

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

29 February 2016

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.

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 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 43 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
26.02.2016	29.03.2016	5.70p	Final (2015)
13.11.2015	16.12.2015	3.20p	3rd Quarterly
21.08.2015	21.09.2015	3.20p	2nd Quarterly
12.06.2015	30.06.2015	3.20p	1st Quarterly

Past performance is not a reliable indicator of future results.

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Total Assets £314.3m **Shares in Issue** 43,012,418 (Ordinary 25p)

Share Price

492.0p

Source: Lipper

NAV per Share

591.6p

Premium/-Discount

-16.8%

Dividend Yield

3.1%

Gearing

8.8%

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.

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All data source Allianz Global Investors as at 29.02.16 unless otherwise stated.

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Fund Manager's Review

Market Review

It was another volatile month for global equities, with many markets officially entering bear market territory (defined as a decline of 20% or more from the most recent peak) in mid-February before rallying towards the month end. In general, global equities ended the month with modest losses, although there was a large disparity in returns: US equities ended the month largely unchanged, the FTSE All-Share rose modestly and Japanese equities recorded significant losses.

Yields on core government bonds declined amid hopes of additional accommodative policies from central banks. Janet Yellen, Chair of the Federal Reserve, appeared to indicate that the US central bank would take a cautious approach to future rises in interest rates, saying that "financial conditions" in the US had become "less supportive of growth". Weak inflation data reinforced expectations that the European Central Bank would ease monetary policy further in March.

Amid the market turmoil, the Japanese yen continued to benefit from its safe haven status, rising against the US dollar and the euro. However, sterling was notably weak, as it was negatively affected by the announcement of 23 June as the date for the UK's referendum on EU membership.

Oil prices appeared to have bottomed, rising slightly over the month amid hopes of a freeze, or even a reduction, on crude output. Meanwhile, gold rallied, helped by its safe haven status amid the general uncertainty.

Portfolio Review

“ **Markets have recovered much of their January losses, which in retrospect appear to have been more related to market positioning than to economic fundamentals.** ”

The Trust's NAV returned +3.06% outperforming its benchmark which returned +1.01% for the month due to strong performance from UBM, Priceline Group and Estee Lauder. UBM's 2015 results were ahead of expectations and operating margins were solid, supporting management's strategy of prioritising its core events business. Valuations remain undemanding, presenting an opportunity for the shares to re-rate. Priceline reported that the impact of the Paris attacks late last year had less of an impact on European travel than previously feared. Hotel room nights showed accelerating growth to 27% and the operating margin held up better than anticipated. With an estimated 8% share of the global hotel booking market, the company appears to have a long trajectory of high return growth ahead of it. Finally, Estee Lauder reported solid Financial Year (FY) 2016 second quarter results, retaining its position as the world's leading prestige beauty company while at the same time investing meaningfully in its make-up and skincare brands in order to appeal to millennial consumers.

The top detractors included Microsoft, Petroceltic International and Mothercare. Microsoft reported a very strong FY2015 fourth quarter, and the share price weakness was likely due to profit-taking as the shares had run up ahead of the earnings release. The oil and gas exploration and production company Petroceltic has been a casualty as much from destructive shareholder activity as the commodity and restricted capital provision environment. We are hopeful that the company can recover some value for equity holders through the disposal of its Egyptian and Algerian assets but this is looking increasingly unlikely. Mothercare's third quarter trading update showed further evidence of a turnaround in its UK business but the international operations were negatively impacted by a difficult trading environment, particularly in the Middle East.



Jeremy Thomas and Lucy Macdonald, Co-Managers

Jeremy and Lucy co-manage The Brunner Investment Trust PLC. Lucy is the Chief Investment Officer of Global Equities at AllianzGI and a member of the European Management Committee. The Global Equity team is responsible for international mandates from clients around the world. Jeremy is a Senior Portfolio Manager, with specific responsibility for covering UK and European stocks in the Global Equity team.

We believe the overseas weakness is transitory and that, together with the improving UK business, the shares remain undervalued.

Outlook

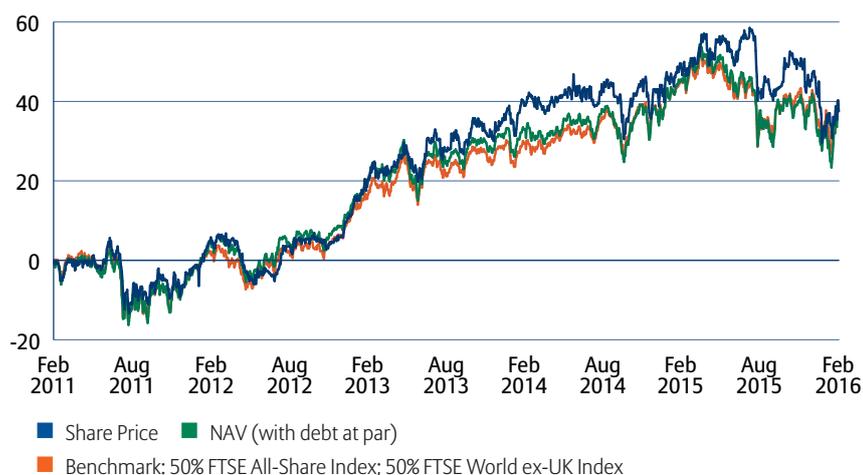
Markets have recovered much of their January losses, which in retrospect appear to have been more related to market positioning than to economic fundamentals. The recent recovery in commodity prices seems to have given investors more confidence as well that a global recession is not imminent. While we welcome the rebound in share prices, we remain skeptical that markets can move significantly higher without robust earnings growth as valuations generally remain quite full. Nevertheless, through selective stock picking, we continue to find reasonably valued, high quality companies that can grow profitability largely independently of the macroeconomic environment. Actively investing in companies that reinvest appropriately in their successful business models and return excess cash to shareholders in the form of dividends offers investors an opportunity to augment what are likely to be more mundane market returns.

Lucy Macdonald and Jeremy Thomas
8 March 2016

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	-7.9	-3.3	-7.1	14.1	37.8
NAV	-1.6	-0.1	-5.3	14.1	37.6
Benchmark	-2.0	2.0	-4.1	18.8	38.5

Discrete 12 Month Returns (%) to 29 February

	2012	2013	2014	2015	2016
Share Price	4.4	15.7	15.2	6.6	-7.1
NAV	3.4	16.6	10.4	9.2	-5.3
Benchmark	1.1	15.3	10.9	11.8	-4.1

Source: Lipper, percentage growth, mid to mid, total return to 29.02.16. Copyright 2016 © 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.

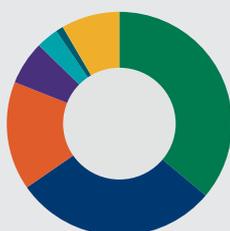
Portfolio Breakdown

Sector Breakdown (%)

Financials	22.3	
Industrials	17.3	
Health Care	11.2	
Consumer Services	10.0	
Consumer Goods	7.5	
Oil & Gas	7.5	
Technology	7.3	
Basic Materials	3.8	
Telecommunications	3.5	
Utilities	1.2	
Cash	8.4	

Geographic Breakdown (%)

UK	36.1	
North America	29.2	
Europe ex UK	15.7	
Pacific ex Japan	6.3	
Japan	3.2	
Latin America	1.1	
Cash	8.4	



Top Twenty Holdings (%)

Microsoft	2.7
Nielson	2.5
Royal Dutch Shell 'B'	2.3
Vodafone Group	2.3
UnitedHealth Group	2.2
HSBC	2.2
Roche	2.1
Estee Lauder	2.0
Accenture	1.9
BP	1.9
UBM	1.9
GlaxoSmithKline	1.8
Muenchener Rueckver	1.8
Walgreens Boots Alliance	1.8
Abbvie	1.6
BG Group	1.6
Visa	1.5
Adidas	1.5
Mothercare	1.5
Balfour Beatty	1.4

Total number of holdings 82

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.

Excludes Government debt which is held for structural and not investment reasons.

Key Information

Launch Date	December 1927
AIC Sector	Global
Benchmark	50% FTSE All-Share Index; 50% FTSE World ex-UK Index
Annual Management Charge	0.45%
Performance Fee	No
Ongoing Charges ¹	0.75%
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 & Jeremy Thomas
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2015). 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

Carolyn Dobson (Chairman as of AGM on 15.03.2016), Ian Barlow (Chairman of the Audit Committee), Peter Maynard, Vivian Bazalgette (Senior Independent Director), Jim Sharp

How to invest

The Trust is a UK public limited company traded openly on the stock market and you can purchase shares through a stock broker. Shares in the Trust can be held within an ISA, JISA, SIPP and/or savings scheme. A number of providers offer this facility, a list of which 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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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.



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