

31 March 2009

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.

Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including demand, or lack of, 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, in the form of long-term, fixed rate debentures. Gearing 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.

History

The Trust 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. The Trust has been managed by RCM (a subsidiary of Allianz Global Investors formerly Kleinwort Benson) since inception.

Fund Managers' Review



Mark Lovett



Lucy MacDonald

After the dismal start to the year, world equity markets rallied strongly in March as some macroeconomic indicators showed tentative signs of stabilisation and governments around the world announced new measures aimed at kick-starting their economies. With their base interest rates at historic lows, The Bank of England, Federal Reserve, Swiss National Bank and The Bank of Japan all announced Quantitative Easing schemes to increase liquidity in what is seen by many as the last defence against a deepening recession. Markets reacted positively to the news, with the cyclical industries which were hardest hit earlier in the year leading the way. Financials also rallied in March as a number of US banks announced that they were profitable in the January and February. Barclays had an eventful month: they passed FSA stress tests, rejected UK government funding and looked to sell their iShares unit. Despite the stabilisation of some economic data, it is difficult to call the bottom of the market just yet, as US house prices continue to fall and unemployment figures around the world continue to rise at an alarming rate.

Brunner underperformed its benchmark in March, with the underweight in Banks, which has worked well for a number of months, a detriment to performance. The increased appetite for cyclical assets also had an impact on performance, as investors began to sell out of defensive names and switch into riskier assets. As a consequence of this, the worst performers within the portfolio were East Japan Railway, Reed Elsevier and BAE Systems. The best performers were Tullett Prebon, BHP Billiton and Informa. UK Inter-broker dealer Tullett Prebon had a stellar month as it announced that the recent market volatility had led to an increase in trading volumes and therefore net income.

Key Information

Total Assets:	£205.3m
Gearing (net):	15.1%
No. of Shares (Ordinary 1p):	46,710,015
Share Price¹:	292.5p
Net Asset Value²:	334.9p (316.1p – debt at market value)
Premium/-Discount to NAV²:	-12.7% (-7.5% – debt at market value)
Dividend Yield²:	4.00%
No. of Holdings:	136

All data source RCM (UK) Limited as at 31.03.09 unless otherwise stated.

Launch Date:	January 1927
AIC Sector:	Global Growth
Benchmark:	50% FTSE All-Share Index 50% FTSE All-World ex UK Index
Year end:	30 November
Reports & Accounts:	Final posted in February, Interim posted in July
AGM:	March
Dividends:	March, August
Price Information:	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
Board of Directors:	Keith Percy (Chairman), Vivian Bazalgette, Ben Siddons, William Worsley, Richard Wakeling
Investment Manager:	Mark Lovett, CIO, UK & European Equity Lucy MacDonald, CIO, Global Equity RCM A company of Allianz Global Investors
Investor Services:	020 7065 1407

¹Source: Lipper as at 31.03.09, market close mid price.

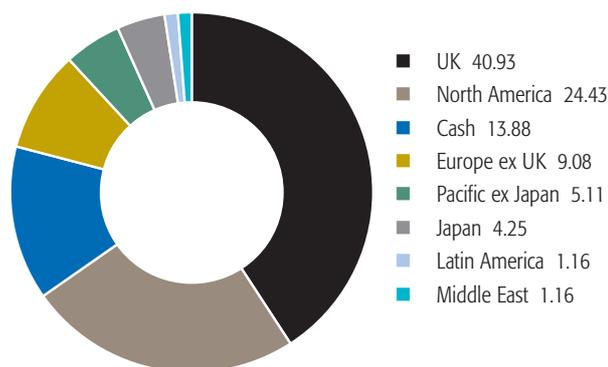
²Source: Datastream as at 31.03.09. Calculated using the latest full year dividend divided by the current share price.

³A 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.

Top Ten Holdings (%)

Name	%
4.75% UK Government Stock 2010	9.9
BP	3.2
Royal Dutch Shell "B" Shares	3.1
BHP Billiton	2.9
GlaxoSmithKline	2.9
Vodafone Group	2.7
BG Group	2.2
HSBC	1.6
Cobham	1.4
Unilever	1.4
Total	31.3

Geographic Breakdown (%)



Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

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.

RIC: BUT **SEDOL:** 0149000 **ISIN:** GB0001490001

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 www.rcm.com/investmenttrusts or from the AIC at www.theaic.co.uk

Please note: Our Investment Trust Savings Plan was closed and transferred to Alliance Trust Savings on 29 February 2008. Alliance Trust can be contacted on 01382 573 737 or contact@alliancetrust.co.uk

RCM Advantage

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world through professionally managed portfolios. Each trust benefits from the expertise of the RCM fund managers yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors.

RCM is the global equity specialist within Allianz Global Investors. With offices strategically located in the US, Europe and Asia, RCM uses its global research platform to search out investment opportunities.

All data source RCM (UK) Limited as at 31.03.09 unless otherwise stated.

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Performance

Five Year Trust Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-4.72	-20.41	-30.52	-29.94	10.17
Benchmark	-10.73	-17.16	-26.94	-29.83	-3.46

Standardised Past Performance (%)

From	31.03.04	31.03.05	31.03.06	30.03.07	31.03.08
To	31.03.05	31.03.06	30.03.07	31.03.08	31.03.09
Share Price	10.73	42.01	4.79	-3.77	-30.52

Source: Lipper, percentage growth, mid to mid, capital return, to 31.03.09
Benchmark: 50% FTSE All-Share Index/50% FTSE All-World ex UK Index. Note the benchmark was 60% FTSE All-Share and 40% FT/S&P World Index (ex UK sterling adjusted) up to 26th March 2008.

Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

Past performance is not a reliable indicator of future performance. 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. Your capital could also decrease if income paid out of capital exceeds the growth rate of the trust.