

# The Brunner Investment Trust PLC

Factsheet

30 November 2012

## Fund Managers' Review



**Lucy MacDonald & Jeremy Thomas**

### Market Review

Global equities ended a volatile month on steadier ground as uncertainty over negotiations to avert the looming US "Fiscal Cliff" were tempered by easing euro zone tensions and improved sentiment about growth prospects for the US and China. The FTSE All-World ex UK index rose 1.9% and the FTSE All-Share index gained 1.8%.

US markets fell initially in the first half of November on worries about Washington's budget impasse and concerns over the European economy. The S&P experienced its largest one day decline in almost a year. Chinese shares were also weak ahead of the Communist Party Congress where the country's new leaders were to be presented. In the second half of the month risk assets began to recover amid signs of progress regarding deficit talks in Washington and encouraging US housing market data. Manufacturing data out of China were also positive, signalling that the economy has bottomed. In Europe the picture was less clear as both German and French 3Q GDP grew at an anaemic 0.2%.

### Portfolio Review

The Trust's NAV increased by +1.47% and the benchmark returned +1.81%. Priceline.com was the top contributor. The stock recovered on solid 3Q results and raised 4Q guidance as hotel booking trends stabilised, especially in Europe. Total books were up 25% year-on-year with the International segment increasing by 30%. The company also announced that it is acquiring the online travel site kayak.com, which provides access to leading mobile technology as kayak pro is one of the top mobile travel applications. We continue to like priceline.com for its strong positioning in online travel, which is in a secular growth phase, and added to the position. Mothercare also continued to be strong. A recent meeting with management confirmed the turnaround plan for the UK seems to be on track. Tullet Prebon was the largest detractor. Revenues fell over the four months to the end of October due to a slowdown in capital markets activity, the Olympics and Hurricane Sandy. Management continues to reduce costs and invest in its electronic broking capabilities. Volumes are expected to recover as over-the-counter trading activity moves onto electronic platforms due to regulatory changes designed to improve transparency, liquidity and pricing.

### Outlook

The global economy remains in a structurally low growth environment. However, there are signs that global growth momentum is beginning to stabilise. Asian data continue to improve slightly, while US housing and consumer data continue to be strong. Our base case scenario for the US is a near term solution to the fiscal cliff that only moderately impacts GDP growth although there is a not insignificant risk that agreement on fiscal measures could take longer to reach and therefore have a bigger negative impact on the economy. EMU growth is expected to stabilise with slower growth in core EMU countries and less severe contraction in periphery economies. There are tentative signs that stress in the EMU financial system is easing and Spanish banks are relying less on ECB funding. Still, political tensions within EU could unsettle markets going forward. Low growth and political uncertainty should continue to support high quality companies successfully accessing structural growth opportunities and demonstrating strong capital discipline.

## Performance (%)



## Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	2.1	9.2	12.2	23.4	4.6
NAV	3.0	10.4	15.1	27.9	4.1
Benchmark	3.3	10.6	12.2	27.3	17.1

## Discrete Performance (%)

From To	28.09.07 30.09.08	30.09.08 30.09.09	30.09.09 30.09.10	30.09.10 30.09.11	30.09.11 28.09.12
Share Price	-19.1	2.1	10.7	-2.1	17.1
NAV	-22.0	4.4	9.2	-4.5	21.8
Benchmark	-18.7	11.6	11.1	-4.1	17.6

Source: Lipper, percentage growth, mid to mid, total return to 30.11.12.

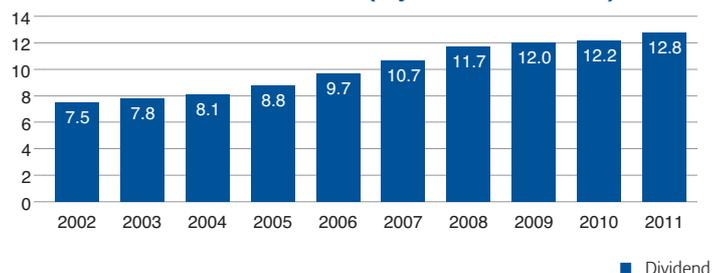
Benchmark: 50% FTSE All-Share Index; 50% FTSE All-World ex UK Index.

Past performance is not a reliable indicator of future performance. 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. Your capital could also decrease if income paid out of capital exceeds the growth rate of the trust.

Copyright 2012 © 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.

## Dividend History

### Ten Year Net Dividend Record in Pence (to year end 30 November)



All data source Allianz Global Investors as at 30.11.12 unless otherwise stated.

Allianz Global Investors, 155 Bishopsgate, London EC2M 3AD

**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.**

**Allianz**   
Global Investors

## Capital Structure

Total Assets:	£278.2m
Gearing (net):	4.5%
Shares in Issue:	43,242,918 (Ordinary 25p)
Share Price <sup>1</sup> :	413.5p
Net Asset Value <sup>2</sup> :	517.0p (475.5p – debt at market value)
Premium/-Discount to NAV <sup>2</sup> :	-20.0% (-13.0% – debt at market value)
NAV Frequency	Daily
Dividend Yield <sup>2</sup> :	3.14%

1. Source: Lipper as at 30.11.12, market close mid price.

2. Source: Datastream as at 30.11.12. Calculated using the latest full year dividend divided by the current share price.

3. 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. In line with current industry best practice NAVs are now shown that take into account the 'fair value' of debt. This means NAVs are calculated after allowing for the valuation of debt at fair value or current market price, rather than at final repayment value. NAVs with debt at market value provide a more realistic impact of the cost of debt, and thus a more realistic discount. It is the capital NAV that is shown, which excludes any income.

## Key Information

Launch Date:	January 1927
AIC Sector:	Global Growth
Benchmark:	50% FTSE All-Share Index 50% FTSE All-World ex UK Index
Annual Management Charge:	0.45%
Performance Fee:	No
On-going Charges <sup>4</sup> :	0.78%
Year end:	30 November
Annual Financial Report:	Final posted in February, Half-yearly posted in July
AGM:	March
Dividends:	March, August
Price Information:	Financial Times, The Daily Telegraph, www.brunner.co.uk

Board of Directors:  
Keith Percy (Chairman), Ian Barlow (Chairman of the Audit Committee),  
William Worsley (Senior Independent Director), Vivian Bazalgette, Peter  
Maynard

Company Secretary: Kirsten Salt

Investment Manager: Lucy MacDonald,  
Jeremy Thomas,

Codes: RIC: BUT  
SEDOL: 0149000

4. Source: AIC, as at the Trust's Financial Year End. On-going Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee and the market value of the debt (gearing).

## 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, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

The Trust seeks to enhance returns for its shareholders through gearing, in the form of long-term, fixed rate debentures. Gearing 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.

## Sector Breakdown (%)

Financials	15.1	
Cash	14.7	
Industrials	13.7	
Oil & Gas	10.1	
Health Care	10.0	
Consumer Goods	8.9	
Consumer Services	8.6	
Basic Materials	6.4	
Technology	6.1	
Telecommunications	4.8	
Other	2.2.0	

## Geographic Breakdown (%)

UK	42.8	
North America	21.7	
Cash	14.7	
Europe ex UK	9.0	
Pacific ex Japan	7.9	
Japan	2.3	
Latin America	1.6	

## Top Ten Holdings (%)

HSBC	3.2	Diageo	2.0
Royal Dutch Shell "B" Shares	3.1	Reed Elsevier	1.8
BP	2.9	Rio Tinto	1.7
GlaxoSmithKline	2.9	Unilever	1.3
Vodafone	2.3	BHP Billiton	1.3
<b>Total Number of Holdings</b>	<b>108</b>		

Largest holdings shown excluding Government debt which is held for structural and not investment reasons

## Net Dividends (Financial Year to Date)

	Pay Date	XD Date	Payment
Interim dividend	31.8.12	3.8.12	5.0p per share

## 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 and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website or from the AIC at [www.theaic.co.uk](http://www.theaic.co.uk)

## Contact Us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

**0800 389 4696**

e-mail: [investment-trusts@allianzgi.co.uk](mailto:investment-trusts@allianzgi.co.uk)

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

All data source Allianz Global Investors as at 30.11.12 unless otherwise stated.

Allianz Global Investors is the marketing name of RCM (UK) Ltd. Issue by RCM (UK) Ltd (Registered in England No 2014586 & VAT No 244 7335 60), authorised and regulated by the Financial Services Authority (ref 122219). Registered office at 155 Bishopsgate, London EC2M 3AD.