

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

31 August 2016

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.

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 44 years. The Trust invests in companies all over the world, seeking out opportunities for growth and reliable dividends wherever they may be.

Morningstar Rating™



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Ten Year Dividend History

Net Dividend Record in Pence per Share to year end 30 November



Last Four Net Dividend Payments per Share

Record Date	Pay Date	Dividend	Type
19.08.2016	19.09.2016	3.30p	2nd Quarterly
10.06.2016	30.06.2016	3.30p	1st Quarterly
26.02.2016	29.03.2016	5.70p	Final
13.11.2015	16.12.2015	3.20p	3rd Quarterly

Past performance is not a reliable indicator of future results.

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Total Assets £358.1m **Shares in Issue** 42,987,418 (Ordinary 25p)

Share Price

583.0p

Source: Lipper

NAV per Share

682.7p

Premium/-Discount

-14.6%

Dividend Yield

2.7%

Gearing

6.7%

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 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.

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All data source Allianz Global Investors as at 31.08.16 unless otherwise stated.

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

Fund Manager's Review

Market Review

Global equities generated modestly positive returns over August, as capital markets priced in the increased likelihood of near-term US interest rate rises amid robust US economic data and more hawkish comments from Federal Reserve (Fed) Chair Janet Yellen. Both the Fed and the European Central Bank kept interest rates on hold during August. However, generally positive US economic data together with comments from Fed Chair Janet Yellen, to the effect that the case for rate hikes had "strengthened", fuelled speculation that a US rate hike was probable within the next few months. In Japan, investors were largely unmoved by a new round of government stimulus measures. The major government bond markets generated mixed returns, with US yields grinding higher as US rate hikes appeared more likely. In Europe, core euro-zone bond yields also rose, while peripheral sovereigns such as Italy and Spain outperformed. Gilt yields declined after the Bank of England announced its first interest rate cut since 2009 and began a new programme of quantitative easing to stimulate the post-Brexit vote economy. Oil gained ground over August, rebounding from the sharp sell-off experienced in the prior month. Metals prices were mixed with gold and industrial metals such as copper registering falls over the month.

Portfolio Review

The NAV returned 2.35% out-performing the benchmark which returned 1.73%. The portfolio rose in absolute terms as well and also outperformed the benchmark. Balfour Beatty was the top contributor. The company's interim results showed strong order book growth and, encouragingly, the contracts appear to be on

“ In Europe, core euro-zone bond yields also rose, while peripheral sovereigns such as Italy and Spain outperformed.

realistic margin assumptions. Legacy loss making contracts are expected to be worked off by year-end and the dividend has been reinstated. Valuations do not appear to reflect normalising earnings from the company's UK construction and support services businesses and we continue to hold the shares.

Microchip Technology was also a strong contributor. The company posted strong Q1 FY2017 (end of June 2016) results driven by strength in the core microchip and microprocessor business as well as earnings accretion from the recently completed Atmel acquisition. Microchip has acted swiftly in integrating Atmel and improving their business processes and substantially lifted its earnings accretion target for FY2017.

The portfolio's health care holdings, including UnitedHealth Group and Astellas Pharma, detracted. While drug pricing restrictions are an existential threat to pharmaceutical companies in the US, they would have the greatest negative impact on those that have limited product innovation or whose strategy has relied on price hikes without incremental R&D investment. UnitedHealth is largely shielded from these potential pressures as it combines its scale, strategic positioning and broad industry exposure to generate cost efficiencies across the healthcare spectrum.

During the month, Pfizer announced that it will acquire Medivation, a San Francisco biotech company. In 2009 Astellas Pharma and Medivation reached an agreement to jointly develop and commercialise the cancer drug Xtandi, which generated about \$2.2bn in global sales last year. Given Pfizer's strong marketing power, this deal could be positive for Astellas.

Outlook

Global equities look fairly valued in absolute terms but attractive relative to fixed income. However, prospective returns are likely



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.

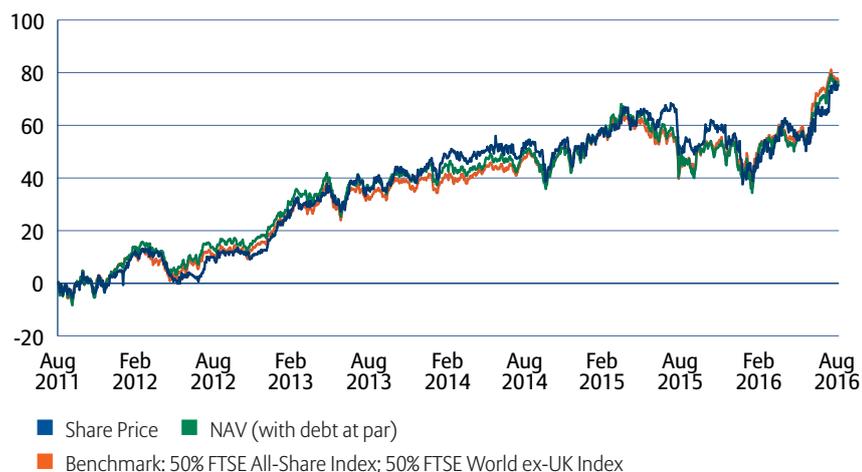
to be muted and with regional valuations broadly in-line with fundamentals, investors need to look beyond where companies are domiciled and focus instead on owning superior businesses with long-term growth prospects independent of the global economic environment.

Lucy Macdonald
9 September 2016

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	12.4	19.9	16.0	29.4	75.4
NAV	12.9	17.1	17.0	30.1	75.4
Benchmark	12.4	17.2	19.5	34.2	77.0

Discrete 12 Month Returns (%) to 31 August

	2012	2013	2014	2015	2016
Share Price	8.8	24.6	11.7	-0.1	16.0
NAV	12.7	19.6	11.0	0.2	17.0
Benchmark	10.2	19.7	12.0	0.3	19.5

Source: Lipper, percentage growth, mid to mid, total return to 31.08.16. Copyright 2016 © 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.

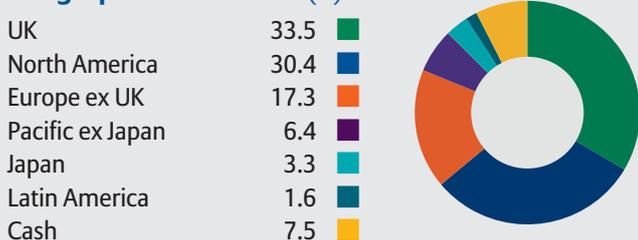
Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount 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	2.9
Royal Dutch Shell 'B' Shares	2.6
Nielsen	2.4
United Health	2.4
Abbvie	2.3
Vodafone	2.1
BP	2.1
Accenture	2.1
GlaxoSmithKline	1.9
Roche Holdings	1.9
Estee Lauder	1.8
HSBC	1.7
UBM	1.7
Walgreens Boots Alliance	1.7
Visa	1.5
Muenchener Rueckver	1.5
Lloyds Banking Group	1.5
Adidas	1.4
Balfour Beatty	1.4
Centrica	1.4

Total number of holdings 78

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

Excludes Government debt which is held for structural and not investment reasons.

Key Information

Launch Date	December 1927
AIC Sector	Global
Benchmark	50% FTSE All-Share Index; 50% FTSE World ex-UK Index
Annual Management Charge	0.45%
Performance Fee	No
Ongoing Charges ¹	0.75%
Year End	30 November
Annual Financial Report	Final posted in February, Half-yearly posted in July
AGM	March
NAV Frequency	Daily
Dividends	March, June, 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 (30.11.2015). 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

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

How to invest

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

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.



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