Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

31 July 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.

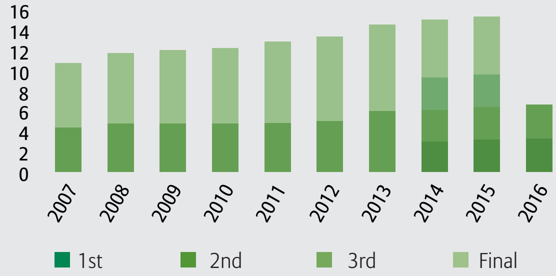
Trust Benefits

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 44 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
19.08.2016	19.09.2016	3.30p	2nd Quarterly
10.06.2016	30.06.2016	3.30p	1st Quarterly
26.02.2016	29.03.2016	5.70p	Final
13.11.2015	16.12.2015	3.20p	3rd Quarterly

Past performance is not a reliable indicator of future results.

Morningstar Rating™

Bronze

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

Total Assets £351.3m **Shares in Issue** 42,987,418 (Ordinary 25p)

Share Price	NAV per Share	Premium/-Discount	Dividend Yield	Gearing
550.0p	667.7p	-17.6%	2.8%	6.0%
Source: Lipper				

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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Fund Manager's Review

Market Review

Global equities rallied over July, with markets continuing to recover from the sharp sell-off seen in the wake of the UK's unexpected EU referendum result. Rising risk appetite boosted previously out-of-favour sectors, such as information technology and consumer discretionary, while recovering metals prices bolstered materials companies. However, traditionally defensive sectors, such as consumer staples, telecommunication services and utilities, lagged. Energy companies declined, reflecting the fall in oil prices to a three-month low. Both the Bank of England and European Central Bank opted to leave their monetary policies unchanged, indicating that they were waiting to see the impact of the UK's referendum result before deciding how to act.

Portfolio Review

The NAV returned 4.55% versus the benchmark return of 4.59%. However, the underlying portfolio rose in absolute terms and outperformed the benchmark. Consumer Goods was the primary contributor due to both stock selection and the portfolio underweight relative to the sector, which underperformed the broader market. Adidas was again the top contributor. The company is enjoying good sales momentum and released 2Q 2016 preliminary results which showed group revenues gaining 21%, on a currency-neutral basis, and a strong rise in the operating margin, leading to a 77% increase in operating profits. The company raised guidance for the rest of the year and while we anticipate further operating margin expansion, we have taken some profits after the stock's very strong performance.

> "By constructing the portfolio on a company-by-company basis, we are able to identify companies with superior growth and return characteristics and yet which are reasonably valued.

Technology also contributed, led by Microsoft, which last month announced that it was acquiring LinkedIn. Financial year 2016 4Q results revealed continuing strong growth in the company's cloud computing platform and Office 365 software suite, and with an improving mix of annuity-like subscription revenues, execution and forecasting risks are reduced. While consumer PC demand continues to decline, Microsoft's shift to cloud is more than compensating for the slowdown in this legacy business. Valuations have moved higher but are still reasonable and we continue to hold the shares.

Consumer Services and Health Care stock selection detracted due to underperformance from Walgreens Boots Alliance and Roche Holdings respectively. While Walgreens' 3Q 2016 results were somewhat mixed, the company's ambitious cost cutting programme remains on track to deliver $1.5bn in cumulative operating savings by the end of FY 2017 and recently acquired Rite Aid should offer further operational synergies going forward. Walgreens has leading market shares in the US and UK pharmacy markets as well as the European drug distribution market and should continue to be able to exploit its economies of scale in these areas.

Roche's most recent set of results were in-line with expectations but the company remains a leader in immuno-oncology and has a rich product pipeline, with four new drug approvals within the last 12 months. We expect Roche's already healthy operating margins to continue to expand and believe the market is currently not giving the company enough credit for the upside potential resident in its industry-leading drug R&D spending, which topped $10bn last year.

Lucy Macdonald, Portfolio Manager

The Brunner Investment Trust is managed by Lucy Macdonald. Lucy is the Chief Investment Officer of Global Equities and a member of the European Management Committee. The Global Equity team is responsible for international mandates from clients around the world.

Outlook

With an estimated 39% of the global developed markets bond universe yielding negative returns, it has been increasingly obvious that investors need to look beyond fixed income for their income requirements. In addition, bonds generally offer little in the way of capital appreciation unless interest rates continue to fall even further. With this in mind, equities provide one of the few remaining opportunities for investors to generate the growth and income they require in order to achieve their long-term financial goals.

It is also true that we remain in a low growth environment and that equity markets over the last several years have benefitted meaningfully from central bank policies designed to lower interest rates and encourage corporate investment and consumer spending. However, the impact of easy monetary policy has waned with subsequent stimulus measures and it is unclear that equity markets can sustain further meaningful gains, particularly in the absence of strong corporate earnings growth.

Our approach of investing globally in high quality companies benefiting from structural growth opportunities continues to be well-placed to provide above market returns. By constructing the portfolio on a company-by-company basis, we are able to identify companies with superior growth and return characteristics and yet which are reasonably valued. For example, we continue to invest in companies, like adidas, Microsoft and Roche, which are creating and selling successful products and services that are fulfilling existing demand, or, in some cases, creating new markets. We view these types of companies as long-term winners and expect that their superior fundamentals will ultimately be reflected in higher share prices.

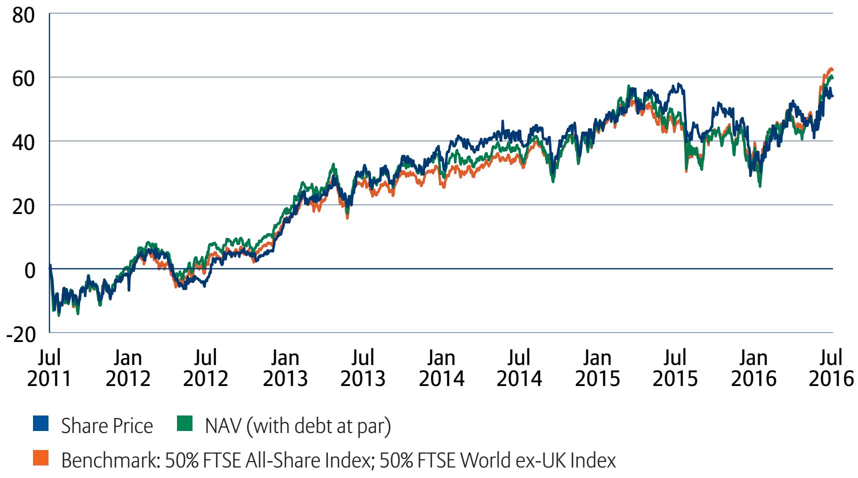
We also have been reducing the portfolio's exposure to the UK for some time now with the goal of diversifying the portfolio's sources of capital appreciation, dividend income and dividend growth. In the aftermath of the Brexit vote and the resulting increase in the risk of a UK recession, this structural shift should provide additional opportunities for investors.

Lucy Macdonald
9 August 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 an down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	2.2	15.7	-0.7	17.9	54.3
NAV	10.6	15.9	8.1	22.1	59.7
Benchmark	11.4	16.4	11.3	27.8	62.5

Discrete 12 Month Returns (%) to 31 July

	2012	2013	2014	2015	2016
Share Price	-3.8	36.0	9.5	8.5	-0.7
NAV	3.4	26.5	3.7	8.9	8.1
Benchmark	1.3	25.5	5.2	9.2	11.3

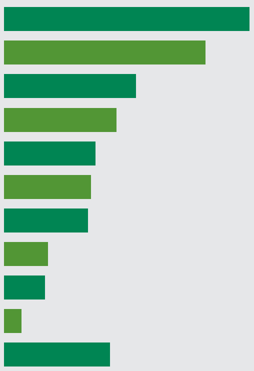
Source: Lipper, percentage growth, mid to mid, total return to 31.07.16. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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

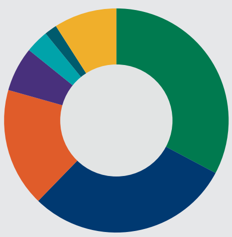
Sector Breakdown (%)

Financials	21.2
Industrials	17.4
Health Care	11.4
Consumer Services	9.7
Technology	7.9
Oil & Gas	7.5
Consumer Goods	7.2
Basic Materials	3.7
Telecommunications	3.5
Utilities	1.4
Cash	9.1



Geographic Breakdown (%)

UK	32.8
North America	29.5
Europe ex UK	17.1
Pacific ex Japan	6.4
Japan	3.3
Latin America	1.8
Cash	9.1



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.

Top Twenty Holdings (%)

Royal Dutch Shell 'B' Shares	3.7
Microsoft	2.9
United Health	2.5
Nielsen	2.5
Abbvie	2.4
Vodafone	2.1
Accenture	2.0
Roche Holdings	2.0
GlaxoSmithKline	2.0
Estee Lauder	1.9
UBM	1.7
Walgreens Boots Alliance	1.7
Adidas	1.7
HSBC	1.5
Visa	1.5
Centrica	1.4
Muenchener Rueckver	1.4
Lloyds Banking Group	1.4
Fresenius	1.4
United Internet	1.4

Total number of holdings 77

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
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

Carolan Dobson (Chairman), 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:

0800 389 4696

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.

Allianz Global Investors