

The Brunner Investment Trust PLC

Factsheet

30 June 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 equities continued to move higher, although Sterling strength reduced gains for U.K. investors. Markets remain supported by an improving global economy and on-going accommodative monetary policy. Equity and bond volatility remains at or near historical lows. The FTSE closed the month close to its all-time high, set in 1999, helped by earnings growth and a pick-up in corporate activity. US equities gained for the fifth consecutive month, led by energy and utilities companies. In Europe, equity markets moved largely sideways, despite further monetary easing by the ECB. Asian shares were mainly higher as economic indicators improved in China and investors reacted positively to pro-growth reforms in Japan such as lower corporate taxes, as well as reports that the government pension fund would increase its allocation to domestic equities.

Portfolio Review

The Trust's NAV declined 0.54% versus the benchmark decline of 0.59%. Mothercare was the top relative contributor to performance. We have written about Mothercare on several past occasions due to the shares' high volatility, which reflects divided opinions in the market about the intrinsic value of the company. The majority of the analysts covering the stock have sell recommendations because they think the UK business will continue to disappoint. We acknowledge that the UK operations are challenged and may continue to trade at a loss for the next few years. However, the company's international franchise business has been hugely successful. Over the past six years, Mothercare's international network sales have risen from £286m to £729m, a compound growth rate of 17%. This has been driven by a combination of organic growth and an increase in the number of Mothercare international stores, which have risen from 494 in 2008 to 1221 today. Our valuation work suggests that the market has consistently been overly negative on the UK business and largely overlooked the strength of the international operations.

Swiss bank UBS was the top detractor. 1Q results were broadly in-line with expectations. Wealth management was particularly strong with net new money inflow of CHF10.9bn and a slight increase in the gross margin. The company's pivot away from investment banking toward private wealth management is progressing as planned, resulting into a higher quality business and the return of excess capital to shareholders.

Outlook

Since the credit crisis, equity markets have benefitted from expansionary monetary policies, a global earnings recovery and a reduction in the equity risk premium. Current and future monetary policy will remain generally accommodative although not to the same extent as we have seen. Earnings are anticipated to still grow, albeit at a lower rate. Areas where we continue to find attractive quality growth opportunities include health care, technology, media and industrials.

All data source Allianz Global Investors as at 30.06.14 unless otherwise stated.

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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 (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	0.5	5.7	17.1	37.9	106.0
NAV	2.5	2.3	12.7	34.5	101.5
Benchmark	2.4	2.5	11.5	29.7	96.5

Discrete Performance (%)

From To	30.06.09 30.06.10	30.06.10 30.06.11	30.06.11 29.06.12	29.06.12 28.06.13	28.06.13 30.06.14
Share Price	20.5	24.0	-4.6	23.5	17.1
NAV	21.5	23.3	-0.6	20.1	12.7
Benchmark	22.2	23.9	-3.3	20.3	11.5

Source: Lipper, percentage growth, mid to mid, total return to 30.06.14.

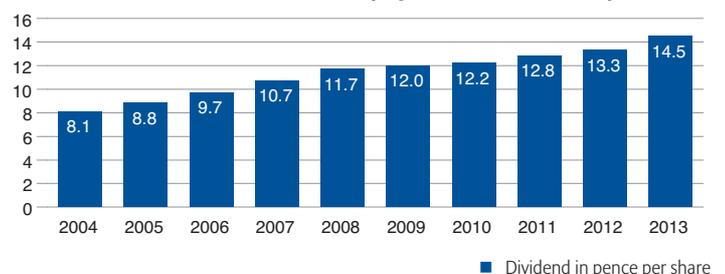
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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.

Allianz 
Global Investors

Capital Structure

Total Assets:	£322.9m
Gearing (net):	7.7%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	532.5p
Net Asset Value ² :	625.7p (598.7p – debt at market value)
Premium/-Discount to NAV ³ :	-14.9% (-11.1% – debt at market value)
NAV Frequency	Daily
Dividend Yield ³ :	2.72%

1. Source: Lipper as at 30.06.14, market close mid price.

2. Source: Datastream as at 30.06.14. 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 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 (%)

Financials	16.9
Industrials	16.8
Oil & Gas	13.6
Health Care	13.2
Consumer Services	10.1
Cash	9.1
Consumer Goods	7.8
Technology	5.1
Basic Materials	3.9
Telecommunications	2.6
Utilities	0.9

Geographic Breakdown (%)

UK	44.5
North America	25.0
Europe ex UK	11.3
Cash	9.1
Pacific ex Japan	4.8
Japan	3.0
Latin America	2.3

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.5	Microsoft	1.9
HSBC	2.8	Monsanto	1.9
GlaxoSmithKline	2.8	Roche	1.8
BP	2.7	BG Group	1.7
Vodafone	2.0	EOG Resources	1.6
Total Number of Holdings	89		

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

Net Dividends (dividends will be paid quarterly from June 2014)

	Pay Date	Record Date	Payment
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 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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website: www.brunner.co.uk

All data source Allianz Global Investors as at 30.06.14 unless otherwise stated.

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