

The Brunner Investment Trust PLC

Factsheet

28 February 2014

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 closed February at fresh all-time highs with most market indices finishing higher. In the US the S&P 500 Index rose 4.6%, its fifth advance in six months. Commodity prices moved higher as the value of the US dollar lost ground versus the euro and the British pound. Reports on fourth quarter earnings continued to come in strong, with nearly three quarters of S&P 500 companies beating estimates. Earnings per share accelerated at the fastest pace since 2011, up nearly 9% year-on-year. While consensus forecasts have come down since mid-January, Wall Street analysts still expect that 2014 could mark another record year for S&P 500 profits.

European economic data continued to improve. In the UK, the Bank of England upgraded its growth forecast for this year to 3.4%. Economic growth in Germany (as measured by GDP) accelerated to 0.4% in Q4 from 0.3% in Q3, and growth in France remained stable at 0.3%. Ratings agency Moody's lifted the outlook for Italy's credit rating to 'stable' from 'negative' in February.

Asia Pacific stock markets regained grounds from the prior month's slump as investors' confidence returned. Japan's Nikkei 225 stock index continued to trend downwards in February and was the only market posting negative performance within the Asia Pacific region. The decline was mainly driven by investors' concerns over slower growth in China, instability in emerging markets and yen strength.

Portfolio Review

The Trust's NAV rose 4.49% in February, ahead of its benchmark. US health and beauty chain Walgreen was the top contributor. The market has been becoming increasingly optimistic that the company's earnings profile over the next year should improve due to a recovery in customer traffic and operational synergies from the company's controlling stake in Alliance Boots.

Online travel agent priceline.com also contributed as the company reported another strong quarter. The 42% growth in international bookings was much better than anticipated and the company could have significant growth potential in the US, where it has less than 10% market share.

Agilent Technologies reported results in line with expectations, but surprisingly materially reduced earnings forecasts due to weak aerospace and defence spending projections this year, combined with an inability to offset the revenue loss with cost savings. We believe LDA has strong fundamentals and an opportunity to grow market share in the academic and government channels as well as leverage its strong positions in China and India.

Outlook

After strong 2013 performance, global equity valuations have risen. While valuations in the US appear somewhat stretched, Europe and Asia generally look reasonable. However, in our view, equities do not look expensive compared to other asset classes.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	5.1	9.0	15.2	39.1	141.3
NAV	2.6	7.4	10.4	33.0	122.5
Benchmark	2.0	6.9	10.9	29.2	121.3

Discrete Performance (%)

From To	27.02.09 26.02.10	26.02.10 28.02.11	28.02.11 29.02.12	29.02.12 28.02.13	28.02.13 28.02.14
Share Price	53.8	12.8	4.4	15.7	15.2
NAV	47.8	13.1	3.4	16.6	10.4
Benchmark	48.1	15.7	1.1	15.3	10.9

Source: Lipper, percentage growth, mid to mid, total return to 28.02.14.

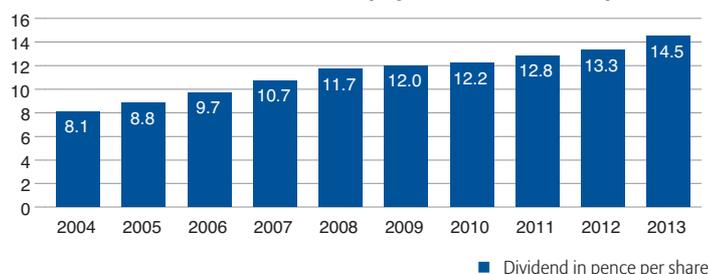
Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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 28.02.14 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:	£326.3m
Gearing (net):	7.3%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	534.0p
Net Asset Value ² :	629.6p (602.6p – debt at market value)
Premium/-Discount to NAV ² :	-15.2% (-11.4% – debt at market value)
NAV Frequency	Daily
Dividend Yield ³ :	2.76%

1. Source: Lipper as at 28.02.14, market close mid price.

2. Source: Datastream as at 28.02.14. 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 :	0.77%
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), 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 (30.11.2013). 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	18.1
Industrials	16.5
Health Care	12.3
Oil & Gas	12.1
Consumer Services	11.9
Cash	9.4
Consumer Goods	6.5
Technology	5.1
Basic Materials	4.0
Telecommunications	3.2
Utilities	0.9

Geographic Breakdown (%)

UK	46.2
North America	22.4
Europe ex UK	12.1
Cash	9.4
Pacific ex Japan	5.4
Japan	3.4
Latin America	1.1

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.6	Rio Tinto	1.6
BP	2.9	Reed Elsevier	1.6
GlaxoSmithKline	2.9	Microsoft	1.6
HSBC	2.9	UBM	1.6
Vodafone	1.7	BHP Billiton	1.5
Total Number of Holdings	96		

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

Net Dividends

	Pay Date	Record Date	Payment
final dividend	26.03.14	07.03.14	8.5p
interim dividend	30.08.13	02.08.13	6.0p

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 28.02.14 unless otherwise stated.

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