Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

31 January 2017

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 Imperial Chemical Industries (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.

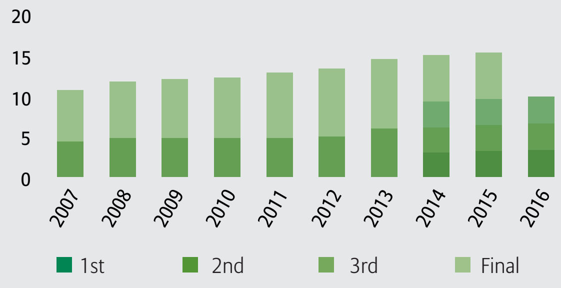
Morningstar Rating™ ★★★ Bronze™

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

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
11.11.2016	14.12.2016	3.30p	3rd Quarterly
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

Past performance is not a reliable indicator of future results.

Total Assets £376.6m **Shares in Issue** 42,692,727 (Ordinary 25p)

Share Price	NAV per Share	Premium/-Discount	Dividend Yield	Gearing
625.3p	736.6p	-15.1%	2.5%	5.9%

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.

Allianz Global Investors

All data source Allianz Global Investors as at 31.01.17 unless otherwise stated.

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

Fund Manager's Review

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.

Market Review

Global equities advanced slightly over January, helped by signs of a pick-up in activity in the global economy. However, markets ended the month on a weak tone amid signs the Trump-rally was fading. Emerging market equities tended to perform the best, while those in Europe and the UK retreated slightly. Overall, materials and information technology companies led the rally, while sectors seen as bond proxies, such as real estate, telecommunication services and utilities, weakened. Energy companies also lost ground.

Global bonds delivered mixed returns in January. In Europe, bond yields rose, undermined by fears of accelerating inflation and questions over the European Central Bank's commitment to its bond-buying programme. The yield increase was more modest in Japan, while US bond yields ended the month little changed. Corporate bonds, especially high-yield debt, tended to outperform government securities.

2017 started with signs of rising inflation, especially in western economies: in the euro zone, consumer prices jumped 1.8% on an annual basis in January, the fastest rate of increase in almost four years, and US consumer prices increased 2.1% year-on-year, the largest rise since mid-2014.

The US dollar weakened slightly in January, reversing some of its steady rise in previous months. President Trump expressed concerns that the greenback was "too strong" to allow US companies to compete and, to an extent, fears of higher US interest rates were allayed by weaker-than-expected economic data.

Portfolio Review

The Trust's NAV returned 0.27% compared to the benchmark return of 0.29%. The portfolio rose in absolute terms but underperformed the benchmark, negatively impacted by stock selection in Industrials and Consumer Services and an underweight in Basic Materials. Brambles was the worst contributor this month. The supply-chain logistics group issued a profit warning which caused the stock price to go down 16% over the month. In our view, these concerns are short term rather than structural: we still expect business wins to continue to serve as a strong, longer-term growth driver in an under-penetrated North American market, particularly in light of supportive US macro indicators and our expectations for a boost in consumer confidence post-election.

Accenture also detracted in line with the IT sector on the news that legislation introduced by a Californian Congressman will increase minimum wage requirement for overseas workers. While this issue still remains an uncertainty for the industry Accenture has minimal dependency on overseas workers in the US relative to its peers.

Stock selection in Financials was positive, with Nex Group as the best contributor. The company, which is focusing on electronic trading after selling the ICAP name and traders to TP ICAP, rose 24% during the month.

SMC Corp also contributed. The company's operating performance is good at present and we are expecting strong results. However, the stock has recovered back to its previous highs and we have used this strength to reduce our position. The stock is currently under review due to questions about its accounting and auditing practises and we will continue to exit unless the company is able to satisfy our governance concerns.

Outlook

We continue to find opportunities in biotechnology, technology and niche industrials. The recent uptick in volatility should provide opportunities to buy shares in some of these companies at more reasonable prices. The US is growing around its lowered trend level of 2%, while Europe and China are stable. The UK economy has performed above expectations and while much uncertainty remains over Brexit, low interest rates and sterling weakness should provide a measure of support.

Globally, corporate earnings momentum has been picking up since mid-2016, mostly due to a less negative impact from the energy sector, but also because of improving trends in financials and technology. In the US, the strength of the dollar remains a headwind for multinationals but we anticipate a positive impact on US earnings overall from tax reform. Commodity prices are climbing once more, which supports both emerging economies and inflation.

Monetary policy is likely to normalise slowly. We expect the US Federal Reserve to raise interest rates at a measured pace in 2017 but the European Central Bank and the Bank Of Japan to remain on hold. The rise in US yields is consistent with higher US inflation expectations, driven by recovering commodity prices.

The indebtedness of the corporate sector, particularly outside technology, also needs to be considered. Gearing has risen from 45% to 67% over the last four years and interest cover fallen from 8 to 5 times as corporates have taken advantage of the low rate environment. As interest rates start to normalise, the importance of balance sheet quality will rise. There are also greater risks around forecasts than usual this year due to the uncertainties over policies from the new US administration. Downside risks to growth would be most likely driven by the impact of tightening monetary conditions on mortgage holders and via corporate balance sheets. Political risk remains elevated and a continuing source of potential volatility going forward. In particular, any US policy challenge to trade is likely to be viewed negatively.

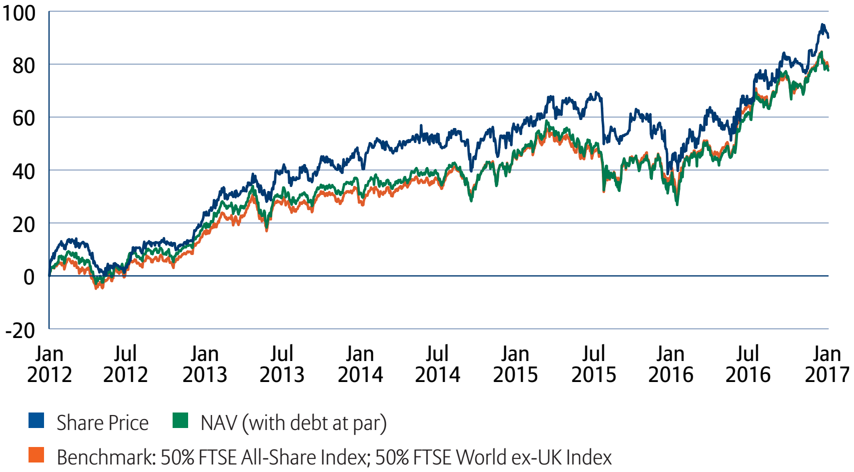
Overall, the backdrop for equity markets is mixed going into 2017, with positive support from earnings contending with relatively high valuations, higher interest rates, monetary tightening and political uncertainty.

With the lack of visibility in terms of whether US stimulus measures will be effective or instead lacklustre global growth will continue, we remain committed to generating outperformance for our clients by focusing on fundamentals and investing in high return companies with attractive long-term growth prospects.

Lucy Macdonald
8 February 2017

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	4.4	15.0	33.0	31.9	90.2
NAV	2.2	10.3	27.9	35.8	77.7
Benchmark	3.0	9.3	27.2	40.2	79.4

Discrete 12 Month Returns (%) to 31 January

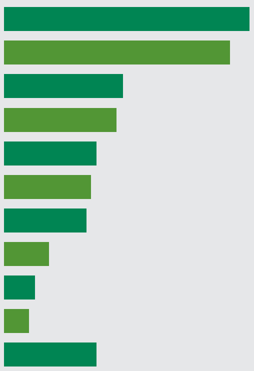
	2013	2014	2015	2016	2017
Share Price	22.9	17.4	7.1	-7.3	33.0
NAV	18.2	10.7	10.4	-3.9	27.9
Benchmark	15.8	10.5	12.6	-2.1	27.2

Source: Lipper, percentage growth, mid to mid, total return to 31.01.17. 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

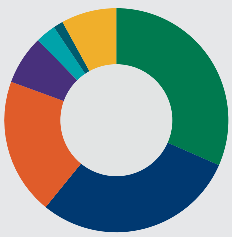
Sector Breakdown (%)



Financials	21.3
Industrials	19.6
Health Care	10.3
Technology	9.7
Consumer Services	8.0
Oil & Gas	7.5
Consumer Goods	7.1
Basic Materials	3.8
Utilities	2.6
Telecommunications	2.1
Cash	8.0

Geographic Breakdown (%)

UK	31.6
North America	29.3
Europe ex UK	19.7
Pacific ex Japan	7.1
Japan	2.9
Latin America	1.4
Cash	8.0



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 (%)

Microsoft	3.2
Royal Dutch Shell 'B' Shares	2.9
United Health	2.3
BP	2.2
Abbvie	2.2
HSBC	2.0
Muenchener Rueckver	2.0
Roche Holdings	1.8
Nielsen	1.7
Walgreens Boots Alliance	1.7
GlaxoSmithKline	1.7
Estee Lauder	1.7
Visa	1.6
Lloyds Banking Group	1.6
EOG Resources	1.5
Accenture	1.5
Rio Tinto	1.5
Fresenius	1.4
Priceline Group	1.4
Microchip Technology	1.4

Total number of holdings 76

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

Peter Maynard, Ian Barlow (Chairman of the Audit Committee), Carolan Dobson (Chairman), Jim Sharp, Vivian Bazalgette (Senior Independent Director)

How to invest

You can buy shares in the Trust through:

- A third party provider - see 'How to Invest' on our website, where you will find links to a range of these platforms, many of which allow you to hold the shares within an ISA, Junior ISA, SIPP and/or savings scheme.
- A stockbroker.
- A financial adviser.

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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