

The Brunner Investment Trust PLC

Factsheet

31 August 2014

Aim

The Trust's objective is to increase its total return above the benchmark index of 50% FTSE All-Share and 50% FTSE All-World Index (ex UK sterling adjusted) over the long term, by investing in UK and international securities. The strategy of the Trust is designed to meet the requirements of those seeking a single investment in a diversified and professionally managed portfolio.

Fund Managers' Review



Lucy Macdonald & Jeremy Thomas

Market Review

Global markets were generally higher in August, although the Eurozone was weighed down by weak growth and deflation concerns. The S&P 500 broke 2,000 for the first time and the FTSE rose to a 14 year high. Emerging Markets were also strong. Health care and technology stocks outperformed while telecoms lagged. Bond yields generally fell and the dollar strengthened, reflecting the improving US economy.

Portfolio Review

The Trust's NAV increased by 3.24% versus 3.17% for its benchmark. Biotechnology company Celgene was the top contributor. The shares were weaker earlier in the year on news that a hearing challenging the company's patent for its drug Revlimid would be held earlier than anticipated. The shares began to recover in May when the pre-trial hearing went better than expected and have continued to move higher, reflecting our confidence in the company's long-term fundamentals.

Microchip Technology also contributed to performance. The company released strong 1Q results for its 2015 financial year, pointing to robust demand for its new 8- and 16-bit microprocessor product families from a broad range of end markets including industrial, automotive, housing, consumer electronics and personal computing. Microchip is also well positioned to benefit from a secular boost in demand for analogue and microcontroller chips driven by an exponential increase in connectivity as the Internet of Things evolves.

Walgreen was the top detractor from performance. The company cut its pharmacy sales forecast by \$1.1 bn to \$7.4 bn as the CFO had failed to adequately factor generic drug reimbursement pressures into long-term contracts with medical insurers. Senior management changes have been announced. The company also stated that it would go ahead and buy the 55% share of Alliance Boots that it does not already own but would not move its US domicile in order to pursue a lower tax rate. Walgreen has been a strong long-term contributor to performance and has significantly outperformed both the S&P 500 and global indices since purchase. We believe expectations have been reset to very conservative levels and that management is being ultra-cautious in the guidance it is giving for purchasing synergies relating to the full acquisition of Boots Alliance. In addition, there is meaningful scope to improve front-end sales in the US stores by implementing merchandising strategies that have been successful for Boots.

Outlook

The ongoing expansionary monetary policy of the major central banks and the improving growth environment continue to support global equities. Stock markets are likely to make the transition from a central-bank-driven uptrend to an upswing based on corporate profit growth. Overall, stock picking and dividend income are likely to become even more important in generating positive returns.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	0.4	2.5	11.7	51.4	80.0
NAV	1.5	3.3	11.0	49.6	75.7
Benchmark	2.4	4.8	12.0	47.7	75.1

Discrete Performance (%)

From To	31.08.09 31.08.10	31.08.10 31.08.11	31.08.11 31.08.12	31.08.12 30.08.13	30.08.13 29.08.14
Share Price	6.6	11.6	8.8	24.6	11.7
NAV	8.0	8.7	12.7	19.6	11.0
Benchmark	9.9	7.9	10.2	19.7	12.0

Source: Lipper, percentage growth, mid to mid, total return to 31.08.14.

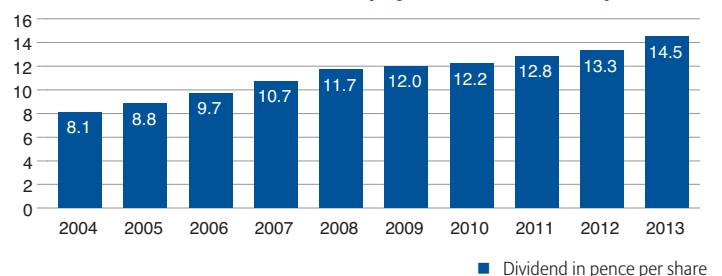
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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 31.08.14 unless otherwise stated.

Allianz Global Investors Europe 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:	£326.4m
Gearing (net):	9.0%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	540.5p
Net Asset Value ² :	635.5p (607.4p – debt at market value)
Premium/-Discount to NAV ² :	-15.0% (-11.0% – debt at market value)
NAV Frequency	Daily
Dividend Yield ³ :	2.74%

1. Source: Lipper as at 31.08.14, market close mid price.

2. Source: Datastream as at 31.08.14. 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:	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 ⁴ :	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

4. 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, 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 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.

Sector Breakdown (%)

Industrials	18.6
Financials	18.4
Oil & Gas	13.5
Health Care	12.3
Consumer Services	8.8
Cash	8.0
Consumer Goods	7.3
Technology	5.5
Basic Materials	3.8
Telecommunications	2.9
Utilities	0.9

Geographic Breakdown (%)

UK	42.4
North America	26.6
Europe ex UK	10.9
Cash	8.0
Pacific ex Japan	6.8
Japan	3.1
Latin America	2.2

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.4	Vodafone	2.1
HSBC	3.0	Roche	1.8
GlaxoSmithKline	2.6	Monsanto	1.8
BP	2.5	Xchanging	1.6
Microsoft	2.1	BG Group	1.6
Total Number of Holdings	90		

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
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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e-mail: investment-trusts@allianzgi.com

All data source Allianz Global Investors as at 31.08.14 unless otherwise stated.

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