Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

31 January 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 45 years. The Trust invests in companies all over the world, seeking out opportunities for growth and reliable dividends wherever they may be.

Morningstar Rating™

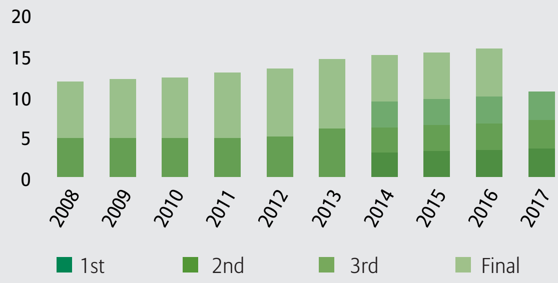
Bronze

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

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
03.11.2017	14.12.2017	3.50p	3rd Quarterly
18.08.2017	20.09.2017	3.50p	2nd Quarterly
09.06.2017	30.06.2017	3.50p	1st Quarterly
24.02.2017	24.03.2017	5.90p	Final

Past performance is not a reliable indicator of future results.

Total Assets £407.2m **Shares in Issue** 42,692,727 (Ordinary 25p) **Market Cap** £327.9m

Share Price	NAV per Share	Premium/-Discount	Dividend Yield	Gearing
768.0p	855.7p	-10.2%	2.1%	7.50%
Source: Lipper				

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.

All data source Allianz Global Investors as at 31.01.18 unless otherwise stated.

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

Fund Manager's Review

Market Review

Global equities started the year strongly, fuelled by growing demand for risk assets. Emerging market equities rallied the most, boosted by a weak US dollar and optimism over the strength of the global economy. Despite a government shutdown US stocks followed closely, enjoying their strongest start to the year since 1987, spurred on by strong company earnings and a tax cut tailwind. In contrast, UK equities retreated modestly, hindered by a rally in sterling and uncertainty over Brexit.

At a sector level, Consumer Discretionary stocks led the charge, significantly outperforming the wider market. Information Technology stocks also continued to perform well, despite social media companies sustaining renewed criticism for their role in shaping public opinion. Defensive and higher yielding sectors, such as consumer staples, real estate, telecoms and utilities, retreated, undermined by rising bond yields.

Overall, the global economy has continued in robust health, with Europe's Purchasing Manager Index (PMI) hitting a record high. This has fuelled speculation that central banks will become more hawkish. 10-year US Treasury bond yields rose above 2.7per cent, a level last seen in 2014, while 10-year German Bund yields approached 0.7per cent. As the first few days of February have shown, this has increased volatility, as well as the potential for market corrections.

Portfolio Review

The Trust's NAV returned 0.65 per cent against a benchmark return of -0.28 per cent. This outperformance has been primarily driven

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by stock selection in the Consumer Goods and Health Care sectors. Consumer Goods is particularly notable, as the sector has been weak since June, yet the Trust's holdings in companies like **Estée Lauder** and **Richemont** continue to deliver. Health Care has been comparatively stronger as a sector, but here too, individual stocks like **AbbVie** and **Fresenius** have outperformed.

AbbVie has been the portfolio's strongest performer following its Q4 2017 results. AbbVie announced that its effective tax rate for 2018 would be 9 per cent, as a result of the US tax overhaul. The business remains strong, with Humira, the company's leading auto-immune treatment, succeeding in fending off competition, with revenues increasing 15 per cent and accounting for almost two-thirds of sales. The company also saw revenue upside from its new Hepatitis C drug Maryvet, reporting sales of US$510 million, against expectations of US$280 million.

UBM has also been a significant contributor to portfolio performance. Shares in the business-to-business events company jumped following news of a takeover offer from Informa, a rival. UBM was already performing positively on the back of impressive sales growth which confirmed the end of its restructuring. The combined companies will create the world's largest operator of business events and exhibitions.

Albemarle has been the biggest detractor from performance, following a series of adverse announcements across the industry. Most significantly, the Chilean mining company SQM announced a deal with CORFO, a local regulator to increase its total lithium production by 27 per cent up to 2030. However, Albemarle's Q4 earnings results and full year 2018 guidance should drive upside to current estimates. Similarly, the long-term thesis for lithium demand remains intact, with demand levels continuing to support a profitable price for Albemarle.

Roche has also brought down performance on the back of weak results expectations. The company's leading oncology drugs, Rituxan and Herceptin, are facing increasing competition from biosimilar rivals and some investors fear Roche will struggle to establish replacements in time to make up for lost revenue. However, Roche has been aggressively cutting costs where possible and it boasts an impressive pipeline. Hemlibra has the potential to be a very meaningful drug for the haemophilia market. Recent tests have also shown that Tecentriq, when paired with Roche's existing drug Avastin, significantly increases survival benefits in renal cancer patients. Roche's current valuation implies minimal growth and fails to account for the success of these products. As a result, we believe the shares have been oversold.

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.

Market Outlook

Even after one of the strongest starts to the year in global equity markets, fundamentals remain strong. Companies continue to post earnings which beat expectations and economic data is showing synchronised global improvement. For now, this confluence of global optimism and resurgent economic growth should support equity valuations.

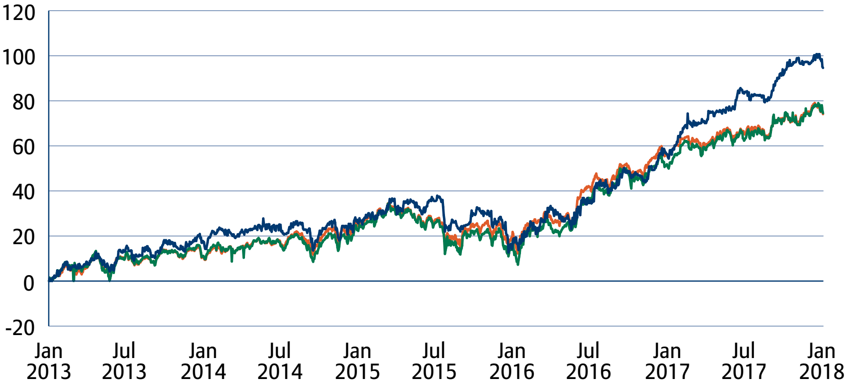
Yet the possibility of a dramatic spike in inflation has already given some market participants cause for concern. Fears that central banks may hike rates more aggressively than expected as a response, has sent US ten-year treasury bond yields up to a three-year high of 2.73 per cent. A continuation of this could trigger a correction in those companies that have been relying on cheap money to grow.

In the event of a major market correction, we expect that the superior nature of those companies in the portfolio will mean they are less impacted than the wider market. There is no question that many stocks and indeed, entire sectors, appear expensive. Because of this, we maintain our strategy of taking profit in some of our highest momentum positions, while increasing allocation to quality stocks that show temporary weakness despite a more positive long-term outlook.

Lucy Macdonald
8 February 2018

Performance Track Record

Five Year Performance (%)



Share Price NAV (with debt at par)

Benchmark: Effective 22 March 2017 the benchmark weightings changed to 70% FTSE World ex-UK Index; 30% FTSE All-Share Index

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 an down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	1.4	5.8	25.7	54.9	94.6
NAV	1.9	6.7	17.4	44.3	76.5
Benchmark	1.9	5.5	12.5	40.2	74.4

Discrete 12 Month Returns (%) to 31 January

	2014	2015	2016	2017	2018
Share Price	17.4	7.1	-7.3	33.0	25.7
NAV	10.7	10.4	-3.9	27.9	17.4
Benchmark	10.5	12.6	-2.1	27.2	12.5

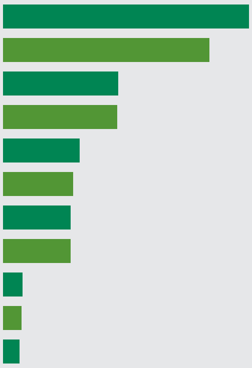
Source: Lipper, percentage growth, mid to mid, total return to 31.01.18. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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

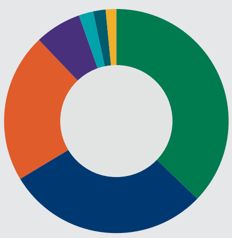
Sector Breakdown (%)

Financials	24.3
Industrials	20.4
Health Care	11.4
Technology	11.3
Consumer Services	7.5
Consumer Goods	6.9
Basic Materials	6.6
Oil & Gas	6.6
Telecommunications	1.8
Utilities	1.7
*Cash	1.5



Geographic Breakdown (%)

North America	37.2
UK	29.2
Europe ex UK	21.5
Pacific ex Japan	6.7
Latin America	2.1
Japan	1.8
*Cash	1.5



Top Twenty Holdings (%)

Royal Dutch Shell B Shs	3.1
Microsoft	3.0
AbbVie Inc	3.0
UnitedHealth	2.9
BP	2.2
UBS	2.1
Muenchener Rueckver	2.1
Estee Lauder	2.0
Visa	2.0
Schwab (Charles)	2.0
HSBC	1.9
United Internet	1.9
Accenture	1.8
Taiwan Semiconductor	1.7
Covestro	1.7
Microchip Technology	1.7
Tencent	1.7
Iberdrola	1.7
Rio Tinto	1.6
Agilent Technologies	1.6

Total number of holdings 74

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.
*Cash no-longer includes funds set aside for repayment of debentures. FDF was repaid on 2 January 2018. The percentage of un-invested cash in the portfolio is therefore 0%.

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]	0.73%
Year End	30 November
Annual Financial Report	Final posted in February, Half-yearly posted in July
AGM	March
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