

The Brunner Investment Trust PLC

Factsheet

31 December 2014

Aim

The Trust's objective is to increase its total return above the benchmark index of 50% FTSE All-Share and 50% FTSE All-World Index (ex UK sterling adjusted) over the long term, by investing in UK and international securities. The strategy of the Trust is designed to meet the requirements of those seeking a single investment in a diversified and professionally managed portfolio.

Fund Managers' Review



Lucy Macdonald & Jeremy Thomas

Market Review

Robust US economic data and the Federal Reserve Board's signalling of a 'patient' approach towards rising rates supported equity markets during December although this was tempered by falling oil prices, looming snap parliamentary elections in Greece and disappointing economic data from China.

UK economic data was mixed. The RICS house price balance, which records the percentage of Surveyors reporting prices rising against those reporting falling prices, fell from 30% to just 13%. However, consumer spending ended the year on a strong note, with core retail sales, rising 6.9% in November. The FTSE however, which has significant exposure to oil and other commodities, declined.

Portfolio Review

The Trust's NAV declined 1.31% versus the benchmark which declined 1.46%. Balfour Beatty was the top performer as the shares rose in anticipation of the new chief executive formulating a robust recovery plan. The KPMG UK construction portfolio review is due to be received by the board in January and details released publicly later in the month. The stock has had a good bounce but there remains considerable value to unlock. Meanwhile the construction backdrop improves.

Walgreens Boots Alliance was another top contributor. The shares recovered after weakness in 3Q due to a cut in forward guidance as a result of a snafu in adequately factoring in generic drug reimbursement pressures into long-term contracts with medical insurers. The company reported better-than-expected 1Q FY15 results with earnings per share 13% higher than consensus forecasts.

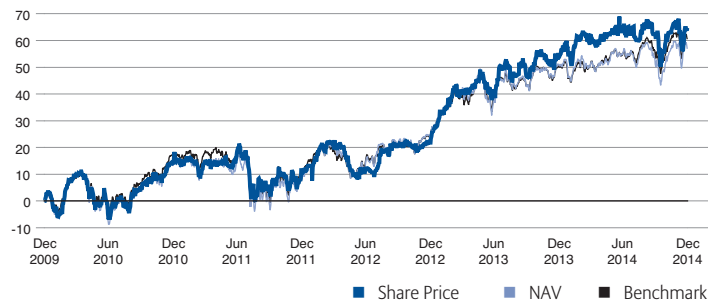
Petroceltic International was the largest detractor after a premium takeover offer from Dragon Oil was withdrawn due to the sharp fall in oil prices. The stock reaction post-deal collapse looks overdone given high chance of a new offer at a lower level still presenting decent upside. Meanwhile the company should shortly highlight progress in Algeria and possibly have news on a farm-down in Italy.

Roche Holdings also detracted. The shares declined on news that Kadcyla, the follow-up drug to Herceptin, failed to show increased efficacy in the treatment of metastatic breast cancer, causing 2016 earnings forecasts to be reduced 3-5%. Roche continues to have the preeminent cancer franchise and we view this announcement as a minor set-back.

Outlook

Throughout much of 2014 we have asserted the ongoing support for risky assets due to accommodative monetary policy by developed market central banks. This looks set to continue in 2015. However, much of this monetary support is already largely reflected in equity valuations with many markets at multi-year (or in the case of the US all-time) highs. Thus, we continue to believe that further short-term gains are likely to be muted and that active stock picking and share dividends are required to augment lower prospective market returns.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	1.4	1.1	6.9	47.7	64.6
NAV	2.5	1.6	3.9	45.4	56.8
Benchmark	2.8	4.0	6.6	45.7	60.5

Discrete Performance (%)

From To	31.12.09 31.12.10	31.12.10 30.12.11	30.12.11 31.12.12	31.12.12 31.12.13	31.12.13 31.12.14
Share Price	14.3	-2.4	9.2	26.5	6.9
NAV	13.1	-4.6	14.5	22.2	3.9
Benchmark	15.7	-4.8	12.2	21.8	6.6

Source: Lipper, percentage growth, mid to mid, total return to 31.12.14.

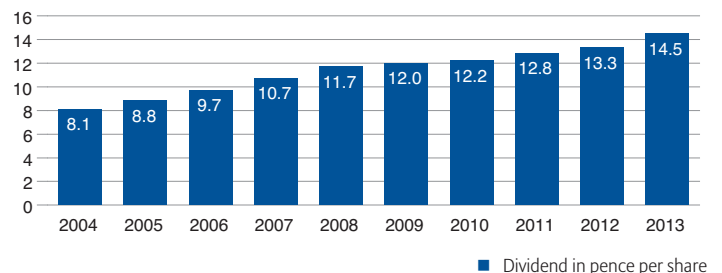
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested. This investment trust charges 70% of its annual management fee to the capital account and 30% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result.

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Dividend History

Ten Year Net Dividend Record in Pence (to year end 30 November)



Past performance is not a reliable indicator of future results.

All data source Allianz Global Investors as at 31.12.14 unless otherwise stated.

Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY

This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.

Allianz 
Global Investors

Capital Structure

Total Assets:	£323.1m
Gearing (net):	10.6%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	541.0p
Net Asset Value ² :	629.1p ³ (597.6p ⁴ – debt at market value)
Premium/-Discount to NAV:	-14.0% (-9.5% – debt at market value)
NAV Frequency	Daily
Dividend Yield ⁵ :	1.75%

1. Source: Lipper as at 31.12.14, market close mid price.
2. 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.
3. Capital net asset value per ordinary share based on the par value of the company's long term debt and preference shares.
4. Capital net asset value per ordinary share based on the fair/market value of the company's long term debt and preference shares. This allows for the valuation of debt at fair value or current market price, rather than at final repayment value.
5. Source: Datastream as at 31.12.14. Calculated using the latest full year dividend divided by the current share price.

Key Information

Launch Date:	December 1927
AIC Sector:	Global Growth
Benchmark:	50% FTSE All-Share Index 50% FTSE World ex-UK Index
Annual Management Charge:	0.45%
Performance Fee:	No
Ongoing Charges ⁶ :	0.77%
Year end:	30 November
Annual Financial Report:	Final posted in February, Half-yearly posted in July
AGM:	March
Dividends:	March, June, September, December
Price Information:	Financial Times, The Daily Telegraph, www.brunner.co.uk
Board of Directors:	Keith Percy (Chairman), Ian Barlow (Chairman of the Audit Committee), Vivian Bazalgette, Carolan Dobson, Peter Maynard, Jim Sharp
Company Secretary	Kirsten Salt
Investment Managers	Lucy Macdonald & Jeremy Thomas
Codes:	RIC: BUT.L SEDOL: 0149000

6. Source: AIC, as at the Trust's Financial Year End (30.11.2013). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses incurred in the running of the company but excluding financing costs.

Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

The Trust seeks to enhance returns for its shareholders through gearing which can boost the Trust's returns when investments perform well, though losses can be magnified when investments lose value. You should be aware that this Trust may be subject to sudden and large falls in value and you could suffer substantial capital loss. Changes in rates of exchange may cause the value of investments and the income from them to go up an down.

Sector Breakdown (%)

Industrials	20.4
Financials	19.4
Health Care	11.5
Oil & Gas	11.0
Consumer Services	9.4
Consumer Goods	7.9
Technology	6.9
Cash	6.3
Basic Materials	3.3
Telecommunications	3.1
Utilities	0.8

Geographic Breakdown (%)

UK	43.4
North America	27.2
Europe ex UK	12.3
Pacific ex Japan	6.5
Cash	6.3
Japan	2.8
Latin America	1.5

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.0	UBM	1.9
HSBC	2.8	Monsanto	1.8
Vodafone	2.2	GlaxoSmithKline	1.7
Microsoft	2.2	AbbVie	1.7
BP	2.2	Mothercare	1.7
Total Number of Holdings	92		

Largest holdings shown excluding Government debt which is held for structural and not investment reasons

Net Dividends (dividends payable quarterly from June 2014)

	Pay Date	Record Date	Payment
3rd quarterly dividend	19.12.14	21.11.14	3.2p
2nd quarterly dividend	22.09.14	22.08.14	3.1p
1st quarterly dividend	27.06.14	30.05.14	3.0p
final dividend*	26.03.14	07.03.14	8.5p

*year ended 30.11.13

How to Invest

The Trust is a UK public limited company traded openly on the stock market. You can purchase shares through a stock broker. Shares in the Trust can be held within an ISA, JISA, SIPP and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website.

Contact Us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

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All data source Allianz Global Investors as at 31.12.14 unless otherwise stated.

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