

The Brunner Investment Trust PLC

Factsheet

31 January 2014

Fund Managers' Review



Lucy Macdonald & Jeremy Thomas

Market Review

Global equity markets experienced a weak start to 2014 with most indices finishing in negative territory. Europe led the way with a moderate loss with the US and Japan declining most.

Heavy selling pressure in emerging markets, due to the tapering of bond purchases by the US Federal, pressured stock markets globally. Economic reports reflected the uneven nature of the US recovery. Consumer confidence improved, but new orders for durable goods retrenched.

In Europe, economic data continued to be weak and the euro area registered a less-than-expected 0.7% increase in January inflation, the 4th consecutive reading below 1%. In contrast, UK growth (as measured by GDP) grew by 1.9% in 2013, the strongest rate since 2007. Policymakers in a number of Emerging Markets raised interest rates in an attempt to support local currency markets and stem capital outflows despite the risk that these measures could constrain future economic growth.

In China, investors' concern over tight liquidity in the interbank market continued to weigh on the market and Japan's Nikkei 225 stock index also fell; this was due to a mix of profit taking after the stellar performance in 2013 as well as investors' heightened risk aversion amid the emerging market turmoil.

Portfolio Review

The Trust's NAV fell by 3.29% in January. However, one of the stronger contributors over the month was global event organiser UBM. The company generates revenues by selling space to exhibitors, providing sponsorship opportunities and through paid conference attendance. With more online options fragmenting marketing and communications channels, increasing value is being placed on face-to-face meetings at events. We believe UBM is well-placed to benefit from this trend.

Google was also strong, delivering solid quarterly results with core advertising revenue accelerating, driven by 33% revenue growth outside the core US and UK markets.

Mothercare was a top detractor. Its shares fell following a profit warning due to discounting pressure in the UK over Christmas and weakness internationally. We believe that the longer term story of a stabilisation of the UK business and international growth is still in place and added to the position on share price weakness.

During the month we purchased Weir Group, William Hill and Ashmore Group and sold Inmarsat, Crown Castle International and Starbucks.

Outlook

We believe fundamentals remain supportive from both a macroeconomic and corporate earnings perspective. Although the US Federal Reserve's tapering and weak Chinese manufacturing data are creating headwinds for Emerging Markets assets, we do not believe that there is meaningful contagion risk for developed economies.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	0.3	2.8	17.4	37.2	107.1
NAV	-1.9	-0.8	10.7	29.4	101.4
Benchmark	-2.4	-0.4	10.5	26.7	96.4

Discrete Performance (%)

From To	30.01.09 29.01.10	29.01.10 31.01.11	31.01.11 31.01.12	31.01.12 31.01.13	31.01.13 31.01.14
Share Price	28.6	17.4	-4.9	22.9	17.4
NAV	31.1	18.7	-1.1	18.2	10.7
Benchmark	29.9	19.4	-1.0	15.8	10.5

Source: Lipper, percentage growth, mid to mid, total return to 31.01.14.

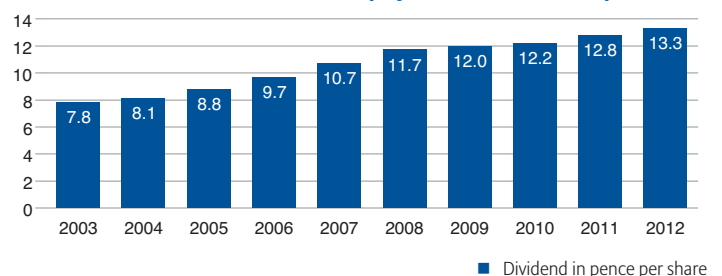
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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 31.01.14 unless otherwise stated.

Allianz Global Investors Europe 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:	£313.9m
Gearing (net):	6.7%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	518.5p
Net Asset Value ² :	602.5p (575.4p – debt at market value)
Premium/-Discount to NAV ³ :	-13.9% (-9.9% – debt at market value)
NAV Frequency	Daily
Dividend Yield ³ :	2.76%

1. Source: Lipper as at 31.01.14, market close mid price.

2. Source: Datastream as at 31.01.14. Calculated using the latest full year dividend divided by the current share price.

3. 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. 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.

Key Information

Launch Date:	January 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
On-going Charges ⁴ :	0.78%
Year end:	30 November
Annual Financial Report:	Final posted in February, Half-yearly posted in July
AGM:	March
Dividends:	March, August
Price Information:	Financial Times, The Daily Telegraph, www.brunner.co.uk
Board of Directors:	Keith Percy (Chairman), Ian Barlow (Chairman of the Audit Committee), Sir William Worsley (Senior Independent Director), Vivian Bazalgette, Carolan Dobson, Peter Maynard, Jim Sharp
Company Secretary	Kirsten Salt
Investment Managers	Lucy Macdonald & Jeremy Thomas
Codes:	RIC: BUT SEDOL: 0149000

4. Source: AIC, as at the Trust's Financial Year End (30.11.2012). On-going 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, 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 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.

Sector Breakdown (%)

Financials	17.9
Industrials	16.6
Health Care	12.3
Consumer Services	11.9
Oil & Gas	11.1
Cash	10.4
Consumer Goods	6.6
Technology	4.8
Basic Materials	4.0
Telecommunications	3.5
Utilities	0.9

Geographic Breakdown (%)

UK	47.3
North America	20.3
Europe ex UK	11.8
Cash	10.4
Pacific ex Japan	5.5
Japan	3.6
Latin America	1.1

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.5	Reed Elsevier	2.0
HSBC	3.0	Rio Tinto	1.6
BP	2.9	UBM	1.5
Vodafone	2.9	Xchanging	1.5
GlaxoSmithKline	2.8	AbbVie	1.5
Total Number of Holdings	93		

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

Net Dividends

	Pay Date	Record Date	Payment
Interim dividend	30.08.13	02.08.13	6.0p
Final dividend	22.03.13	22.02.13	8.3p

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 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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All data source Allianz Global Investors as at 31.01.14 unless otherwise stated.

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