

For immediate release

21 February 2014

THE BRUNNER INVESTMENT TRUST PLC

Final Results for the year ended 30 November 2013

The following comprises extracts from the Company's Annual Financial Report for the year ended 30 November 2013. The full annual financial report is being made available to be viewed on or downloaded from the company's website at www.brunner.co.uk. Copies will be posted to shareholders shortly.

MANAGEMENT REPORT

Chairman's Statement

I am pleased to report that over the course of the financial year our net asset value rose by 18.5% with debt at par and by 23.2% with debt at fair value. These figures compare with a benchmark return of 17.9%.

Most companies in our sector now value their debt at fair value and we have decided to adopt this approach in future. This year we have also highlighted the net asset value with debt at par value so that shareholders can compare the old method with the new. Shareholders will see a benefit from the 'pull to par' as the fair value of the company's debt decreases as we approach the maturity of the debentures.

Earnings

The company's earnings have risen from 13.3p to 15.2p this year, an increase of 14.3%.

Dividends

It is proposed that a final dividend of 8.5p per share will be paid on 26 March 2014 to shareholders on the Register of Members at close of business on 7 March 2014, bringing the total payment for 2013 to 14.5p, an increase of 9.0% on last year. Revenue reserves remain very strong, amounting to 24.1p per share after the payment of the proposed final dividend.

Quarterly Dividends

The board recognises that income is very important to investors and is proud to have delivered 42 years of uninterrupted dividend growth to shareholders, assuming that shareholders approve the proposed final dividend at the AGM. The company has been paying two dividends each year and over the past two years we have begun to bring the interim dividend closer to the level of the final dividend to create a more level payment of income throughout the year. The board's intention is to maintain a dividend which grows over time at a rate above the inflation rate, subject to performance and to maintaining adequate dividend cover. The board is supported in this strategy by the company's substantial dividend reserves.

Beginning in the current financial year, we will continue the process of providing a more regular income for shareholders by moving to quarterly dividend payments. So, for the year ending on 30 November 2014, the first three quarterly payments will be made in June, September and December and the final payment will be made in March 2015.

As a guide, if we had paid four quarterly dividends in the past year, these would have been 3.0p, 3.0p, 3.0p and 5.5p.

Strategic Report

The annual report this year contains a Strategic Report, starting on page 7.

At our annual strategy day we met with our advisers and considered our performance in relation to our sector, peer group and benchmark. We also looked at our investment objective and analysed our shareholder base and its requirements; we examined our balance sheet and structure; and we considered our marketing plans and positioning for the Retail Distribution Review.

Buy Back of Shares

Our buy back policy of repurchasing shares for cancellation was maintained and during the course of the year 153,500 shares were purchased for cancellation. The rationale for continuing with this policy remains to reduce discount volatility and to generate modest enhancements to net asset value (NAV) per share.

The Retail Distribution Review

In last year's annual report we described the increase in our online presence and press advertising to generate greater interest in the company's shares. The increase in marketing activities over the past two years has raised the company's profile amongst potential investors and, we believe, had a positive influence on the company's rating.

The company is included in the list created by The Association of Investment Companies (AIC) of investments a financial adviser can recommend to ordinary retail investors under the RDR.

AIFMD

The Alternative Investment Fund Managers Directive comes into effect later in 2014. In the year ahead, we will be appointing an AIFM and a Depository under the requirements of this legislation.

The Board

Since the year end we have welcomed two new directors to the board, Carolan Dobson and Jim Sharp. Their biographies are on pages 28 and 29 of the annual report. Both Carolan and Jim strengthen the significant and relevant investment experience of the board. Their appointments bring the current number of directors to seven, although at the AGM Sir William Worsley will be retiring from the board. These appointments allow for organised succession planning and continuity as further retirements are due to take place over the next two years.

On behalf of the directors and shareholders I would like to thank Sir William Worsley for providing us with his wise support and experience over his many years on the board and for his contribution as Audit Committee Chairman in the early years and more recently as Senior Independent Director and Chairman of the Remuneration Committee. We wish him well and we welcome Jim Sharp as his successor in providing a link to the Brunner family. Vivian Bazalgette will become Senior Independent Director and Chairman of the Remuneration Committee.

Our corporate governance statement is now posted on the website: www.brunner.co.uk which describes the board review process. We continue to conduct an annual appraisal of the board. Last year we asked an external agency to facilitate the evaluation. This year we have reviewed the outcome of that review as part of the self-assessment process. In this process we concerned ourselves, amongst other matters, with the effectiveness of our review of the skills mix of the board, the board's review of strategy and our marketing activity and we were satisfied with the outcome.

Outlook

Although markets have recovered strongly, an environment of moderate growth, contained inflation, low interest rates and accommodative monetary policy should be benign for equities. Government bonds generally remain unattractive due to asymmetrical downside risk from the eventual ending of quantitative easing and potential rise in inflation over the medium term. As such, our investment managers' strategy of focusing on high quality, capital-disciplined and reasonably valued companies should continue to generate positive long-term returns for investors.

Annual General Meeting

The annual general meeting will be held at Trinity House, Trinity Square, Tower Hill, London EC3N 4DH, on 18 March 2014, and we look forward to meeting those shareholders who are able to attend.

Risk

The principal risks identified by the board are set out in the table on this page, together with the actions taken to mitigate these risks. A more detailed version of this table, in the form of a risk matrix, together with mitigating actions, is reviewed and updated by the audit committee twice yearly. The principal risks are broadly unchanged from the previous year.

Description	Mitigation
<p>Investment Strategy An inappropriate investment strategy, e.g., asset allocation or the level of gearing, may lead to underperformance against the company's benchmark index and peer group companies, resulting in the company's shares trading on a wider discount.</p>	<p>The board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and on which the board receives reports. Allianz Global Investors, UK branch (AGI UK) provides the directors with management information including performance data and reports and shareholder analyses. The board monitors the implementation and results of the investment process with the investment managers, who attend all board meetings, and reviews data which show risk factors and how they affect the portfolio. The investment managers employ the company's gearing tactically within a strategic range set by the board. The board also meets annually specifically to discuss strategy, including investment strategy.</p>
<p>Market Volatility Market risk arises from uncertainty about the future prices of the company's investments. It represents the potential loss the company might suffer through holding investments in the face of negative market movements.</p>	<p>The board considers asset allocation, stock selection and levels of gearing at every board meeting and has set investment restrictions and guidelines that are monitored and reported on by AGI UK. The board also monitors currency movement and determines hedging policy as appropriate. At the year end the company had no hedging in place.</p>
<p>Financial and Liquidity Risk</p>	<p>The financial risks to the company and the controls in place to manage these risks are disclosed in detail in note 17 beginning on page 62.</p>

Directors' Responsibility Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for ensuring that the Annual Financial Report, taken as a whole, is fair, balanced and understandable.

The directors at the date of the approval of this Report each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

For and on behalf of the board

Keith Percy
Chairman

For further information contact:

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Allianz Global Investors

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PORTFOLIO ANALYSIS as at 30 November 2013

	% of Invested Funds
United Kingdom	53.46
North America	22.48
Continental Europe	12.54
Pacific Basin	6.44
Japan	3.73
Latin America	1.35
Total	100.0

THIRTY LARGEST EQUITY INVESTMENTS as at 30 November 2013

	Valuation 30 November 2013 £	% of Invested Funds	Sector
Royal Dutch Shell 'B' Shares	9,831,696	3.27	Oil & Gas Producers
HSBC Holdings	9,467,175	3.15	Banks
GlaxoSmithKline	9,247,226	3.08	Pharmaceuticals & Biotechnology
BP	9,148,351	3.05	Oil & Gas Producers
Vodafone Group	9,071,440	3.02	Mobile Telecommunications
Reed Elsevier	6,966,707	2.32	Media
Rio Tinto	5,069,480	1.69	Mining
UBM	4,835,489	1.61	Media
BHP Billiton	4,666,090	1.55	Mining
AbbVie	4,522,010	1.51	Pharmaceuticals & Biotechnology
Resolution	4,379,235	1.46	Life Insurance
Tesco	4,038,088	1.35	Food & Drug Retailers
Xchanging	4,016,944	1.34	Support Services
Celgene	3,995,044	1.33	Pharmaceuticals & Biotechnology
Tyman	3,934,038	1.31	Construction & Materials
UBS	3,929,968	1.31	Banks
Boot (Henry)	3,909,395	1.30	Construction & Materials
CBS	3,903,559	1.30	Media
Diageo	3,794,934	1.26	Beverages
Walgreen	3,794,549	1.26	Food & Drug Retailers
Unilever	3,785,767	1.26	Food Producers
Hansteen Holdings	3,766,766	1.25	Real Estate
Amadeus	3,750,208	1.25	Support Services
Microsoft	3,728,432	1.24	Software & Computer Services
Visa	3,667,663	1.22	Financial Services
Muenchener Rueckver	3,606,974	1.20	Non-Life Insurance
BG Group	3,569,904	1.19	Oil & Gas Producers
Google	3,408,308	1.13	Software & Computer Services
Schneider Electric	3,354,650	1.12	Electronic & Electrical Equipment
Hays	3,327,791	1.11	Support Services
	148,487,881	49.44	% of Total Invested Funds

INCOME STATEMENT

for the year ended 30 November 2013

	Revenue £	2013 Capital £	Total Return £ (Note C)
Net gains on investments at fair value	-	45,481,385	45,481,385
Net (losses) gains on foreign currencies	-	(18,484)	(18,484)
Income	9,112,784	-	9,112,784
Investment management fee	(412,926)	(963,493)	(1,376,419)
Administration expenses	(488,385)	(9,215)	(497,600)
Net return before finance costs and taxation	8,211,473	44,490,193	52,701,666
Finance costs: interest payable and similar charges	(1,348,838)	(3,094,788)	(4,443,626)
Net return on ordinary activities before taxation	6,862,635	41,395,405	48,258,040
Taxation	(295,705)	-	(295,705)
Net return on ordinary activities attributable to ordinary shareholders	6,566,930	41,395,405	47,962,335
Return per ordinary share (basic and diluted) (Note B)	15.22p	95.94p	111.16p

BALANCE SHEET

as at 30 November 2013

	2013 £
Investments held at fair value through profit or loss	300,320,884
Net current assets	17,775,478
Total assets less current liabilities	318,096,362
Creditors – amounts falling due after more than one year	(49,842,518)
Total net assets	268,253,844
Capital and reserves	
Called up share capital	10,772,354
Capital redemption reserve	5,227,646
Capital reserve	238,222,051
Revenue reserve	14,031,793
Equity shareholders' funds	268,253,844
Net asset value per ordinary share	622.6p

The net asset value is based on 43,089,418 ordinary shares in issue.

INCOME STATEMENT

for the year ended 30 November 2012

	Revenue £	2012 Capital £	Total Return £ (Note C)
Net gains on investments at fair value	-	28,148,864	28,148,864
Net gains on foreign currencies	-	3,222	3,222
Income	8,164,531	-	8,164,531
Investment management fee	(363,578)	(848,349)	(1,211,927)
Administration expenses	(397,751)	(9,014)	(406,765)
Net return before finance costs and taxation	7,403,202	27,294,723	34,697,925
Finance costs: interest payable and similar charges	(1,351,267)	(3,099,625)	(4,450,892)
Net return on ordinary activities before taxation	6,051,935	24,195,098	30,247,033
Taxation	(270,497)	-	(270,497)
Net return on ordinary activities attributable to ordinary shareholders	5,781,438	24,195,098	29,976,536
Return per ordinary share (basic and diluted) (Note B)	13.34p	55.81p	69.15p

BALANCE SHEET

as at 30 November 2012

Investments held at fair value through profit or loss	266,000,192
Net current assets	11,266,193
Total assets less current liabilities	277,266,385
Creditors – amounts falling due after more than one year	(50,072,311)
Total net assets	227,194,074
Capital and reserves	
Called up share capital	10,810,729
Capital redemption reserve	5,189,271
Capital reserve	197,557,672
Revenue reserve	13,636,402
Equity shareholders' funds	227,194,074
Net asset value per ordinary share	525.4p

The net asset value is based on 43,242,918 ordinary shares in issue.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 30 November 2013

	Called up Share Capital £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets at 1 December 2011	10,914,647	5,085,353	175,084,502	13,495,824	204,580,326
Revenue return	-	-	-	5,781,438	5,781,438
Shares repurchased during the year	(103,918)	103,918	(1,721,928)	-	(1,721,928)
Dividends on ordinary shares	-	-	-	(5,651,489)	(5,651,489)
Unclaimed dividends over 12 years	-	-	-	10,629	10,629
Capital return	-	-	24,195,098	-	24,195,098
Net assets at 30 November 2012	10,810,729	5,189,271	197,557,672	13,636,402	227,194,074
Net assets at 1 December 2012	10,810,729	5,189,271	197,557,672	13,636,402	227,194,074
Revenue return	-	-	-	6,566,930	6,566,930
Shares repurchased during the year	(38,375)	38,375	(731,026)	-	(731,026)
Dividends on ordinary shares	-	-	-	(6,171,539)	(6,171,539)
Capital return	-	-	41,395,405	-	41,395,405
Net assets at 30 November 2013	10,772,354	5,227,646	238,222,051	14,031,793	268,253,844

CASH FLOW STATEMENT

For the year ended 30 November 2013

	2013	2013	2012
	£	£	£
Net cash inflow from operating activities		6,955,317	6,758,798
Return on investments and servicing of finance			
Interest paid	(4,650,919)		(4,644,862)
Dividends paid on preference stock	(22,500)		(22,500)
Net cash outflow from servicing of financing		(4,673,419)	(4,667,362)
Capital expenditure and financial investment			
Purchase of fixed asset investments	(92,452,435)		(55,764,938)
Sale of fixed asset investments	102,158,016		65,584,820
Net cash inflow from financial investments		9,705,581	9,819,882
Equity dividends paid		(6,171,539)	(5,651,489)
Unclaimed dividends over 12 years		-	10,629
Net cash inflow before financing		5,815,940	6,270,458
Financing			
Repurchase of ordinary shares for cancellation		(731,026)	(1,722,318)
Increase in cash		5,084,914	4,548,140

Notes

Note A

The financial statements have been prepared under the historical cost basis, except for the measurement at fair value of the investments, and in accordance with the United Kingdom law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued in January 2009 by the Association of Investment Companies.

Note B

The return per ordinary share is based on an average number of shares in issue of 43,146,811 (30 November 2012 – 44,351,553) ordinary shares in issue.

Note C

The total return column of this statement is the profit and loss account of the company.

The supplementary revenue return and capital return columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the company have been reflected in the Income Statement.

Included in the cost of investments are transaction costs and stamp duty on purchases of £212,118 (2012 – £160,745) and transaction costs on sales of £77,980 (2012 – £58,970).

Note D

Valuation – As the company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. The company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the board.

Note E

Dividends on Ordinary Shares

	2013	2012
	£	£
Dividends paid on ordinary shares:		
Final – 8.30p paid 22 March 2013 (2012 - 8.00p)	3,586,174	3,487,593
Interim – 6.00p paid 30 August 2013 (2012 - 5.00p)	<u>2,585,365</u>	<u>2,163,896</u>
	<u>6,171,539</u>	<u>5,651,489</u>

Dividends payable at the year end are not recognised as a liability under FRS 21 'Events after Balance Sheet Date' (see Annual Financial Report – Statement of Accounting Policies). Details of these dividends are set out below.

	2013	2012
	£	£
Final dividend – 8.50p payable 26 March 2014 (2013 – 8.30p)	3,662,601	3,589,162

The proposed final dividend accrued is based on the number of shares in issue at the year end. However, the dividend payable will be based on the numbers of shares in issue on the record date and will reflect any purchases and cancellations of shares by the company settled subsequent to the year end.

Note F

The financial information for the year ended 30 November 2013 has been extracted from the statutory accounts for that year. The auditor's report on those accounts was unqualified and did not contain a statement under either section 498(2) or (3) of the Companies Act 2006. The annual financial report has not yet been delivered to the registrar of companies.

The financial information for the year ended 30 November 2012 has been extracted from the statutory accounts for that year which have been delivered to the registrar of companies. The auditor's report on those accounts was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

The full annual financial report is available to be viewed on or downloaded from the company's website at www.brunner.co.uk. Neither the contents of the company's website nor the contents of any website accessible from hyperlinks on the company's website (or any other website) is incorporated into, or forms part of this announcement.