



The Brunner Investment Trust PLC

Interim Report for the six months ended 31st May 2002

Key Facts

Investment Objective

To achieve a total return higher than that of the benchmark index of 60% FTSE All-Share and 40% FT/S&P World Index (ex UK sterling adjusted) over the long-term.

Strategy

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

Financial Highlights

Revenue	For the six months ended		
	31st May		% change
	2002	2001	
Available for Ordinary Dividend	£2.35m	£3.09m	-23.9
Earnings per Ordinary Share	4.01p	5.12p	-21.7
Dividend per Ordinary Share	3.30p	3.20p	3.1
Assets	At	At	% change
	31st May	30th November	
	2002	2001	
Total Asset less Current Liabilities	£288.4m	£306.0m	-5.8
Net Asset Value per Ordinary Share	405.6p	424.3p	-4.4
NAV Total Return#			-3.6
60% FTSE All-Share and 40% FT/S&P World Index (ex UK) in sterling* (Total Return)			-1.8

#NAV total return reflects both the change in net asset value per Ordinary Share and the net ordinary dividend declared in respect of the period.

*Indices are price index returns rebalanced on a monthly basis.

Chairman's Statement

Net Asset Value

A summary of the results for the six months ended 31st May 2002 is set out below. The Net Asset Value attributable to each Ordinary Share at 31st May 2002 was 405.6p. This compares with 424.3p at 30th November 2001, a fall of 4.4%. Taking into account the net ordinary dividend declared in respect of the period, the Net Asset Value total return amounted to -3.6% compared with a return on the benchmark index of -1.8%. The principal reason for the shortfall was disappointing stock selection in the US.

Earnings

Earnings in the six months to 31st May 2002 of 4.01p per Ordinary Share have decreased by 21.7% compared with the same period last year. This reflects a fall in dividend income from UK equities following sales from that part of the portfolio to reduce gearing prior to the main dividend season, lower interest rates on cash on deposit and some dividend cuts.

Interim Dividend

The Board has declared an interim dividend of 3.30p net (2001: 3.20p) per Ordinary Share payable on 30th August 2002 to holders on the Register of Members at the close of business on 2nd August 2002.

Forecast Final Dividend

It is the Board's intention to pay a final dividend of 4.10p per share (2001: 4.10p) which would make a total of 7.40p per share for the full year.

Investment Review

Markets were highly volatile over the period. The significant cuts in interest rates worldwide that had taken place at the end of our last financial year

provided some support, and consumer spending in the US remained buoyant despite a high level of consumer indebtedness. Corporate earnings however showed little signs of recovery and US companies, in particular, remained on relatively high valuations which required strong earnings growth for their justification.

Sector performances remained divergent. Weakness in technology, media and telecoms ("TMT") shares resumed in 2002 after a brief period of good performance in the last quarter of 2001. The better performing sectors have been those which have stable cash flows and those which have seen strengthening demand for their products, such as basic industries.

Currency markets were also volatile, with the Japanese yen depreciating significantly against the US dollar for the first half of the period. This gave Japanese exporters an unexpected boost which was a most welcome source of strength to an otherwise depressed economy. Towards the end of the period, the emergence of US dollar weakness made the global environment more challenging for Asian and European exporters. Against this background global investors have been reallocating investments from the USA to other regions of the world, particularly Asia, which have similar or better growth but are on more attractive valuations.

Against the uncertain global economic environment, the portfolio remained cautiously positioned, with a high cash position offsetting long-term debt. In terms of sectors, exposure has been increased in areas with stable cashflows and in consumer related stocks. The relatively highly valued areas of the market with uncertain growth prospects

(such as TMT) have been reduced further.

The divergence between some stronger economic numbers and deteriorating equity markets continues. For this stage of the cycle, debt levels and oil prices are high, and unemployment low. Against this background, achieving the sort of recovery in stockmarkets that many analysts are forecasting will be difficult. In addition the ongoing accounting issues, highlighted by Worldcom, are reducing investor risk appetite. In the last Annual Report I mentioned the high level of our cash reserves which offset our gearing and reflected our doubts on the near-term outlook of the markets. Valuations have become more attractive as a result of recent market weakness and there may be some attractive buying opportunities. However further weakness in the USA could impact all global markets and in general continued caution seems warranted.

J F H Trott
Chairman

18th July 2002

Statement of Total Return

	For the six months ended 31st May 2002		
	Revenue £'000s	Capital £'000s	Total £'000s
	(Note 2)		
Net losses on investments	–	(10,669)	(10,669)
Income from investments	3,119	–	3,119
Other income	671	–	671
Investment management fee	(230)	(536)	(766)
Expenses of administration	(128)	–	(128)
Return before finance costs and taxation	3,432	(11,205)	(7,773)
Finance costs of borrowings	(681)	(1,589)	(2,270)
Return on ordinary activities before taxation	2,751	(12,794)	(10,043)
Taxation			
Overseas taxation	(54)	–	(54)
UK taxation	(335)	336	1
	(389)	336	(53)
Return on ordinary activities after taxation	2,362	(12,458)	(10,096)
Dividends on Preference Stock	(11)	–	(11)
Return attributable to Ordinary Shareholders	2,351	(12,458)	(10,107)
Dividends on Ordinary Shares			
First Interim	3.3p (1,897)	–	(1,897)
Second Interim	–	–	–
	3.3p (1,897)	–	(1,897)
Transfer to (from) Reserves	454	(12,458)	(12,004)
Return per Ordinary Share (Note 1)	4.01p	(21.24)p	(17.23)p

Net Asset Statement

	as at 31st May 2002 £'000s
Fixed asset investments	256,881
Net current assets	31,478
Total assets less current liabilities	288,359
Creditors: amounts falling due after more than one year	(51,922)
Total Net Assets	236,437
Called up Share Capital	
– Ordinary	14,547
– Preference	450
Capital Redemption Reserve	1,453
Capital Reserves	
– Realised	217,612
– Unrealised	(4,264)
Revenue Reserve	6,639
Shareholders' Funds	236,437
Net asset value per Ordinary Share	405.6p

The net asset value is based on 58,188,416 Ordinary Shares in issue.

The net asset value per share as at 31st May 2001 is based on 60,283,416 Ordinary Shares in issue and at 30th November 2001 is based on 59,763,416 shares in issue.

For the six months ended 31st May 2001		
Revenue £'000s	Capital £'000s	Total £'000s
(Note 2)		
-	(20,795)	(20,795)
3,924	-	3,924
641	-	641
(281)	(655)	(936)
(247)	-	(247)
4,037	(21,450)	(17,413)
(649)	(1,510)	(2,159)
3,388	(22,960)	(19,572)
(84)	-	(84)
(204)	204	-
(288)	204	(84)
3,100	(22,756)	(19,656)
(11)	-	(11)
3,089	(22,756)	(19,667)
3.2p (1,929)	-	(1,929)
-	-	-
3.2p (1,929)	-	(1,929)
1,160	(22,756)	(21,596)
5.12p	(37.75p)	(32.63p)

**as at 31st May 2001
£'000s**

330,531
25,960
356,491
(51,985)
304,506
15,071
450
929
268,878
12,274
6,904
304,506
504.4p

For the year ended 30th November 2001		
Revenue £'000s	Capital £'000s	Total £'000s
(Note 2)		
-	(66,433)	(66,433)
6,303	-	6,303
1,192	-	1,192
(526)	(1,228)	(1,754)
(452)	-	(452)
6,517	(67,661)	(61,144)
(1,250)	(2,906)	(4,156)
5,267	(70,567)	(65,300)
(75)	-	(75)
(366)	366	-
(441)	366	(75)
4,826	(70,201)	(65,375)
(22)	-	(22)
4,804	(70,201)	(65,397)
3.2p (1,913)	-	(1,913)
4.1p (2,450)	-	(2,450)
7.3p (4,363)	-	(4,363)
441	(70,201)	(69,760)
8.00p	(116.90p)	(108.90p)

**as at 30th November 2001
£'000s**

273,744
32,264
306,008
(51,953)
254,055
14,941
450
1,059
237,221
(5,801)
6,185
254,055
424.3p

Cash Flow Statement

for the six months ended 31st May 2002 and comparative periods

	For the six months ended 31st May 2002 £'000s	2001 £'000s	Year ended 30th November 2001 £'000s
Net cash inflow from operating activities	2,001	3,100	5,495
Servicing of Finance			
Interest paid	(2,117)	(2,107)	(4,218)
Dividends paid on Preference Stock	(11)	(11)	(23)
Net cash outflow on servicing of finance	(2,128)	(2,118)	(4,241)
Taxation			
UK income tax repaid (paid)	2	(250)	(251)
Financial investment			
Purchase of fixed asset investments	(110,959)	(130,571)	(227,858)
Sale of fixed asset investments	111,771	139,010	249,284
Net cash inflow from financial activities	812	8,439	21,426
Equity dividends paid	(2,427)	(2,411)	(4,324)
Net cash inflow (outflow) before financing	(1,740)	6,760	18,105
Financing			
Purchase of Ordinary Shares for cancellation	(5,614)	-	(2,287)
Decrease in short-term loan	(220)	(209)	(417)
Net cash outflow from financing	(5,834)	(209)	(2,704)
(Decrease) increase in cash	(7,574)	6,551	15,401

Notes

Note 1

The returns per Ordinary Share are based on revenue or capital return to Ordinary Shareholders, as appropriate, and on 58,656,553 Ordinary Shares being the weighted average number of shares in issue throughout the period (31st May 2001 – 60,283,416 Shares; 30th November 2001 – 60,052,238 Shares).

Note 2

The revenue column of this statement is the profit and loss account of the Company. All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the period.

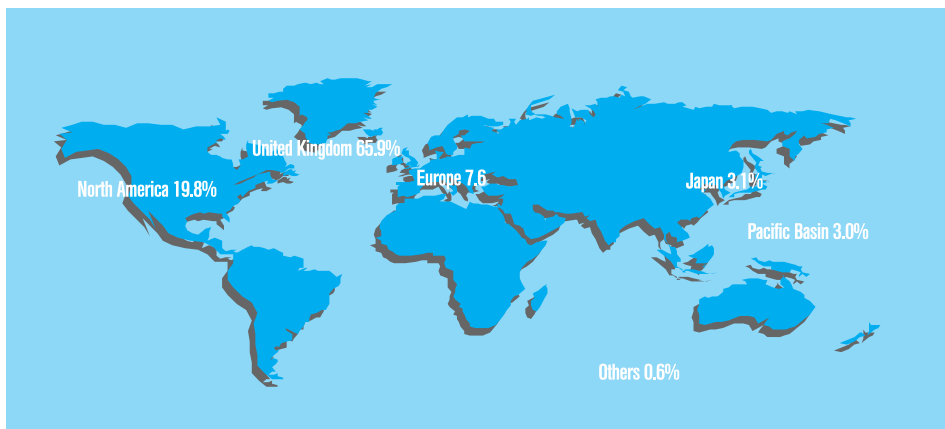
Note 3

This interim statement has been neither audited nor reviewed by the Company's auditors. The interim statement has been prepared using the same accounting policies as those adopted in the annual accounts for the year ended 30th November 2001.

The non-statutory accounts for the year to 30th November 2001 are an extract from the latest published accounts of the Company which have been delivered to the Registrar of Companies. The auditors' opinion on those accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

Portfolio Analysis

as at 31st May 2002



Twenty Largest Equity Holdings

as at 31st May 2002

Security Name	Market Value £'000s	% of Total Assets*	Principal Activities
BP	13,748	4.77	Integrated oil and gas
GlaxoSmithKline	8,768	3.04	Pharmaceuticals
Royal Bank of Scotland	7,215	2.50	Banking and financial services
HSBC Holdings	6,803	2.36	Banking and financial services
Vodafone Group	6,383	2.21	Telecommunications
Shell Transport & Trading	5,353	1.86	Integrated oil and gas
Barclays	5,274	1.83	Banking and financial services
HBOS	4,929	1.71	Banking and financial services
Abbey National	4,349	1.51	Banking and financial services
AstraZeneca	3,908	1.36	Pharmaceuticals
Canary Wharf Group	3,287	1.14	Real estate
Tesco	2,838	0.98	Food and drug retail
Rank Group	2,699	0.94	Leisure entertainment and hotels
United Utilities	2,669	0.93	Utilities
Severn Trent	2,560	0.89	Utilities
Compass Group	2,527	0.88	Leisure entertainment and hotels
Allied Domecq	2,143	0.74	Beverages
Hanson	2,105	0.73	Construction and building maintenance
Hilton	2,087	0.72	Leisure entertainment and hotels
BPB	2,080	0.72	Construction and building maintenance
	91,725	31.82	

* Total assets include current liabilities.

Investor Information

Directors

J F H Trott (Chairman)
J S Flemming
B C R Siddons
R K A Wakeling
W R Worsley

Managers

Dresdner RCM Global Investors
(UK) Ltd (regulated by FSA)
represented by Neil Dwane, Mark Lovett
and Nersen Pillay
(Fund Managers)
Telephone: 020 7475 2700

Secretary, Registered Office and Number

Gerry Absalom FCIS
10 Fenchurch Street,
London EC3M 3LB.
Registered Number: 226323

Registrars

Capita IRG Plc
Bourne House,
34 Beckenham Road,
Beckenham, Kent BR3 4TU.
Telephone: 0870 1623100
or, if telephoning from overseas,
0044 2086 392 157.

Results

Half-year announced in July.
Full-year announced in February.
Report and Accounts posted to
shareholders in March.
Annual General Meeting held in April.

Dividends

Interim dividend payable 30th August
2002 (ex-dividend 31st July 2002).
Final dividend payable before 5th April
2003.

Savings Scheme

The Dresdner RCM Global Investors
Investment Trust Savings Scheme
provides a convenient and economical
way for Shareholders to increase their
existing holdings. Investments can be in
the form of a regular payment or an
individual lump sum and there is an
arrangement for the reinvestment of
dividends. There are also facilities for
selling and switching.

Investment Trust Maxi ISA

Shareholders can invest in the shares of
the Trust through the Dresdner RCM
Investment Trust ISA.

Investment Trust Helpline

Full details of the Savings Scheme and
ISA are available on the Dresdner
RCM Investment Trust Helpline on
020 7475 6151.

Website

Further information about the Trust is
available at:
www.brunner.co.uk

