

The Brunner Investment Trust PLC

Factsheet

30 November 2014

Fund Managers' Review



Lucy Macdonald & Jeremy Thomas

Market Review

Global Equity markets gained slightly during October. Volatility rose sharply with the Chicago Board Options Exchange Volatility Index hitting a 28-month high, driven by concerns over weak

Eurozone growth, the imminent end of Quantitative Easing (QE) in the US and the potential spread of Ebola. The US dollar continued to strengthen, particularly against the yen, which also fell versus the sterling and euro. Oil prices tumbled and the price of gold continued to slump.

In Europe, disappointing economic figures from Germany acted as a catalyst for poor performance as the MSCI Europe fell during the month. German industrial orders fell 5.7% month-on-month and exports fell by 5.8%, the largest drops since 2009. The much-anticipated bank Asset Quality Review brought negative attention to Italy as nine of its banks failed.

In the US, the recent pattern of robust economic data continued as GDP grew at an annual rate of 3.5% in Q3. Non-farm payrolls rose by 248,000 in September, and the unemployment rate fell to a 6-year low of 5.9%. Industrial production grew by 1.0%, the biggest monthly gain since November 2012 and consumer confidence rose to the highest level since October 2007. As anticipated, the Fed announced an end to QE with the caveat that short term rates are unlikely to rise in the near future.

Japan finished the month strongly with the Topix reaching a seven-year high as the Bank of Japan surprised the market by announcing further monetary stimulus. In addition, the Government Pension Investment Fund, the world's largest pension fund, announced plans to double its holding of domestic and foreign stocks to 25%.

China also performed well, driven by improved economic data as export grew 15% and import 7% year-on-year.

Portfolio Review

The Trust's NAV increased 3.0%. Corporate activity was a major theme for the month. Health Care shares continued their strong contribution to performance, led by AbbVie and Allergan. AbbVie has continued to move higher after it abandoned its takeover of Shire PLC and announced a share buyback and dividend payout increase. Allergan agreed to \$219 per share takeover over by Actavis, ending months of speculation that Allergan would instead be purchased by Valeant. Friends Life Group was also strong as the company agreed to a takeover offer by Aviva.

Energy companies Anadarko Petroleum, EOG Resources and BG Group were among the top detractors. Oil prices have slumped 35% since the end of June, reflecting increased supply from US shale production and lacklustre global demand. In addition, Saudi Arabia, which has traditionally supported oil price stability, has not cut production in order to put pressure on higher-cost producers and countries such as Iran and Russia which are perceived to be threatening to the Saudi's geopolitical interests. While it is unclear how long oil prices will remain under pressure, we believe that the energy companies held in the portfolio continue to have attractive long-term prospects that are currently not reflected in their share prices.

Outlook

Equity markets have recovered sharply from their mid-October lows, supported by US economic growth and growing confidence that the ECB will undertake full-scale quantitative easing next year. With US equities at all-time highs and European stocks at their highest levels in almost seven years, we continue to believe that further short-term gains are likely to be muted and that stock picking and dividend income are required to augment lower market returns.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	2.2	2.6	10.1	56.3	71.8
NAV	0.8	2.3	6.9	49.5	66.2
Benchmark	2.5	4.9	9.6	49.2	69.3

Discrete Performance (%)

From To	30.11.09 30.11.10	30.11.10 30.11.11	30.11.11 30.11.12	30.11.12 29.11.13	29.11.13 28.11.14
Share Price	9.6	0.4	12.2	26.5	10.1
NAV	10.2	0.8	15.1	21.5	6.9
Benchmark	12.3	1.1	12.2	21.4	9.6

Source: Lipper, percentage growth, mid to mid, total return to 30.11.14.

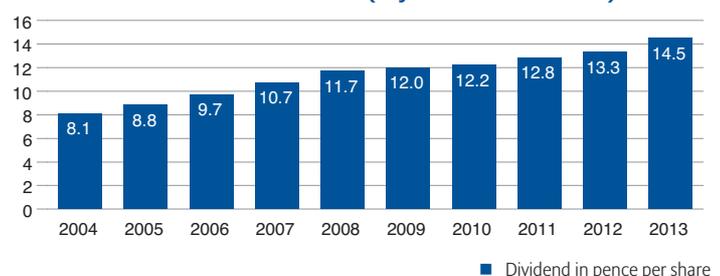
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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 30.11.14 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:	£327.5m
Gearing (net):	12.2%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	541.0p
Net Asset Value ² :	637.4p ³ (608.4p ⁴ – debt at market value)
Premium/-Discount to NAV:	-15.1% (-11.1% – debt at market value)
NAV Frequency	Daily
Dividend Yield ⁵ :	1.72%

1. Source: Lipper as at 30.11.14, 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 30.11.14. 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	19.6
Health Care	13.0
Oil & Gas	10.5
Consumer Services	8.7
Consumer Goods	8.2
Technology	7.1
Cash	5.1
Basic Materials	3.4
Telecommunications	3.2
Utilities	0.8

Geographic Breakdown (%)

UK	44.6
North America	27.3
Europe ex UK	12.9
Pacific ex Japan	5.4
Cash	5.1
Japan	2.9
Latin America	1.8

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.0	GlaxoSmithKline	2.0
HSBC	2.9	Monsanto	1.9
Microsoft	2.3	Roche	1.9
Vodafone	2.3	AbbVie	1.9
BP	2.2	Mothercare	1.7
Total Number of Holdings	93		

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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website: www.brunner.co.uk

All data source Allianz Global Investors as at 30.11.14 unless otherwise stated.

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