner Investment Trust Annual Report & Thomson Financial Datastream.

<sup>1</sup> WINS daily sheet, As at 17 March 2017.



# Going global for dividends

	UK	Overseas	Total Portfolio
Current DY	4.3%	2.4%	3.1%
2Y Growth Forecast	3-4%	5-6%	4-5%



## Our thoughts on secular growth

**1**

Economic **growth** still to be constrained by high levels of debt

**2**

With beta returns low, **clients need alpha now more than ever**

**3**

**Volatility should deliver opportunities for active management**

**4**

**Dividends** remain an important driver of equity returns

# Wabtec

## Technology products and services provider for global rail industry



**Quality:** 18% RoE, steady mid-teens operating margins, strong cash flow, strong balance sheet

**Growth :** Transit infrastructure investment, increased railroad electronics and signaling spend, Faiveley acquisition, aftermarket stabilisation

**Valuation:** The Faiveley acquisition adds geographical/product diversity and provides synergy and margin opportunities not currently reflected in valuations

# Tencent

## China's leading internet services portal



**Growth:** 30% revenue growth; consensus expects revenue to increase from CNY100B to 284B in 2020. Tencent operates the largest web portals, online gaming and instant messenger/mobile messaging platform (Weixin) in China. The company is expanding gaming into new adjacent genres while also monetising Weixin via advertising and O2O channel partnerships, as well as providing premium video, mobile banking and payment services.

**Quality:** Tencent has cultivated large user communities and translated user engagement into high ARPU and lengthened lifecycles for internet and mobile value-added services. Furthermore, the company has developed an emerging portfolio of advertising assets in the early stages of monetisation with the potential to increase ad load over time and gain market share.

**Valuation:** Valued at 9.5x EV/Sales and 31x PE; on an intrinsic valuation, 5Y CAGR revenue growth of 25% is implied with stable margins and asset turns.



## Why Brunner?



- Provides investors long-term growth of capital and income
- Optimal balance of global diversification and high conviction stocks
- One of the highest yielding trusts in its sector with over 40 years consecutive dividend growth
- Experienced team with robust investment process
- Investors should benefit from the double discount as debentures get closer to maturity

# Biographies



**Lucy Macdonald, ASIP (CFA UK)**

CIO, Global Equities

Lucy is CIO Global Equities for AllianzGI. She joined in 2001 to head up the Global Equity Fund Management team, which manages over £3.8bn of assets in mandates for institutional and retail clients around the world, including the Global Equity High Alpha, Global Sustainability and Global Equity Unconstrained strategies. She is the Portfolio Manager for Global Equity High Alpha, which represents over £3bn of concentrated global equity assets, and was instrumental in launching the strategy in 2003. She was made a Managing Director of AllianzGI in December 2007 and from January 2015 has represented AllianzGI on the CFA UK Advisory Council. Lucy is also a member of the AllianzGI Global Policy Council, which is responsible for setting company-wide macro-economic and strategic policy, and joined the Equity Investment Management Group in October 2015. Prior to AllianzGI, Lucy spent 16 years, latterly as a Director and Senior Portfolio Manager, at Baring Asset Management managing High Alpha funds. Lucy graduated from Bristol University in 1984 and is an Associate of the Society of Investment Professionals (ASIP).



**Matthew Tillett, CFA**

Portfolio Manager, UK Equities

Matthew joined AllianzGI in 2006 as part of the Global Graduate Program. In 2007 he joined the Research Department as a pan-European media analyst. In 2008 he moved to portfolio management as part of the UK Equity Team. He is the lead portfolio manager on the UK Opportunities strategy, which he has managed since 2010. Prior to joining AllianzGI, Matthew worked at Datamonitor and the Office for National Statistics. He graduated from Bristol University with a first class degree in Economics and Economic History. He also holds a masters (with distinction) in International Political Economy from the London School of Economics. Matthew holds the IMC designation and is a CFA® charterholder.

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A trust's Net Asset Value (NAV) is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. In line with current industry best practice NAVs are now shown that take into account the 'fair value' of debt. This means NAVs are calculated after allowing for the valuation of debt at fair value or current market price, rather than at final repayment value. NAVs with debt at market value provide a more realistic impact of the cost of debt, and thus a more realistic discount. It is the capital NAV that is shown, which excludes any income.

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**All data source Allianz Global Investors as at 30<sup>th</sup> November 2016 unless otherwise stated. Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY**

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# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 1:

To receive and adopt the annual financial report

For	Discretion	Against	Withheld
19,027,476	12,069	25,362	6,000

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 2:

To declare a final dividend

For	Discretion	Against	Withheld
19,052,810	12,069	0	6,028

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 3:

To re-elect Vivian Bazalgette as a Director

For	Discretion	Against	Withheld
18,846,800	12,069	95,024	117,014



# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 4:

To re-elect Ian Barlow as a Director

For	Discretion	Against	Withheld
18,906,681	12,069	33,226	118,931

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 5:

To re-elect Peter Maynard as a Director

For	Discretion	Against	Withheld
18,816,260	12,069	125,729	116,849

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 6:

To re-elect Jim Sharp as a Director

For	Discretion	Against	Withheld
15,611,688	12,069	3,330,301	116,849

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 7:

To approve the Directors' Remuneration Policy

For	Discretion	Against	Withheld
18,745,246	12,069	133,873	179,719



# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 8:

To approve the Directors' Remuneration Implementation Report

For	Discretion	Against	Withheld
18,749,286	37,899	127,057	156,665

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 9:

To re-appoint Deloitte LLP as Auditor

For	Discretion	Against	Withheld
18,973,485	12,069	75,766	9,587

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 10:

To authorise the directors to determine the remuneration of the Auditor

For	Discretion	Against	Withheld
19,030,762	12,069	22,023	6,053

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 11:

To approve the new Investment Policy

For	Discretion	Against	Withheld
18,905,367	12,069	90,445	63,026



# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 12:

To renew the directors' authority to allot ordinary shares

For	Discretion	Against	Withheld
18,945,144	9,733	62,542	53,488

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 13:

To disapply pre-emption rights

For	Discretion	Against	Withheld
18,585,395	11,563	398,587	75,362

# The Brunner Investment Trust PLC

## Annual General Meeting, 21 March 2017

### Resolution 14:

To authorise the company to make market purchases of ordinary shares

For	Discretion	Against	Withheld
18,753,442	9,733	288,142	19,590

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