

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

30 April 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.

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
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.

Morningstar Rating™



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A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

Total Assets £324.7m **Shares in Issue** 42,987,418 (Ordinary 25p)

Share Price

541.5p

Source: Lipper

NAV per Share

608.1p

Premium/-Discount

-11.0%

Dividend Yield

2.8%

Gearing

6.6%

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 30.04.16 unless otherwise stated.

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

Fund Manager's Review

Market Review

Global equities recorded modestly positive returns over April, buoyed by further strength in oil prices and signs of improvement in the Chinese economy. In general, developed markets outperformed emerging markets, with the strongest returns seen in the energy and materials sectors.

Concerns over the slowdown in China's economy abated somewhat as surveys of manufacturing activity rose in March. The US Federal Reserve kept interest rates on hold, noting a slowdown in the US economy and more sluggish household spending. The Bank of Japan, which had been widely expected to announce additional stimulus measures, decided to leave policy unchanged.

Despite the rebound in resource stocks, UK equities recorded only slight gains as concerns over Brexit weighed on investor sentiment. UK GDP expanded by 0.4% in the first three months of 2016, a slowdown from the 0.6% recorded in the previous quarter due to a drop in manufacturing and construction activity.

Yields on global government bonds tended to rise slightly over April, reflecting investors' increasing appetite for risk, although yields on Japanese government bonds fell further into negative territory, touching a record low.

Commodity prices continued on an upward trend. Oil prices rose to a four-month high amid hopes of an output freeze and iron ore surged to its highest level in 15 months, driven by stronger demand from China.

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Portfolio Review

The portfolio rose in absolute terms and outperformed the benchmark. The Trust's NAV returned 0.0% slightly underperforming the benchmark return of 0.3%. Positive stock selection was augmented by the underweights in the consumer sectors, which lagged the overall market. From a country perspective, UK and Brazil stock selection contributed while Taiwan detracted.

EOG Resources was the top contributor. The shares recovered on the back of higher oil prices. The company has taken aggressive measures to reduce spending in response to the decline in oil prices. We continue to like the company as it has a superior shale liquids asset base, very low operating costs, strong management and a solid balance sheet.

Adidas also contributed as the company's sales continues to exceed expectations. The company pre-announced first quarter results as sales rose 22% and the operating margin expanded 1.4%, leading to a 38% year-on-year increase in earnings. Adidas also raised guidance for the rest of the year. The company is benefitting from both broad based global demand for its sports brands and favourable pricing and mix dynamics and we anticipate that the strong recent momentum in sales and margins will continue.

Microsoft was the top detractor. Results were largely in-line with expectations but forward guidance was slightly disappointing, leading to a sell-off in the shares. The company's transition to cloud continues to evolve, as evidenced by healthy growth of 59% in the Commercial Cloud business, which now has an annualised revenue run rate of \$10 bn. Despite continued weakness in the Personal Computer (PC) market, Window Office license revenues grew



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.

an impressive 6% and Windows OEM shipments only decline 2%, comfortably outperforming the market which declined by about 10%. While PC weakness is expected to continue as mobile devices continue to gain share, we remain confident in Microsoft's cloud business and its transformation into a highly recurring revenue stream.

Walgreens Boots Alliance also detracted. While Boots performed strongly, Walgreens and Alliance (international distribution) disappointed. Although Walgreens' same-store-sales rose only 2.2%, significantly the gross margin increased for the first time in two years, helped by an improved sales mix of higher margin beauty products. The company's proposed acquisition of US competitor Rite Aid potentially provides significant upside. In the meantime, Walgreens appears to be on track in reaping an estimated \$2.5 bn in operational synergies and cost savings over the next two years resulting from the integration of Alliance Boots, which was acquired in 2012.

Outlook

The first quarter of the year saw a spike in regional market correlations and a dramatic rotation out of quality growth companies and into defensive and commodity-related sectors. This made for a challenging background although recent US dollar weakness and commodity price stabilisation may indicate that this dynamic is unwinding. The net result has been high levels of market volatility yet meagre equity returns.

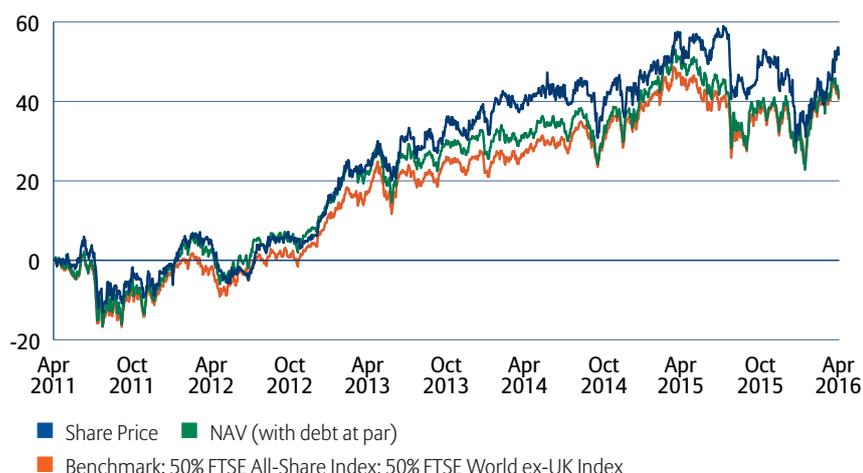
We anticipate similar market performance (i.e., elevated volatility and low market returns) for the foreseeable future as a result of low cyclical global growth visibility, generally weak earnings growth and no identifiable catalyst for markets to re-rate from current levels. Low beta returns therefore need to be augmented by active management. 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 for our clients.

*Lucy Macdonald and Jeremy Thomas
11 May 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	13.2	1.6	-0.8	21.3	52.0
NAV	4.8	2.1	-4.8	15.5	41.2
Benchmark	4.5	2.7	-2.3	20.1	40.7

Discrete 12 Month Returns (%) to 30 April

	2012	2013	2014	2015	2016
Share Price	4.9	19.5	12.2	9.0	-0.8
NAV	2.0	19.9	7.7	12.6	-4.8
Benchmark	-2.3	19.9	8.6	13.2	-2.3

Source: Lipper, percentage growth, mid to mid, total return to 30.04.16. 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.

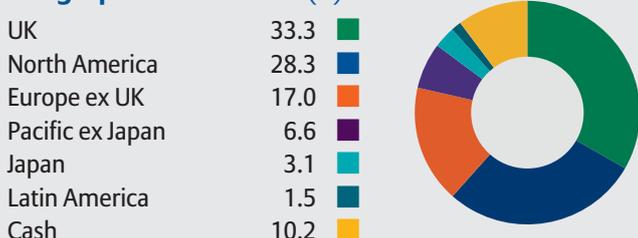
Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount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



Geographic Breakdown (%)



Top Twenty Holdings (%)

Royal Dutch Shell 'B'	3.6
Microsoft	2.5
Nielson	2.4
UnitedHealth Group	2.3
Vodafone Group	2.2
Abbvie	2.2
Accenture	2.0
Estee Lauder	1.9
Roche	1.9
GlaxoSmithKline	1.8
UBM	1.8
Adidas	1.7
Walgreens Boots Alliance	1.6
Muenchener Rueckver	1.6
HSBC	1.5
Visa	1.5
Balfour Beatty	1.3
Centrica	1.3
Fresenius	1.3
Lloyds Banking Group	1.3

Total number of holdings 80

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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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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