

Global investment solution rich in family history

# The Brunner Investment Trust PLC

Factsheet

28 February 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.

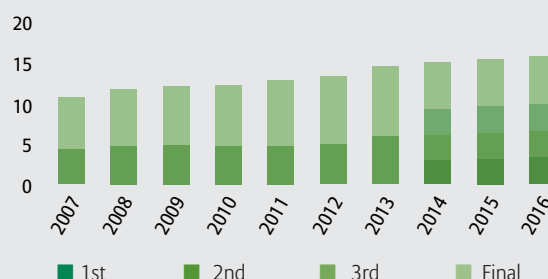
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## Ten Year Dividend History

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
24.02.2017	24.03.2017	5.90p	Final
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

Past performance is not a reliable indicator of future results.

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

**Total Assets** £386.7m    **Shares in Issue** 42,692,727 (Ordinary 25p)

Share Price

**656.0p**

Source: Lipper

NAV per Share

**763.0p**

Premium/-Discount

**-14.0%**

Dividend Yield

**2.4%**

Gearing

**5.8%**

**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 28.02.17 unless otherwise stated.

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## Fund Manager's Review

### Market Review

Global equities ratcheted higher throughout February, buoyed by optimism about global growth and corporate earnings. All regions advanced, although Japan tended to lag many other markets. In sector terms, healthcare, information technology, consumer staples and utilities rallied the most, while energy and materials retreated slightly.

Yields on global bonds fell over February. German bond yields experienced some of the largest declines as rising eurozone political risk increased demand for safe haven assets. Signs that the UK economy may be slowing also pushed UK gilt yields lower. However, the drop in yields was more modest in the US and Japan. Corporate bonds, especially high-yield debt, tended to outperform government securities.

In general, economic data indicated that the pace of global growth was picking up, with positive news from the US and eurozone, as well as stronger-than-expected Chinese trade data. The major central banks kept interest rates on hold, although Janet Yellen, Chair of the US Federal Reserve, warned that it would be "unwise" to wait too long before raising US interest rates.

Commodities generated mixed returns. While oil prices traded in a narrow range throughout the month, gold rallied. However, agriculture-related commodities tended to weaken.

### Portfolio Review

The Trust's NAV rose by 5.86% in February, outperforming the benchmark index which returned 3.59%. Consumer Services and Financials stock selection had the most positive impact over

“Nielsen provides a comprehensive understanding of what consumers watch and buy and is working to better align its analytics products with consumer packaged goods clients' evolving needs.”

the month, while stock selection in Health Care, Technology and Industrials detracted. From a country perspective, stock selection in the US helped, with Ameriprise Financial being the top contributor on stronger than expected results in Q4 2016. Global performance management company Nielsen also contributed after the company reported better than expected Q4 results. Nielsen provides a comprehensive understanding of what consumers watch and buy and is working to better align its analytics products with consumer packaged goods clients' evolving needs. We remain confident that Nielsen is best positioned to become the currency in cross-platform media measurement over time.

Senior was the top detractor ahead of its annual results, which in the end were better than expected. The Aerospace price increase negotiations, which had been 2016's most pressing concern, were concluded with supply-related bottlenecks also largely resolved. We remain positive on Senior and think the shares are good value at current levels; we believe that earnings should trough this year and that there is scope for considerable long-term recovery and profitability.

Brambles also hurt performance this month after reporting weak results, following the profit warning last month. These results were mainly driven by US Pallets as falling whitewood prices impeded net new customer wins. However, we 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.



### 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.

### Outlook

The monetary policy of the major international central banks looks set to remain very loose and thus drive equity investments. Overall, the conditions for positive corporate earnings growth in 2017 are in place, and the equity markets are likely to reflect this expectation. However, with US valuations still high, some corrections are possible.

In Europe, the markets have been relatively unmoved by the upcoming political events so far. But as the election dates approach, market participants may become more nervous and volatility is likely to increase. In fact, recent bond yield developments have shown that market participants are already becoming more cautious. Emerging markets equities should receive some support from a cyclical recovery in global trade and a rise in commodity prices. Still, a potential, significant appreciation of the US dollar and a growth slowdown in China might weigh on the outlook.

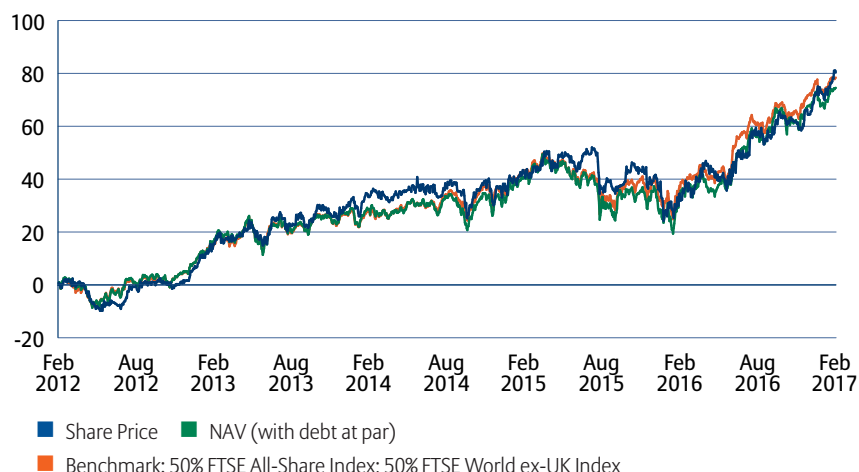
In January we saw the differential between value stocks and quality growth stocks largely closed. However, this investment style headwind began to abate in February, with growth stocks outperforming value. We expect a continuation of the cyclical recovery over the months ahead, with global growth running slightly above potential in 2017.

*Lucy Macdonald*  
7 March 2017

**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	11.9	14.2	36.9	35.6	80.7
NAV	8.1	12.0	31.2	35.7	74.6
Benchmark	8.3	11.3	30.5	39.8	78.7

## Discrete 12 Month Returns (%) to 28 February

	2013	2014	2015	2016	2017
Share Price	15.7	15.2	6.6	-7.1	36.9
NAV	16.6	10.4	9.2	-5.3	31.2
Benchmark	15.3	10.9	11.8	-4.1	30.5

Source: Lipper, percentage growth, mid to mid, total return to 28.02.17. Copyright 2017 © 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.

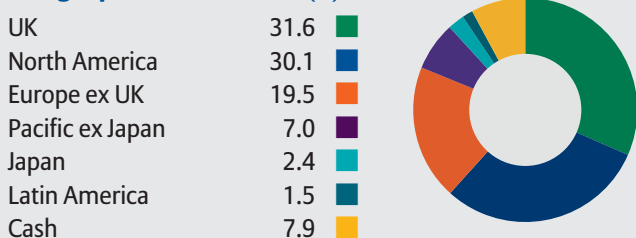
Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount 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 (%)



## Geographic Breakdown (%)



## Top Twenty Holdings (%)

Microsoft	3.1
Royal Dutch Shell 'B' Shares	2.7
United Health	2.3
Abbvie	2.1
BP	2.0
Muenchener Rueckver	1.9
HSBC	1.8
Roche Holdings	1.8
Nielsen	1.8
Walgreens Boots Alliance	1.7
GlaxosmithKline	1.7
Visa	1.7
Estee Lauder	1.6
Accenture	1.6
Lloyds Banking Group	1.6
Priceline Group	1.5
Microchip Technology	1.5
Apple	1.5
Unilever	1.5
EOG Resources	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 <sup>1</sup>	0.79%
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 (30.11.2016). 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](mailto: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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**All data source Allianz Global Investors as at 28.02.17 unless otherwise stated.**

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