

The Brunner Investment Trust PLC

Interim Report for the six months ended 31 May 2007



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

The 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 31 May		
	2007	2006	% change
Available for Ordinary Dividend	£3.38m	£2.99m	+13.0
Earnings per Ordinary Share	6.99p	6.05p	+15.5
Dividend per Ordinary Share	4.40p	4.00p	+10.0
Assets	At	At	% change
	31 May 2007	30 November 2006	
Net Asset Value per Ordinary Share	564.6p	495.7p	+13.9
Ordinary Share Price	467.5p	408.0p	+14.6
Discount of Net Asset Value to Ordinary Share Price	(17.2)	(17.7)	n/a
Total Assets less Current Liabilities	£323m	£293m	+10.2
NAV Total Return#			+15.0
60% FTSE All-Share and 40% FT/S&P World Index (ex UK) in sterling* (Total Return)			+12.2
60% FTSE All-Share and 40% FT/S&P World Index (ex UK) in sterling* (Capital Return)			+10.6

#NAV total return reflects both the change in net asset value per Ordinary Share (+13.9%) and the net ordinary dividend paid in respect of the period.

*Source: Datastream.

Chairman's Statement

Interim Results

I am pleased to report the Trust outperformed its benchmark for the six months ended 31 May 2007, with the Net Asset Value increasing by 13.9% compared with an increase in the composite benchmark of 10.6%.

Net Asset Value

The Net Asset Value attributable to each Ordinary Share at 31 May 2007 was 564.6p. This compares with 495.7p at 30 November 2006, an increase of 13.9% over the period. The capital return on the benchmark index (60% FTSE All-Share, 40% FTSE World Index- ex UK sterling) was 10.6% over the period.

Earnings

Earnings in the six months to 31 May 2007 were 6.99p per Ordinary Share (2006: 6.05p).

Interim Dividend

The Board has declared an interim dividend of 4.4p net (2006: 4.0p) per Ordinary Share payable on 23 August 2007 to holders on the Register of Members at the close of business on 27 July 2007.

Share Buy Backs

During the period under review the Company purchased 591,577 Ordinary Shares for cancellation. In the period since 31 May 2007, a further 153,287 Ordinary Shares have been purchased for cancellation.

Investment Review

Equity markets made good progress in the period under review and fears that a slowdown in the US housing market would undermine global demand have so far not been realised. Market volatility has increased however, and various triggers – a fall in Chinese equities, a deterioration in the US sub-prime mortgage market and associated problems with hedge fund liquidity – have contributed to an overall re-appraisal of risk. Further economic growth has prompted central banks to raise interest rates in most regions, which has also impacted medium-term bond yields. The fact that

equity markets have showed resilience in the face of a deteriorating environment for bonds reflects the strong corporate earnings reported over the period, as well as continued takeover activity.

The portfolio remains concentrated in companies which the managers believe have strong growth potential. In the UK, our emphasis on the mining sector proved helpful in this period, with significant contributions from BHP Billiton, Xstrata and Rio Tinto. We also saw strong returns from our publishing stocks, Reed Elsevier and Reuters; the latter was the subject of a takeover bid from Canada's Thomson Corp in May.

Within our overseas portfolio, the outperformance in the first half was generated from a variety of holdings across a number of different sectors. One of the top contributors was Nintendo which has developed a range of innovative video game products, notably the Wii and DS, and continued to exceed market expectations on sales and profitability. Porsche, the German sports car manufacturer, was also among the top contributors; the business is expected to benefit from further margin improvement as unit sales accelerate across its product range.

Outlook

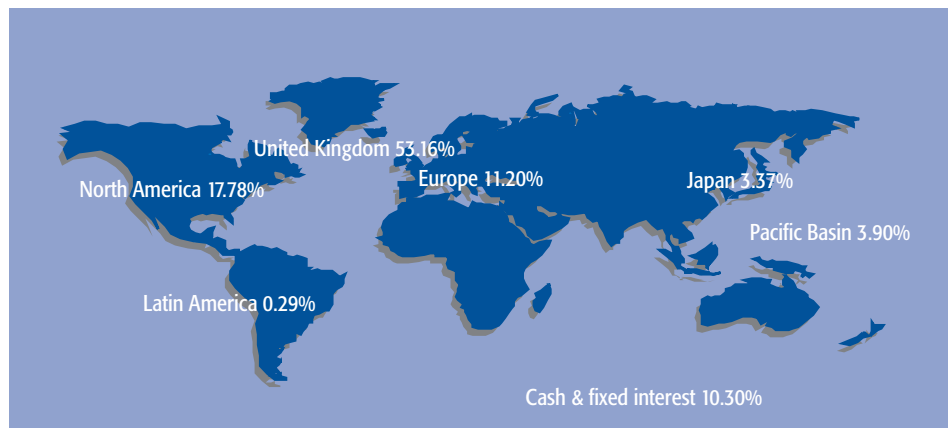
Global equities have performed well over the reporting period and may struggle to make further progress in the short run, as higher interest rates remove liquidity from the financial system. Corporate activity, however, buoyed by strong corporate earnings and healthy balance sheets, will remain supportive of markets. Overall, we believe that the market environment remains favourable for growth sectors. Quality companies with strong cash returns and robust balance sheets also look attractive on a relative basis.

Keith Percy
Chairman

12 July 2007

Portfolio Analysis

as at 31 May 2007



Twenty Largest Equity Holdings

as at 31 May 2007

Security Name	Market value £'000s	% of Total Assets*	Principal Activity
Treasury Stock 5% 07/03/2008	19,900	6.15	UK Government Bond
Royal Dutch Shell 'B' shares	11,055	3.42	Oil and Gas
HSBC	10,786	3.34	Banking
BP	10,156	3.14	Oil and Gas
Vodafone	8,994	2.78	Mobile Telecommunication
GlaxoSmithKline	8,218	2.54	Pharmaceuticals
BHP Billiton	6,340	1.96	Mining
Barclays	5,841	1.81	Banking
Rio Tinto	5,695	1.76	Mining
HBOS	5,510	1.70	Banking
BG	5,002	1.55	Oil and Gas
Xstrata	4,909	1.52	Mining
Reuters	4,894	1.51	Media and Entertainment
Informa	4,821	1.49	Media and Entertainment
Cobham	4,809	1.49	Aerospace and Defence
BAE Systems	4,616	1.43	Aerospace and Defence
Spectris	4,307	1.33	Electronic and Electrical Equipment
International Power	4,256	1.32	Electricity
Sage	4,093	1.26	Software and Computer Services
Reed Elsevier	4,040	1.25	Media and Entertainment
	138,242	42.75	

*Total assets are stated net of current liabilities

Income Statement

	For the six months ended		
	Revenue	31 May 2007	Total Return
	£'000s	Capital	£'000s
		£'000s	(Note 2)
Net gains on investments at fair value	—	34,073	34,073
Income from Investments	4,545	—	4,545
Other income	297	—	297
Investment management fee	(244)	(569)	(813)
Administrative expenses	(135)	(5)	(140)
Net return on ordinary activities before finance costs and taxation	4,463	33,499	37,962
Finance costs: interest payable and similar charges	(704)	(1,584)	(2,288)
Net return on ordinary activities before taxation	3,759	31,915	35,674
Taxation			
Overseas taxation	(157)	—	(157)
UK taxation	(223)	223	—
	(380)	223	(157)
Net return attributable to Ordinary Shareholders	3,379	32,138	35,517
Net return per Ordinary Share (Note 1) (basic and diluted)	6.99p	66.51p	73.50p

Balance Sheet

	As at 31 May 2007
	£'000s
Investments held at fair value through profit or loss	310,006
Net current assets	13,403
Total Assets less Current Liabilities	323,409
Creditors: amount falling due after more than one year	(52,132)
Total Net Assets	271,277
Called up Share Capital	12,011
Capital Redemption Reserve	3,989
Capital Reserves: Realised	183,195
Unrealised	60,291
Revenue Reserve	11,791
Equity Shareholders' Funds	271,277
Net Asset Value per Ordinary Share	564.6p

The net asset value is based on 48,045,261 Ordinary Shares in issue

For the six months ended 31 May 2006			For the year ended 30 November 2006		
Revenue £'000s	Capital £'000s	Total Return £'000s	Revenue £'000s	Capital £'000s	Total Return £'000s
		(Note 2)			(Note 2)
–	10,648	10,648	–	24,246	24,246
4,020	–	4,020	7,262	–	7,262
397	–	397	762	–	762
(230)	(537)	(767)	(464)	(1,083)	(1,547)
(199)	(7)	(206)	(324)	(16)	(340)
3,988	10,104	14,092	7,236	23,147	30,383
(714)	(1,601)	(2,315)	(1,509)	(3,277)	(4,786)
3,274	8,503	11,777	5,727	19,870	25,597
(117)	–	(117)	(186)	–	(186)
(163)	163	–	(262)	262	–
(280)	163	(117)	(448)	262	(186)
2,994	8,666	11,660	5,279	20,132	25,411
6.05p	17.51p	23.56p	10.73p	40.95p	51.68p

As at 31 May 2006 £'000s	As at 30 November 2006 £'000s
273,023	278,953
10,124	14,344
283,147	293,297
(52,115)	(52,191)
231,032	241,106
12,267	12,159
3,733	3,841
172,129	175,043
32,066	38,898
10,837	11,165
231,032	241,106
470.8p	495.7p

The net asset value is based on
49,069,338 Ordinary Shares in issue

The net asset value is based on
48,636,838 Ordinary Shares in issue

Reconciliation of Movements in Shareholders' Funds

Called up
Share Capital
£'000s

Six months ended 31 May 2007

Net assets at 30 November 2006	12,159
Revenue Return	–
Shares repurchased during the period	(148)
Dividends on Ordinary Shares	–
Capital Return	–
Net Assets at 31 May 2007	<u>12,011</u>

Six months ended 31 May 2006

Net Assets at 30 November 2005	12,491
Adjustment to record investments at bid value	–
Revenue Return	–
Shares repurchased during the period	(224)
Dividends on Ordinary Shares	–
Capital Return	–
Net Assets at 31 May 2006	<u>12,267</u>

Year ended 30 November 2006

Net Assets at 30 November 2005	12,491
Adjustment to record investments at bid value	–
Revenue Return	–
Shares repurchased during the year	(332)
Dividends on Ordinary Shares	–
Capital Return	–
Net Assets at 30 November 2006	<u>12,159</u>

Capital Redemption Reserve £'000s	Capital Reserve Realised £'000s	Capital Reserve Unrealised £'000s	Revenue Reserve £'000s	Total £'000s
3,841	175,043	38,898	11,165	241,106
–	–	–	3,379	3,379
148	(2,593)	–	–	(2,593)
–	–	–	(2,753)	(2,753)
–	10,745	21,393	–	32,138
3,989	183,195	60,291	11,791	271,277
3,509	164,055	35,226	10,418	225,699
–	–	(216)	–	(216)
–	–	–	2,994	2,994
224	(3,536)	–	–	(3,536)
–	–	–	(2,575)	(2,575)
–	11,610	(2,944)	–	8,666
3,733	172,129	32,066	10,837	231,032
3,509	164,055	35,226	10,418	225,699
–	–	(216)	–	(216)
–	–	–	5,279	5,279
332	(5,256)	–	–	(5,256)
–	–	–	(4,532)	(4,532)
–	16,244	3,888	–	20,132
3,841	175,043	38,898	11,165	241,106

Cash Flow Statement

	Six months ended 31 May 2007 £'000s	Six months ended 31 May 2006 £'000s	Year ended 30 November 2006 £'000s
Net cash inflow from operating activities	3,178	2,973	6,506
Servicing of finance			
Interest paid	(2,336)	(2,336)	(4,720)
Dividends paid on Preference Stock	(11)	(11)	(22)
Net cash outflow from servicing of finance	(2,347)	(2,347)	(4,742)
Financial investment			
Purchases of fixed asset investments	(95,966)	(83,882)	(154,031)
Sales of fixed asset investments	98,982	83,909	160,777
Net cash inflow from financial investment	3,016	27	6,746
Equity dividends paid	(2,753)	(2,575)	(4,533)
Net cash inflow (outflow) before financing	1,094	(1,922)	3,977
Financing			
Purchase of Ordinary Shares for cancellation	(2,589)	(3,536)	(5,254)
Decrease in cash	(1,495)	(5,458)	(1,277)

Notes

Note 1

The return per Ordinary Share is based on a weighted average number of shares in issue 48,324,168 (31 May 2006: 49,481,205; 30 November 2006: 49,167,696).

Note 2

The total 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.

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

Included in the cost of investments are transaction costs on purchases which amounted to £208,370 (31 May 2006 – £348,154; 30 November 2006 – £511,656) and transaction costs on sales amounting to £99,033 (31 May 2006 – £147,761; 30 November 2006 – £256,132).

Note 3

Investments are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Measurement'. Listed investments are valued at bid market prices.

Note 4

In accordance with FRS21 'Events after the Balance Sheet Date', the final dividend payable on Ordinary Shares is recognised as a liability when approved by shareholders. Interim dividends are recognised only when paid.

Dividends payable on Ordinary Shares in respect of earnings for each period are as follows:

	Six months ended 31 May 2007 £'000s	Six months ended 31 May 2006 £'000s	Year ended 30 November 2006 £'000s
Final dividend 5.70p paid 23 March 2007 (2006 – 5.20p)	2,753	2,575	2,575
Interim dividend 4.00p paid 24 August 2006	–	–	1,957
	<u>2,753</u>	<u>2,575</u>	<u>4,532</u>

Dividends payable at the period end are not recognised as a liability under FRS 21 'Events after the Balance Sheet Date'. Details of these dividends are set out below.

	Six months ended 31 May 2007 £'000s	Six months ended 31 May 2006 £'000s	Year ended 30 November 2006 £'000s
Interim proposed dividend 4.40p payable 23 August 2007 (2006 – 4.00p)	2,114	1,962	–
Final dividend 5.70p	–	–	2,772

The interim and final dividend above is based on the number of shares in issue at the period end. However, the dividend payable will be based on the number of shares in issue on the record date and will reflect any purchases or cancellations of shares by the Company settled subsequent to the period end.

Note 5

The interim statement has neither been audited nor reviewed by the Company's auditors. The financial information for the year ended 30 November 2006 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under either Section 237(2) or Section 237(3) of the Companies Act 1985.

Investor Information

Directors

Keith Percy (Chairman)
Vivian Bazalgette
Ben Siddons
Richard Wakeling
William Worsley

Managers

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Telephone: 020 7859 9000
Represented by Mark Lovett and Lucy MacDonald
(Fund Managers)

Allianz Global Investors is the marketing name of RCM (UK) Limited, which is authorised and regulated by the Financial Services Authority.

Secretary and Registered Office

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Results

Half-year announced in July.
Full year announced in late January/early February.
Reports and Accounts posted to shareholders late February/early March.
Annual General Meeting held in March.

Dividends

Interim dividend payable 23 August 2007 (ex dividend 25 July 2006)
Final dividend payable March 2008.

Net Asset Value

The Net Asset Value of the Ordinary Shares is calculated daily and the top ten holdings are announced monthly. They are published on the London Stock Exchange Regulatory News Service.

They are also available from the Managers on request.

Savings Plan

Investors are able to buy shares in the Company at low cost through the Allianz Global Investors Investment Trust Savings Plan. Investments can be in the form of a regular monthly contribution, an individual lump sum or a combination of the two. There is an arrangement for the reinvestment of dividends as well as facilities for selling and switching. Full details of the savings plan are available from Allianz Global Investors, via Investor Services on 0800 317 573 or on the Managers' website: www.allianzglobalinvestors.co.uk, or alternatively, please use the FREEPOST card enclosed to request any literature you may require.

Maxi ISA and PEP Transfer

Shareholders can invest in the shares of the Company through the Allianz Global Investors Investment Trust Maxi ISA and PEP Transfer. Full detail are available from Allianz Global Investors, via Investor Services on 0800 317 573 or on the Managers' website: www.allianzglobalinvestors.co.uk, or alternatively, please use the FREEPOST card enclosed to request any literature you may require.

Shareholders' Enquiries

Capita Registrars maintain the share register. In the event of queries regarding shareholders, lost certificates, registered details, etc., shareholders should contact the registrars on 0870 162 3100 or, if calling from overseas, 0044 20 8639 2157, or by email: ssd@capitaregistrars.com. Changes of name or 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, 155 Bishopsgate, London EC2M 3AD.

AIC Membership

The Company is a member of the Association of Investment Companies.

Category: Global Growth

Allianz Global Investors

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