

The Brunner Investment Trust PLC

Factsheet

30 September 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.

History

The Trust 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 ICI in 1926. The Trust has been managed by Allianz Global Investors since inception.

Fund Managers' Review



Lucy Macdonald & Jeremy Thomas

Market Review

Global markets were generally weaker in September as geopolitics in Russia and the Middle East combined with uncertainty over the outlook for the eurozone. The reemergence of questions about China's growth prospects and uncertainty in the US over the timing of the Federal Reserve's first interest rate rise also led to renewed angst among some investors. Scottish voters' decision to remain in the UK led to a brief relief rally for sterling and the FTSE. China's PMI also fell and industrial production growth weakened from 9.0% to 6.9%, the lowest growth in six years.

Portfolio Review

The Trust's NAV declined 2.9% versus the benchmark which returned -1.68%. Balfour Beatty was a top detractor. The company's UK construction business remains challenged due to legacy contract issues. The auditors have been asked to examine the order book to determine whether any further potential losses remain uncovered. On the other hand, the US business is doing fine and the company has been monetising assets so the balance sheet looks sufficiently robust. On any reasonable valuation metric, the business appears cheap and if the company successfully assuages market concerns about further losses in the UK, then the shares should begin to perform as the problem contracts run off. EOG Resources also detracted from performance, primarily due to the 16% decline in oil prices since late-June. While additional near term downside risk is always possible, most of the oil price correction has probably taken place.

The US pharmaceutical company AbbVie was the top contributor. The company's 2Q results exceeded expectations, driven by continued strong performance from its flagship anti-inflammatory drug Humira, which treats a number of conditions, including rheumatoid and psoriatic arthritis and Crohn's disease.

Outlook

Equity markets have recently hit a bit of turbulence due to a weaker outlook for European and Chinese economic growth and increased geopolitical concerns. However, central bank monetary policies and the improving US growth profile remain supportive. Overall, equity markets have performed well over the last few years and further short term gains are likely to be muted. Additionally, equity valuations continue to differ markedly between countries, regions and individual stocks. In this type of environment, stock picking and dividend income are likely to become even more important in generating positive returns.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-0.3	0.2	10.7	57.2	70.4
NAV	-0.9	1.6	7.2	54.3	60.9
Benchmark	1.2	3.6	9.3	53.0	63.0

Discrete Performance (%)

From To	30.09.09 30.09.10	30.09.10 30.09.11	30.09.11 28.09.12	28.09.12 30.09.13	30.09.13 30.09.14
Share Price	10.7	-2.1	17.1	21.2	10.7
NAV	9.2	-4.5	21.8	18.1	7.2
Benchmark	11.1	-4.1	17.6	19.1	9.3

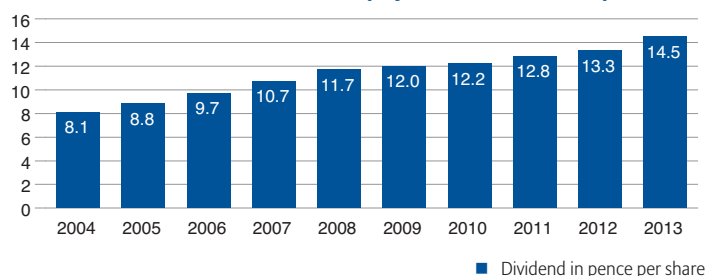
Source: Lipper, percentage growth, mid to mid, total return to 30.09.14. Benchmark: 50% FTSE All-Share Index; 50% FTSE World ex-UK Index.

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 30.09.14 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:	£319.4m
Gearing (net):	8.5%
Shares in Issue:	43,089,418 (Ordinary 25p)
Share Price ¹ :	528.0p
Net Asset Value ² :	617.2p (590.1p – debt at market value)
Premium/-Discount to NAV ³ :	-14.4% (-10.5% – debt at market value)
NAV Frequency	Daily
Dividend Yield ³ :	1.76%

1. Source: Lipper as at 30.09.14, market close mid price.

2. Source: Datastream as at 30.09.14. 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:	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 ⁴ :	0.77%
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, Carolan Dobson, Peter Maynard, Jim Sharp
Company Secretary	Kirsten Salt
Investment Managers	Lucy Macdonald & Jeremy Thomas
Codes:	RIC: BUT.L SEDOL: 0149000

4. Source: AIC, as at the Trust's Financial Year End (30.11.2013). 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, 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 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.

Sector Breakdown (%)

Industrials	18.9
Financials	18.8
Health Care	12.9
Oil & Gas	12.2
Cash	8.9
Consumer Services	7.9
Consumer Goods	7.3
Technology	5.7
Basic Materials	3.7
Telecommunications	2.9
Utilities	0.8

Geographic Breakdown (%)

UK	43.1
North America	25.6
Europe ex UK	10.9
Cash	8.9
Pacific ex Japan	6.5
Japan	3.3
Latin America	1.7

Top Ten Holdings (%)

Royal Dutch Shell "B" Shares	3.4	Vodafone	2.1
HSBC	3.0	Roche	1.9
GlaxoSmithKline	2.5	Monsanto	1.8
BP	2.4	AbbVie	1.7
Microsoft	2.2	Xchanging	1.7
Total Number of Holdings	89		

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

Net Dividends (dividends payable quarterly from June 2014)

	Pay Date	Record Date	Payment
2nd quarterly dividend	22.09.14	22.08.14	3.1p
1st quarterly dividend	27.06.14	30.05.14	3.0p
final dividend*	26.03.14	07.03.14	8.5p

*year ended 30.11.13

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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All data source Allianz Global Investors as at 30.09.14 unless otherwise stated.

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