

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

31 May 2018

Aim

The Trust aims to provide growth in capital value and dividends over the long term by investing in global and UK securities. The benchmark against which performance is measured is 70% FTSE World ex-UK Index and 30% FTSE All-Share Index.

History

The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private and institutional investors.

Trust Benefits

Brunner aims to provide its shareholders with growing dividends and capital growth by investing in a portfolio of global equities. It is an independent company listed on the London Stock Exchange and, although past performance is no guide to the future, has paid increasingly higher dividends to its shareholders year on year for the last 46 years. The Trust invests in companies all over the world, seeking out opportunities for growth and reliable dividends wherever they may be.

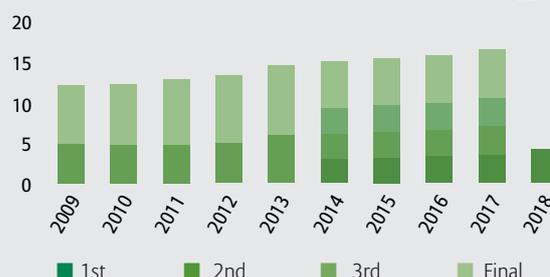
Morningstar Rating™



Morningstar, Inc. All rights reserved. The information given here: (1) is protected by copyright for Morningstar and/or its content providers; (2) may

Ten Year Dividend History

Dividend Record in Pence per Share to year end 30 November



Last Four Dividend Payments per Share

Record Date	Pay Date	Dividend	Type
22.06.2018	27.07.2018	4.05p	1st Quarterly
14.02.2018	29.03.2018	6.00p	Final
03.11.2017	14.12.2017	3.50p	3rd Quarterly
18.08.2017	20.09.2017	3.50p	2nd Quarterly

Past performance is not a reliable indicator of future results.

not be reproduced or distributed; and (3) is not guaranteed to be accurate, complete or up-to-date. Neither Morningstar nor its content providers shall be liable for any losses or damage that result from use of this information.

A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

Total Assets £407.6m **Shares in Issue** 42,692,727 (Ordinary 25p) **Market Cap** £338.6m

Share Price

793.0p

Source: Lipper

NAV per Share

857.3p

Premium/-Discount

-7.5%

Dividend Yield

2.1%

Gearing

8.7%

Share Price is the price of a single ordinary share, as determined by the stock market. The share price above is the mid-market price at market close.

Net Asset Value (NAV) per Share 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.

The NAV figure above is based on the fair/market value cum income of the company's long term

debt and preference shares (known as debt at fair value). This allows for the valuation of long-term debt and preference shares at fair value or current market price, rather than at final repayment value (known as debt at par).

Premium/Discount. Since investment company shares are traded on a stock market, the share price that you get may be higher or lower than the NAV. The difference is known as a premium or discount.

Dividend Yield is calculated using the latest full year dividend divided by the current share price.

Gearing is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.

Allianz 
Global Investors

All data source Allianz Global Investors as at 31.05.18 unless otherwise stated.

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

Fund Manager's Review

Market Review

May was a mixed month for global equities. Despite steady global growth, fresh concerns about a US-led trade war and political disruption in Italy and Spain saw the MSCI World Index finish more or less flat in dollar terms. Overall, US and UK equities closed the month slightly higher, while euro-zone stocks retreated. In the face of a strengthening US dollar, most emerging markets declined.

At a sector level, information technology stocks led the advance, followed by energy companies, which were buoyed by the further strength in oil prices. US ten-year treasury yields reached a seven-year high of 3.12 per cent as investors speculated that higher inflationary pressures would lead to faster interest rate hikes. In contrast, stocks in higher yielding sectors, such as consumer staples, telecoms and utilities, retreated. Financials also fell amid concerns over banks' exposure to Italian sovereign debt.

Oil prices rallied for much of the month. Brent crude reached US\$80 a barrel as the prospect of renewed sanctions on Iran and an economic crisis in Venezuela caused supply concerns. Prices subsequently retreated after the Organization of the Petroleum Exporting Countries (OPEC) and Russia pledged to increase oil production.

Portfolio Review

On 1 June, the Trust announced a refinancing exercise, in order to achieve a balance of financing sources and maturities and to lock into a long-term rate at attractive pricing levels. As a result of this exercise, the Trust's overall cost of debt is expected to fall to under 3%.

“ we continue to take profits in those companies we feel are too richly valued, looking instead for stocks able to deliver performance in tougher market conditions

The Trust's NAV rose 2.4 per cent against a benchmark return of 3.4 per cent. This underperformance was driven by weaker stock selection in Financials and Utilities. However, this is due to the holdings' sensitivity to European politics, rather than stock-specific factors. Enel and Iberdrola for example, have both suffered as a result of political fallout. Indeed, we have since added to Enel, as its overseas exposure and regulatory structure is currently being overlooked. At a country level, stock selection in Spain has been beneficial for the portfolio, attesting to the strategy's quality focus.

Munich Re has been the biggest detractor from returns. The German insurance and financial services firm actually posted impressive Q1 results but, towards the end of May, Italy's escalating political situation forced Bund interest rates, and shares in the entire insurance sector, down. Nevertheless, the stock remains a key holding.

TP ICAP also underperformed. Shares in the world's largest interdealer broker sold off after its Annual General Meeting and trading update. Like Munich Re, the firm actually reported an increase in revenue for the first four months of 2018. Despite this, TP ICAP continues to face accusations that it is overvalued, given the structural pressures around reduced trading activity and limited scope for post-merger synergies. However, there are signs this structural decline has reached an inflection point and this could indicate that there is significant long-term earnings upside as the synergies from the ICAP deal are realised. These should be boosted further, if management can sustain its 4 per cent revenue growth from Data and Analytics.

After a turbulent few months, Microchip Technology has rerated strongly to an all-time high. The US-based manufacturer of microcontrollers and semiconductors beat expectations, posting



Lucy Macdonald, Portfolio Manager

The Brunner Investment Trust is managed by Lucy Macdonald. Lucy is the Chief Investment Officer of Global Equities and a member of the European Management Committee. The Global Equity team is responsible for international mandates from clients around the world.

revenues of US\$1 billion. The shares had suffered due to fears of a possible slowdown in semiconductor demand, but the company has indicated that demand and pricing trends continue to be very favourable. Additionally, Microchip's guidance following the closure of its MicroSemi acquisition now seems conservative and the stock has room for further upside.

Amadeus has also rerated strongly. The processor of international travel transactions delivered Q1 results that were in line with expectations. Following this, Amadeus may keep driving sales and market-share gains with its combination of customer wins, such as Southwest and Japan Airlines, and healthy global travel demand. The company is also successfully expanding into new segments such as hospitality, payments, airport systems and big-data products.

Significant Transactions

We have sold FirstGroup. The international operator of rail and bus franchises saw its shares jump following a bid from the US private equity firm Apollo and we took the opportunity to exit the stock.

We have bought a stake in Partners Group. The firm is a global investment manager in private markets and generates close to 90 per cent of its revenues from stable management fees. Partners has a strong track record, and should continue to benefit from continued industry growth.

Market Outlook

May has brought into focus a number of themes emerging over the course of this year. After impressive first quarter earnings, equity valuations remain stretched. Strong economic performance in the US is storing up inflationary pressures, which will encourage the US Federal Reserve to raise rates and remove excess liquidity from the global monetary system. However, this sustained economic success is not being matched elsewhere. Thus the stage is set for flatter returns, potential corrections and increased volatility.

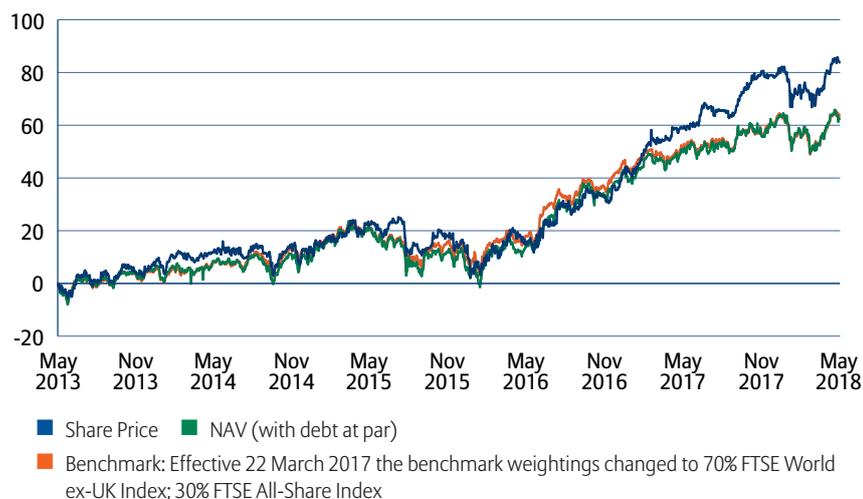
President Trump's decision to pull out of the Iranian nuclear deal and the chaos of Italian elections also serve as a reminder that global equity markets remain vulnerable to geopolitical shocks. Consequently, we continue to take profits in those companies we feel are too richly valued, looking instead for stocks able to deliver performance in tougher market conditions. Moreover, we expect that the quality of company balance sheets will start to drive share prices in noticeably more divergent ways.

Lucy Macdonald
11 June 2018

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.

Performance Track Record

Five Year Performance (%)



Risk & 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 or down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	4.9	1.8	15.7	50.5	83.8
NAV	1.5	3.3	9.0	35.5	63.3
Benchmark	3.9	4.5	8.2	35.4	63.8

Discrete 12 Month Returns (%) to 31 May

	2014	2015	2016	2017	2018
Share Price	11.9	9.1	-5.1	37.1	15.7
NAV	8.2	11.4	-5.3	31.3	9.0
Benchmark	8.0	12.1	-2.6	28.4	8.2

Source: Lipper, percentage growth, mid to mid, total return to 31.05.18. Copyright 2018 © Lipper, a Thomson Reuters company. All rights reserved. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

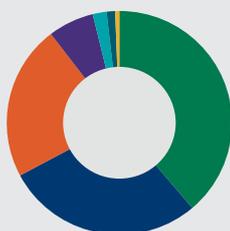
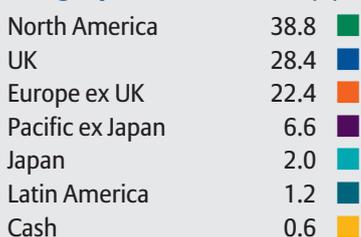
Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount 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.

Portfolio Breakdown

Sector Breakdown (%)



Geographic Breakdown (%)



Top Twenty Holdings (%)

Microsoft	3.3
Royal Dutch Shell - B Shares	3.2
UnitedHealth	3.0
BP	2.5
AbbVie	2.4
Visa	2.2
Schwab (Charles)	2.1
Estée Lauder	2.0
Muenchener Rueckver	1.9
Accenture	1.8
Apple	1.8
Microchip Technology	1.8
Agilent Technologies	1.8
HSBC	1.8
Rio Tinto	1.7
United Internet	1.7
Booking Holdings	1.7
Amadeus IT Group	1.7
Cie Financiere Richemont	1.6
UBM	1.6

Total number of holdings 73

The data shown is not constant over time and the allocation may change in the future. Totals may not sum to 100.0% due to rounding. This is no recommendation or solicitation to buy or sell any particular security.

Key Information

Launch Date	December 1927
AIC Sector	Global
Benchmark	70% FTSE World ex-UK Index; 30% FTSE All-Share Index
Annual Management Charge	0.45%
Performance Fee	No
Ongoing Charges ¹	0.72%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	March/April
NAV Frequency	Daily
Dividends	March/April, June/July, September, December
Price Information	Financial Times, The Daily Telegraph, www.brunner.co.uk
Company Secretary	Kirsten Salt
Investment Manager	Lucy Macdonald
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2017). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses incurred in the running of the company but excluding financing costs.

Board of Directors

Peter Maynard, Ian Barlow (Chairman of the Audit Committee), Carolan Dobson (Chairman), Jim Sharp, Vivian Bazalgette (Senior Independent Director)



How to invest

You can buy shares in the Trust through:

- A third party provider - see 'How to Invest' on our website, where you will find links to a range of these platforms, many of which allow you to hold the shares within an ISA, Junior ISA, SIPP and/or savings scheme.
- A stockbroker.
- A financial adviser.

Contact us

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

0800 389 4696

www.brunner.co.uk

E-mail: investment-trusts@allianzgi.com

You will find much more information about The Brunner Investment Trust on our website.

Please note that we can only offer information and are unable to provide investment advice. You should contact your financial adviser before making any investment decision.



Allianz 
Global Investors

Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been or will be made or concluded shall prevail.

All data source Allianz Global Investors as at 31.05.18 unless otherwise stated.

This is a marketing communication issued by Allianz Global Investors GmbH, an investment company with limited liability, incorporated in Germany, with its registered office at Bockenheimer Landstrasse 42-44, D-60323 Frankfurt/M, registered with the local court Frankfurt/M under HRB 9340, authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (www.bafin.de). Allianz Global Investors GmbH has established a branch in the United Kingdom, Allianz Global Investors GmbH, UK branch, which is subject to limited regulation by the Financial Conduct Authority (www.fca.org.uk). This communication has not been prepared in accordance with legal requirements designed to ensure the impartiality of investment (strategy) recommendations and is not subject to any prohibition on dealing before publication of such recommendations.