

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

30 November 2017

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™



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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
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.

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Total Assets £416.2m **Shares in Issue** 42,692,727 (Ordinary 25p) **Market Cap** £335.1m

Share Price

785.0p

Source: Lipper

NAV per Share

832.2p

Premium/-Discount

-5.7%

Dividend Yield

2.1%

Gearing

5.6%

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.

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All data source Allianz Global Investors as at 30.11.17 unless otherwise stated.

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Fund Manager's Review

Market Review

Although the FTSE All-World Index touched a fresh high, global equities delivered mixed returns in November.

US equities rose most, followed by Asian equity markets. Euro-zone, UK and emerging market stocks ended the month with modest losses.

Performance at a sector level was also mixed. Consumer-related stocks delivered some of the strongest returns, while Materials retreated as industrial metals prices weakened. The Information Technology sector initially continued its advance, but then sold off sharply.

Economic data show a global economy in good health with below-target inflation. In the euro zone, the European Commission's index of economic sentiment rose to its highest level since October 2000, despite continuing political unease in Germany and Spain. However, the UK saw its first interest rate rise in a decade, as the Bank of England raised rates by 25 basis points in a bid to tackle inflation.

Portfolio Review

The Trust's NAV returned -0.66% against a benchmark return of -0.30%. This has primarily been driven by the relative weakness of selected Consumer Services stocks, despite the sector's slight rally. Stock picks in Health Care have proved resilient, contributing positively to performance. Holdings in the Information Technology sector have also underperformed, as investors rotate into stocks more likely to benefit from President Trump's tax reform. However, the Trust is positioned for this event and has seen a positive contribution to performance from stock selection in the Basic

“ Stock picks in Health Care have proved resilient, contributing positively to performance.

Materials and Financial sectors.

Estée Lauder has been the portfolio's top contributor, rallying strongly after the release of its quarterly results. The cosmetics and beauty company reported strong quarterly revenues of 3.27 billion USD and profits of 454 million USD, beating consensus by 3.6 and 25.8 per cent, respectively. Estée Lauder continues to do well on the back of rising Chinese demand, as well as e-commerce, which grew 33 per cent in the quarter. At roughly thirty times price to equity, Estée Lauder is richly valued and we are looking to take some profit.

UnitedHealth has also boosted returns after a positive investor day and better than expected third quarter results. The US-based healthcare provider highlighted the continuing development of key IT infrastructure, as well as a shift to value-based care (where providers are paid for patient outcomes). The latter has grown from 20 billion USD in 2013 to 62 billion USD today, and is set to reach 75 billion USD in 2020. Despite having recently taken some profit, UnitedHealth is a well-run company that remains one of our preferred positions in Health Care.

Fresenius has been the portfolio's worst performer, despite recent results being in line with estimates. This is due to Fresenius's ongoing acquisition of Akorn, an Illinois-based producer of generic drugs. Shares in the German healthcare company have suffered since Akorn's weak Q2 results, and were compounded this month by fears for Fresenius' pipeline. However, Fresenius remains a high quality, highly diversified business and we believe the shares have been oversold. What's more, initial calculations indicate that US tax reform could boost profits 6 per cent higher.

Microchip Technology has also underperformed. However, this has chiefly been driven by the rotation out of high quality technology stocks late in the month. Reporting its latest quarterly results, the third largest supplier of Multipoint Control Units (MCUs) in the



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.

world, passed sales of 1 billion USD for the first time, and reported net income 4.1 per cent higher than expectations at 344.1 million USD. Management have confirmed their business outlook heading into 2018 remains firm, with clear visibility and solid demand indicators.

Market Outlook

The global economy continues to grow at an increasingly slow pace. With economic indicators broadly positive, the removal of liquidity continues to be the most visible risk to asset price levels. As the Financial Times recently noted, "it is possible to be a bond trader with 10 years of experience... yet never to have known a year when the big central banks did not buy assets, in aggregate"¹.

However, Jerome Powell's appointment as Federal Reserve Chair marks an extension of the status quo. Consequently, we continue to expect a slow and steady raising of rates, led by the US, and followed by the European Central Bank (ECB).

At a fundamental level, markets are grappling with the possibility that President Trump may pass his first significant piece of legislation. Reforming US tax policy would benefit Financial and Industrial stocks, and cause a rotation out of higher quality sectors like Technology. Elsewhere, Europe is still undervalued and the euro's recent weakening should support export-oriented stocks.

Meanwhile, political unrest bubbles on. In the US, Robert Mueller's inquiry into Russian election interference continues. In the UK, Theresa May's Irish border negotiations preclude any wider Brexit progress. While in Europe, Germany's so-called Jamaica coalition remains out of reach and the question of Catalonia's independence must, like a seasonal pudding, ferment until regional elections on December 21.

As we head into the close of the year, we maintain our policy of taking profits out of high momentum positions and are looking for opportunities to invest in companies that may benefit from a rising rate cycle.

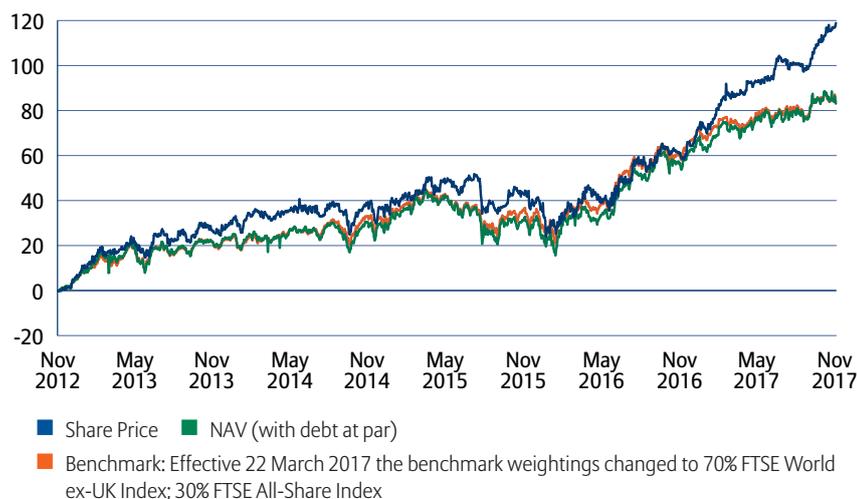
¹ www.ft.com

Lucy Macdonald
14 December 2017

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	9.1	13.6	35.8	57.1	118.9
NAV	0.7	5.5	18.3	42.7	85.3
Benchmark	0.9	3.6	15.1	38.3	84.0

Discrete 12 Month Returns (%) to 30 November

	2013	2014	2015	2016	2017
Share Price	10.1	13.1	2.7	12.7	35.8
NAV	6.7	7.8	1.0	19.5	18.3
Benchmark	9.6	11.6	1.8	18.0	15.1

Source: Lipper, percentage growth, mid to mid, total return to 30.11.17. Copyright 2017 © 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.

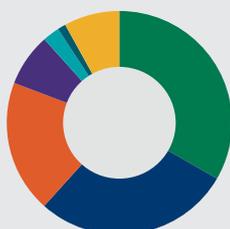
Portfolio Breakdown

Sector Breakdown (%)

Financials	20.7	
Industrials	20.3	
Health Care	10.8	
Technology	10.6	
Consumer Services	7.1	
Consumer Goods	7.0	
Oil & Gas	6.2	
Basic Materials	5.9	
Telecommunications	1.8	
Utilities	1.6	
Cash*	8.0	

Geographic Breakdown (%)

North America	33.3	
UK	28.3	
Europe ex UK	19.2	
Pacific ex Japan	7.6	
Japan	2.4	
Latin America	1.2	
*Cash	8.0	



Top Twenty Holdings (%)

Royal Dutch Shell 'B' Shares	2.8
United Health	2.8
Microsoft	2.7
Abbvie	2.5
Estee Lauder	2.1
BP	2.0
Muenchener Rueckver	1.9
Visa	1.8
HSBC	1.8
United Internet	1.7
Accenture	1.7
Iberdrola	1.6
Roche Holdings	1.6
Apple	1.6
Covestro	1.6
Microchip Technologies	1.6
Taiwan Semiconductor	1.5
Unilever	1.5
Agilent Technologies	1.5
Amphenol	1.5

Total number of holdings 75

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 includes funds set aside for repayment of debentures. The percentage of un-invested cash in the portfolio is 3.28%.

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	0.79%
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 (30.11.2016). 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:

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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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