

The Brunner Investment Trust PLC



Factsheet

31 August 2015

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.

Fund Managers' Review



Lucy Macdonald & Jeremy Thomas

Market Review

Global equities plunged on concerns that China's weakening economy could have broader global growth ramifications. The drop in share prices was precipitated by turbulence in China's equity markets after the Shanghai Composite Index plummeted toward the end of the month. The government's devaluation of the yuan earlier in August and disappointing economic data exacerbated fears that the economy was weakening more than previously indicated. Among developed markets Europe fell most, followed by Japan and the US. The selling was indiscriminate with all global sectors sharply lower, particularly financials, materials and health care. The US dollar weakened as markets began to price in a delay to the Federal Reserve's planned interest rate increase. Investment grade sovereign bonds rallied as investors shunned equity volatility and fled risk assets.

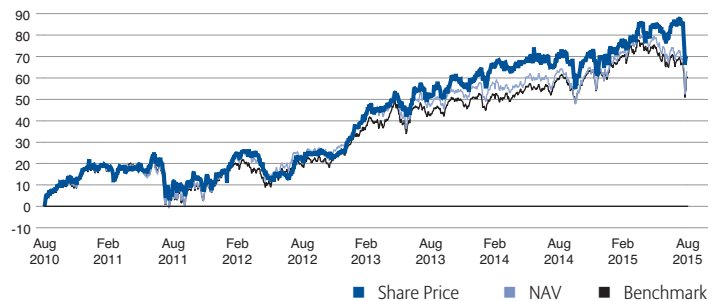
Portfolio Review

The market sell-off was broad-based, leaving little opportunity for stock selection to mitigate the decline in the portfolio. Positive stock selection in Basic Materials, Industrials and Health Care was offset by negative selection in Financials and the consumer sectors. Stock selection in Germany contributed while the US detracted. Balfour Beatty was the top performer. The company has released a number of profit warnings over the last few years and a new senior management team was put into place at the beginning of the year. The company now appears to be on a sounder footing and the construction cycle is also turning up. An uptick in cash inflow and recent contract signings support the assumption that the new corporate strategy is working. BOC HK was the top detractor. The shares were caught in the Chinese equity market downdraft despite the fact that nearly all of the bank's loan book is in Hong Kong. There is also some concern that BOC HK may use the proceeds from the sale of their mainland banking business to make an acquisition outside of Hong Kong. Valuations are reasonable and the shares have an attractive dividend yield of 4.6%, although within the broader context of the overall market decline, there may be more attractive investment opportunities elsewhere.

Outlook

At this point it is unclear whether the sharp correction in equity markets was an overreaction to events in China or a harbinger of further weakness. While China has been an important contributor to global growth, the US economy appears healthy and Europe is showing signs of a modest upturn. While the recent correction has provided selective opportunities, equity valuations overall are not particularly cheap and corporate earnings growth in the US appears to have stalled, albeit partly driven by US dollar strength earlier in the year and the collapse in energy sector profits due to the extended fall in oil prices. Assuming the macroeconomic outlook does not face a sustained deterioration, we remain positive on the medium term prospects for equity returns.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-8.1	-3.9	-0.1	39.0	68.8
NAV	-8.7	-5.2	0.2	33.0	62.9
Benchmark	-8.4	-6.0	0.3	34.5	59.9

Discrete Performance (%)

From To	31.08.10 31.08.11	31.08.11 31.08.12	31.08.12 30.08.13	30.08.13 29.08.14	29.08.14 31.08.15
Share Price	11.6	8.8	24.6	11.7	-0.1
NAV	8.7	12.7	19.6	11.0	0.2
Benchmark	7.9	10.2	19.7	12.0	0.3

Source: Lipper, percentage growth, mid to mid, total return to 31.08.15.

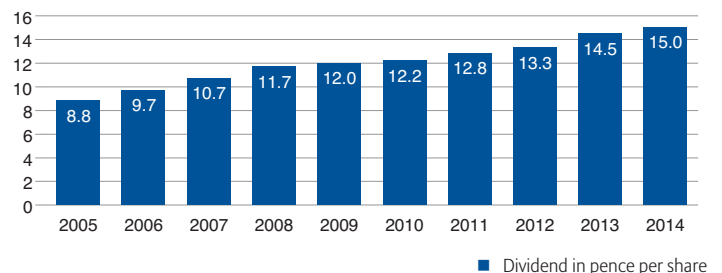
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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.

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Dividend History

Ten Year Net Dividend Record in Pence (to year end 30 November)



Past performance is not a reliable indicator of future results.

All data source Allianz Global Investors as at 31.08.15 unless otherwise stated.

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

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.

Allianz **Global Investors**

Capital Structure

Total Assets:	£319.8m
Gearing (net) ¹ :	9.0%
Shares in Issue:	43,012,418 (Ordinary 25p)
Share Price ¹ :	517.5p
Net Asset Value ² :	622.1p ³ (597.8p ⁴ – debt at market value)
Premium/-Discount to NAV:	-16.8% (-13.4% – debt at market value)
NAV Frequency	Daily
Dividend Yield ⁵ :	2.96%

¹Gearing in form of two long-term debentures.

1. Source: Lipper as at 31.08.15, market close mid price.

2. A 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.

3. Capital net asset value per ordinary share based on the par value of the company's long term debt and preference shares.

4. Capital net asset value per ordinary share based on the fair/market value of the company's long term debt and preference shares. This allows for the valuation of debt at fair value or current market price, rather than at final repayment value.

5. Source: Datastream as at 31.08.15. Calculated using the latest full year dividend divided by the current share price.

Key Information

Launch Date:	December 1927
AIC Sector:	Global Growth
Benchmark:	50% FTSE All-Share Index 50% FTSE World ex-UK Index
Annual Management Charge:	0.45%
Performance Fee:	No
Ongoing Charges ⁶ :	0.79%
Year end:	30 November
Annual Financial Report:	Final posted in February, Half-yearly posted in July
AGM:	March
Dividends:	March, June, September, December
Price Information:	Financial Times, The Daily Telegraph, www.brunner.co.uk

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

Company Secretary	Kirsten Salt
Investment Managers	Lucy Macdonald & Jeremy Thomas
Codes:	RIC: BUT.L SEDOL: 0149000

6. Source: AIC, as at the Trust's Financial Year End (30.11.2014). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses incurred in the running of the company but excluding financing costs.

Risks & 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.

Sector Breakdown (%)

Financials	20.5
Industrials	20.1
Health Care	10.7
Consumer Services	10.1
Oil & Gas	9.8
Cash	7.9
Consumer Goods	7.3
Technology	6.1
Basic Materials	3.5
Telecommunications	3.3
Utilities	0.7

Geographic Breakdown (%)

UK	42.5
North America	27.1
Europe ex UK	12.9
Cash	8.0
Pacific ex Japan	5.2
Japan	3.0
Latin America	1.3

Top Ten Holdings (%)

HSBC	2.4	Mothercare	1.9
Royal Dutch Shell "B" Shares	2.3	Walgreens Boots Alliance	1.7
Vodafone	2.3	GlaxoSmithKline	1.7
Microsoft	2.1	Roche	1.7
BP	1.9	AbbVie	1.7
Total Number of Holdings	88		

Largest holdings shown excluding Government debt which is held for structural and not investment reasons

Net Dividends

	Pay Date	Record Date	Payment
2nd quarterly dividend	21.09.15	21.08.15	3.2p
1st quarterly dividend	30.06.15	12.06.15	3.2p
4th quarterly dividend	26.03.15	06.03.15	5.7p
3rd quarterly dividend	19.12.14	21.11.14	3.2p

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. Shares in the Trust can be held within an ISA, JISA, SIPP and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website.

Contact Us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

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website: www.brunner.co.uk

All data source Allianz Global Investors as at 31.08.15 unless otherwise stated.

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