

30 November 2014

The Brunner Investment Trust PLC

Annual Financial Report



Allianz 
Global Investors

www.brunner.co.uk

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Cover image: 'Girl with a Dolphin' fountain, Tower Bridge, London.

The image of the fountain on the cover of this report is inspired by the Arms of the Brunner family. The family originated from Switzerland and 'Brunner' is German for fountain. John Brunner was born in Canton Zürich and migrated to Lancashire in 1832. His son, Sir John Brunner, Bart, was the co-founder of Brunner Mond & Co, the largest of the four companies which came together to form ICI in 1926. The family's interest in ICI was used in the following year to establish The Brunner Investment Trust.

Jim Sharp, who joined the board on 1 January 2014, is connected to the Brunner family by marriage and continues the link between the board and the Brunner family.

The Brunner Investment Trust PLC is a member of The Association of Investment Companies.

Category: Global Growth

Company Overview



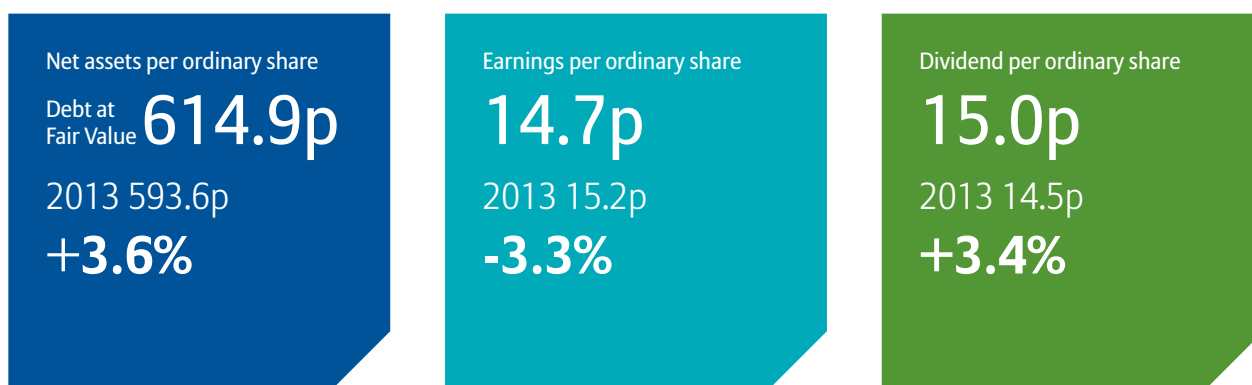
The Brunner Investment Trust aims to provide growth in capital value and dividends for investors over the long term through investing in a portfolio of UK and international equities. The benchmark against which we measure our performance is 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£).

The company provides a “one stop shop” for investors looking for a portfolio of equities split between the UK and overseas. The company’s shares are recognised by the Association of Investment Companies (AIC) as suitable for retail investors.

Brunner is run by an independent board of directors and has no employees. Like other investment companies, it outsources investment management and administration to an investment management company – Allianz Global Investors – and other third parties to provide shareholders with an efficient, competitive, cost-effective way to gain wide equity investment exposure through a single investment vehicle.

The Key Performance Indicators ‘KPI’s on page 9 of the report show how effective the company has been in delivering its strategy.

Financial Highlights



Investment Policy

Asset Allocation

The majority of the company’s investments are in equities.

Risk Diversification

The company aims to achieve a spread of investments.

Gearing

The company seeks to enhance returns over the long term through gearing.

Benchmark

The benchmark against which the board assesses investment performance is a composite of 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£). A statement explaining how the assets have been invested to spread risk is included in the table “Risk” on page 10.

Chairman's Statement



Dear Shareholder

The Net Asset Value (NAV) per ordinary share of the company increased by 3.6% closing at 614.9p on 30 November 2014. Although this was a positive absolute return, the benchmark returned 6.5% over the period. The NAV Total Return was 6.0% versus the benchmark figure of 9.6%. This is disappointing after the good outperformance achieved in the two previous years.

Earnings per Share

The company's earnings have fallen by 3.3% this year, from 15.2p to 14.7p, reflecting a number of factors including the impact of translating overseas earnings to sterling.

Dividends for the Year

This is our first year of paying quarterly dividends. It is proposed that a fourth and final dividend of 5.7p per share will be paid on 26 March 2015 to shareholders on the Register of Members at close of business on 6 March 2015, bringing the total payment for 2014 to 15.0p, an increase of 3.4% on last year. This requires a small contribution from revenue reserves (0.3p) but these reserves remain strong at 23.8p per share after the payment of the third quarterly dividend and the proposed final dividend.

The board's intention is to maintain a dividend which grows over time above the inflation rate, subject to performance and to maintaining adequate dividend cover over the longer term.

If the dividend is approved, this will mean we will have a 43 year record of increasing dividends.

Buy Back of Shares

No shares were bought back in the year. We will however be seeking shareholder approval to renew the share buy back facility for the coming year in order to be able to use this tool to reduce discount volatility and to generate modest enhancements to NAV per share in the right market circumstances.

Taking Brunner to a wider audience

We have continued our plans to boost awareness of Brunner and the company's investment objective and strategy amongst both private and professional investors to generate further interest in the company's shares and promote liquidity. The company is included in the list created by The Association of Investment Companies (AIC) of investments a financial adviser can recommend to retail investors under the Retail Distribution Review. Advertising and public relations programmes continue to form a key part of the trust's marketing strategy to make Brunner a 'front of mind' choice for potential investors. We are pleased to note that Brunner is popular with private investors as shares purchased via direct investor platforms almost doubled in 2014 (source: RD:IR).

The company has received positive press comment throughout the year in both national newspapers and personal finance magazines and we have also developed our dedicated website www.brunner.co.uk. The site provides regular updates on the company's performance and views from the fund managers as well as dividend information and



Chairman's Statement *(continued)*

regulatory market announcements. We have recently launched a monthly email update which shareholders can subscribe to via the website.

Brunner supports the AIC's 'Freedom in Pensions' campaign which looks at how investment companies can be used to help build a long term pension portfolio. Further details can be found on the home page of our website.

AIFMD

The EU's Alternative Investment Fund Managers Directive came into effect during 2014. Under this legislation the company is designated as an Alternative Investment Fund (AIF) and we appointed an Alternative Investment Fund Manager (AIFM), the existing manager, Allianz Global Investors (AGI). A new AIFM agreement was entered into with AGI, on substantially the same terms as the management agreement already in place. In addition, HSBC Bank plc, the existing custodian of the company's assets, was appointed as Depositary, to provide oversight over the operations carried out for the company and to ensure that appropriate standards are maintained. Some further details of the new arrangements are on pages 31 and 72.

The Board

Our corporate governance statement is posted on the website: www.brunner.co.uk which describes the board review process. We continue to conduct an annual appraisal of the board.

Outlook

While relatively benign, the outlook is not without risks. Geopolitical tensions will be fanned by competitive currency devaluation and the impact of lower oil receipts in some economies.

In the UK, the coming General Election looks to be a close contest and may well create uncertainty over the relationship with the EU. The Fed will need to communicate the path of US monetary policy with some skill to avoid excessive volatility in the bond market, where rate expectations are currently quite complacent. The rebalancing of the Chinese economy away from a reliance on investment and debt is far from complete and could have ramifications for property prices in the region.

In absolute terms the valuation of equity markets are above long run averages which in itself is a good reason for some caution. However, against this environment, we have confidence that our investment managers will continue to find well run companies they believe will bring beneficial returns over the longer term.

Annual General Meeting

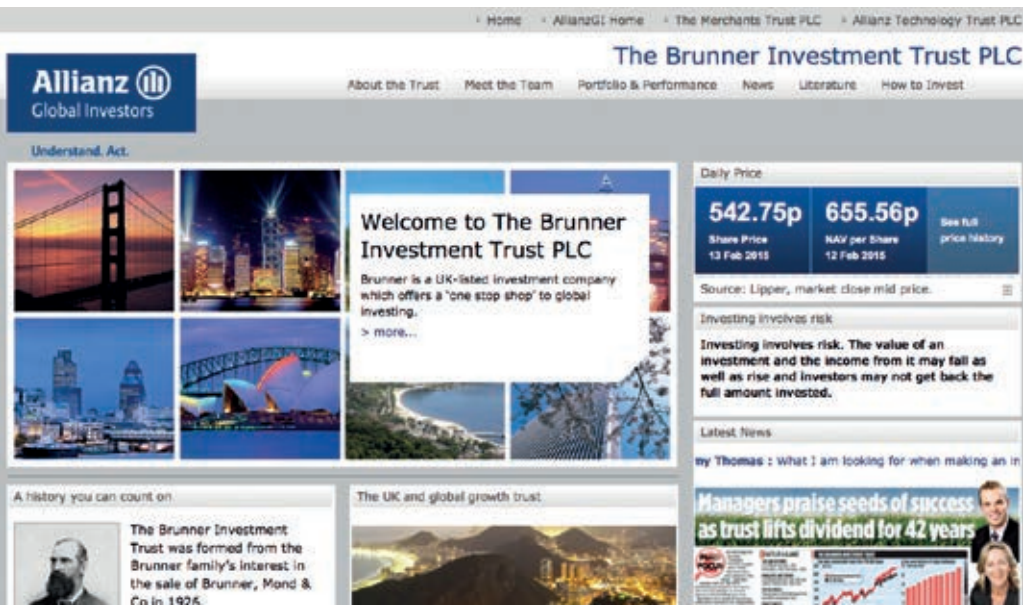
The annual general meeting will be held at Trinity House, Trinity Square, Tower Hill, London EC3N 4DH, on 17 March 2015, and we, the board, look forward to meeting those shareholders who are able to attend.



Keith Percy
Chairman
17 February 2015



Brunner supports the AIC's 'Freedom in Pensions' campaign which looks at how investment companies can be used to help build a long term pension portfolio. Further details can be found on the home page of our website.



The screenshot shows the website for The Brunner Investment Trust PLC. At the top, there is a navigation bar with links for Home, AllianzGI home, The Merchants Trust PLC, and Allianz Technology Trust PLC. The main header features the Allianz Global Investors logo and the company name. Below the header, there are several sections: a 'Welcome to The Brunner Investment Trust PLC' message, a 'Daily Price' section showing a share price of 542.75p and NAV per share of 655.56p, a 'Latest News' section with a headline 'Managers praise seeds of success as trust lifts dividend for 42 years', and a 'History you can count on' section mentioning the trust's formation in 1925. The website also includes a disclaimer: 'Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested.'

Our dedicated website, www.brunner.co.uk, provides regular updates on the company's performance and views from the fund managers as well as dividend information and regulatory market announcements.

personal view



A professional investor tells MoneyWeek where she'd put her money now. This week: **Lucy Macdonald**, co-manager, Brunner Investment Trust

High-conviction holdings

We aim to find well-run companies with strong balance sheets and good cash returns, as well as high – above 30% – and stable. The strong, experienced management team has a good

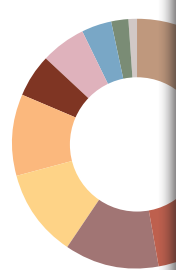
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Accen fieldi servic growt most revent expan are in exper book

The company secured significant press coverage during the year.



FUND FOCUS
The month will see dividend payments who moved quick shares in Royal M. But there is a bit with more reason backers of the po. They are shareh Brunner Investm have not only rec dividend payment enjoyed a rising o same period. Managers Lucy Jeremy Thomas s ability to keep ge bits down to a m. First, they point reserves so the b to award dividen performance dipr praise the solid r by Grassroots, a d

investment trust. Instead, T discount will close as the two debt mature.
The table (see below, right balance sheet at the end of it. The £18 million stepped into an effective interest rate of 1 million fixed-rate one a 9.3% in 1987 and 1993, these liabi and 2022 respectively. Brun set aside, as gearing is less th high rates mean the debt tra and Thomas accepts some it 10.6% portfolio weighting to. As those debts mature and a discount could be expected, the trust continues to perfor



PORTFOLIO WEIGHTING BY SECTOR (as at 31/03/2014)

Company	%
Royal Dutch Shell (RDSB)	3.5
HSBC (HSBA)	2.9
GlaxoSmithKline (GSK)	2.8
BP (BP)	2.6
Vodafone (VOD)	2.1
Microsoft (MSFT:NDQ)	1.9
Monsanto (MON:NYSE)	1.9
Roche (ROG:VX)	1.8
Rio Tinto (RIO)	1.6
BG (BG)	1.6
AbbVie (ABBV:NYSE)	1.5
TOTAL	21.4

All data as of 30/05/2014
Source: Allianz Global Investors

Funds

Jeremy Thomas
Lucy Macdonald
Brunner Investment Trust (BUT)
Five-year annualised share price performance: 14.8%

FAST FACTS
Launch date: 1927
Market cap: £229.9 million
Dividend yield: 2.7%
Sector: Global
Share price: 533.5p
NAV per share: 605.9p
Discount: 12.0%

TOP TEN EQUITY HOLDINGS

Company	%
Royal Dutch Shell (RDSB)	3.5
HSBC (HSBA)	2.9
GlaxoSmithKline (GSK)	2.8
BP (BP)	2.6
Vodafone (VOD)	2.1
Microsoft (MSFT:NDQ)	1.9
Monsanto (MON:NYSE)	1.9
Roche (ROG:VX)	1.8
Rio Tinto (RIO)	1.6
BG (BG)	1.6
AbbVie (ABBV:NYSE)	1.5
TOTAL	21.4

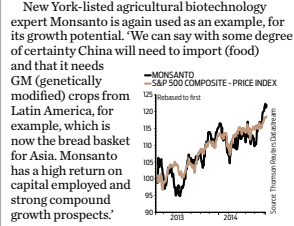
All data as of 30/05/2014
Source: Allianz Global Investors

Trust in Brunner

Patient investors should warm to the investment trust given the discount

RUSS MOULD
Any investment which offers the proud record of 42 consecutive increases in its annual dividend must be worthy of consideration for any portfolio, especially when it has the added potential to offer capital appreciation. **Brunner Investment Trust (BUT)**, run by Allianz Global Investors, provides global equity exposure with its selection of around 80 holdings, where the asset allocation splits equally between UK and overseas-listed firms.
The secret to Brunner's portfolio is the powerful research team upon which fund managers Lucy Macdonald and Jeremy Thomas can draw. Their brief takes in a huge amount of ground and, at the time of writing, the trust has exposure to the US, Europe, Asia, Japan and Latin America to complement the domestic weighting.
"We have analysts around the world, in San Francisco, Frankfurt, Hong Kong and Tokyo. They rank the stocks in their own sectors and that is our first port of call. They are then filtered as we run a quantitative screen, which we have to have as we are looking at hundreds of companies," says Macdonald, as she outlines the resources available to Brunner as part of the Allianz Global Investors group.
An internal platform, Chatter, allows the fund managers to interact with the analysts and debate ideas and stocks. This primary forum enables Brunner to better leverage insight that can be drawn from across the group.
"We also have a global network of 50,000 contacts; expert witnesses who are specialists," continues Macdonald. "In healthcare, for example, where we have a big exposure, they can talk to doctors on prescription trends or pricing."
"Another example is **Monsanto (MON:NYSE)**," adds Thomas. "Its Brazilian business has a new product, Intacta, that is used to fight a caterpillar that has been destroying the soyabean crop. This year farmers are using just Intacta and no insecticides and the crop is protecting itself – it's like immunotherapy," the money manager continues. "Our local expert has spoken to 30 farmers on their planting intentions and they told us they would use less insecticide and more Intacta in 2015. That is good information to have, to back up a view we had on the stock."

look for high and sustainable return on equity, good management teams and strong balance sheets," affirms Thomas. "We don't pay much attention to earnings per share but we do make sure we do not overpay for a stock. We will have a very specific level in mind for a stock which we will be very satisfied to pay. Valuation is absolutely key for us."
New York-listed agricultural biotechnology expert Monsanto is again used as an example, for its growth potential. "We can say with some degree of certainty China will need to import (food) and that it needs GM (genetically modified) crops from Latin America, for example, which is now the bread basket for Asia. Monsanto has a high return on capital employed and strong compound growth prospects."



FLEXIBLE APPROACH
Despite the broad spread of the portfolio and the research resource available to them, Macdonald and Thomas place a great emphasis on meeting company executives on a regular basis. "We always look at management and governance," stresses Thomas. "We want to be able to see that management can allocate capital properly and work for shareholders' interests though ideally we like to buy companies that do not need strong managers as their competitive position is so strong."

There is no index-hugging here, as shown by the presence of UK-listed names such as the presence of doors and windows expert **Tyman (TYMN)** and business process outsourcing specialist **Xchanging (XCH)**.

The results speak for themselves, as Brunner's record shows healthy outperformance of its IMA Global sector benchmark on a one, three and five-year view (see right). This should please shareholders, including the Brunner family, for whom the investment trust was originally set up in 1927, not least as they retain a 30% stake.

Yet despite the clear process, good performance and dividend growth record and a total expense ratio of just 0.77%, Brunner trades at a 12% discount to net asset value at the time of writing. The board has permission to buy back stock to close the gap, but would prefer not to shrink the

KEY DISCIPLINES
The Brunner team puts all of the pieces together in a quest to build a portfolio of firms which have a competitive edge and offer the right combination of growth, quality and value. "We

Performance – Review of the Year

Review of the Year

Years ended 30 November	2014	2013	% change
Income available for ordinary dividend	£6,337,759	£6,566,930	-3.5
Earnings per ordinary share	14.7p	15.2p	-3.3
Dividends per ordinary share	15.0p	14.5p	+3.4
Retail price index	257.1	252.1	+2.0
As at 30 November	2014	2013	% change
Net asset value per ordinary share (debt at fair value) [#]	614.9p	593.6p	+3.6
Net asset value per ordinary share (debt at par) [#]	646.0p	622.6p	+3.8
Share price	541.0p	508.0p	+6.5
Share price total return	9.4%	26.3%	-
Total net assets	£278,363,030	£268,253,844	+3.8
Ongoing charges*	0.8%	0.8%	-

*The ongoing charges percentage is calculated in accordance with the explanation given on page 9.

[#]See note 13 on page 62.

Comparison of Performance relative to Benchmark

The benchmark comprises 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£). The benchmark rose by 6.5% during the year to 30 November 2014.

Net Asset Value Relative to Benchmark

	Capital return	Total return
Change in net asset value	+3.6%	+6.0%
Change in benchmark	+6.5%	+9.6%
Performance against benchmark	-2.9%	-3.6%

Portfolio Relative to Benchmark

	Capital Return	Total Return*
Net portfolio return (excluding cash and gilts)	+4.6%	+7.9%
Change in benchmark	+6.5%	+9.6%
Performance against benchmark	-1.9%	-1.7%

*Total return is calculated with dividends reinvested.

Performance – Review of the Year *(continued)*

Portfolio Performance

The factors explaining the elements of the equity portfolio performance, i.e., excluding cash and gilts, are set out below. Asset allocation and stock selection in the UK and overseas portfolios are each shown relative to their index and the returns on the company's equity portfolios are shown against the benchmark indices' returns.

	Portfolio Return %	Index %	Relative Performance* %	Of which:	
				Asset Allocation %	Stock Selection %
UK	-3.2	1.3	-4.5	-1.8	-2.5
Overseas	12.4	11.8	0.6	2.1	-1.4

*The difference in the relative performance of the portfolio against the sum of the asset allocation and stock selection arises because the information derives from the following separate sources:

Benchmark - Datastream.

Asset allocation and stock selection - Atlas.

Reconciliation of Benchmark Performance to Movement in NAV

	Capital Return	Income Return	Total Return
Net portfolio return (excluding cash and gilts)	4.6%	3.3%	7.9%
Impact of gearing	0.7%	0.5%	1.2%
Finance costs	-1.2%	-0.5%	-1.7%
Increase in fair value of debt	-0.4%	0.0%	-0.4%
Gain on gilt holdings	0.1%	0.2%	0.3%
Other	0.2%	-0.7%	-0.5%
Net effect of gearing	-0.6%	-0.5%	-1.1%
Retained Revenue	0.0%	0.0%	0.0%
Management fee	-0.4%	-0.2%	-0.6%
Administration expenses	0.0%	-0.2%	-0.2%
Other factors	-0.4%	-0.4%	-0.8%
Return to shareholders	3.6%	2.4%	6.0%
Change in benchmark	6.5%	3.1%	9.6%
Relative performance	-2.9%	-0.7%	-3.6%

The Brunner Investment Trust PLC

Strategic Report



Strategic Report

at 30 November 2014

Objectives

Our overall objective is to provide shareholders with growth in capital value and dividends over the long term through investing in a portfolio of UK and international equities. The company's investment objective is to achieve a total return higher than that of the benchmark index of 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£) over the long term, after absorbing costs.

By pursuing this investment strategy we aim to appeal to a broad range of investors and to ensure we are attractive to new investors and investor groups. It is also our objective to ensure that the costs of running the company are reasonable and competitive.

Investment Strategy and Policy

The objective is to be achieved by our strategy of investment in UK and international securities and by using appropriate gearing to enhance returns. This strategy is designed to meet the requirements of those seeking a single investment in a diversified and professionally managed portfolio.

The essence of the investment style we ask the investment managers to follow is to select the best stocks in a 'bottom up' approach, before sector and country selection. The portfolio is concentrated into 93 stocks at 30 November 2014 (94 stocks in 2013). Within that concentration modest gearing - employing the company's borrowings to invest - is within guidelines set by the board.

Marketing activity has been increased to ensure that the company's 'one stop shop' message can be promoted to investors looking for exposure to UK and global equities and seeking growth in both capital and dividends.

The board seeks to increase the company's dividend in real terms each year and is supported in this strategy by substantial dividend reserves.

The discount of the share price to net assets is closely monitored and the board gives the manager authority to buy back shares at appropriate times.

Strategy Review

We hold an annual Strategy Meeting, outside the normal timetable of board meetings. At the most recent meeting the topics covered included:

- the company's investment strategy
- the company's market position compared with its peer group, including an analysis of performance, dividend policies, yields, financing and the raising of assets
- a comparison of the company against open-ended funds
- gearing and the future for our debentures as redemption approaches

Business Model

The Brunner Investment Trust carries on business as an investment company and follows the investment policy described above.

Brunner is run by an independent board of non-executive directors and has no employees or premises of its own. Like other investment companies, it outsources investment management and accounting, secretarial and other administration services to an investment management company – Allianz Global Investors GmbH, UK Branch – and to other parties, including HSBC Bank PLC as depositary and custodian, and Capita Asset Services as registrar. This enables Brunner to provide shareholders with an efficient, competitive, cost-effective way to gain wide investment exposure through a single investment vehicle.

The company has a main market listing on the London Stock Exchange. In addition to annual and half-yearly financial reports and interim management statements, the company announces net asset values per share daily and provides more detailed information monthly to the Association of Investment Companies, of which the company is a member, in order for investors and market professionals to compare its performance with its peer group.

Strategic Report *(continued)*

at 30 November 2014

Key Performance Indicators

The board uses certain financial Key Performance Indicators (KPIs) to monitor and evaluate the performance of the company. The following are the performance indicators the board reviews in executing its strategy as outlined on pages 5 and 6.

<p>Performance against the Benchmark Index</p> <p>This is the most important KPI by which performance is judged. The principal objective is to achieve a return higher than that of the benchmark index of 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£) over the long term, after absorbing costs.</p> <p>Total Return NAV against the benchmark is shown in the graph on page 13. Capital returns are shown on page 1 and in the Chairman's Statement.</p>	<p>2014 Brunner NAV Total Return Debt at fair value 6.0% Benchmark 9.6%</p> <p>2013 Brunner NAV Total Return Debt at fair value 26.2% Benchmark 21.4%</p>
<p>Ongoing Charges</p> <p>Ongoing charges are operating expenses incurred in the running of the company, whether charged to revenue or capital but excluding financing costs. The ongoing charges figure is calculated by dividing operating expenses, that is, the company's management fee (charged to both income and capital, as per note 2 on page 54) and all other ongoing charges (note 3 on page 55), by the average net asset value (with debt at fair value) over the period. This figure does not include costs incurred from trading activities, as these are capitalised within the investment (note 8 on page 58).</p> <p>Ongoing charges are published by the AIC.</p>	<p>2014 0.8%</p> <p>2013 0.8%</p>
<p>Performance against the Company's Peers</p> <p>The board also monitors the performance relative to a broad range of competitor investment trusts over a range of time periods, taking into account comparative investment policies and objectives.</p> <p>We look at the Global Growth investment trust sector and also compare the performance against a smaller number of competitors with the closest policies and objectives to our own.</p>	<p>At 30 November 2014, the company was ranked in the Global Growth sector as follows:</p> <p>1 year 16 out of 21 3 years 10 out of 21 5 years 11 out of 21</p> <p>(Net Asset Value total return. Source: Winterfloods/AGI)</p>
<p>Dividends</p> <p>The board has a policy of paying a progressive dividend each year, taking into account inflation and subject to general earnings growth and dividends received in the portfolio. Dividends paid in the past ten years are set out in the Historical Record table on page 27 which shows that dividends have risen in every year and outpaced inflation.</p>	<p>2014 15.0p +3.4%</p> <p>2013 14.5p +9.0%</p>
<p>Gearing</p> <p>The company has the facility to gear - borrow money - with the objective of enhancing future returns. The market price of the debt is calculated and reflected in the published net asset values and gearing can be used to help to support dividend payments. Historically, gearing has been in the form of long-term fixed rate debentures.</p>	<p>Gearing is monitored to ensure that the company's borrowings remain generally within 20% (as a percentage of net assets excluding borrowings).</p> <p>Gearing during the year, net of gilts and cash holdings, was as follows:</p> <p>Highest 13.3% Lowest 6.3% Average 8.8% (2013: 10.5% 4.0% 6.9%)</p>

Strategic Report *(continued)*

at 30 November 2014

Risk

The principal risks identified by the board are set out in the table on this page, together with the actions taken to mitigate these risks. A more detailed version of this table, in the form of a risk matrix, together with mitigating actions, is reviewed and updated by the audit committee twice yearly. The principal risks are broadly unchanged from the previous year.

Description	Mitigation
<p>Investment Strategy An inappropriate investment strategy, e.g., asset allocation or the level of gearing, may lead to underperformance against the company's benchmark index and peer group companies, resulting in the company's shares trading on a wider discount.</p>	<p>The board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and on which the board receives reports. Allianz Global Investors GmbH, UK Branch (AGI) provides the directors with management information, including performance data and reports and shareholder analyses. The board monitors the implementation and results of the investment process with the investment managers, who attend all board meetings, and reviews data which show risk factors and how they affect the portfolio. The investment managers employ the company's gearing tactically within a strategic range set by the board. The board also meets annually specifically to discuss strategy, including investment strategy.</p>
<p>Market Volatility Market risk arises from uncertainty about the future prices of the company's investments. It represents the potential loss the company might suffer through holding investments in the face of negative market movements.</p>	<p>The board considers asset allocation, stock selection and levels of gearing at every board meeting and has set investment restrictions and guidelines that are monitored and reported on by AGI. The board also monitors currency movement and determines hedging policy as appropriate. At the year end the company had no hedging in place.</p>
<p>Financial and Liquidity Risk</p>	<p>The financial risks to the company and the controls in place to manage these risks are disclosed in detail in note 17 beginning on page 63.</p>

Social, Community and Human Rights Issues

As an investment trust, the company has no direct social or community responsibilities. However, the board shares the manager's view that it is in shareholders' interests to be aware of and consider human rights issues, together with environmental, social and governance factors when selecting and retaining investments. Details of the company's policy on socially responsible investment are set below.

Socially Responsible Investment

The board has noted the manager's views on Social Responsibility that it adheres to in engaging with the underlying investee companies and in exercising its delegated responsibilities in voting. Allianz Global Investors has said: "We believe that good corporate governance includes the management of the company's impacts on society and the environment, as these are increasingly becoming a factor in contributing towards maximising long-term shareholder value." In its Sustainable Investment Policy Statement, Allianz Global Investors says it "believes that the consideration of environmental, social and governance issues within the investment decision process provides a new and longer-term perspective on evaluating risk and opportunities."

Strategic Report *(continued)*

at 30 November 2014

Directors and employees and gender representation

The directors of the company on 30 November 2014, all of whom held office during the year, are set out in the directors' biographies on page 29 and 30. There are five male directors and one female director. The company has no employees.

The Future

The main trends and factors likely to affect the company in the future are common to all investment companies and are the future attractiveness of investment companies as investment vehicles for the asset classes in which the company invests, and the returns available from the market. The future development of the company is dependent on the success of the company's investment strategy against the economic environment and market developments. The Chairman gives his view on the outlook in his statement on page 3 and the investment managers discuss their view of the outlook for the company's portfolio in their review on page 17.

By order of the board
Kirsten Salt
Company Secretary
17 February 2015

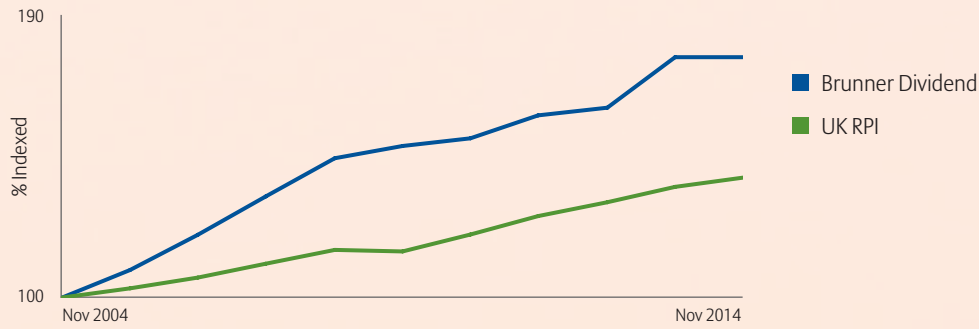
The Brunner Investment Trust PLC

Investment Managers' Review

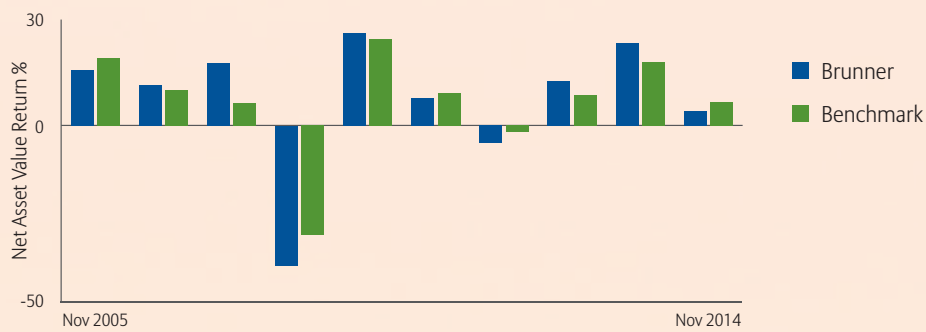


Performance – Ten Year Graphs

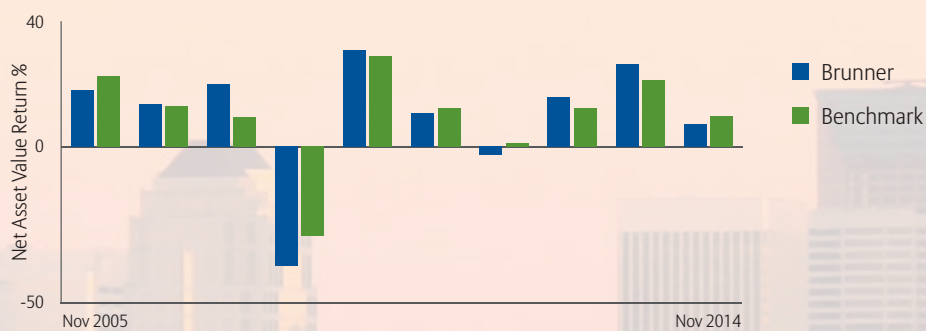
Brunner Investment Trust dividends in respect of each year against the Retail Price Index – 10 year record



Brunner Investment Trust Net Asset Value capital return with debt at fair value against benchmark - 10 year record



Brunner Investment Trust Net Asset Value total return with debt at fair value against benchmark - 10 year record



Source: AGI / Datastream (Re-based to 100)
 Benchmark: 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index £

Thirty Largest Equity Investments

at 30 November 2014

Name	Valuation (£)	% of Invested Funds	Principal Activities
Royal Dutch Shell 'B' Shares	9,787,043	2.97	Oil & Gas Producers
HSBC	9,609,502	2.92	Banks
Microsoft	7,663,827	2.33	Software & Computer Services
Vodafone	7,617,382	2.31	Mobile Telecommunications
BP	7,137,471	2.17	Oil & Gas Producers
GlaxoSmithKline	6,452,652	1.96	Pharmaceuticals & Biotechnology
Monsanto	6,362,361	1.93	Food Producers
Roche Holdings	6,349,300	1.93	Pharmaceuticals & Biotechnology
AbbVie	6,215,487	1.89	Pharmaceuticals & Biotechnology
Mothercare	5,726,627	1.74	General Retailers
Rio Tinto	4,950,612	1.50	Mining
Estee Lauder 'A' Shares	4,852,062	1.47	Personal Goods
Walgreen	4,602,007	1.40	Food & Drug Retailers
Xchanging	4,466,325	1.36	Support Services
UBM*	4,411,849	1.34	Media
BG Group	4,285,402	1.30	Oil & Gas Producers
Muenchener Rueckver	4,212,296	1.28	Non-Life Insurance
Unilever	4,147,631	1.26	Food Producers
EOG Resources	4,121,938	1.25	Oil & Gas Producers
Better Capital	4,100,000	1.24	Equity Investment
Apple	4,014,101	1.22	Technology & Hardware Equipment
Friends Life (formerly Resolution)	4,007,585	1.22	Life Insurance
Ameriprise Financial	3,998,346	1.21	Financial Services
Tyman	3,969,833	1.21	Construction & Materials
UBS	3,870,836	1.17	Banks
United Health	3,822,335	1.16	Health Care Equipment & Services
Wells Fargo	3,806,528	1.16	Banks
BHP Billiton	3,806,415	1.16	Mining
Visa	3,773,519	1.15	Financial Services
SMC	3,769,248	1.14	Industrial Engineering
	155,910,520	47.35	% of Total Invested Funds

* Includes UBM Rights 13 December 2014 of £1,021,301

Investment Managers' Review

Market Review

Global equities in aggregate produced another twelve month period of positive returns although there was a wide divergence in performance among regions and sectors.

The US continued to make new record highs, reflecting improving economic data, strong corporate profits growth, aggressive share buy backs and low interest rates. Fourth quarter GDP grew at an annual rate of 2.6% and in January this year the unemployment rate fell to a 6-year low of 5.6%. As anticipated, the Fed announced an end to Quantitative Easing (QE) with the caveat that short-term rates are unlikely to rise in the near future. The economic recovery was reflected in a stronger US dollar.

In the UK the economy also continued along its recovery path with GDP increasing 0.7% in the third quarter and 3% on a year ago. Growth does however appear to be waning, particularly in the case of manufacturing, where exports are being impacted by the slowdown in the Eurozone. In November retail sales rose at the fastest annual rate in over 10 years while inflation remains muted at below the Bank of England's 2% target, implying that interest rates will remain low at least through the first half of 2015.

Europe vacillated between hope that the European Central Bank (ECB) would finally announce full-blown QE in order to ward off deflation (which it eventually did in January 2015) and despair over the lack of broad political support to back such measures. Third quarter Eurozone GDP growth missed consensus estimates, mainly due to negative growth in Germany, which in particular was heavily impacted by the events in Ukraine and the introduction of sanctions against Russia. The ECB took action in order to stimulate growth through encouraging bank lending by cutting both refinancing and deposit rates while also strongly implying that it would implement sovereign debt QE in 2015.

The slowdown in China's economic growth caused base metal prices to plummet while later in the year oil prices fell precipitously due to lower demand, increased supply from US shale producers and Saudi Arabia's decision to preserve market share in the face of growing non-OPEC (Organisation of the Petroleum Exporting Countries) supply. Markets initially reacted negatively to the drop in oil prices and then later rallied on the growing recognition that lower energy prices are positive for oil importers and consumers.

In Japan, attempts to re-inflate the economy through QE and fiscal measures were short-circuited by the government's decision to raise sales taxes, which negatively impacted consumer spending.

From a sector perspective, Health Care and Technology outperformed while the basic resources sectors lagged. Health Care was supported by strong earnings growth and a flurry of corporate takeover activity, while Technology was buoyed by a number of trends including the move to cloud computing, the digitalisation of business processes and continued strong growth in mobile search and ecommerce.

Portfolio Review

The portfolio rose in absolute terms although it lagged the benchmark. The portfolio's relatively high exposure to Health Care was the main contributor to performance with **AbbVie**, **Allergan**, **Shire** and **Celgene** among the top holdings. AbbVie continued to move higher after it abandoned its takeover of Shire PLC as sales of Humira, used in the treatment of rheumatoid arthritis, continued to be strong and the company announced a share buyback and dividend payout increase. Allergan agreed to a \$219 per share takeover over by Actavis, ending months of speculation that Allergan would instead be purchased by Valeant. Celgene again released better-than-expected third quarter results due to increased sales of Revlimid and Pomalyst for blood cancer and Vidaza for bone marrow cancers. We took profits in all of these holdings as valuations rose to reflect the underlying value of these strong health care franchises.



Lucy Macdonald is Allianz Global Investors' Chief Investment Officer, Global Equities



Jeremy Thomas is a Senior Portfolio Manager with specific responsibility for covering UK and European stocks in the Global Equity team



Investments in consumer stocks such as **Mothercare, Adidas** and **Tesco** were the main reason that the portfolio lagged the benchmark over the financial year. In all cases we remain of the view that these are strong brands with the market position and management to prosper in an increasingly competitive and changing retail environment. In aggregate these three stocks cost 1.1% of relative investment performance.

Mothercare has been volatile as the market is divided about the intrinsic value of the company. The UK stores have been challenged in recent years and as a result the company's profitability has been under pressure. However, the international franchise business has been hugely successful and it is here that we believe the value lies.

Adidas is the global number two sports footwear and apparel company behind Nike. It has desirable brands that have pricing power. Although Adidas's core sports apparel business remains strong, the company has faced challenges in Russia and the golf equipment division. Management is restructuring these areas and together with a share buy back and increase in the dividend pay-out ratio, profitability should get back on track next year.

Finally Tesco, where the Trust had a modest investment, had a poor year as the UK food retail sector came under severe pressure from a cautious consumer and the rise of discounters such as Aldi and Lidl resulting in highly competitive trading conditions. The resultant fall in UK margins was rapid and prompted a wholesale change in management at Tesco. Although it is far too soon to be sure of the recovery path new management have set out a coherent strategy to improve the customer offer, cut costs, improve supplier relations, cut capital expenditure and strengthen the balance sheet. Recent trading has been better and if the business can return to a 4% operating margin in the UK then the upside to the stock is considerable from the current price. The investment has been clearly disappointing and there are risks ahead but we remain invested in a company that should have leadership in its industry and be capable of generating strong cashflows.

During the period we purchased a number of new companies, including **Monsanto, EOG Resources, Better Capital, Rolls-Royce Holdings** and **United Internet**. Sales included **CBS, Genting Singapore, Intercontinental Hotels Group** and **Reed Elsevier**.

Investment Managers' Review *(continued)*

Outlook

The type of spike in volatility that unsettled markets in October is likely to be more commonplace in 2015. After three years of declining volatility this will be a challenge for investors. However this should not prevent global equities outperforming bonds and cash again in 2015 even if returns are quite muted. After a marked outperformance of the US over Europe in the past year there is a good chance that Europe offers better prospects in the year ahead. The oil price will probably remain under pressure short term but should stabilise during the year as supply is gradually curtailed.

The most positive factor supporting markets will be continued central bank liquidity injections through some form of quantitative easing as recently demonstrated by the ECB's actions. Although the stimulus from the Fed will be lower in 2015 there will be support from the Bank of Japan and the ECB is under rising pressure to act further. The rapid fall in oil prices will support consumer spending.

Corporate earnings are growing around long run averages this year, with solid performances from Health Care outweighing disappointment from Resources, although currency movements

are creating some volatility. The US also remains supported by ongoing share buy backs. Revenue growth remains a challenge in the constrained nominal growth environment. Margin upside will be limited outside beneficiaries of lower oil prices.

We continue to favour companies that can grow their businesses and dividends even if economic growth is muted. These stocks can be found globally in industrials, health care and technology, although Europe in particular is now a good hunting ground for undervalued growth companies. Lower oil prices and rising wage inflation provide a better backdrop for consumer stocks. M&A activity and management self-help might well offer good returns in selected UK small and mid-cap companies.

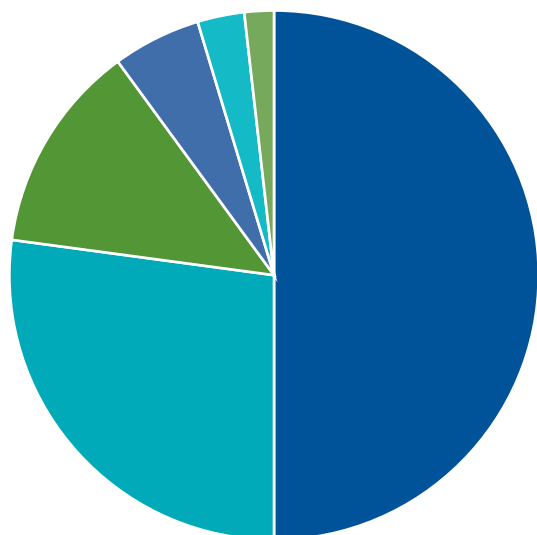


We continue to favour companies that can grow their businesses and dividends even if economic growth is muted. These stocks can be found globally in industrials, health care and technology, although Europe in particular is now a good hunting ground for undervalued growth companies.



Investment Managers' Review *(continued)*

at 30 November 2014



Geographical Breakdown of the Portfolio

Sector	% Invested Funds
UK	50.01
North America	27.13
Continental Europe	12.81
Pacific Basin	5.39
Japan	2.86
Latin America	1.80

United Kingdom Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Royal Dutch Shell 'B' Shares	9,787,043	2.97	Oil & Gas Producers
HSBC	9,609,502	2.92	Banks
Vodafone	7,617,382	2.31	Mobile Telecommunications
BP	7,137,471	2.17	Oil & Gas Producers
GlaxoSmithKline	6,452,652	1.96	Pharmaceuticals & Biotechnology
Mothercare	5,726,627	1.74	General Retailers
Rio Tinto	4,950,612	1.50	Mining
Xchanging	4,466,325	1.36	Support Services
UBM*	4,411,849	1.34	Media
BG Group	4,285,402	1.30	Oil & Gas Producers
Unilever	4,147,631	1.26	Food Producers
Better Capital	4,100,000	1.24	Equity Investment Instruments
Friends Life (formerly Resolution)	4,007,585	1.22	Life Insurance
Tyman	3,969,833	1.21	Construction & Materials
BHP Billiton	3,806,415	1.16	Mining
Hansteen Holdings	3,671,628	1.12	Real Estate
Boot (Henry)	3,668,741	1.11	Construction & Materials
Rolls Royce#	3,659,300	1.11	Aerospace & Defence
Hays	3,569,714	1.08	Support Services
Balfour Beatty	3,317,937	1.01	Construction & Materials
William Hill	3,248,530	0.99	Travel & Leisure
Spectris	3,225,060	0.98	Electronic & Electrical Equipment
SThree	3,080,400	0.94	Support Services

Investment Managers' Review *(continued)*

at 30 November 2014

United Kingdom Listed Equity Holdings *(continued)*

Name	Value (£)	% of Invested Funds	Sector
Diageo	2,872,688	0.87	Beverages
Tullett Prebon	2,856,157	0.87	Financial Services
ICAP	2,813,400	0.85	Financial Services
Shire	2,597,490	0.79	Pharmaceuticals & Biotechnology
Centrica	2,592,899	0.79	Gas, Water & Multiutilities
Intertek	2,568,500	0.78	Support Services
AMEC Foster Wheeler	2,510,282	0.76	Oil Equipment, Services & Distribution
FirstGroup	2,291,870	0.70	Travel & Leisure
BAE Systems	2,243,162	0.68	Aerospace & Defence
Smith & Nephew	2,220,000	0.67	Health Care Equipment & Services
Tesco	2,163,821	0.66	Food & Drug Retailers
IG Group	2,130,228	0.65	Financial Services
Ashmore	1,692,350	0.51	Financial Services
Petroceltic International	1,569,882	0.48	Oil & Gas Producers
Weir Group	1,125,000	0.34	Industrial Engineering
	146,185,368	44.40	% of Total Invested Funds

* Includes UBM Rights 13 December 2014 of £1,021,301

Includes Rolls Royce 'C' Shares of £38,700

United Kingdom Unlisted Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
First Debenture Finance	24,178	0.01	Financial Services
Fintrust Debenture	4,338	0.00	Financial Services
	28,516	0.01	% of Total Invested Funds

United Kingdom Fixed Interest Holdings

Name	Value (£)	% of Invested Funds	Sector
Treasury Stock 1.875% IL 22/11/2022	11,517,358	3.50	Gilt
Treasury Stock 1.25% IL 22/11/2017	6,919,916	2.10	Gilt
	18,437,274	5.60	% of Total Invested Funds

Investment Managers' Review *(continued)*

at 30 November 2014

North America Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Microsoft	7,663,827	2.33	Software & Computer Services
Monsanto	6,362,361	1.93	Food Producers
AbbVie	6,215,487	1.89	Pharmaceuticals & Biotechnology
Estee Lauder 'A' Shares	4,852,062	1.47	Personal Goods
Walgreen	4,602,007	1.40	Food & Drug Retailers
EOG Resources	4,121,938	1.25	Oil & Gas Producers
Apple	4,014,101	1.22	Technology Hardware & Equipment
Ameriprise Financial	3,998,346	1.21	Financial Services
United Health	3,822,335	1.16	Health Care Equipment & Services
Wells Fargo	3,806,528	1.16	Banks
Visa	3,773,519	1.15	Financial Services
Celgene	3,402,016	1.03	Pharmaceuticals & Biotechnology
Agilent Technologies	3,325,808	1.01	Electronic & Electrical Equipment
Accenture	3,323,929	1.01	Support Services
AMETEK	3,223,101	0.98	Electronic & Electrical Equipment
Citigroup	3,204,048	0.97	Banks
Nielsen	3,110,272	0.94	Media
Allergan	3,037,824	0.92	Pharmaceuticals & Biotechnology
Google	2,932,891	0.89	Software & Computer Services
Microchip Technology	2,915,801	0.89	Technology Hardware & Equipment
Anadarko Petroleum	2,815,242	0.85	Oil & Gas Producers
Priceline.com	2,787,314	0.85	Travel & Leisure
Flowserve	2,038,406	0.62	Industrial Engineering
	89,349,163	27.13	% of Total Invested Funds

Investment Managers' Review *(continued)*

at 30 November 2014

Latin America Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
CCR	2,977,688	0.90	Industrial Transportation (Brazil)
Cielo	2,960,624	0.90	Financial Services (Brazil)
	5,938,312	1.80	% of Total Invested Funds

Continental Europe Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Roche Holdings	6,349,300	1.93	Pharmaceuticals & Biotechnology (Switzerland)
Muenchener Rueckver	4,212,296	1.28	Non-Life Insurance (Germany)
UBS	3,870,836	1.17	Banks (Switzerland)
Fresenius	3,584,617	1.09	Health Care Equipment & Services (Germany)
Nestle	3,498,978	1.06	Food Producers (Switzerland)
United Internet	3,488,399	1.06	Software & Computer Services (Germany)
Schneider Electric	3,385,097	1.03	Electronic & Electrical Equipment (France)
Adidas	3,181,949	0.97	Personal Goods (Germany)
Amadeus	2,923,591	0.89	Support Services (Spain)
BASF	2,536,194	0.77	Chemicals (Germany)
UCB	2,117,696	0.64	Pharmaceuticals & Biotechnology (Belgium)
Cie Financiere Richemont	1,960,058	0.60	Personal Goods (Switzerland)
Technip	1,055,498	0.32	Oil Equipment, Services and Distribution (France)
	42,164,509	12.81	% of Total Invested Funds

Japan Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
SMC	3,769,248	1.14	Industrial Engineering
Astellas Pharma	2,939,800	0.89	Pharmaceuticals & Biotechnology
Itochu	2,725,819	0.83	Support Services
	9,434,867	2.86	% of Total Invested Funds

Investment Managers' Review *(continued)*

at 30 November 2014

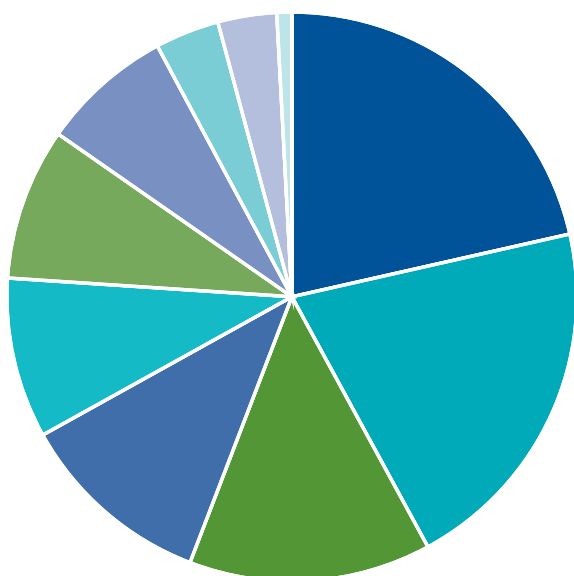
Pacific Basin Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
BOC Hong Kong Holdings	2,836,396	0.86	Banks (Hong Kong)
China Mobile	2,779,857	0.84	Mobile Telecommunications (Hong Kong)
Brambles	2,777,297	0.84	General Industrials (Australia)
Australia & New Zealand Bank	2,528,418	0.77	Banks (Australia)
Taiwan Semiconductor (ADS)	2,238,496	0.68	Technology Hardware & Equipment (Taiwan)
AIA	2,015,814	0.61	Life Insurance (Hong Kong)
Jiangsu Express	1,337,526	0.41	Industrial Transportation (China)
CNOOC	1,249,001	0.38	Oil & Gas Producers (Hong Kong)
	17,762,805	5.39	% of Total Invested Funds

Distribution of Invested Funds

at 30 November 2014

Invested Funds - £310,843,540 (2013 - £282,361,679)
 excluding Treasury Stocks - £18,437,274 (2013 - £17,959,205)



Sector Breakdown of Equity Portfolio

Region	% Held
Industrials	21.46
Financials	20.62
Health Care	13.74
Oil & Gas	11.11
Consumer Services	9.12
Consumer Goods	8.64
Information Technology	7.48
Basic Materials	3.64
Telecommunications	3.34
Utilities	0.84
Unquoted	0.01

	United Kingdom %	North America %	Other Countries %	2014 Total %	50% All-Share 50% World Index 2014 Benchmark Sector Weighting*	2013 Total %
Oil & Gas						
Alternative Energy	-	-	-	-	0.02	-
Oil & Gas Producers	7.33	2.23	0.40	9.96	8.75	10.86
Oil Equipment, Services and Distribution	0.81	-	0.34	1.15	0.94	1.20
	8.14	2.23	0.74	11.11	9.71	12.06
Basic Materials						
Chemicals	-	-	0.82	0.82	1.93	1.01
Forestry & Paper	-	-	-	-	0.17	-
Industrial Metals	-	-	-	-	0.44	-
Mining	2.82	-	-	2.82	3.60	3.45
	2.82	-	0.82	3.64	6.14	4.46

Distribution of Invested Funds *(continued)*

at 30 November 2014

	United Kingdom %	North America %	Other Countries %	2014 Total %	50% All-Share 50% World Index 2014 Benchmark Sector Weighting*	2013 Total %
Industrials						
Aerospace & Defence	1.90	-	-	1.90	1.82	0.71
Construction & Materials	3.52	-	-	3.52	0.99	3.66
Electronic & Electrical Equipment	1.04	2.11	1.09	4.24	1.00	3.93
General Industrials	-	-	0.89	0.89	1.65	0.69
Industrial Engineering	0.36	0.66	1.21	2.23	1.49	1.96
Industrial Transportation	-	-	1.39	1.39	1.11	1.47
Support Services	4.40	1.07	1.82	7.29	3.09	4.94
	11.22	3.84	6.40	21.46	11.15	17.36
Consumer Goods						
Automobiles	-	-	-	-	1.67	0.90
Beverages	0.92	-	-	0.92	3.14	1.34
Food Producers	1.33	2.05	1.13	4.51	1.74	2.49
Household Goods	-	-	-	-	2.06	0.89
Leisure Goods	-	-	-	-	0.47	-
Personal Goods	-	1.56	1.65	3.21	2.03	2.23
Tobacco	-	-	-	-	2.88	-
	2.25	3.61	2.78	8.64	13.99	7.85
Health Care						
Health Care Equipment & Services	0.71	1.23	1.15	3.09	1.70	3.11
Pharmaceuticals & Biotechnology	2.91	4.07	3.67	10.65	8.25	10.32
	3.62	5.30	4.82	13.74	9.95	13.43
Consumer Services						
Food & Drug Retailers	0.70	1.48	-	2.18	1.45	2.77
General Retailers	1.84	-	-	1.84	3.12	0.80
Media	1.42	1.00	-	2.42	3.25	5.56
Travel & Leisure	1.78	0.90	-	2.68	3.13	4.28
	5.74	3.38	-	9.12	10.95	13.41

Distribution of Invested Funds *(continued)*

at 30 November 2014

	United Kingdom %	North America %	Other Countries %	2014 Total %	50% All-Share 50% World Index 2014 Benchmark Sector Weighting*	2013 Total %
Telecommunications						
Fixed Line Telecommunications	-	-	-	-	1.96	-
Mobile Telecommunications	2.45	-	0.89	3.34	2.19	5.21
	2.45	-	0.89	3.34	4.15	5.21
Utilities						
Electricity	-	-	-	-	1.49	-
Gas, Water & Multiutilities	0.84	-	-	0.84	2.12	1.09
	0.84	-	-	0.84	3.61	1.09
Financials						
Banks	3.09	2.26	2.97	8.32	10.74	8.58
Equity Investment	1.32	-	-	1.32	1.79	-
Financial Services	3.05	2.50	0.95	6.50	3.12	5.49
Non-Life Insurance	-	-	1.36	1.36	2.20	1.75
Life Insurance	1.29	-	0.65	1.94	3.10	2.83
Real Estate	1.18	-	-	1.18	2.75	1.33
	9.93	4.76	5.93	20.62	23.70	19.98
Information Technology						
Software & Computer Services	-	3.41	1.12	4.53	2.87	2.53
Technology Hardware & Equipment	-	2.23	0.72	2.95	3.78	2.61
	-	5.64	1.84	7.48	6.65	5.14
Unquoted	0.01	-	-	0.01	-	0.01
	0.01	-	-	0.01	-	0.01
Total	47.02	28.76	24.22	100.00	100.00	100.00

The above groupings are based on the FT-Actuaries Share Indices.

*In order to enable a fairer comparison against the benchmark, the Treasury Stocks have been excluded from the above table.

Historical Record

year ended 30 November 2014

Revenue and Capital	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross revenue (£000s)	7,365	8,023	8,926	9,538	7,531	6,674	7,822	8,165	9,113	9,031
Earnings per share	9.21p	10.73p	12.88p	14.32p	12.22p	10.31p	12.28p	13.34p	15.22p	14.71p
Dividend per share (net)	8.80p	9.70p	10.70p	11.70p	12.00p	12.20p	12.80p	13.30p	14.50p	15.00p
Tax credit per share	0.98p	1.08p	1.19p	1.30p	1.33p	1.36p	1.42p	1.48p	1.61p	1.67p
Total dividend per share	9.78p	10.78p	11.89p	13.00p	13.33p	13.56p	14.22p	14.78p	16.11p	16.67p
Total net assets (£000s)	225,699*	241,106	271,819	168,045	206,492	217,747	204,580	227,194	268,254	278,363
Net asset value per ordinary share (debt at fair value)†	418.1p*	466.1p	550.4p	333.5p	419.4p	444.6p	428.2p	481.7p	593.6p	614.9p
Net asset value per ordinary share (debt at par)†	451.7p*	495.7p	573.2p	357.8p	443.8p	476.0p	468.6p	525.4p	622.6p	646.0p
Share price†	364.0p	408.0p	464.0p	288.4p	368.0p	390.5p	380.5p	413.5p	508.0p	541.0p
Discount (debt at fair value) %†	13*	12	16	14	12	12	11	14	14	12
Discount (debt at par) %†	19*	18	19	19	17	18	19	21	18	16

Notes

*Figures are restated in accordance with Financial Reporting Standards 21 'Events after the Balance Sheet Date', 25 'Financial Instruments: Disclosure and Presentation' and 26 'Financial Instruments: Recognition and Measurement'.

†At 30 November

Geographical Disposition

	Percentage of Investment Funds* at 30 November									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
United Kingdom	59.3	59.5	60.4	48.1	51.4	49.8	51.4	50.2	50.5	47.0
Europe	13.6	12.6	10.8	11.4	11.4	11.9	10.7	10.6	13.3	13.6
Americas	17.2	18.6	22.0	29.1	26.4	26.5	25.4	27.3	25.3	30.7
Japan	5.2	4.2	3.0	5.2	4.0	4.2	3.6	2.7	4.0	3.0
Pacific Basin	4.7	4.7	3.8	5.1	6.1	6.9	8.9	9.2	6.9	5.7
Other Countries	0.0	0.4	0.0	1.1	0.7	0.7	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Excludes Cash and Treasury Stock.

The Brunner Investment Trust PLC

Directors' Review



Directors, Managers and Advisers

Directors

All directors are non-executive.



Keith Percy (Chairman)†

Joined the board in January 2004 and has been Chairman since 2005. He is a non-executive director of Standard Life Equity Income Trust plc, JPMorgan Japanese Investment Trust plc and The Henderson Smaller Companies Investment Trust plc. He was previously Chairman of S G Asset Management UK and before that Chief Executive of Morgan Grenfell Asset Management.



Vivian Bazalgette MA*
(Senior Independent Director and Remuneration Committee Chairman)*

Joined the board in January 2004. He is a non-executive director of Henderson High Income Trust PLC and Perpetual Income and Growth Investment Trust PLC. He is also adviser to the Nuffield Foundation and to the pension fund of BAE Systems Plc. He retired as Chief Investment Officer of M & G Investment Management in September 2002 and was formerly a director of Gartmore Investment Management plc.



Ian Barlow FCA CTA (Fellow)*
(Audit Committee Chairman)

Joined the board in November 2009. Ian worked full time from 1973 until 2008 at KPMG, latterly as London Office Senior Partner, and prior to that, from 1993-2001, as Head of Tax and Legal. He is the Lead Non-Executive Director of Her Majesty's Revenue and Customs and a non-executive director of Smith & Nephew PLC, Foxtons PLC and First Debenture Finance PLC. He is also a non-executive director of the China-Britain Business Council and he is Chairman of The Racecourse Association. Ian is a Fellow of the Institute of Chartered Accountants in England and Wales and of the Chartered Institute of Taxation.



Carolan Dobson*

Joined the board in December 2013. She is Chairman of Aberdeen Smaller Companies High Income Trust plc, JP Morgan European Smaller Companies Plc and is a non-executive director of Schroder UK Growth Fund plc. She is an academic panellist at the Competition & Markets Authority, a trustee of Nest and Chair of Nest's Investment Committee. She was previously head of UK equities at Abbey Asset Managers, Head of Investment Trusts at Murray Johnstone and was the portfolio manager of two investment trusts.



Directors, Managers and Advisers *(continued)*



Peter Maynard*

Joined the board in October 2010. He is a retired solicitor and qualified with Slaughter and May in 1977. He is a non-executive director of Edinburgh Dragon Investment Trust plc. He was Group Legal Director at Prudential plc from 1998 to 2009 and Company Secretary from July 1999. Prior to that he was with HSBC for 14 years during which time he was variously a director of HSBC Investment Bank, President and Chief Executive Officer of James Capel Inc in New York and finally Deputy Group Legal Adviser. Recently he has been the Head of Group Governance and Regulatory Compliance at Old Mutual plc. He is a former chairman of the GC100 and was a supervisory board member of the London Business School Centre for Corporate Governance.



Jim Sharp*

Joined the board in January 2014. He is a Partner in Sirius Equity LLP, which he co-founded in 2008, and he is a non-executive director of James Cropper PLC. He began his career in financial services with J. Henry Schroder & Co from 1992 to 2002, where he was a director, and since has held senior roles with a number of private equity backed businesses.

*Independent of the managers.

†Independent on appointment as Chairman.

The Manager or Alternative Investment Fund Manager (AIFM)

Allianz Global Investors GmbH is an investment company with limited liability incorporated in Germany and registered in the UK as a branch with establishment number BR009058 and with an establishment address of 199 Bishopsgate, London EC2M 3TY. It is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Financial Conduct Authority (FCA).

Allianz Global Investors are active asset managers operating across nineteen markets with specialised in-house research teams around the globe, managing assets for individuals, families and institutions worldwide.

As at 30 September 2014, Allianz Global Investors had €387 billion of assets under management worldwide.

Through its predecessors, Allianz Global Investors has a heritage of investment trust management expertise in the UK reaching back to the nineteenth century and as at 31 December 2014 had £1.2 billion assets under management in a range of investment trusts.

Website: www.allianzgi.co.uk

Head of Investment Trusts

Melissa Gallagher

Email: melissa.gallagher@allianzgi.com

Investment Managers

Jeremy Thomas (UK Portfolio) and Lucy Macdonald (Overseas Portfolio), representing Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY.

Company Secretary and Registered Office

Kirsten Salt BA (Hons) ACIS,
199 Bishopsgate, London EC2M 3TY
Telephone: 020 7065 1513
Email: kirsten.salt@allianzgi.com

Registered Number

226323

Auditor

Deloitte LLP

Bankers

HSBC Bank plc, HBOS plc

Registrars

Capita Asset Services
(full details on page 73)

Depository and Custodian

HSBC Bank plc

Stockbrokers

Oriel Securities Limited

Solicitors

Herbert Smith Freehills LLP

Directors' Report

The directors present their Report which incorporates the audited Financial Statements for the year ended 30 November 2014.

Share Capital

Details of the company's share capital are set out in note 11 on page 61. Further to a resolution passed on 18 March 2014, during the year the company did not make any purchases of ordinary shares for cancellation. Since the year end no further shares have been repurchased for cancellation.

A resolution to renew the authority to purchase shares for cancellation is to be put to shareholders at the forthcoming annual general meeting and the full text is set out in the notice of meeting on pages 75 to 77.

Going Concern

The directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the company consist mainly of securities which are readily realisable and accordingly, that the company has adequate financial resources to continue in operational existence for the foreseeable future. The directors' policy on going concern is set out on page 52.

Auditor

A resolution to approve the re-appointment of Deloitte LLP as auditor of the company will be proposed at the annual general meeting, together with a resolution authorising the directors to determine the auditor's remuneration.

Each of the directors at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
2. the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Related Party Transactions

During the financial year no transactions with related parties have taken place which would materially affect the financial position or the performance of the company.

Management Contract and Management Fee

The main expense of the company and therefore the most significant element of the ongoing charges is the investment management fee and the board is keen to ensure this fee is competitive.

The manager's performance under the contract and the contract terms are reviewed annually by the management engagement committee. During the year, the committee met with the manager to review the current investment framework, including the company's objectives and benchmark; level of gearing; sector and geographical portfolio weightings; and parameters for the portfolio and future outlook. The committee also reviewed the manager's investment process and considered the investment management performance over various time periods. It also considered the level of the management fee, which it found to be appropriate. The committee was satisfied with its review and believes that the continuing appointment of the manager is in the best interests of shareholders as a whole.

The board adjusted the operational arrangements of the company to ensure it complies with EU legislation for investment companies which came into effect in July 2014. In accordance with the Alternative Investment Fund Managers Directive (AIFMD) the company appointed Allianz Global Investors GmbH (AGI) as the designated Alternative Investment Fund Manager (AIFM) for the company on the terms and subject to the conditions of the amended and restated management and administration agreement between the company and AGI (the management contract). AGI has been authorised to act as an Alternative Investment Fund Manager by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and has completed the relevant notifications to enable it to conduct its activities from its UK Branch in accordance with AIFMD and Financial Conduct Authority requirements. The management fee and the notice period are unchanged in the management contract.

The management contract provides for a management fee based on 0.45% per annum of the value of the company's assets after deduction of current liabilities, short-term loans under one year and any other funds managed by the manager. The contract can be terminated with six months' notice.

Directors' Report *(continued)*

Revenue

	2014 £	2014 £
Gross income for the year		9,030,506
Deduct		
Expenses of administration (including investment management fee)	(1,029,794)	
Finance costs of borrowings charged to revenue	(1,343,188)	
Total expenses		(2,372,982)
Amount subject to taxation		6,657,524
Taxation absorbed		(319,765)
Available for distribution to the ordinary shareholders		6,337,759
Dividends in respect of the financial year		
First interim 3.0p per ordinary share paid 27 June 2014	(1,292,683)	
Second interim 3.1p per ordinary share paid 22 September 2014	(1,335,771)	
Third interim 3.2p per ordinary share paid 19 December 2014	(1,378,861)	
Final proposed 5.7p per ordinary share payable 26 March 2015	(2,456,096)	
		(6,463,411)
Total transferred from revenue reserve		(125,652)

Dividends were paid on a quarterly basis for the first time for the year ended 30 November 2014. The first two dividends were paid during the company's financial year to 30 November and the board declared a third quarterly dividend of 3.2p per ordinary share which was paid on 19 December 2014. The board recommends a final dividend for the year ended 30 November 2014 of 5.7p, payable on 26 March 2015, making a total distribution for the year of 15.0p per ordinary share. The next quarterly dividend payment is expected to be made in June 2015.

Details of the total return of the company and the split between revenue and capital returns are shown in the Income Statement on page 48. The revenue and capital split is explained in more detail in the Statement of Accounting Policies on page 52 under 'Investment management fee and administrative expenses' and on page 53 under 'Finance costs' paragraphs.

The following disclosures are made in accordance with Part 6 of Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

Capital Structure

The company's capital structure is set out in note 11 on page 61.

Listing Rule 9.8.4R

There are no matters requiring disclosure under this Rule.

Voting Rights in the Company's Shares

As at 17 February 2015, the company's capital consisted of:

Share class	Number of shares issued	Voting rights per share	Total voting rights
Ordinary shares of 25p	43,089,418	1	43,089,418
5% Cumulative preference shares of £1	450,000	0	0
Total	43,539,418		43,089,418

These figures remain unchanged as at the date of this report.

Directors' Report *(continued)*

Interests in the Company's Share Capital

At the date of this report, the company was aware of the following interests in the company's share capital greater than 3%:

T Thornton Jones (as trustee 15.97%); Sir Hugo Brunner (beneficial 2.30% – as trustee 11.82%); TBH Brunner (beneficial 1.69% – as trustee 4.42%).

Mr T Thornton Jones acts as a co-trustee with Mr TBH Brunner in respect of 1,714,971 ordinary shares (3.98%), which form part of Mr TBH Brunner's trustee holding. Mr T Thornton Jones also acts as co-trustee with Sir Hugo Brunner in respect of 4,328,863 ordinary shares (10.05%) which form part of Sir Hugo Brunner's trustee holdings.

In addition, the company has received notifications of the following interests in the voting rights of the ordinary shares: AXA Investment Managers SA 19.60%; 1607 Capital Partners 4.96%;

Directors

Keith Percy and Vivian Bazalgette, having held office for more than nine years, are subject to annual re-election under the provisions of the AIC Code of Corporate Governance and accordingly they are retiring at the annual general meeting and offer themselves for re-election. Notwithstanding the length of service of these directors, the board views them as independent of the manager. Biographical details of the directors are on pages 29 and 30. Directors serving during the year and their interests in the share capital of the company as at 30 November 2014 are set out in the Directors' Remuneration Report on page 41.

The board was subject to an internal performance appraisal during the course of the year and it was found that the board is effective and each director continues to be effective, has the appropriate skills and has demonstrated commitment and the necessary time to his or her role. All directors attended all board and relevant committee meetings during the year.

No contracts of significance in which directors are deemed to have been interested have subsisted during the year under review. Contracts of service are not entered into with the directors, who hold office in accordance with the company's Articles.

Directors' Indemnities

Directors' and Officers' Liability insurance cover is held by the company. As permitted by the company's Articles, the company has granted indemnities to the directors.

Board Composition and Succession

Two of the six directors have served for nine years or more. Sir William Worsley retired from the board in March. Carolan Dobson joined the board on 1 December 2013 and Jim Sharp was appointed on 1 January 2014 as part of the board's continued succession planning.

Corporate Governance Statement

The board has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) and been guided by the AIC Corporate Governance Guide for Investment Companies (AIC Guide). Both documents can be found on the AIC website www.theaic.co.uk. As confirmed by the Financial Reporting Council following the AIC Corporate Governance Guide enables investment company boards to meet their obligations under the UK Corporate Governance Code and Listing Rules. The company has complied with the recommendations of the AIC Code and the relevant provisions of UK Corporate Governance Code, except in relation to the UK Corporate Governance Code provisions relating to: the role of the chief executive; executive directors' remuneration; the remuneration committee and the need for an internal audit function. For the reasons set out in the AIC Guide, and in the preamble to the UK Corporate Governance Code, the board considers these provisions are not relevant to the company as it is an externally managed investment company with an entirely non-executive board. The company has therefore not reported further in respect of these provisions.

The full text of the company's Corporate Governance Statement is on the website: http://www.brunner.co.uk/tenants/agitrusts/content/documents/corporate/corporate_governance_statement.pdf

Directors' Report *(continued)*

Board Attendance

Attendance by the directors at formal board and committee meetings during the year was as follows:

Director	Board	Board Strategy Day	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee
No. of meetings	6	1	2	1	1	1
Keith Percy	6	1	2 [†]	1	1	1
Ian Barlow	6	1	2	1	1	1
Vivian Bazalgette	6	1	2	1	1	1
Carolan Dobson	6	1	2	1	1	1
Peter Maynard	6	1	2	1	1	1
Jim Sharp*	6	-	2	1	1	1
Sir William Worsley**	2	1	1	1	1	1

[†] Invited to attend meetings, although not a committee member.

*Appointed to the board January 2014.

**Retired from the board March 2014.

Conflicts of Interest

Under the Companies Act 2006 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. Since 1 October 2008, directors are able to authorise these conflicts and potential conflicts. The board reports annually on the company's procedures for ensuring that its powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Each of the directors has provided a statement of all conflicts of interest and potential conflicts of interest relating to the company. These statements have been considered and approved by the board. The directors have undertaken to notify the Chairman and Company Secretary of any proposed new appointments and new conflicts or potential conflicts for consideration, if necessary, by the board. The board has agreed that only directors who have no interest in the matter being considered will be able to participate in taking the relevant decision and that in taking the decision the directors will act in a way they consider, in good faith, will be most likely to promote the company's success. The board is able to impose limits or conditions when giving authorisation if it thinks this is appropriate.

The board confirms that its powers of authorisation are operating effectively and that the agreed procedures have been followed.

Board Committees

Audit Committee

The Audit Committee Report is on pages 39 and 40.

Nomination Committee

The nomination committee meets as needed – at least once each year – and makes recommendations on the appointment of new directors and considers the composition and balance of the board. The committee is chaired by Keith Percy, the Chairman of the board, and met once in the last year when it considered the re-election of directors at the annual general meeting. All directors serve on the nomination committee and consider nominations made in accordance with an agreed procedure.

It is the board's policy to use external agencies to draw up lists of candidates as part of the recruitment of new directors. The brief to the recruitment consultant includes the request that the shortlist should include a significant proportion of female candidates.

Management Engagement Committee

The management engagement committee met once in the year to review the Management and Administration Agreement and the manager's performance. It has defined terms of reference and consists of the non-executive directors not formerly employed by the manager. It is chaired by Keith Percy, the Chairman of the board.

Directors' Report *(continued)*

Remuneration Committee

The remuneration committee met once in the year and consists of the independent non-executive directors including Keith Percy, Chairman of the board. The committee is chaired by Vivian Bazalgette. The committee determines and agrees with the board the company's remuneration policy and determines the remuneration of each director within the terms of that policy. The Directors' Remuneration Report is on pages 41 to 43.

The terms of reference for each of the committees may be viewed by shareholders on request and are published on the company's website www.brunner.co.uk.

Internal Control

The directors have overall responsibility for the company's system of internal control. Whilst acknowledging their responsibility for the system of internal control, the directors are aware that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable but not absolute assurance against material misstatement or loss.

The board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the company. This process has been fully in place throughout the year under review and up to the date of the signing of this Annual Financial Report.

The key elements of the process are as follows:

- In addition to the review of the Risk Matrix (see page 10), every six months, the board receives from the manager a formal report which details any known internal controls failures, including those that are not directly the responsibility of the manager.
- Allianz Global Investors GmbH, UK Branch (AGI), as the appointed manager, provides investment management, accounting and company secretarial services to the company. The manager therefore maintains the internal controls associated with the day-to-day operation of the company. These responsibilities are included in the Management and Administration Agreement between the company and the manager. The manager's systems of internal control are regularly evaluated by its management and monitored by internal auditors.
- There is a regular review by the board of asset allocation and any risk implications. There are also regular and comprehensive reviews by the board of management accounting information, including revenue and expenditure projections, actual revenue against projections and performance comparisons.

- Authorisation and exposure limits are set and maintained by the board.
- The board meets with senior representatives of AGI and also receives an Internal Controls Report from the manager, together with a report on compliance with the manager's anti-bribery policy.
- The audit committee on behalf of the board reviews the Internal Controls Reports of other third party service providers, including those of AGI and all other providers of administrative and custodian services to AGI or directly to the company. The board has also reviewed the anti-bribery policies of these third parties.

The directors confirm that the audit committee has reviewed the effectiveness of the system of internal control, which it has found to be appropriate.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the financial statements is on page 38 and a statement of going concern is on page 31.

The Independent Auditor's Report can be found on pages 45 to 47.

Relations with Shareholders

The board strongly believes that the annual general meeting should be an event which private shareholders are encouraged to attend. The annual general meeting is attended by the Chairman of the board, the respective Chairmen of the board's committees and the manager. The number of proxy votes cast in respect of each resolution will be made available at the annual general meeting and is on the website www.brunner.co.uk after the meeting.

All correspondence received from shareholders is circulated to directors and discussed by them.

The manager meets with institutional shareholders on a regular basis and reports to the board on matters raised at these meetings. The Chairman and, where appropriate, other directors are available to meet with shareholders to discuss governance and strategy and to understand their issues and concerns.

The notice of meeting sets out the business of the annual general meeting and the special business is explained more fully in the Directors' Report. Separate resolutions are proposed for each substantive issue.

Shareholders who wish to communicate directly with the Chairman or other directors may write care of the Company Secretary at 199 Bishopsgate, London EC2M 3TY.

Directors' Report *(continued)*

The UK Stewardship Code and Exercise of Voting Powers

The board has delegated discretion to discharge its responsibilities in respect of investments, including the exercise of voting powers on its behalf to the manager, AGI.

The Stewardship Code published by the Financial Reporting Council sets out good practice on engagement with investee companies. It is complementary to the UK Corporate Governance Code. The company's manager, AGI has complied with this code and its policy statement on the Stewardship Code can be found on its website: www.allianzglobalinvestors.co.uk/en/InstitutionalClients/rcm/Consultants/Disclosure/Documents/Stewardship_Policy.pdf. The board has reviewed this policy statement and is satisfied that the company's delegated voting powers are being properly executed. AGI provides the board with a regular report of instances where votes are cast against any resolutions on the company's behalf.

Where directors hold directorships on the boards of companies in which the company is invested, they do not participate in decisions made concerning those investments.

Greenhouse Gas Emissions

The company has an external manager, AGI, part of Allianz Group, and has no physical assets, operations, premises or employees of its own. Consequently it has no greenhouse gas emissions to report. Allianz Group reports on the greenhouse gas emissions for its own operations.

Annual General Meeting

Allotment of New Shares

A resolution authorising the directors to allot new share capital for cash was passed at the annual general meeting of the company on 18 March 2014 under section 551 of the Companies Act 2006. The current authority will expire on 18 June 2015 and approval is therefore sought for the renewal of this authority and for the granting of an authority to allot shares other than on a pro rata basis to existing shareholders until the conclusion of the annual general meeting in 2016. This authority will be limited to one third of the issued share capital which is in line with current ABI guidelines. Renewal of the authority to disapply pre-emption rights will be sought under section 570 of the Companies Act 2006.

Accordingly resolution 8 as set out in the notice of meeting on page 75 will be proposed as an ordinary resolution and resolution 9 will be proposed as a special resolution.

The directors do not currently intend to allot shares under these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the company's existing shareholders to do so.

The directors confirm that no allotments of new shares will be made unless the lowest market offer price of the ordinary shares is at least at a premium to net asset value.

Continuation of Share Buy Back Programme

As referred to in the Chairman's Statement, the board is proposing the renewal of the company's authority under section 701 of the Companies Act 2006, to purchase ordinary shares in the market for cancellation. Accordingly, resolution 10 will be proposed as a special resolution at the AGM. The board believes that such purchases in the market at appropriate times and prices may be a suitable method of enhancing shareholder value. The company would make either a single purchase or a series of purchases, when market conditions are suitable, with the aim of maximising the benefits to shareholders and within guidelines set from time to time by the board.

Where purchases are made at prices below the prevailing net asset value of the ordinary shares, this enhances net asset value for the remaining shareholders. It is therefore intended that purchases will only be made at prices below net asset value, with the purchases to be funded from the realised capital profits of the company (which are currently in excess of £191 million). The rules of the UK Listing Authority limit the price which may be paid by the company to 105% of the average middle market quotation for an ordinary share on the five business days immediately preceding the date of the relevant purchase. The minimum price to be paid will be 25p per ordinary share (being the nominal value). Additionally, the board believes that the company's ability to purchase its own shares should create additional demand for the ordinary shares in the market and that this increase in liquidity should assist shareholders wishing to sell their ordinary shares. Overall this share buy back proposal should help to reduce the discount to net asset value at which the company's shares currently trade.

Under the Financial Conduct Authority's Listing Rules, a company is permitted to purchase up to 14.99% of its equity share capital through market purchases pursuant to a general authority granted by shareholders in general meeting.

The current authority which permits the company to purchase up to 14.99% of the ordinary shares, expires at the conclusion of the forthcoming annual general meeting. The board believes that the company should continue to have authority to make market purchases of its own ordinary shares for cancellation. The board is therefore seeking to renew its power to make market purchases of ordinary shares for cancellation. Accordingly, a special resolution to authorise the company to make market purchases of up to 14.99% of the company's issued ordinary share capital will be proposed. The authority to make market purchases of up to 14.99% of the company's issued ordinary share capital provided

Directors' Report *(continued)*

there is no change in the issued share capital between the date of this report and the annual general meeting to be held on 17 March 2015 is equivalent to 6,459,103 ordinary shares.

The authority will last until the annual general meeting of the company to be held in 2016 or the expiry of 18 months from the date of the passing of this resolution, whichever is the earlier. The authority will be subject to renewal by shareholders at subsequent annual general meetings.

Amendment to the Articles of Association

The AIFM Regulations 2013, which implemented the Alternative Investment Fund Managers Directive in the UK (AIFM Regulations) came into force on 22 July 2013. The AIFM Regulations require that the company has a depository. Under the AIFM Regulations, the depository has strict liability for the loss of the company's financial assets in respect of which it has safe-keeping duties (save in limited circumstances). This rule applies even where the depository has delegated the actual custody of an asset to another entity. The company may wish to hold assets in a country where the depository is required by local law to use a local sub-custodian to hold the relevant asset. The depository may not wish the company to acquire or retain such an asset, unless it can discharge its strict liability to the local sub-custodian. A discharge of such strict liability in these circumstances will only be possible if the company's rules or instruments of incorporation (for example, the Articles of Association) permit such a discharge. The board is aware that situations may arise (although the board would expect this to occur very rarely) where allowing the depository to discharge its strict liability will be commercially necessary or desirable. An amendment to the Articles of Association is therefore proposed with the effect of enabling the board, should the need arise and subject to applicable laws, to allow a depository to discharge its strict liability in such circumstances. This proposed amendment provides the company with commercial flexibility and the board will exercise its discretion in the usual way in determining whether or not to provide such a discharge. The proposed amendments to the Articles of Association will be available for inspection at 199 Bishopsgate, London EC2M 3TY from the date of this report until the close of the forthcoming Annual General Meeting and will also be available for inspection at the place of the forthcoming AGM for at least 15 minutes before and during that AGM.

The Brunner Family

Since the establishment of the company in 1927, various members of the extended Brunner family have held shares in the company. Jim Sharp is connected by marriage to the Brunner family.

Following discussions in 2013, agreement was reached with the Takeover Panel that for the purposes of the City Code on Takeovers and Mergers (the Code), Sir Hugo Brunner and Mr TBH Brunner, together with their children (and their spouses) and related trusts (the Connected Parties) will be treated as acting in concert for the purposes of the Code. The Connected Parties currently hold 9,728,011 shares, representing 22.58% of the ordinary share capital of the company. If the proposed buy back authority were to be used in full, the repurchase of ordinary shares could result in the Connected Parties holding 26.56% of the reduced ordinary share capital of the company (assuming that the Connected Parties did not sell any ordinary shares) in connection with the exercise of the buy back authority.

The board and the Annual Financial Report

Following the process reported in the Audit Committee Report, on page 40, the board is able to state that it considers that the Annual Financial Report, taken as a whole, is fair, balanced and understandable.

By order of the board
Kirsten Salt
Company Secretary
17 February 2015

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for ensuring that the Annual Financial Report, taken as a whole, is fair, balanced and understandable.

Statement under Disclosure and Transparency Rule 4.1.12

The directors, at the date of the approval of this Report, each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

For and on behalf of the board

Keith Percy

Chairman

17 February 2015

Audit Committee Report

Composition

The audit committee comprises all of the directors, except for the Chairman of the board who is in attendance, as are representatives of the manager. I am the Chairman of the audit committee, and as you will see from my biography on page 29, I am a Chartered Accountant and until 2008, I was Senior Partner, London at KPMG. During the year the board reviewed the composition of the audit committee and it considers that, collectively, its members have sufficient recent and relevant financial experience to discharge their responsibilities fully.

Role

The principal role of the committee is to assist the board in relation to the reporting of financial information, review of financial controls and management of risk. The committee has defined terms of reference and duties and the terms of reference are published on the company's website. These include:

- responsibility for the review of the Annual Financial Report and the half-yearly Financial Report;
- consideration of the nature and scope, independence and effectiveness of the external audit and of the auditor's findings and recommendations; and
- review of the terms of appointment of the auditor, including their remuneration and the provision of any non audit services by them.

Activities

During the year the committee met twice and the audit partner attended one of the meetings to present his audit findings. The committee reviewed the company's accounting policies and confirmed their appropriateness, reviewed in detail the annual and half-yearly financial reports and recommended them for adoption by the board. The committee also considered the auditor's report on the annual financial statements. These meetings were also attended by representatives of the manager including the compliance officer.

At each meeting the committee received a report on the operation of controls relating to the company and the proper conduct of its business in accordance with the regulatory environment in which both the company and the manager operate.

Risk

The committee considered a matrix of risks at each of its meetings and there is more detail on the process of these reviews in the Strategic Report on page 10.

The audit, its effectiveness and the reappointment of the auditor

The committee reviewed the terms of appointment of the auditor, monitored the audit process, assessed the auditor's independence, objectivity and effectiveness of the audit process including the provision of non audit services by the firm, which are limited to the certification of compliance with covenants in the debenture trust deeds and determined that they have had no impact on the auditor's independence and objectivity.

As part of the review of the auditor, the members of the committee and those representatives of the manager involved in the audit process reviewed and considered a number of areas including:

- the reputation and standing of the audit firm;
- the audit processes, evidence of partner oversight and external information such as annual reports from the auditor's regulator;
- the skills, experience and specialist knowledge of the audit team, particularly relating to investment trusts;
- audit communication including details of planning, information on relevant accounting and regulatory developments, and recommendations on corporate reporting;
- the reasonableness of audit fees; and
- the Financial Reporting Council's Audit Quality Report on Deloitte LLP for 2013/14.

For the 2014 financial year, the committee was satisfied that the audit process was effective.

Non audit services in the year of £2,500 were for the auditor's certification of borrowing covenants (2013 - £2,500).

The committee considered the representations made by the auditor and sought comments from representatives of the manager on the provision of services by the auditor and the effectiveness of the external audit. The audit committee believes that the performance of the auditor is satisfactory and has recommended to the board that a resolution proposing the re-appointment of the auditor is put to shareholders at the AGM.

Audit Committee Report *(continued)*

Financial Report and Significant Issues

We met with the auditor at the year end to discuss the audit plan for the year and identify the significant issues to be dealt with in the review of the year end results. The chief issues identified for the review, those identified as presenting the greatest risks, were:

- the valuation of the investments in the portfolio;
- the liquidity of the portfolio; and
- the risk that there is no evidence of the existence and ownership of stocks in the portfolio.

Investments are valued using stock exchange prices provided by third party financial data vendors. Unlisted investments are recognised on a fair value basis as set out in the Statement of Accounting Policies on page 52 and are reviewed by the manager's pricing committee before being approved by the company and being made available to the auditor.

We received reports from the manager on the liquidity of the portfolio and we examined the manager's processes for monitoring and acting on portfolio liquidity information and made this information available to the auditor.

We ensured that the auditor was able to confirm the existence and ownership of portfolio investments by making information available from the custodian so that this could be reconciled with the portfolio list. These and other matters, identified as posing lesser risk, were considered and discussed with the manager and the auditor as part of the year end process.

In addition we reviewed the manner in which expenses are allocated between capital and income and concluded that the ratio of 70:30 remains appropriate since it fairly reflects our investment policy and split of prospective capital and income returns.

The committee observed the audit materiality and error reporting thresholds in the report from the auditor and noted that in practice there were no unadjusted errors reported in the audit. This year the auditor has set the materiality threshold as 1% of net asset value to align more closely with comparable companies, but continues to report to the committee on matters below that level on qualitative grounds.

The audit committee and then the whole board reviewed the entire annual report and noted all the supporting information received. It then considered whether the annual report satisfactorily reflected a true picture of the company and its activities and performance in the year, with a clear link between the relevant sections of the report. The directors were then able to confirm that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

Audit tenure

Deloitte LLP have acted as auditor to the company for nine years. EU audit legislation has been published in the past year which will require the rotation of Deloitte LLP as the audit firm by 2025. The current partner, Calum Thomson, has completed two years of his five year tenure as audit partner. There are no immediate plans to conduct an audit tender.

Internal audit

The audit committee continues to believe that the company does not require an internal audit function of its own as it delegates its day-to-day operations to third parties from whom it receives internal control reports. Reports from third party auditors on the internal controls maintained on behalf of the company by AGI and by all other providers of administrative and custodian services to AGI or directly to the company were reviewed during the year.

Whistleblowing

As the company has no employees it does not have a formal policy concerning the raising, in confidence, of any concerns about improprieties for appropriate independent investigation. The audit committee has, however, received and noted the manager's policy on this matter. However, any matters concerning the company may be raised with the Chairman or Senior Independent Director.

*Ian Barlow FCA CTA
Audit Committee Chairman
17 February 2015*

Directors' Remuneration Report

The Committee Chairman's Statement

This is the Directors' Remuneration Report for the year. The report is submitted in accordance with the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 8 for the year ended 30 November 2014. An ordinary resolution for the approval of the Directors' Remuneration Policy Report was put to a binding shareholder vote at the last annual general meeting and is next due to be placed before the shareholders for approval at the annual general meeting in 2017. The Directors' Remuneration Implementation Report will be put to an advisory shareholder vote at this year's AGM.

The information provided in this part of the Directors' Remuneration Report is not subject to audit unless specified below.

The Board

The board of directors is composed solely of non-executive directors. The determination of the directors' fees is guided by the recommendations of the remuneration committee which is made up of the independent directors and is chaired by Vivian Bazalgette.

Directors' Interests (Audited)

	2014	2014	2013	2013
Ordinary shares of 25p	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Keith Percy	4,000	-	4,000	-
Ian Barlow	46,000	-	46,000	-
Vivian Bazalgette	4,000	-	4,000	-
Carolyn Dobson*	4,750	-	-	-
Peter Maynard	4,000	-	4,000	-
Jim Sharp**	161,873	651,956	-	-
Sir William Worsley***	127,670	282,420	108,700	339,331

*Appointed 2 December 2013.

**Appointed 1 January 2014.

***Retired from the board on 18 March 2014.

Since the year end Ian Barlow has acquired 7,500 shares and currently has a beneficial interest in 53,500 shares.

Directors retire and offer themselves for re-election at least once every three years and annually after nine years. No director has a service contract with the company. The company's policy is for the directors to be remunerated in the form of fees, payable quarterly in arrears. In accordance with the AIC Code of Corporate Governance, there are no long term incentive schemes and fees are not related to the individual director's performance, neither to the performance of the board as a whole. No exit payments are made when a director leaves the board.

Policy on Directors' Remuneration

The company's Articles currently limit the aggregate fees payable to the board of directors to a total of £200,000 per annum. The board's policy, subject to this overall limit, is to determine the level of directors' fees having regard to the level of fees payable to non-executive directors in the investment trust industry generally, the rate of inflation, the increasing requirements in the nature of the role that individual directors fulfil, and the time committed to the company's affairs. These requirements are particularly relevant to the Chairman and the Chairman of the Audit Committee. The board believes that levels of remuneration should be sufficient to attract and retain non-executive directors to oversee the company.

The company's Articles also provide that additional discretionary payments can be made for services which in the opinion of the directors are outside the scope of the ordinary duties of a director.

Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at meetings. Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. There are no agreements between the company and its directors concerning compensation for loss of office.

Directors' Remuneration Report *(continued)*

These fees may be increased up to a total of no more than £200,000 per annum by resolution of the board and this limitation will apply until a new Directors' Remuneration Policy is approved by shareholders.

This Directors' Remuneration Policy is the same in all material respects as that currently followed by the board and summarised in the last Directors' Remuneration Report and approved by shareholders at the annual general meeting held on 18 March 2014. This policy is intended to take effect immediately upon its approval by shareholders.

The company has no employees and consequently has no policy on the remuneration of employees.

The board will consider, where raised, shareholders' views on directors' remuneration.

The performance graph overleaf measures the company's share price and net asset value performance against the benchmark index; 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£). An explanation of the company's performance is given in the Chairman's Statement and the Investment Managers' Review.

Implementation Report

The policy is to review directors' fee rates from time to time, but reviews will not necessarily result in a change to the rates. In the year under review the directors were paid at a rate of £21,500 per annum and the Chairman at a rate of £37,000 per annum, with an additional £4,000 for the Chairman of the Audit Committee, and an additional £2,000 for the Senior Independent Director. The current fees have applied since 1 December 2013; prior to this the fees had been unchanged for two years.

The fees were reviewed after the end of the year and it was agreed that there would be no change in the current year.

Directors' Emoluments (Audited)

The directors received directors' fees and no other remuneration during the year and therefore the directors' emoluments during the year and in the previous year are as follows:

	Directors' fees	
	2014 £	2013 £
Ian Barlow	25,500	23,000
Vivian Bazalgette	22,847	20,000
Carolan Dobson*	21,500	-
Peter Harrison**	-	1,369
Peter Maynard	21,500	20,000
Keith Percy	37,000	33,500
Jim Sharp***	19,708	-
Sir William Worsley****	6,960	22,000
Total	155,015	119,869

*Appointed 1 December 2013.

**Resigned from the board on 20 February 2013.

***Appointed 1 January 2014.

****Retired from the board on 18 March 2014.

Directors' Remuneration Report *(continued)*

Analysis of Pay against Distributions

A table showing actual expenditure by the company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the company on remuneration and distributions to the shareholders

	2014 £	2013 £
Remuneration paid to all directors	*155,015	119,869
Distribution in respect of the financial year	6,291,054	6,247,966

*The fees reflect that for a part of the year there were seven directors to create a smooth succession.

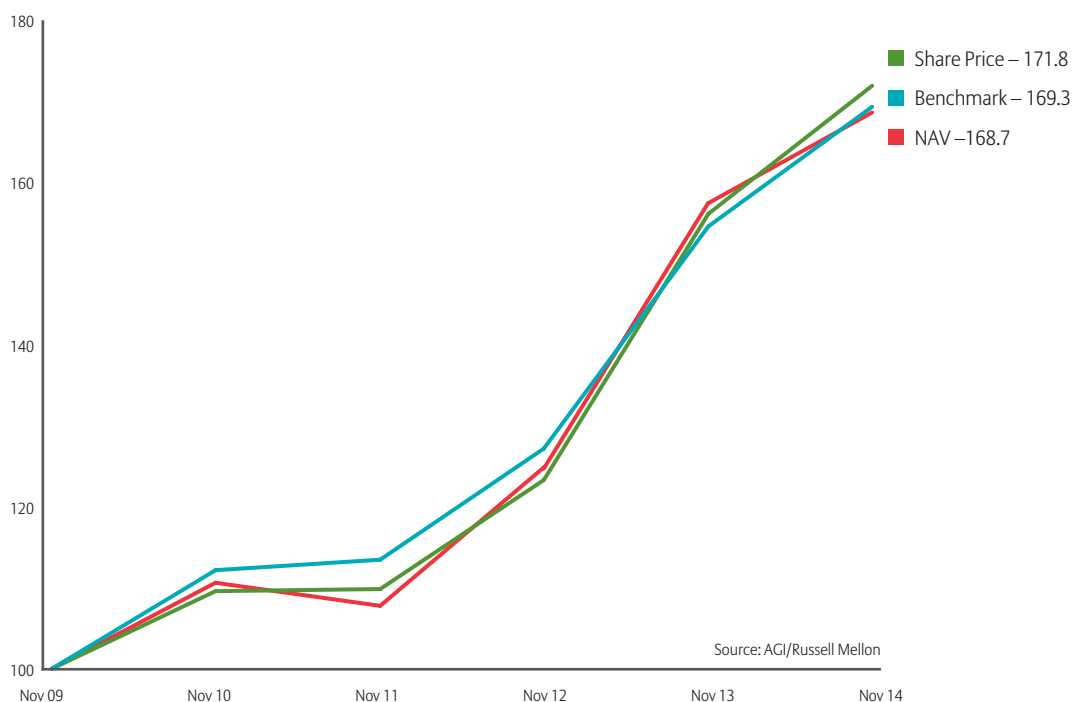
The disclosure is a statutory requirement, however the directors do not consider that the comparison of directors' remuneration with distributions to shareholders is a meaningful measure against the company's overall performance.

Performance Graph

The graph below measures the company's share price and net asset value performance on a total return basis against the benchmark index.*

The Brunner Investment Trust PLC

30 November 2009 - 30 November 2014



(Re-based to 100)

*50:50 FTSE All-Share Index and FTSE World (ex UK) Index (£).

Vivian Bazalgette
 Remuneration Committee Chairman
 17 February 2015

The Brunner Investment Trust PLC

Financial Statements



Independent Auditor's Report to the Members of The Brunner Investment Trust PLC

Opinion on financial statements of The Brunner Investment Trust PLC

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law, UK GAAP and SORP.

Going concern

As required by the Listing Rules we have reviewed the directors' statement contained within the Directors' Report that the company is a going concern.

We confirm that:

- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the company's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk

Valuation and liquidity of investments

Due to the size of the portfolio and the fact that the investments are the main asset owned by the Trust, there is a risk that investments within the portfolio may not be liquid and the prices quoted may not be reflective of fair value.

How the scope of our audit responded to the risk

We obtained the schedule of investments held at year end and checked the basis for valuation of all the investments to supporting documentation. For all the quoted investments we obtained year-end closing bid prices published by an independent pricing source. Any cumulative material price differences were investigated.

For the two unquoted investments, with a fair value at year-end of £28,516, we challenged the reasonableness of the directors' valuation methodology and assessed them for any indicators of impairment. As part of this assessment we made enquiries with the Manager of the Trust and reviewed the latest management accounts and audited financial statements of the unquoted companies to assess their financial position and whether this was an indicator of impairment.

We tested investment liquidity by making enquiries of the Manager of its assessment of portfolio liquidity and assessed whether the Trust's percentage holding of a quoted investment would have any impact on liquidity. We also, on a sample basis, verified trading activity and volumes around the year end.

Existence and ownership of investments

Due to the size of the portfolio and the fact that the investments are the main asset owned by the company, there is a risk that the investments within the portfolio may not exist or be owned by the company at year end.

We confirmed the existence and ownership of all the quoted investments at year end by obtaining an independent third party confirmation directly from the custodian and agreeing it to the schedule of investments held at year end.

We also reviewed the latest ISAE 3402 report on the custodian's controls related to its custody of the company's quoted investments.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 40.

Independent Auditor's Report to the Members of The Brunner Investment Trust PLC *(continued)*

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the company to be £2.78m which is approximately 1% of the net asset value at the year end. We use net asset value as the appropriate base for materiality as it is one of the main drivers of the company. This is a change in approach from 2013, where we used a materiality of £8.05m which was around 3% of net asset value. We have changed the percentage applied to align more closely with those of other comparable companies.

We agreed with the Audit Committee that we would report to the committee all audit differences in excess of £55,000 (2013 - £160,958), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As all of the accounting is done by service organisations, we obtained an understanding of how the company uses service organisations in its operations and evaluated the design and implementation of relevant controls at the company that relate to the services provided by service organisations. We reviewed the latest ISAE 3402 report from the service organisations and contacted the service organisations directly to obtain specific information we needed to conduct our audit.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the company's compliance with 10 provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Independent Auditor's Report to the Members of The Brunner Investment Trust PLC *(continued)*

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

*Calum Thomson FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
17 February 2015*

Income Statement

for the year ended 30 November 2014

	Notes	2014 Revenue £	2014 Capital £	2014 Total Return £	2013 Revenue £	2013 Capital £	2013 Total Return £
Net gains on investments at fair value	8	-	14,137,065	14,137,065	-	45,481,385	45,481,385
Net gains (losses) on foreign currencies		-	27,279	27,279	-	(18,484)	(18,484)
Income	1	9,030,506	-	9,030,506	9,112,784	-	9,112,784
Investment management fee	2	(434,377)	(1,013,546)	(1,447,923)	(412,926)	(963,493)	(1,376,419)
Administration expenses	3	(595,417)	(6,710)	(602,127)	(488,385)	(9,215)	(497,600)
Net return before finance costs and taxation		8,000,712	13,144,088	21,144,800	8,211,473	44,490,193	52,701,666
Finance costs: interest payable and similar charges	4	(1,343,188)	(3,081,606)	(4,424,794)	(1,348,838)	(3,094,788)	(4,443,626)
Net return on ordinary activities before taxation		6,657,524	10,062,482	16,720,006	6,862,635	41,395,405	48,258,040
Taxation	5	(319,765)	-	(319,765)	(295,705)	-	(295,705)
Net return on ordinary activities attributable to ordinary shareholders		6,337,759	10,062,482	16,400,241	6,566,930	41,395,405	47,962,335
Return per ordinary share (basic and diluted)	7	14.71p	23.35p	38.06p	15.22p	95.94p	111.16p

Dividends to be distributed in respect of the financial year ended 30 November 2014 total 15.0p (2013 - 14.5p), amounting to £6,463,411 (2013 - £6,247,966). Details are set out in Note 6.

The total return column of this statement is the profit and loss account of the company.

The supplementary revenue return and capital return columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the company have been reflected in the above statement.

The notes on pages 52 to 70 form an integral part of these Financial Statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 30 November 2014

	Notes	Called up Share Capital £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets at 1 December 2012		10,810,729	5,189,271	197,557,672	13,636,402	227,194,074
Revenue return		-	-	-	6,566,930	6,566,930
Shares repurchased during the year		(38,375)	38,375	(731,026)	-	(731,026)
Dividends on ordinary shares	6	-	-	-	(6,171,539)	(6,171,539)
Capital return		-	-	41,395,405	-	41,395,405
Net assets at 30 November 2013		10,772,354	5,227,646	238,222,051	14,031,793	268,253,844
Net assets at 1 December 2013		10,772,354	5,227,646	238,222,051	14,031,793	268,253,844
Revenue return		-	-	-	6,337,759	6,337,759
Dividends on ordinary shares	6	-	-	-	(6,291,055)	(6,291,055)
Capital return		-	-	10,062,482	-	10,062,482
Net assets at 30 November 2014		10,772,354	5,227,646	248,284,533	14,078,497	278,363,030

The notes on pages 52 to 70 form an integral part of these Financial Statements.

Balance Sheet

as at 30 November 2014

	Notes	2014 £	2014 £	2013 £
Fixed assets				
Investments held at fair value through profit or loss	8		329,280,814	300,320,884
Current assets				
Debtors	10	2,126,079		2,173,716
Cash at bank	10	1,122,466		17,028,674
		3,248,545		19,202,390
Creditors - amounts falling due within one year	10	(4,567,299)		(1,426,912)
Net current assets			(1,318,754)	17,775,478
Total assets less current liabilities			327,962,060	318,096,362
Creditors - amounts falling due after more than one year	10		(49,599,030)	(49,842,518)
Total net assets			278,363,030	268,253,844
Capital and reserves				
Called up share capital	11		10,772,354	10,772,354
Capital redemption reserve	12		5,227,646	5,227,646
Capital reserve	12		248,284,533	238,222,051
Revenue reserve	12		14,078,497	14,031,793
Equity shareholders' funds	13		278,363,030	268,253,844
Net asset value per ordinary share	13		646.0p	622.6p

The financial statements of The Brunner Investment Trust PLC, company number 226323, were approved and authorised for issue by the board of directors on 17 February 2015 and signed on its behalf by:

Keith Percy
Chairman

The notes on pages 52 to 70 form an integral part of these Financial Statements.

Cash Flow Statement

for the year ended 30 November 2014

	Notes	2014 £	2014 £	2013 £
Net cash inflow from operating activities	15		7,563,571	6,955,317
Return on investments and servicing of finance				
Interest paid		(4,645,782)		(4,650,919)
Dividends paid on preference stock		(22,500)		(22,500)
Net cash outflow from servicing of financing			(4,668,282)	(4,673,419)
Capital expenditure and financial investment				
Purchase of fixed asset investments		(79,721,202)		(92,452,435)
Sale of fixed asset investments		65,235,890		102,158,016
Net cash (outflow) inflow from financial investment			(14,485,312)	9,705,581
Equity dividends paid			(6,291,055)	(6,171,539)
Net cash (outflow) inflow before financing			(17,881,078)	5,815,940
Financing				
Repurchase of ordinary shares for cancellation			-	(731,026)
(Decrease) increase in cash	16		(17,881,078)	5,084,914

The notes on pages 52 to 70 form an integral part of these Financial Statements.

Statement of Accounting Policies

for the year ended 30 November 2014

- 1. Financial statements** – The financial statements have been prepared under the historical cost basis, except for the measurement at fair value of the investments, and in accordance with applicable accounting standards, the United Kingdom law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice – ‘Financial Statements of Investment Trust Companies and Venture Capital Trusts’ (SORP) issued January 2009 by the Association of Investment Companies.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of revenue and capital nature has been presented alongside the Income Statement. In accordance with the company’s Articles, net capital returns may not be distributed by way of dividend.

The accounting policies adopted in preparing the current year’s financial statements are consistent with those of previous years.

The directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the company consist mainly of securities, which are readily realisable and significantly exceed liabilities. Accordingly, the directors believe that the company has adequate financial resources, to continue in operational existence for the foreseeable future. The company’s business, the principal risks and uncertainties it faces, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 8 to 11.

- 2. Revenue** – Dividends received on equity shares are accounted for on an ex-dividend basis. UK dividends are shown net of tax credits and foreign dividends are grossed up at the appropriate rate of withholding tax. Income on debt securities is recognised on an effective yield basis which takes account of any discounts or premiums arising on purchase price, compared to final maturity over the remaining life of the security.

Special dividends are recognised on an ex-dividend basis and treated as a capital or revenue item depending on the facts and circumstances of each dividend. The board reviews special dividends and their treatment at each meeting.

Where the company has elected to receive its dividends in the form of additional shares rather than in cash, the equivalent of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves.

Deposit interest receivable is accounted for on an accruals basis.

Commissions in respect of underwriting are recognised when the underwritten issue closes and are generally recognised within the Income Statement as revenue. Where, however, the company is required to take up a proportion of the shares underwritten, the same proportion of the shares underwritten is recognised as capital, with the balance recognised as revenue.

- 3. Investment management fee and administrative expenses** – The investment management fee is calculated on the basis set out in Note 2 to the financial statements and is charged to capital and revenue in the ratio 70:30 to reflect the company’s investment policy and prospective capital and income growth. Other administrative expenses are charged in full to revenue, except custodian handling charges on investment transactions which are charged to capital. All expenses are on an accruals basis.
- 4. Valuation** – As the company’s business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 26 ‘Financial instruments: Recognition and Measurement’. The company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the board.

Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid price or the last traded price depending on the convention of the exchange on which they are listed. Gains or losses on investments are recognised in the capital column of the Income Statement. Purchases and sales of financial assets are recognised on the trade date, being the date which the company commits to purchase or sell the assets.

Statement of Accounting Policies *(continued)*

for the year ended 30 November 2014

5. **Finance costs** – In accordance with the Financial Reporting Standard 25 'Financial Instruments: Disclosure and Presentation' and FRS 26 'Financial Instruments: Recognition and Measurement', long term borrowings are stated at amortised cost being the amount of net proceeds on issue plus accrued finance costs to date. Finance costs are calculated over the term of the debt on the effective interest rate basis.

Where debt is issued at a premium, the premium is amortised over the term of the debt on the effective interest rate basis.

Finance costs net of amortised premiums are charged to capital and revenue in the ratio 70:30 to reflect the board's investment policy and split of prospective capital and revenue returns.

Dividends payable on the 5% cumulative preference stock are classified as an interest expense and are charged in full to revenue.

6. **Taxation** – Where expenses are allocated between capital and revenue, any tax relief obtained in respect of those expenses is allocated between capital and revenue on the marginal method and the company's effective rate of corporation tax for the accounting period. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

A deferred tax asset is recognised when it is more likely than not that the asset will be recoverable. Deferred tax is measured on a non-discounted basis at the rate of corporation tax that is expected to apply when the timing differences are expected to reverse.

7. **Shares repurchased and subsequently cancelled** – Share capital is reduced by the nominal value of the shares repurchased, and the capital redemption reserve is correspondingly increased in accordance with Section 733 Companies Act 2006. The full cost of the repurchase is charged to the capital reserve within Gains (Losses) on Sales of Investments.

8. **Dividends** – In accordance with FRS 21 'Events After the Balance Sheet Date', the final dividend proposed on ordinary shares is recognised as a liability when approved by shareholders. Interim dividends are recognised only when paid.

9. **Foreign Currency** – In accordance with FRS 23 'The effect of Changes in Foreign Currency Exchange Rates', the company is required to nominate a functional currency, being the currency in which the company predominately operates. The functional and reporting currency is sterling, reflecting the primary economic environment in which the company operates. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Profit and losses thereon are recognised in the capital column of the income statement and taken to the capital reserve.

Notes to the Financial Statements

for the year ended 30 November 2014

1. Income

	2014 £	2013 £
Income from Investments*		
Equity income from UK investments†	5,417,511	5,048,321
Equity income from overseas investments††	3,002,023	3,398,237
Stock dividends from overseas investments	38,700	-
Interest from UK fixed income investments	469,129	598,666
	8,927,363	9,045,224
Other Income		
Deposit interest	31,381	51,416
Underwriting commission	71,762	16,144
	103,143	67,560
Total income	9,030,506	9,112,784

*All dividend income is derived from listed investments.

† Includes special dividends of £nil (2013 - £16,585).

†† Includes special dividends of £15,047 (2013 - £174,391).

2. Investment Management Fee

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
Investment management fee	434,377	1,013,546	1,447,923	412,926	963,493	1,376,419

Under the terms of the Management and Administration Agreement the company's manager is Allianz Global Investors GmbH, UK Branch (AGI). The agreement was restated in July 2014, with the appointment of AGI as the Alternative Investment Fund Manager. The terms of the agreement were unchanged: it provides for a management fee based on 0.45% per annum of the value of the assets after deduction of current liabilities, short-term loans under one year and other funds managed by AGI.

The provision of investment management services, company administrative and secretarial services by AGI under the agreement may be terminated by either the company or AGI on not less than six months' notice.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

3. Administration Expenses

	2014 £	2013 £
Auditor's remuneration		
for audit services	28,750	21,315
for non audit services - certification of borrowing covenants	2,500	2,500
VAT on auditor's remuneration	6,250	4,763
	37,500	28,578
Directors' fees	155,015	119,869
Depository fees	13,074	-
Custody fees	46,331	45,290
Registrars' fees	34,514	22,276
Association of Investment Companies' fees	22,917	23,233
Marketing costs	96,758	125,475
Printing and postage	44,779	16,520
Directors' and officers' liability insurance	12,123	12,012
Professional and advisory fees	63,441	39,655
Other	71,480	72,326
VAT recovered	(2,515)	(16,849)
	595,417	488,385

- (i) The above expenses include value added tax where applicable.
(ii) Directors' fees are set out in the Directors' Remuneration Report on page 42.
(iii) Custodian handling charges of £6,710 were charged to capital (2013 - £9,215).
(iv) The 2014 audit fee was £25,750 + VAT. An additional amount of £3,000 + VAT was for work in relation to the prior year audit.

4. Finance Costs: Interest Payable and Similar Charges

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
On Stepped Rate Interest Loan repayable in two to five years	612,130	1,428,303	2,040,433	613,671	1,431,898	2,045,569
On Fixed Rate Interest Loan repayable after more than five years	708,558	1,653,303	2,361,861	712,667	1,662,890	2,375,557
5% Cumulative Preference Stock repayable after more than five years	22,500	-	22,500	22,500	-	22,500
On Sterling overdraft	-	-	-	-	-	-
	1,343,188	3,081,606	4,424,794	1,348,838	3,094,788	4,443,626

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

5. Taxation

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
Overseas taxation	319,765	-	319,765	295,705	-	295,705
Current tax charge	319,765	-	319,765	295,705	-	295,705

Reconciliation of tax charge

Return on ordinary activities before taxation	6,657,524	10,062,482	16,720,006	6,862,635	41,395,405	48,258,040
Corporation tax 21.67% (2013 - 23.33%)	1,442,464	2,180,204	3,622,668	1,601,282	9,658,928	11,260,210

Effects of

Non taxable income	(1,821,929)	-	(1,821,929)	(1,946,533)	-	(1,946,533)
Non taxable capital gains	-	(3,068,941)	(3,068,941)	-	(10,608,010)	(10,608,010)
Disallowable expenses	5,249	1,893	7,142	5,434	2,581	8,015
Overseas tax suffered	319,765	-	319,765	295,705	-	295,705
Excess of allowable expenses over taxable income	374,216	886,844	1,261,060	339,817	946,501	1,286,318
Current tax charge	319,765	-	319,765	295,705	-	295,705

The company's taxable income is exceeded by its tax allowable expenses, which include both the revenue and capital elements of the management fee and finance costs.

As at 30 November 2014, the company had accumulated surplus expenses of £67.6 million (2013 - £61.8 million) and eligible unrelieved foreign tax of £nil (2013 - £nil).

As at 30 November 2014 the company has not recognised a deferred tax asset of £13.5 million (2013 - £12.4 million) in respect of accumulated expenses, based on a prospective corporation tax rate of 20% (2013 - 20%). The reduction in the standard rate of corporation tax was substantively enacted on 17 July 2013 and is effective from 1 April 2015. Provided the company continues to maintain its current investment profile, it is unlikely that the expenses will be utilised and that the company will obtain any benefit from this asset.

The company will continue to seek approval under Section 1158 of the Corporation Taxes Act 2010 for the current year and the foreseeable future. The company has not therefore provided deferred tax on any capital gains and losses arising on the disposal of investments.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

6. Dividends on Ordinary Shares

	2014 £	2013 £
Dividends paid on ordinary shares		
Final dividend - 8.50p paid 26 March 2014 (2013 - 8.30p)	3,662,601	3,586,174
First interim dividend - 3.00p paid 27 June 2014	1,292,683	-
Second interim dividend - 3.10p paid 22 September 2014 (2013 - 6.00p)	1,335,771	2,585,365
	6,291,055	6,171,539

Dividends payable at the year end are not recognised as a liability under FRS 21 'Events After Balance Sheet Date' (see page 52 - Statement of Accounting Policies). Details of these dividends are set out below.

	2014 £	2013 £
Third interim dividend - 3.20p paid 19 December 2014	1,378,861	-
Final proposed dividend - 5.70p payable 26 March 2015 (2014 - 8.50p)	2,456,096	3,662,601
	3,834,957	3,662,601

Dividends were paid on a quarterly basis for the first time for the year ended 30 November 2014. Three final dividend payments have been declared and a final dividend is proposed to shareholders for approval at the annual general meeting. The proposed final dividend accrued is based on the number of shares in issue at the year end. However, the dividend payable will be based on the numbers of shares in issue on the record date and will reflect any changes in the share capital between the year end and the record date.

Ordinary dividends paid by the company carry a tax credit at a rate of 10%. The credit discharges the tax liability of shareholders subject to income tax at less than the higher rate. Shareholders liable to pay tax at the higher rate will have further tax to pay.

7. Return per Ordinary Share

	2014 Revenue £	2014 Capital £	2014 Total £	2013 Revenue £	2013 Capital £	2013 Total £
Return attributable to ordinary shareholders	6,337,759	10,062,482	16,400,241	6,566,930	41,395,405	47,962,335
Return per ordinary share	14.71p	23.35p	38.06p	15.22p	95.94p	111.16p

The return per ordinary share is based on a weighted average number of shares of 43,089,418 (2013 - 43,146,811) ordinary shares in issue.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

8. Fixed Asset Investments

	2014 £	2013 £
Listed at market valuation on recognised Stock Exchanges		
United Kingdom	164,602,642	160,524,965
Overseas	164,649,656	139,767,403
	329,252,298	300,292,368
Unlisted at directors' valuation		
United Kingdom	28,516	28,516
Total investments	329,280,814	300,320,884
Market value of investments brought forward	300,320,884	266,000,192
Investment holding gains brought forward	(61,286,630)	(36,332,612)
Cost of investments held brought forward	239,034,254	229,667,580
Additions at cost	81,169,240	92,053,448
Disposals at cost	(47,754,450)	(82,686,774)
Cost of investments held at 30 November	272,449,044	239,034,254
Investment holding gains at 30 November	56,831,770	61,286,630
Market value of investments held at 30 November	329,280,814	300,320,884
Net gains on investments		
Net investment holding gains on sales of investments based on historical costs	17,243,564	20,527,367
Adjustment for net investment holding (gains) recognised in previous years	(15,325,889)	(16,727,825)
Net gains on sales of investments based on carrying value at previous balance sheet date	1,917,675	3,799,542
Net investment holding gains arising in the year	10,871,029	41,681,843
Net gains on sales of investments before special dividends	12,788,704	45,481,385
Special dividends credited to capital	1,348,361	-
Net gains on investments	14,137,065	45,481,385

The board considers that the company's unlisted investments are not material to the financial statements. No material disposals of unlisted investments took place during the year.

Included in the cost of investments are transaction costs and stamp duty on purchases of £232,222 (2013 - £212,118) and transaction costs on sales of £61,222 (2013 - £77,980).

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

9. Investments in Other Companies

The company held more than 10% of the share capital of the following companies at 30 November 2014.

Company	Class of Shares Held	%
First Debenture Finance PLC (FDF)	'A' Shares	50.0
First Debenture Finance PLC	'B' Shares	50.0
First Debenture Finance PLC	'C' Shares	50.0
First Debenture Finance PLC	'D' Shares	50.0
Fintrust Debenture PLC (Fintrust)	Ordinary Shares	50.0

These companies are incorporated in Great Britain and registered in England and Wales.

In the opinion of the directors, the company is not in a position to exert significant influence over the financial operating policies of FDF or Fintrust, either through voting rights or through agreement with those companies' other shareholders, due to provisions in FDF's and Fintrust's Articles of Association and in certain contracts between the company and each of FDF and Fintrust. Accordingly, FDF and Fintrust are not considered to be Associate Undertakings as per FRS9 and are therefore included in the balance sheet at the director's valuation. FDF and Fintrust are the lenders of the company's Stepped Rate Interest Loan and Fixed Rate Interest Loan, as detailed in Notes 10(i) and 10(ii), respectively. Apart from the finance costs, there were no other transactions between FDF, Fintrust and the company during the year.

10. Current Assets and Creditors

	2014 £	2013 £
Debtors		
Sales for future settlement	818,249	1,056,125
Accrued income	1,274,749	1,080,869
Other debtors	33,081	36,722
	2,126,079	2,173,716
Cash at Bank		
Current account	-	6,939,846
Deposit account	1,122,466	10,088,828
	1,122,466	17,028,674
Creditors: Amounts falling due within one year		
Purchases for future settlement	1,193,033	-
Other creditors	500,362	500,599
Bank overdraft	1,947,591	-
Interest on borrowings (see below)	926,313	926,313
	4,567,299	1,426,912

The carrying amount of debtors, cash at bank and creditors: amounts falling due within one year, each approximate their fair value.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

	Notes	2014 £	2013 £
Interest on outstanding borrowings consists of:			
Stepped Rate Interest Loan		836,351	836,351
Fixed Rate Interest Loan		78,712	78,712
5% Cumulative preference stock		11,250	11,250
		926,313	926,313
Creditors: Amounts falling due after more than one year			
Stepped Rate Interest Loan	10(i)	18,203,038	18,203,038
Fixed Rate Interest Loan	10(ii)	30,945,992	31,189,480
5% Cumulative preference stock	10(iii)	450,000	450,000
		49,599,030	49,842,518

- (i) The Stepped Rate Interest Loan of £18,203,038 (2013 - £18,203,038) comprises adjustable Stepped Rate Interest Loan Notes of £2,977,442 and Stepped Rate Interest Bonds of £11,909,766 issued in 1987 at 97.4%. The Loan Notes and Bonds were issued in 1987 at 97.4% and are repayable on 2 January 2018, together with a premium of £3,315,830.

The initial interest rate on the Loan Notes and Bonds was 8.35% per annum. This increased annually by 5.0% compound until January 1998 when it reached its current rate of 13.6%. This stepped interest rate, when combined with the accrual of the premium, results in an effective interest rate of 11.27% per annum.

Interest on the Loan Notes and Bonds is payable in January and July each year. Interest on the Loan Notes is variable in accordance with the terms of the agreement with the lender, First Debenture Finance PLC (FDF).

FDF has a liability to its debenture stockholders to repay principal and interest on its £52.2 million of 11.125% Severally Guaranteed Debenture Stock 2018. The company has guaranteed the repayment of principal and interest on £18.2 million of FDF's Debenture Stock. This is in proportion to the principal amounts raised by the company in 1987 in respect of the Loan Notes and Bonds. There is a floating charge on all the company's present and future assets to secure this obligation. The company has also agreed to meet its proportionate share of any expenses incurred by FDF.

- (ii) The Fixed Rate Interest Loan of £28,000,000 is due to Fintrust Debenture PLC (Fintrust). It comprises a loan of £15,000,000 taken out in 1993, and a further amount of £13,000,000 assumed in 1998 from another of Fintrust's borrowers. The loan is repayable on 20 May 2023 and carries interest at 9.25125% per annum on the principal amount. Interest is payable in May and November each year.

As security for the loan, the company has granted a floating charge over its assets in favour of the lender. This charge ranks *pari passu* with the floating charge noted in 10(i) above.

The principal of £15,000,000 taken out in 1993 is stated at £14,958,066 (2013 - £14,955,173), being the net proceeds of £14,929,474 plus accrued finance costs of £28,592 (2013 - £25,699). The effective interest rate of this portion of the loan is 9.30%.

On assuming the additional loan of £13,000,000 in 1998, the company also received a premium of £5,727,111 to ensure that the finance costs on this additional loan were comparable to existing market interest rates. This premium is being amortised over the remaining life of the loan. At 30 November 2014, the loan is stated at £15,987,926 (2013 - 16,234,307), being the principal amount of £13,000,000 plus the unamortised premium of £2,987,926 (2013 - 3,234,307). The effective interest rate of this portion of the loan is 6.00%.

- (iii) The 5% Cumulative Preference Stock is recognised as a creditor due after more than one year under the provisions of FRS25 'Financial Instruments: Disclosure and Presentation'. The right of the preference stockholders to receive payments is not calculated by reference to the company's profits and, in the event of a return of capital is limited to a specific amount, being £450,000. Dividends on the preference stock are payable on 30 June and 31 December each year.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

11. Called Up Share Capital

	2014 £	2013 £
Allotted and fully paid		
43,089,418 ordinary shares of 25p each (2013 - 43,089,418)	10,772,354	10,772,354

The directors are authorised by an ordinary resolution passed on 18 March 2014 to allot relevant securities, in accordance with section 551 of the Companies Act 2006, up to a maximum of 14,402,304 ordinary shares of 25p each. This authority expires on 18 June 2015 and accordingly a renewed authority will be sought at the annual general meeting on 17 March 2015.

During the year no ordinary shares were repurchased by the company and cancelled.

12. Reserves

	Capital Redemption Reserve £	Capital Reserve Gains on sales of Investments £	Investment Holding Gains (Losses) £	Revenue Reserve £
Balance at 1 December 2013	5,227,646	176,941,260	61,280,791	14,031,793
Net gains on sales of investments	-	1,917,675	-	-
Special dividends	-	1,348,361	-	-
Transfer on disposal of investments	-	15,325,889	(15,325,889)	-
Net movement in investment holding gains	-	-	10,871,029	-
Net gains on foreign currency	-	-	27,279	-
Investment management fee	-	(1,013,546)	-	-
Finance costs of borrowings	-	(3,081,606)	-	-
Other capital expenses	-	(6,710)	-	-
Dividends appropriated in the year	-	-	-	(6,291,055)
Revenue retained for the year	-	-	-	6,337,759
Balance at 30 November 2014	5,227,646	191,431,323	56,853,210	14,078,497

Under the terms of the company's Articles of Association, the capital reserves are distributable only by way of redemption or purchase of the company's own shares, for so long as the company carries on business as an Investment Company. The Institute of Chartered Accountants in England and Wales (ICAEW), in its technical guidance TECH 02/10, states that investment holding gains arising out of a change in fair value of assets may be recognised as gains on sales of investments provided they can be readily converted into cash. Securities listed on a stock exchange are generally regarded as being readily convertible into cash and hence investment holding gains in respect of such securities may be regarded as realised under company law.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

13. Net Asset Value per Share

The net asset value per share was as follows:

	Net asset value per share attributable	
	2014	2013
Ordinary shares of 25p (debt at fair value)	614.9p	593.6p
Ordinary shares of 25p (debt at par)	646.0p	622.6p
	Net asset value attributable	
	2014	2013
	£	£
Ordinary shares of 25p (debt at fair value)	264,944,720	255,768,900
Ordinary shares of 25p (debt at par)	278,363,030	268,253,844

The net asset value per ordinary share is based on 43,089,418 ordinary shares in issue at the year end (2013 - 43,089,418). The method of calculation of the net asset value with debt at fair value is described in Note 17(c) on page 69.

14. Contingent Liabilities, Capital Commitments and Guarantees

At 30 November 2014 contingent commitments amounted to £1,637,504 in respect of 570,559 UBM Rights at 287p (2013 - nil).

Details of the guarantee provided by the company as part of the terms of the Stepped Rate Loan are provided in Note 10(i) on page 60 'Current Assets and Creditors'.

15. Reconciliation of Net Return on Ordinary Activities before Finance Costs and Taxation to Net Cash Inflow from Operating Activities

	2014	2013
	£	£
Total return before finance costs and taxation	21,144,800	52,701,666
Add: Special dividends credited to capital	1,348,361	-
Add: Effective yield amortisation	(216,305)	(76,114)
Less: Stock dividends received as income	(38,700)	-
Less: Net (gains) on investments held at fair value	(14,137,065)	(45,481,385)
Less: Net (gains) losses on foreign currency	(27,279)	18,484
Less: Overseas tax suffered	(319,765)	(295,705)
	7,754,047	6,866,946
(Increase) decrease in debtors	(190,239)	76,793
(Decrease) Increase in creditors	(237)	11,578
Net cash inflow from operating activities	7,563,571	6,955,317

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

16. Reconciliation of Net Cash Flow to Movement in Net Debt

	Cash £	Stepped and Fixed Rate Loans £	Net Debt £
(i) Analysis of changes in net debt			
Balance at 1 December 2013	17,028,674	(49,842,518)	(32,813,844)
Movement in the year	(17,881,078)	243,488	(17,637,590)
Net gains on foreign currencies	27,279	-	27,279
Balance at 30 November 2014	(825,125)	(49,599,030)	(50,424,155)
		2014 £	2013 £
(ii) Reconciliation of net cash flow to movement in net debt			
Net cash (outflow) inflow		(17,881,078)	5,084,914
Net gains (losses) on foreign currencies		27,279	(18,484)
Decrease in long term loans		243,488	229,793
Movement in net funds		(17,610,311)	5,296,223
Net debt brought forward		(32,813,844)	(38,110,067)
Net debt carried forward		(50,424,155)	(32,813,844)

17. Financial Risk Management Policies and Procedures

The company invests in equities and other investments in accordance with its investment objective as stated on page 1. In pursuing its investment objective, the company is exposed to certain inherent risks that could result in either a reduction in the company's net assets or a reduction in the profits available for distribution by way of dividends.

The main risks arising from the company's financial instruments are: market risk (comprising market price risk, market yield risk, foreign currency risk and interest rate risk), liquidity risk and credit risk. The directors' approach to the management of these risks are set out below. The directors determine the objectives and agree policies for managing each of these risks, as set out below. The manager, in close cooperation with the directors, implements the company's risk management policies. These policies have remained substantially unchanged during the current and preceding period.

(a) Market Risk

The manager assesses the exposure to market risk when making each investment decision, and monitors the risk on the investment portfolio on an ongoing basis. Market risk comprises market price risk (price and yield), foreign currency risk and interest rate risk.

(i) Market Price Risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the company might suffer through holding market positions in the face of price movements. An analysis of the company's portfolio is shown on pages 19 to 26.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

Market Price Risk Sensitivity

The value of the company's listed equities (excluding treasury stock) which were exposed to market price risk as at 30 November 2014 was as follows:

	2014 £	2013 £
Listed equity investments held at fair value through profit or loss	310,815,024	282,333,163

The following illustrates the sensitivity of the return after taxation for the year and the net assets to an increase or decrease of 20% (2013 - 20%) in the fair values of the company's quoted equities. This level of change is considered to be reasonably possible based on observation of market conditions in recent years. The sensitivity analysis on the net return after taxation and net assets is based on the impact of a 20% increase or decrease in the value of the company's listed investments at each closing balance sheet date and the consequent impact on the investment management fees for the year, with all other variables held constant.

	2014 20% Increase in fair value £	2014 20% Decrease in fair value £	2013 20% Increase in fair value £	2013 20% Decrease in fair value £
Revenue return				
Investment management fee	(83,920)	83,920	(76,230)	76,230
Capital return				
Net gains (losses) on investments at fair value	62,163,005	(62,163,005)	56,466,633	(56,466,633)
Investment management fee	(195,813)	195,813	(177,870)	177,870
Change in net return and net assets	61,883,272	(61,883,272)	56,212,533	(56,212,533)

Management of Market Price Risk

The directors meet regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors. Dedicated fund managers have the responsibility for monitoring the existing portfolio selection in accordance with the company's investment objectives and seek to ensure that individual stocks meet an acceptable risk reward profile.

(ii) Market Yield Risk

Market yield risk arises from the uncertainty about the company's ability to maintain its income objectives due to systematic decline in corporate dividend levels.

Management of Market Yield Risk

The directors regularly review the current and projected yield of the investment portfolio, and discuss with the manager the extent to which it will enable the company to meet its investment income objective.

(iii) Foreign Currency Risk

Foreign currency risk is the risk of the movement in the values of overseas financial instruments as a result of fluctuations in exchange rates.

Management of Foreign Currency Risk

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. The company does not currently hedge against foreign currency exposure.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

The table below summarises in sterling terms the foreign currency risk exposure:

	2014 Investments £	2014 Other net Liabilities £	2014 Total Currency Exposure £	2013 Investments £	2013 Other net Liabilities £	2013 Total Currency Exposure £
Sterling	164,631,158	(51,971,955)	112,659,203	160,553,480	(33,973,141)	126,580,339
Australian Dollar	5,305,715	75,274	5,380,989	4,367,801	73,810	4,441,611
Brazilian Real	5,938,312	-	5,938,312	4,041,883	627	4,042,510
Canadian Dollar	-	-	-	2,682,610	12,522	2,695,132
Euro	26,485,337	78,639	26,563,976	25,544,216	12,796	25,557,012
Hong Kong Dollar	10,218,594	-	10,218,594	9,771,452	-	9,771,452
Japanese Yen	9,434,867	80,990	9,515,857	11,214,990	85,332	11,300,322
Singapore Dollar	-	-	-	1,495,413	-	1,495,413
Swiss Franc	15,679,172	272,169	15,951,341	12,098,671	199,999	12,298,670
Taiwan Dollar	2,238,496	710,791	2,949,287	1,924,473	296,987	2,221,460
US Dollar	89,349,163	(163,692)	89,185,471	66,625,895	1,224,028	67,849,923
Total	329,280,814	(50,917,784)	278,363,030	300,320,884	(32,067,040)	268,253,844

The following table details the company's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on net return and net assets. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2014 20% Decrease in Sterling against Foreign Currencies £	2014 20% Increase in Sterling against Foreign Currencies £	2013 20% Decrease in Sterling against Foreign Currencies £	2013 20% Increase in Sterling against Foreign Currencies £
Australian Dollar	1,345,247	(896,831)	1,110,403	(740,268)
Brazilian Real	1,484,578	(989,719)	1,010,627	(673,752)
Canadian Dollar	-	-	673,783	(449,189)
Euro	6,640,993	(4,427,330)	6,389,253	(4,259,502)
Hong Kong Dollar	2,554,648	(1,703,099)	2,442,863	(1,628,575)
Japanese Yen	2,378,964	(1,585,976)	2,825,081	(1,883,387)
Singapore Dollar	-	-	373,853	(249,235)
Swiss Franc	3,987,835	(2,658,557)	3,074,668	(2,049,778)
Taiwan Dollar	737,322	(491,548)	555,365	(370,244)
US Dollar	22,296,368	(14,864,245)	16,962,481	(11,308,320)
Total	41,425,955	(27,617,305)	35,418,377	(23,612,250)

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

(iv) Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Interest Rate Exposure

The table below summarises in sterling terms the financial assets and liabilities whose values are directly affected by changes in interest rates.

	2014 Fixed rate interest £	2014 Floating rate interest £	2014 Nil interest £	2014 Total £	2013 Fixed rate interest £	2013 Floating rate interest £	2013 Nil interest £	2013 Total £
Financial assets	18,437,274	1,122,466	310,843,540	330,403,280	17,959,205	17,028,674	282,361,679	317,349,558
Financial liabilities	(49,599,030)	-	-	(49,599,030)	(49,842,518)	-	-	(49,842,518)
Net financial (liabilities) assets	(31,161,756)	1,122,466	310,843,540	280,804,250	(31,883,313)	17,028,674	282,361,679	267,507,040
Short term debtors and creditors (including bank overdraft)	-	-	-	(2,441,220)	-	-	-	746,804
Net (liabilities) assets per balance sheet	(31,161,756)	1,122,466	310,843,540	278,363,030	(31,883,313)	17,028,674	282,361,679	268,253,844

As at 30 November 2014, the interest rates received on cash balances, or paid on bank overdrafts respectively, is approximate to 0% and 1.35% per annum (2013 - 0% and 1.35% per annum).

The company's exposure to fixed interest rates on assets, being the two Treasury Stock holdings as at 30 November 2014, has a weighted average period to maturity of 6.08 years (2013 - 7.03 years) and an effective yield of 1.15% (2013 - 2.56%).

The fixed rate interest bearing liabilities bear the following coupon and effective rates as at 30 November 2013 and 30 November 2014.

	Maturity date	Amount borrowed £	Coupon rate	Effective rate since inception*
5% Cumulative Preference Stock	n/a	450,000	5.00%	n/a
First Debenture Finance PLC (FDF) - Bonds	02/01/2018	11,909,766	13.60%	11.27%
First Debenture Finance PLC - Notes	02/01/2018	2,977,442	13.60%	11.27%
Fintrust Debenture PLC (Fintrust) - Original Loan	20/05/2023	15,000,000	9.25125%	9.30%
Fintrust Debenture PLC - Additional Loan	20/05/2023	13,000,000	9.25125%	6.00%

The details in respect of the above loans have remained unchanged since the previous accounting period.

*The effective rates are calculated in accordance with FRS 26 'Financial Instruments: Recognition and Measurement' as detailed in the Statement of Accounting Policies.

The weighted average effective rate of the company's fixed interest bearing liabilities (excluding the 5% cumulative preference stock) is 8.98% (2013 - 8.98%) and the weighted average period to maturity of these liabilities is 6.9 years (2013 - 7.9 years).

The above year end amounts are reasonably representative of the exposure to interest rates during the year, as the level of exposure does not change materially. The company's net return and net assets are not significantly affected by changes in interest rates.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

Management of Interest Rate Risk

The company invests mainly in equities, the values of which are not directly affected by changes in prevailing market interest rates. In the year to 30 November 2014, the company held two UK Government fixed interest securities with a total value of £18.4m. The company's policy is to remain substantially fully invested and thus does not expect to hold significant cash balances.

The company finances its operations through a mixture of share capital, retained earnings and long term borrowings which are subject to fixed rates of interest. Movement in interest rates will not materially affect the finance costs of the company. The company's borrowings are partially offset by the two UK Government fixed interest securities, thus reducing the net exposure of the company to the market value movements as a result of interest rate changes.

The company is considered to have low direct exposure to interest rate risk.

(b) Liquidity Risk

Liquidity risk relates to the capacity to meet liabilities as they fall due and is dependent on the liquidity of the underlying assets.

Maturity of Financial Liabilities

The table below presents the future cash flows payable by the company in respect of its financial liabilities.

Cash flows in respect of the principal and interest on the Stepped Rate Interest Loan and Fixed Rate Interest Loan reflect the maturity dates set out in Note 10 on pages 59 and 60. Cash flows in respect of the 5% cumulative preference stock, which has no fixed repayment date, assume maturity of 20 years from the balance sheet date. Cash flows have not been discounted.

	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
2014					
Creditors - amounts falling due within one year					
Finance costs of borrowing	1,026,826	3,626,457	-	-	4,653,283
Other creditors (including bank overdraft)	3,640,986	-	-	-	3,640,986
Creditors - amounts falling due after more than one year					
Maturity of borrowings	-	-	18,203,038	28,450,000	46,653,038
Finance costs of borrowing	-	-	15,575,685	10,698,900	26,274,585
	4,667,812	3,626,457	33,778,723	39,148,900	81,221,892
2013					
Creditors - amounts falling due within one year					
Finance costs of borrowing	1,034,744	3,623,675	-	-	4,658,419
Other creditors	500,599	-	-	-	500,599
Creditors - amounts falling due after more than one year					
Maturity of borrowings	-	-	18,203,038	28,450,000	46,653,038
Finance costs of borrowing	-	-	17,605,926	13,244,250	30,850,176
	1,535,343	3,623,675	35,808,964	41,694,250	82,662,232

Other creditors include trade creditors only, no accrued finance costs included.

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

Management of Liquidity Risk

Liquidity risk is not considered to be significant as the company's assets mainly comprise realisable securities, which can be sold to meet funding requirements. Short-term flexibility can be achieved through the use of overdraft facilities, where necessary. The company has an undrawn committed borrowing facility of £7 million (2013 - £7 million).

(c) Credit Risk

Credit Risk is the risk of default by a counterparty in discharging its obligations under transactions that could result in the company suffering a loss.

Management of Credit Risk

Outstanding settlements are subject to credit risk. Credit risk is mitigated by the company through its decision to transact with counterparties of high credit quality. The company only buys and sells investments through brokers which are approved counterparties, thus minimising the risk of default during settlement. The credit rating of brokers is reviewed quarterly by the manager.

The company is also exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the company's rights with respect to cash held by banks to be delayed or limited. The company's cash balances are held by HSBC Bank PLC and HBOS plc, rated Aa3 and A2, respectively, by Moody's rating agency. The directors believe the counterparties the company has chosen to transact with are of high credit quality, therefore the company has minimal exposure to credit risk.

In summary, the exposure to credit risk at 30 November 2014 was as follows:

	2014 £	2013 £
Investment		
Treasury stock	18,437,274	17,959,205
Debtors		
Outstanding settlements	818,249	1,056,125
Accrued income	1,274,749	1,080,869
Other debtors	33,081	36,722
	2,126,079	2,173,716
Cash at bank	1,122,466	17,028,674
Total	21,685,819	37,161,595

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

Fair Values of Financial Assets and Financial Liabilities

With the exception of those financial liabilities measured at amortised cost, all other financial assets and financial liabilities are either carried at their fair value or the balance sheet amount which is a reasonable approximation of their fair value.

FRS 29 'Financial Instruments: Disclosures' has been expanded to include a fair value hierarchy for the disclosure of fair value measurement of financial instruments.

As at 30 November the financial assets at fair value through profit and loss of £329,280,814 (2013 - £ 300,320,884) are categorised as follows:

	2014 £	2013 £
Level 1	329,252,298	300,292,368
Level 2	-	-
Level 3	28,516	28,516
	329,280,814	300,320,884

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 - valued using quoted prices in active markets for identical assets

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data

Movements in Level 3 have not been disclosed as they are not material.

The financial liabilities measured at amortised cost have the following fair values*:

	2014 Book value £	2014 Fair value £	2013 Book value £	2013 Fair value £
First Debenture Finance Loan	18,203,038	23,513,538	18,203,039	24,381,712
Fintrust Loan	30,945,992	39,077,804	31,189,479	37,558,293
Preference Stock	450,000	425,998	450,000	387,457
Total	49,599,030	63,017,340	49,842,518	62,327,462

The net asset value per ordinary share, with debt at fair value is calculated as follows:

	2014 £	2013 £
Net assets per balance sheet	278,363,030	268,253,844
Add: financial liabilities at book value	49,599,030	49,842,518
Less: financial liabilities at fair value	(63,017,340)	(62,327,462)
Net assets (debt at fair value)	264,944,720	255,768,900
Net asset value per ordinary share (debt at fair value)	614.9p	593.6p

*The fair value has been derived from the closing market value as at 30 November 2014 and 30 November 2013.

The net asset value per ordinary share is based on 43,089,418 shares in issue at 30 November 2014 (2013 - 43,089,418).

Notes to the Financial Statements *(continued)*

for the year ended 30 November 2014

18. Capital Management Policies and Procedures

The company's objective is to provide growth in capital value and dividends over the long term through investing in a portfolio of UK and international securities.

The company's capital at 30 November comprises:

	2014 £	2013 £
Net long term debt		
Creditors: amounts falling due after more than one year	49,599,030	49,842,518
Less: Treasury stock	(18,437,274)	(17,959,205)
	31,161,756	31,883,313
Equity		
Called up share capital	10,772,354	10,772,354
Share premium account and other reserves	267,590,676	257,481,490
	278,363,030	268,253,844
Total capital	309,524,786	300,137,157
Debt as a percentage of total capital	10.07%	10.62%

The board, with the assistance of the manager, monitors and reviews the broad structure of the company's capital on an ongoing basis. The level of gearing is monitored, taking into account the managers' view on the market and the future prospects of the company's performance. Capital management also involves reviewing the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium) to assess the need to repurchase shares for cancellation.

The company is subject to several externally imposed capital requirements; the banks borrowings under the overdraft facility are not to exceed £7m, and as a public company the minimum authorised share capital is £50,000. The company's objective, policies and processes for managing capital are unchanged from the preceding accounting period, and the company has complied with them. The terms of the debenture trust deeds have various covenants which prescribe that moneys borrowed should not exceed the adjusted total of capital and reserves. These are measured in accordance with the policies used in the annual financial statements. The company has complied with these.

19. Transactions with the Investment Manager and Related Parties

The amounts paid to the manager together with details of the Management and Administration Agreement are disclosed in Note 2. The existence of an independent board of directors demonstrates that the company is free to pursue its own financial and operating policies and therefore, under FRS 8: Related Party Disclosures, the manager is not considered to be a related party.

The company's related parties are its directors. Fees paid to the company's board are disclosed in the Directors' Remuneration Report on page 42.

There are no other identifiable related parties at the year end, and as at 17 February 2015.

The Brunner Investment Trust PLC

Investor Information



Investor Information

Appointment of AIFM and Depositary

During the year the Alternative Investment Fund Managers Directive (AIFMD) came into force. The aim of the directive was to create a comprehensive and effective regulatory and supervisory framework for alternative investment fund managers within the EU.

Under AIFMD the company is an Alternative Investment Fund (AIF) which needs to appoint an Alternative Investment Fund Manager (AIFM) and a Depositary. In July 2014 the company announced that the current manager, Allianz Global Investors GmbH (AGI), was designated the AIFM. Allianz is authorised to act as an AIFM and to conduct its activities from its UK Branch by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), in accordance with AIFMD and Financial Conduct Authority requirements. The management fee and the notice period are unchanged in the restated Management and Administration Agreement (details in note 2 on page 54).

The company has also appointed HSBC Bank PLC as its depositary in accordance with AIFMD under a depositary agreement between the company, AGI and HSBC. This agreement replaced the custody agreement between the company and HSBC Bank PLC. Depositary fees are charged in addition to custody fees and are calculated on the basis of net assets.

Leverage and Risk Policies under AIFMD

Details of leverage and risk policies required under AIFMD are published on the website www.brunner.co.uk. These policies represent no change to the board's policies in existence prior to AIFMD and have been put in place to ensure that these limits would not be breached under any foreseeable circumstances.

Remuneration Disclosure

Certain details of the AIFM's remuneration information are required to be disclosed in the annual reports of AIFs under AIFMD and this will be reported in next year's Annual Financial Report when a full reporting period is available, in accordance with FCA guidance.

Financial Calendar

Year end 30 November.

Full year results announced and Annual Financial Report posted to shareholders in February.

Annual General Meeting held in March.

Full year results announced and half-yearly Financial Report posted to shareholders in July.

Benchmark

The company's benchmark is 50% FTSE All-Share Index and 50% FTSE World (ex UK) Index (£). For further information, the FTSE 100 Index was 6722.6 at 30 November 2014, compared to 6650.6 at 30 November 2013, an increase of 1.1%.

Market and Portfolio Information

The company's ordinary shares are listed on the London Stock Exchange. The market price range, gross yield and net asset value are shown daily in the Financial Times and The Daily Telegraph under the headings 'Investment Companies' and 'Investment Trusts', respectively. The net asset value of the ordinary shares is calculated daily and published on the London Stock Exchange Regulatory News Service. The geographical spread of investments and ten largest holdings are published monthly on the London Stock Exchange Regulatory News Service. They are also available from the manager's Investors Helpline on 0800 389 4696 or via the company's website: www.brunner.co.uk.

Website

Further information about The Brunner Investment Trust PLC, including monthly factsheets, daily share price and performance, is available on the company's website: www.brunner.co.uk.

Investor Information *(continued)*

Ordinary Dividends

It is anticipated that dividends will be paid as follows:

1st quarterly	June
2nd quarterly	September
3rd quarterly	December
Final	March

Preference Dividends

Payable half-yearly 30 June and 31 December.

How to Invest

Alliance Trust Savings Limited (ATS) is one of a number of providers offering a range of products and services, including Share Plans, ISAs and pension products. ATS also maintains services including online and telephone-based dealing facilities and online valuations. More information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or on the company's website: www.brunner.co.uk, or from Alliance Trust Savings Customer Services Department on 01382 573737 or by email: contact@alliancetrust.co.uk.

A list of other providers can be found on the company's website: www.brunner.co.uk.

Dividend

The board is recommending a final distribution of 5.7p to be payable on 26 March 2015 to shareholders on the Register of Members at the close of business on 6 March 2015, making a total distribution of 15.0p per share for the year ended 30 November 2014, an increase of 3.4% over last year's distribution. The ex dividend date is 5 March 2015.

Cash dividends will be sent by cheque to first-named shareholders at their registered address together with a tax voucher. Dividends may be paid directly into shareholders' bank accounts. Details of how this may be arranged can be obtained from Capita Asset Services. Dividends mandated in this way are paid via Bankers' Automated Clearing Services (BACS). Tax vouchers will then be sent directly to shareholders at their registered address unless other instructions have been given.

Registrars

Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Telephone: 0871 664 0300 or +44 20 8639 3399 if calling from overseas. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0300 number are charged at 10 pence per minute plus any of your service providers' network extras.

Email: ssd@capita.co.uk

Website: www.capitaassetservices.com

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., shareholders should contact the registrars on 0871 664 0300 or +44 20 8639 3399 if calling from overseas. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0300 number are charged at 10 pence per minute plus any of your service providers' network extras. Calls to the helpline number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Changes of name and address must be notified to the registrars in writing. Any general enquiries about the company should be directed to the Company Secretary, The Brunner Investment Trust PLC, 199 Bishopsgate, London EC2M 3TY. Telephone: 020 7065 1513.

The company's ordinary shares are listed on the London Stock Exchange. The market price range, gross yield and net asset value are shown daily in the Financial Times and The Daily Telegraph under the headings 'Investment Companies' and 'Investment Trusts', respectively.

Investor Information *(continued)*

Capita Asset Services offer shareholders a free online service called The Share Portal, enabling shareholders to access a comprehensive range of shareholder related information

Dividend Reinvestment Plan for Ordinary Shareholders (DRIP)

The registrars offer a DRIP which gives ordinary shareholders the opportunity to use their cash dividend to buy further shares in the company under a low-cost dealing arrangement. Terms and Conditions and an application form are enclosed with each dividend payment.

Share Dealing Services

Capita Asset Services operate an online and telephone dealing facility for UK resident shareholders with share certificates. Stamp duty and commission may be payable on transactions.

For further information on these services please contact: www.capitadeal.com for online dealing or 0871 664 0454 for telephone dealing. Lines are open 8.00 a.m. to 4.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0454 number are charged at 10 pence per minute plus any of your service providers' network extras. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Share Portal

Capita Asset Services offer shareholders a free online service called The Share Portal, enabling shareholders to access a comprehensive range of shareholder related information. Through The Share Portal, shareholders can: view their current and historical shareholding details; obtain an indicative share price and valuation; amend address details; view details of dividend payments; and apply for dividends to be paid directly to a bank or change existing bank details.

Shareholders can access these services at www.capitaassetservices.com and selecting Share Portal (shareholders) from the drop-down menu, or alternatively via the Portals: Quick Links, and selecting Share Portal. Shareholders will need to register for a Share Portal Account by completing an on-screen registration form. An email address is required.

International Payment Services

Capita Asset Services operate an international payment service for shareholders, whereby they can elect either for their dividend to be paid by foreign currency draft or they can request an international bank mandate. This service is only available for dividend payments of £10 or more.

The International Payment Service will generally cost less than the fees charged by your local bank to convert your sterling dividend into your local currency. A £5 administration fee per dividend payment applies. Your dividends are paid as cleared funds directly into your bank or sent to you as a draft.

Capita Asset Services, working in partnership with Deutsche Bank, will arrange for your dividend to be exchanged into your local currency at competitive market based rates.

To use this service you will need to register online at: www.capitaassetservices.com/international or by contacting Capita as detailed below.

For further information on these services please contact: +44 20 8639 3405 (from outside of the UK) or 0871 664 0385 (in the UK). Calls cost 10p per minute plus network extras. Lines are open between 9.00am and 5.30pm (London time), Monday to Friday or email IPS@capita.co.uk.

CREST Proxy Voting

Shares held in uncertificated form (i.e., in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Association of Investment Companies (AIC)

The company is a member of the AIC, the trade body of the investment trust industry, which provides a range of literature including fact sheets and a monthly statistical service. Copies of these publications can be obtained from the AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY, or at www.theaic.co.uk.

AIC Category: Global Growth.

Notice of Meeting

Notice is hereby given that the eighty-eighth annual general meeting of The Brunner Investment Trust PLC will be held at Trinity House, Trinity Square, Tower Hill, London EC3N 4DH, on Tuesday 17 March 2015 at 12 noon to transact the following business:

Ordinary Business

- 1 To receive and adopt the Directors' Report and the Financial Statements for the year ended 30 November 2014 with the Auditor's Report thereon.
- 2 To declare a final dividend of 5.7p per ordinary share.
- 3 To re-elect Keith Percy as a director.
- 4 To re-elect Vivian Bazalgette as a director.
- 5 To approve the Directors' Remuneration Implementation Report.
- 6 To re-appoint Deloitte LLP as the Auditor of the company.
- 7 To authorise the directors to determine the remuneration of the Auditor.

Special Business

To consider and, if thought fit, pass the following resolutions of which resolution 8 will be proposed as an ordinary resolution and resolutions 9, 10 and 11 will be proposed as special resolutions:

- 8 That the directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot relevant securities (within the meaning of section 551 of that Act) provided that this power shall be limited to the allotment of relevant securities up to an aggregate nominal amount of £3,590,784 (14,363,139 ordinary shares) and shall expire at the conclusion of the next annual general meeting of the company held after the meeting at which this resolution is passed or 17 June 2016 if earlier, save that the directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
- 9 That the directors be and are hereby empowered, pursuant to section 570 of the Companies Act 2006, to allot equity securities (as defined in section 560 of that Act) pursuant to the authority conferred by resolution 8 above as if section 561 of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash of an aggregate maximum nominal amount of £538,618 (2,154,471 ordinary shares) and shall expire at the conclusion of the next annual general meeting of the company held after the meeting at which this resolution

is passed or 17 June 2016, if earlier, save that the directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred had not expired.

- 10 That the company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25p each in the capital of the company ('ordinary shares'), provided that:
 - (i) the maximum number of ordinary shares hereby authorised to be purchased shall be 6,459,103;
 - (ii) the minimum price which may be paid for an ordinary share is 25p;
 - (iii) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Official List for the 5 business days immediately preceding the day on which the ordinary share is purchased or such other amount as may be specified by the London Stock Exchange from time to time;
 - (iv) the authority hereby conferred shall expire at the conclusion of the annual general meeting of the company in 2016 or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time;
 - (v) the company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract; and
 - (vi) any ordinary shares so purchased shall be cancelled.
- 11 To adopt new Articles of Association.

199 Bishopsgate, London, EC2M 3TY
17 February 2015

By order of the board
Kirsten Salt
Company Secretary

Notice of Meeting *(continued)*

Notes:

1. Members entitled to attend and vote at this meeting may appoint one or more proxies to attend, speak and vote in their stead by completion of a personalised form of proxy. Full details on how to complete the form of proxy are set out on the form of proxy. The proxy need not be a member of the company.
2. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. A proxy has one vote on a show of hands in all cases (including where one member has appointed multiple proxies) except where he is appointed by multiple members who instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution.
3. A personalised form of proxy is provided with the Annual Financial Report. Any replacement forms must be requested direct from the registrars.
4. Completion of the form of proxy does not exclude a member from attending the meeting and voting in person.
5. Duly completed forms of proxy must reach the office of the registrars at least 48 (excluding non-business days) hours before the Meeting.
6. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual on the Euroclear website (www.euroclear.com/CREST).
7. To be entitled to attend and vote at the meeting (and for the purpose of determination by the company of the number of votes they may cast), members must be entered on the company's Register of Members by close of business on 13 March 2015 (the record date).
8. If the meeting is adjourned to a time not more than 48 hours after the record date applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the company's Register of Members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the company gives new notice of the adjourned meeting, at the record date specified in that notice.
9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
10. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006. Pursuant to the Companies (Shareholders' Rights) Regulations 2009 (SI 2009/1632), multiple corporate representatives appointed by the same corporate member can vote in different ways provided they are voting in respect of different shares.
11. Members have a right under section 319A of the Companies Act 2006 to require the company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given: (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the company's website; or (c) it is undesirable in the best interests of the company or the good order of the meeting.
12. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the company, at its expense, to publish a statement on the company website setting out any matter which relates to the audit of the company's accounts that are to be laid before the meeting. Any such statement must also be sent to the company's auditor no later than the time it is made available on the website and must be included in the business of the meeting.

Notice of Meeting *(continued)*

13. As at 17 February 2015, the latest practicable date before this notice is given, the total number of shares in the company in respect of which members are entitled to exercise voting rights was 43,089,418 ordinary shares of 25p each. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the company on 17 February 2015 is 43,089,418. The 5% cumulative preference shares do not ordinarily have any voting rights.
14. Further information regarding the meeting which the company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this notice), can be accessed at www.allianzgi.co.uk/intrusts.
15. Contracts of service are not entered into with the directors, who hold office in accordance with the Articles.

Annual General Meeting venue



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