

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

31 May 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
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
21.08.2015	21.09.2015	3.20p	2nd Quarterly

Past performance is not a reliable indicator of future results.

Morningstar Rating™



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Total Assets £327.1m **Shares in Issue** 42,987,418 (Ordinary 25p)

Share Price

525.0p

Source: Lipper

NAV per Share

612.7p

Premium/-Discount

-14.3%

Dividend Yield

2.9%

Gearing

5.1%

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 31.05.16 unless otherwise stated.

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

Fund Manager's Review

Market Review

After trading sideways for much of May, global equities rallied towards the month end, buoyed by stronger US economic data and firmer oil prices. Yields on global bonds tended to decline modestly over the month, especially in Europe and Japan where economic data remained weak.

US equities struggled to make progress for much of May, but sentiment picked up towards the month end, helping the market to close the month with modestly positive returns. While the prospect of higher interest rates weighed on the market, this was offset by robust housing and personal consumption data, and by the continued rise in oil price back above USD 50 a barrel.

UK equities rose slightly, but lagged those in the euro zone amid signs that the forthcoming referendum on EU membership was starting to affect economic activity. The UK's dominant service sector grew at its slowest pace in three years in April, and manufacturing and construction activity also slowed.

European equities rallied modestly, with Greece leading the advance, buoyed by a tentative agreement between the nation and its creditors on a way forward for the country's debt issues. In general, economic data remained weak and the European Commission downgraded its forecasts for both growth and inflation.

Portfolio Review

The NAV returned 0.77% versus the benchmark return of 0.83%. Utilities stock selection detracted from performance due to Centrica, which declined after the company announced a surprise

“ Our search for secular, as opposed to cyclical, growth leads us to companies, in areas such as industrials, technology and health care...

share placing. From a country perspective, U.S. and Germany stock selection added to performance while the UK detracted.

The U.S. agribusiness company Monsanto was the top contributor. Last year Monsanto unsuccessfully tried to acquire its competitor Syngenta and it has now in turn become a takeover target. The company rejected Bayer's initial \$62bn buyout offer as too low, but there is a possibility that Bayer will raise its offer price. The combined entity would become the largest agricultural seed company globally and undoubtedly would face high regulatory hurdles in getting the deal approved. We took advantage of the strong rise in the share price to reduce our holding.

Agilent Technologies also contributed. Agilent is benefiting from robust demand for life science tools and new management is focusing on improving returns by spinning off lower margin businesses and improving the order backlog conversion rate. This is likely to result in mid-single digit revenue growth, ongoing margin expansion and mid- to high-teens EPS growth, which is not currently reflected in the stock's valuation.

As mentioned, Centrica detracted due to the company announcing a surprise share equity placing, earmarked for two acquisitions and maintaining the company's credit rating. However, the shares offer a 6% yield and the recent rally in oil, gas and coal prices is positive for the earnings outlook. We added to the holding on the price weakness.

Priceline Group also detracted. The company reported strong 1Q earnings with hotel room nights +30.5%, total bookings +26% and gross profit +21% year-on-year. However, management issued very conservative guidance for 2Q, which caused the shares to sell off. Priceline continues to be the best positioned online travel agency given its exposure to faster growing Asia, mix of hotel chains, and



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.

relatively attractive valuation.

Outlook

Meagre equity market returns, accompanied by increased levels of volatility, reflect the slow growth global macro environment that persists despite unprecedented monetary policy support from central banks. The outlook is further clouded by the timing and trajectory of further US interest rate increases and the looming Brexit referendum in the UK. We expect uninspiring market returns and bouts of elevated volatility to continue for the foreseeable future in the absence of either a sustained global growth spurt or slide into recession, both of which we view as unlikely.

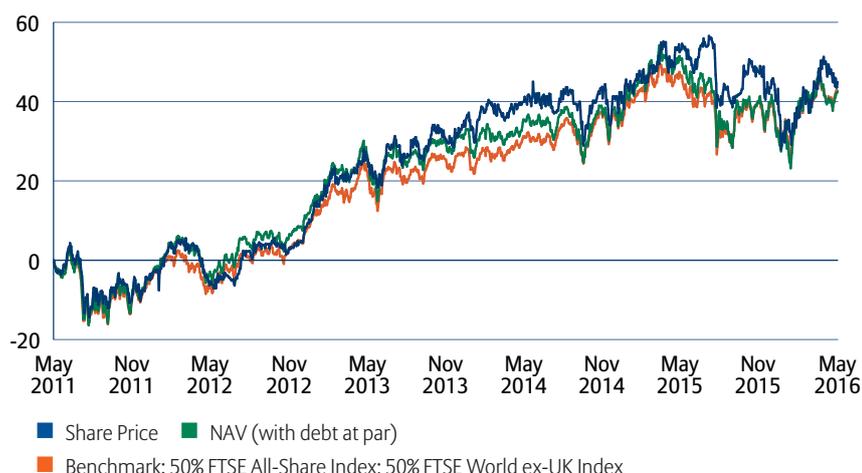
Our search for secular, as opposed to cyclical, growth leads us to companies, in areas such as industrials, technology and health care, which are benefiting from idiosyncratic growth drivers and exhibiting superior growth and return prospects. This approach of investing in high return, reasonably valued, growth companies that can consistently grow earnings, generate healthy cash flows and grow their dividends has added value for Brunner's investors over the long-term, and we believe it will continue to do so in the current low-return market environment.

Lucy Macdonald and Jeremy Thomas
15 June 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	6.7	-1.8	-5.1	15.9	45.1
NAV	3.7	2.1	-5.3	14.1	42.5
Benchmark	4.3	2.2	-2.6	17.9	42.9

Discrete 12 Month Returns (%) to 31 May

	2012	2013	2014	2015	2016
Share Price	-5.4	32.5	11.9	9.1	-5.1
NAV	-3.5	29.5	8.2	11.4	-5.3
Benchmark	-6.6	29.8	8.0	12.1	-2.6

Source: Lipper, percentage growth, mid to mid, total return to 31.05.16. 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.

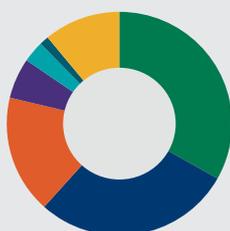
Portfolio Breakdown

Sector Breakdown (%)

Financials	22.4	
Industrials	17.2	
Health Care	10.6	
Consumer Services	10.0	
Technology	7.2	
Oil & Gas	7.0	
Consumer Goods	6.5	
Telecommunications	3.5	
Basic Materials	3.3	
Utilities	1.3	
Cash	11.0	

Geographic Breakdown (%)

UK	33.2	
North America	28.5	
Europe ex UK	17.1	
Pacific ex Japan	5.8	
Japan	3.1	
Latin America	1.3	
Cash	11.0	



Top Twenty Holdings (%)

Royal Dutch Shell 'B'	3.3
Microsoft	2.6
Nielsen	2.4
Vodafone Group	2.3
UnitedHealth Group	2.3
Abbvie	2.2
Accenture	2.1
Roche	2.0
Estee Lauder	1.9
GlaxoSmithKline	1.8
UBM	1.8
Walgreens Boots Alliance	1.6
Muenchener Rueckver	1.6
Visa	1.5
HSBC	1.5
Lloyds Banking Group	1.4
Fresenius	1.4
Balfour Beatty	1.4
Better Capital	1.4
Centrica	1.3

Total number of holdings 79

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

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.



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