

Global investment solution rich in family history

The Brunner Investment Trust PLC

Factsheet

30 November 2018

Aim

The Trust aims to provide growth in capital value and dividends over the long term by investing in global and UK securities. The benchmark against which performance is measured is 70% FTSE World ex-UK Index and 30% FTSE All-Share Index.

History

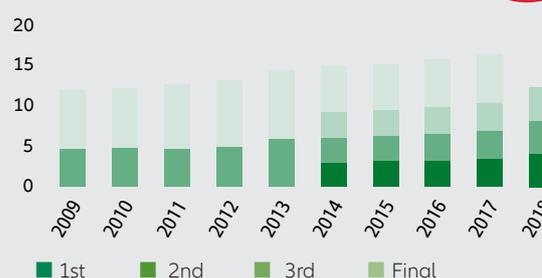
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 46 years. The Trust invests in companies all over the world, seeking out opportunities for growth and reliable dividends wherever they may be.

Ten Year Dividend History

Dividend Record in Pence per Share to year end 30 November



Last Four Dividend Payments per Share

Record Date	Pay Date	Dividend	Type
09.11.2018	14.12.2018	4.05p	3rd Quarterly
10.08.2018	21.09.2018	4.05p	2nd Quarterly
22.06.2018	27.07.2018	4.05p	1st Quarterly
14.02.2018	29.03.2018	6.00p	Final

Past performance is not a reliable indicator of future results.

Total Assets £383.9m **Shares in Issue** 42,692,727 (Ordinary 25p) **Market Cap** £318.1m

Share Price

745.0p

Source: Lipper

NAV per Share

835.3p

Premium/-Discount

-10.8%

Dividend Yield

2.4%

Gearing

7.4%

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 cum income 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 30.11.18 unless otherwise stated.

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Fund Manager's Review

Market Review

After the previous month's turbulence, November was a quieter month for global equity markets. Most started the month on a brighter note, lifted by hopes of thawing US-Chinese trade tensions. Uncertainty over the US mid-term elections was also alleviated when the results were broadly in line with expectations.

However, markets generally lost ground in the second half of the month. In Europe, political uncertainty added to worries over a lacklustre economy, with exports affected by higher tariffs and the slowdown in growth in all regions apart from the US. Heightened tensions between Russia and Ukraine also weighed on sentiment. In general, emerging markets outperformed developed market stocks, with Chinese equities performing particularly strongly.

While Health Care was the best performing sector, Technology continued to sell off, fuelled by speculation that Apple had cut production of its latest iPhone models due to weak sales. Energy stocks also fell as oil prices plunged.

The US Federal Reserve (Fed) appeared to soften its stance towards raising interest rates, with chair Jay Powell indicating that rates were nearing their "neutral" level. Elsewhere, the Bank of England indicated it may be forced to raise interest rates sharply if Brexit led to higher UK inflation. The European Central Bank confirmed it would press ahead with plans to end its bond-buying programme by the end of this year.

Oil fell steadily, with Brent crude falling below USD 60 a barrel, from a peak of more than USD 85 in October. Industrial metals, such as copper, initially weakened but closed the month broadly unchanged. Gold rallied slightly.

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Portfolio Review

The Trust's NAV returned +1.59% against a benchmark return of 0.59%. This outperformance was driven by stock selection, particularly in the Health Care, Consumer Services and Industrials sectors. Although the Trust is underweight Telecommunications, which have performed well, this was comfortably offset by positive stock selection in other sectors.

AbbVie made the largest contribution to the Trust's returns. Having weakened the previous month, the speciality pharmaceutical company's share price rallied strongly in November. The company reported year on year revenue growth of 17.7 per cent, as well as better than expected Q3 earnings.

UnitedHealth Group has also boosted performance. The integrated health care company reported impressive Q3 results in mid-October. The company's acquisition of two speciality pharmacies (Avella and Genoa) in Q3 testify to management's commitment of growing earnings through acquisitions.

Amadeus has been the weakest performing stock in the portfolio. Markets reacted negatively to the processor of online travel bookings revealing it had missed Q3 revenue expectations. This was largely due to declining market share in European global distribution systems. In addition, the European Commission has opened a formal probe, examining whether agreements between Amadeus and Sabre (a competitor) restrict the ability of airlines



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.

and travel agents to use alternative suppliers.

Richemont also detracted from returns. The luxury retail conglomerate announced year on year H1 revenue growth of 21.1 per cent, but a 3.1 per cent reduction in operating income. Partially this is due to the company's deliberate reduction of specialist watches into wholesale channels. However, Asia accounts for around 50% of all revenue and this has declined recently on the back of a weaker Chinese renminbi and lower growth expectations. However, with its investment in online platforms (including a recent joint venture with Chinese ecommerce giant Alibaba), the company has a clear potential growth strategy.

Market Outlook

Markets have reached an inflection point. As of November 30th in USD terms, the MSCI All Country World Index (net) is down 2.1%, compared to a 21.9% gain over the same period last year. Getting here has involved the continuing normalisation of monetary policy, slowing global growth and rising political tensions.

For now, this direction of travel appears fixed, with the result that volatility is rising and valuations have become suppressed across a range of asset classes, not just equities. According to Morgan Stanley, an investment bank, "none of the 17 major asset classes have outperformed inflation, the only time this has happened since 1992". And as at November 30, the Vix (a measure of stock market volatility) has been above its 200 day moving average for over a month and a half. Conversely, as many investors look for safe haven assets, some stocks do look cheap. The average price to earnings ratio in the MSCI World Index is now at its lowest since June 2013.

Thus the current outlook presents us with a range of opportunities and challenges. Companies which have been oversold are looking attractive once again, while there are plenty with further to fall. As a team, our bias towards quality growth companies has shielded us from some of the worst losses in the recent correction. Implementing our investment process and taking a truly active approach to will be key to navigating the year ahead.

Lucy Macdonald
10 December 2018

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	-3.7	-4.6	-2.8	48.7	68.1
NAV	-4.2	-3.4	-0.2	41.1	52.1
Benchmark	-4.5	-0.4	4.1	41.4	57.8

Discrete 12 Month Returns (%) to 30 November

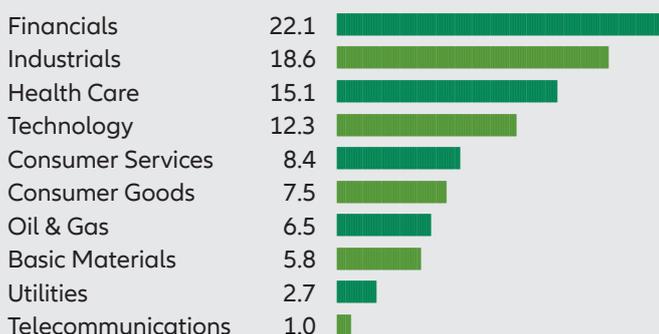
	2018	2017	2016	2015	2014
Share Price	-2.8	35.8	12.7	2.7	10.1
NAV	-0.2	18.3	19.5	1.0	6.7
Benchmark	4.1	15.1	18.0	1.8	9.6

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.11.18. Copyright 2018 © DataStream, a Thomson Reuters company. All rights reserved. DataStream 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	4.1
UnitedHealth	3.9
Royal Dutch Shell B Shares	2.9
Cooper Cos	2.4
Roche	2.3
Agilent Technologies	2.3
Visa	2.3
AbbVie	2.3
BP	2.2
Ecolab	2.2
Muenchener Rueckver	2.2
Accenture	2.1
GlaxoSmithKline	2.1
Apple	1.9
Estée Lauder	1.9
Walgreens Boots Alliance	1.7
Amadeus IT Group	1.7
Charles Schwab	1.7
Booking Holdings	1.7
Taiwan Semiconductor	1.7

Total number of holdings 67

The data shown is not constant over time and the allocation may change in the future. Totals may not sum to 100.0% due to rounding.

This is no recommendation or solicitation to buy or sell any particular security.

*Excludes Cash

Key Information

Launch Date	December 1927
AIC Sector	Global
Benchmark	70% FTSE World ex-UK Index; 30% FTSE All-Share Index
Annual Management Charge	0.45%
Performance Fee	No
Ongoing Charges ¹	0.72%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	March/April
NAV Frequency	Daily
Dividends	March/April, June/July, 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 (30.11.2017). 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:

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www.brunner.co.uk

E-mail: 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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