

Global investment solution rich in family history

# The Brunner Investment Trust PLC

Factsheet

30 April 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™



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

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
24.02.2017	24.03.2017	5.90p	Final
11.11.2016	14.12.2016	3.30p	3rd Quarterly
19.08.2016	19.09.2016	3.30p	2nd Quarterly
10.06.2016	30.06.2016	3.30p	1st 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** £391.8m    **Shares in Issue** 42,692,727 (Ordinary 25p)

Share Price

**681.0p**

Source: Lipper

NAV per Share

**769.9p**

Premium/-Discount

**-11.5%**

Dividend Yield

**2.3%**

Gearing

**5.5%**

**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.

**Allianz**   
Global Investors

All data source Allianz Global Investors as at 30.04.17 unless otherwise stated.

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

## Fund Manager's Review

### Market Review

Global equities spent most of April going sideways, but finished the month on a strong note after the first round of the French presidential election increased the probability of a pro-Europe outcome.

European equities performed the best, buoyed by further signs of improvement in the Eurozone economy, with emerging market equities a close second. This was positive for the portfolio, which is overweight both.

In the US, economic activity slowed to an annualized rate of 0.7%, down from 2.1% in the previous quarter and the slowest quarterly reading in three years. UK economic growth also slowed in the first quarter, recording its lowest quarterly gain in a year, due to lower consumer spending. In contrast, euro-zone data releases signalled that economic activity was near a six-year high.

The US dollar weakened over April, as investors anticipated that recent weaker-than-forecast economic data would prompt the Fed to keep rates on hold in June. In contrast, the euro and British pound strengthened, helped primarily by political developments.

### Portfolio Review

The Trust's NAV returned -0.9% against the benchmark return of -1.4%. The portfolio also outperformed the benchmark in April with stock selection as the main driver. The overweight and stock selection in Industrials had the most positive impact to performance, with Balfour Beatty, Senior, Howden Joinery Group and Tyman among the top contributors. Stock selection in Financials was also positive and, from a country perspective, stock

“ Expectations of continued economic growth and rising inflation should support equities.

selection in the US and UK helped.

Equiniti Group was the top contributor after the company delivered positive FY17 results in line with expectations. The company has added a number of new clients as well as retaining all of its existing mandates. Although these new accounts are likely to make a limited contribution in the current year, the potential upside from cross selling should support growth in the medium term. We also believe Equiniti can continue to deliver good growth through its shift to margin-accretive software solution revenues despite near-term macro headwinds affecting organic growth.

We reduced our exposure to the Energy sector in the first quarter and the underweight in the sector was positive to performance in April. EOG Resources detracted, reflecting the overall fall in oil prices. While rising tensions in the Middle East helped oil prices to strengthen at the beginning of April, higher US inventories later caused them to retreat once more, with West Texas Intermediate ending the month back below USD 50 a barrel. EOG has grown mostly through internally generated projects over the last 5 years, only recently announcing their acquisition of Yates Petroleum. Given the potential of its portfolio, we still see EOG as a compelling investment.

### Outlook

Expectations of continued economic growth and rising inflation should support equities. However, the inflationary effect from the year-on-year increase in oil prices is likely to peter out and growth is unlikely to accelerate in the coming months. Equity prices should be more muted, particularly since valuations appear stretched in some markets and political uncertainty continues.

US equity prices are supported by healthy macro data, particularly for the labour market. However, the economic cycle is already at an advanced stage. In the euro area, the economic recovery is



### 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.

continuing despite political challenges.

Overall, sentiment indicators point to a solid expansion in the second quarter. However, the probability of further positive surprises is declining. The emerging markets look set to experience a moderate pick-up in growth thanks to still loose monetary and fiscal policies in China and the economic stabilisation in Brazil and Russia.

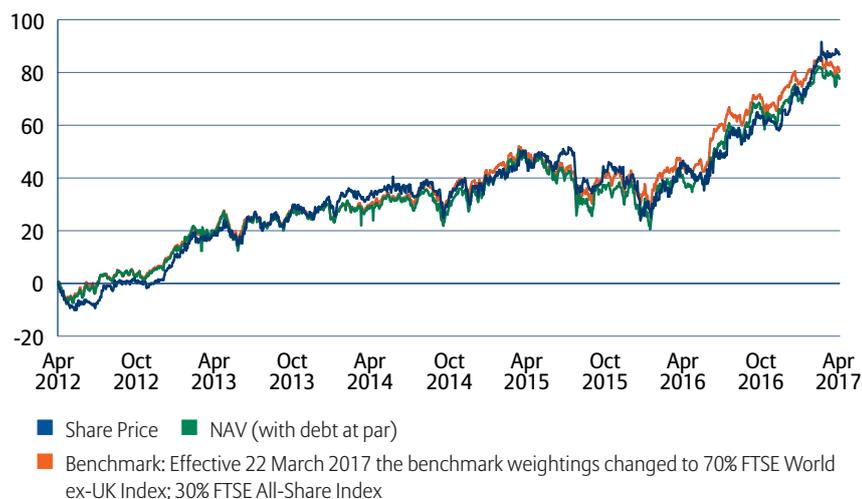
Our investment approach of investing in high return, reasonably valued, secular growth companies that can sustainably grow earnings and dividends remains well-placed to generate long-term outperformance.

*Lucy Macdonald*  
9 May 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	9.9	14.7	29.1	39.6	87.1
NAV	5.2	7.5	28.4	37.7	77.7
Benchmark	3.3	6.4	25.7	39.0	81.0

## Discrete 12 Month Returns (%) to 30 April

	2013	2014	2015	2016	2017
Share Price	19.5	12.2	9.0	-0.8	29.1
NAV	19.9	7.7	12.6	-4.8	28.4
Benchmark	19.9	8.6	13.2	-2.3	25.7

Source: Lipper, percentage growth, mid to mid, total return to 30.04.17. 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.

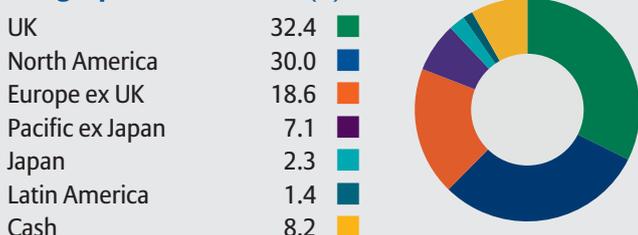
Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount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



## Geographic Breakdown (%)



## Top Twenty Holdings (%)

Microsoft	3.2
Royal Dutch Shell 'B' Shares	2.6
United Health	2.4
Abbvie	2.2
BP	2.0
Muenchener Rueckver	1.9
Roche Holdings	1.9
HSBC	1.8
Walgreens Boots Alliance	1.7
Estee Lauder	1.7
Visa	1.6
GlaxoSmithKline	1.6
Nielsen	1.6
Priceline Group	1.6
Accenture	1.5
Unilever	1.5
Microchip Technology	1.5
Apple	1.5
Iberdrola	1.4
Taiwan Semiconductor	1.4

**Total number of holdings 76**

## 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 <sup>1</sup>	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, <a href="http://www.brunner.co.uk">www.brunner.co.uk</a>
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:

0800 389 4696

[www.brunner.co.uk](http://www.brunner.co.uk)

E-mail: [investment-trusts@allianzgi.com](mailto: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 30.04.17 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](http://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](http://www.fca.org.uk)). Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. 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.