

# The Brunner Investment Trust PLC

Half-Yearly Financial Report for the six months ended 31 May 2012



# The Brunner Investment Trust PLC

HALF-YEARLY FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED  
31 MAY 2012

Financial Highlights	1
Interim Management Report	2
Investment Managers' Review	3
Investment Portfolio	6
Income Statement and Balance Sheet	10
Reconciliation of Movements in Shareholders' Funds	12
Cash Flow Statement	13
Notes	14
Investor Information	15

The Brunner Investment Trust PLC aims to provide growth in capital value and dividends over the long term through investing in a portfolio of UK and international securities. The benchmark is 50% FTSE All-Share and 50% FTSE World Index (ex UK £).

## Investment Objective

To achieve a total return higher than that of the benchmark index of 50% FTSE All-Share and 50% FTSE 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 seeking a single investment in a diversified and professionally managed portfolio.

The illustration on the cover of this report features a fountain (Brunnen in German) and this choice of image is inspired by the Arms of the Brunner family, which derives from Switzerland. The great, great grandfather of William Worsley, a director of The Brunner Investment Trust, was born in Canton Zürich and migrated to Lancashire in 1832. His son, Sir John T. 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 PLC.

The Brunner Investment Trust PLC (the 'Company' or 'Trust') is a member of The Association of Investment Companies. Category: Global Growth

# Financial Highlights

	For the six months ended 31 May		% change
	2012	2011	
<b>Revenue</b>			
Available for Ordinary Dividend	£3.17m	£2.80m	+13.2
Earnings per Ordinary Share	7.30p	6.17p	+18.3
Dividend per Ordinary Share	5.00p	4.80p	+4.2
	At 30 May 2012	At 30 November 2011	% change
<b>Assets</b>			
Net Asset Value per Ordinary Share	480.3p	468.6p	+2.5
Ordinary Share Price	383.5p	380.5p	+0.8
Discount of Net Asset Value to Ordinary Share Price	(20.2%)	(18.8%)	n/a
Total Assets less Current Liabilities	£258m	£255m	+1.2
NAV Total Return#			+4.2
(50% FTSE All-Share and 50% FTSE World Index (ex UK) in sterling)* (Total Return)			+1.5
(50% FTSE All-Share and 50% FTSE World Index (ex UK) in sterling)* (Capital Return)			-0.3

# NAV total return reflects both the change in net asset value per Ordinary Share (2.5%) and the net ordinary dividend paid in respect of the period.

\* Source: Datastream.

# Interim Management Report

## Net Asset Value

A summary of the results for the six months ended 31 May 2012 is set out below. The Net Asset Value attributable to each Ordinary Share at 31 May 2012 was 480.3p. This compares with 468.6p at 30 November 2011, an increase of 2.5% over the period. The capital return on the benchmark index (50% FTSE All-Share, 50% FTSE World Index (ex UK Sterling), was -0.3% over the period.

## Earnings

Earnings increased by 18.3% to 7.30p per Ordinary Share in the six months to 31 May 2012 (2011 – 6.17p), reflecting higher income from investments.

## Interim Dividend

The Board has decided to take steps to equalise the half-year and year end payments more closely over time and the half-year payment is being increased to begin this process. The Board has declared an interim dividend of 5.00p (2011 – 4.80p) per Ordinary Share payable on 31 August to holders on the Register of Members at the close of business on 3 August 2012. It is the Board's intention at least to maintain the final dividend for the year ending 30 November 2012.

## Material events and transactions

In the six month period ended 31 May 2012 the following material events and transactions have taken place.

- At the Annual General Meeting of the Company held on 16 March 2012, all the resolutions put to shareholders were passed.
- During the period under review the Company purchased 380,669 Ordinary Shares for cancellation.

There were no related party transactions in the period.

Since the period end, no further Ordinary Shares have been purchased for cancellation.

## Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company over the next six months are broadly unchanged from those described in the Annual Financial Report for the year ended 30 November 2011. These are set out in a table in the Directors' Report on page 26 of the Annual Financial Report, together with commentary on the Board's approach to mitigating the risks and uncertainties, under the following headings: Investment Strategy; Market Volatility; and Financial and Liquidity Risk.

## Responsibility Statement

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and
- The interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7 R of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- The interim management report includes a fair review of the information concerning related parties transactions as required by the Disclosure and Transparency Rule 4.2.8 R.

The half-yearly financial report was approved by the Board on 24 July 2012 and the above responsibility statement was signed on its behalf by the Chairman.

*Keith Percy*  
Chairman

# Investment Managers' Review

## Market Review

Equity markets were broadly flat during the period under review as a positive start to the financial year was given up on further concerns about the eurozone and the global economy. The portfolio outperformed despite the volatility of financial markets.

During the first few months of 2012 investors were given some reason to hope that the worst of the eurozone crisis had passed as EU finance ministers agreed to a new €130 billion bailout for Greece and the European Central Bank launched a Long Term Refinancing Operation. This provided over €500bn of liquidity for up to three years to 800 European financial institutions which had been struggling to raise capital reducing fears that a damaging phase of deleveraging was inevitable. This also led to temporary falls in the sovereign debt yields of Italy and Spain. The Federal Reserve published its first detailed projections on interest rates and said it would keep rates near zero until at least late 2014. Central bank provision of liquidity to the financial system has helped underpin markets in recent years and the potential for further measures are keenly watched by investors.

Initially US economic news surprised positively against low expectations, with a falling unemployment rate and data indicating that the housing market may have bottomed, spurring some upward momentum to GDP revisions. Federal Reserve chairman Ben Bernanke, however, cautioned that it was too early to characterise the recovery as sustainable and indicated that he remained prepared to implement more liquidity measures if the economy falters.

However, in April markets succumbed to profit-taking. Markets retreated on renewed concerns about the eurozone crisis and disappointing economic data from Europe and to some extent China. Spanish and Italian risk assets were particularly weak on worries that fiscal austerity measures alone would not be sufficient to repair the countries' finances. Eurozone finance ministers did agree to raise the combined ceiling of the currency block's rescue funding facilities to €700 billion.

The sell-off accelerated in May on renewed worries about Greece's ability to meet the terms of its international bailout and stay in the eurozone prompted by inconclusive elections in which political parties hostile to EU-imposed austerity enjoyed strong gains. This led to heightened uncertainty about the prospects for Spain and Italy and, indeed, the ultimate survival of the eurozone itself. Spreads on Spanish and Italian bonds jumped and the Euro fell. Towards the end of the period some less positive US jobs data also weighed on markets.

# Investment Managers' Review

*(continued)*

## Portfolio Review

Over the period the portfolio's NAV rose 2.5%, compared with a decline of 0.3% for the benchmark index (50% FTSE All-Share, 50% FTSE World Index (ex UK Sterling)). Performance benefited from positive stock selection in Industrials, Health Care and Telecommunications. The Basic Materials underweight also helped due to falling commodity prices. Stock selection in Consumer Services, Oil & Gas and Financials detracted.

Apple was the top contributor to returns. The stock continued to outperform on high expectations for the new iPad, the expected launch of a new iPhone later this year and the announcement that the company would resume paying a dividend after a 17 year hiatus. The company also announced a share buyback. Although Apple will return \$10bn in cash to shareholders, this will be easily financed through cash flow. The shares have rerated relative to the market but valuations are not stretched at 12x next year's earnings. Nonetheless, expectations are high and the enormous growth in profitability and market capitalisation over the last several years means that it is inevitable that the company's growth momentum will slow. We continued to gradually reduce the size of the investment into strength.

Other positive contributors included Cobham and Priceline. Cobham's cost cutting program is generating savings ahead of the original plan, and the civil aerospace business is gaining momentum. Although the US defence budget is still a source of uncertainty, a more normal pattern of equipment orders has resumed in recent months. The position in Cobham was reduced into strength in recent months. Priceline.com continues to gain market share in the growing online hotel bookings market with its brand booking.com. Our proprietary research surveys confirm that the company has high brand recognition and online hotel bookings are growing strongly off a low base in almost all countries.

Man Group was the largest detractor to performance. The company has been experiencing net outflows in assets under management (AuM) due mainly to underperformance at its primary hedge fund AHL. However, the net flows from clients have actually been fairly stable over the recent difficult period and most of the decline in AuM has stemmed from the performance and de-gearing effect. Management has taken some costs out of GLG Partners and the business is well capitalised but a turnaround in AHL's performance is key to the stock performing. We believe the risk/reward profile is attractive at current depressed prices.

# Investment Managers' Review

*(continued)*

Other negative contributors included the satellite operator Eutelsat Communications and food retailer Tesco. Eutelsat announced disappointing earnings and cut full year guidance due to a decline in data services and a slower than expected ramp-up in one of its new products. In our view the stock remains a defensive investment with an order backlog €5.4bn or 4.6x annual revenues and we believe the shares offer long-term attractions from emerging market TV channel growth and the move to high definition video broadcasting in developed markets. Tesco fell sharply on its admission that its UK operations require a period of reinvestment. As a result group level profits are unlikely to grow this year. Although the scale of the investment came as a shock we are encouraged by Tesco's emphasis on return on capital rather than space growth in coming years and we anticipate that this key metric of corporate performance will improve over time. The stock is trading at a P/E of under 10, a level not seen since 1983, and the dividend yield is over 5%.

New holdings purchased during the period included the pharmaceutical company UCB and oil services provider AMEC. UCB is a specialty biopharmaceutical company focusing on central nervous system and immunology with an exciting portfolio of new products including Cimzia for rheumatoid arthritis and Neupro for Parkinson's disease. R&D expenditures related to these new products have depressed operating margins which we believe can recover from 14% currently to around 20% over the next few years. AMEC is a beneficiary of strong growth in oil industry capex and the shares appear undervalued particularly when adjusted for cash on the balance sheet.

Carillion and International Power were sold. Although UK local council outsourcing should represent an opportunity for Carillion, we have been disappointed by the company's ability to execute on this. International Power was sold after minority shareholders were offered a premium bid for their shares by GDF who already owned 70% of the company.

## Outlook

We continue to believe that we are in a low growth, low interest rate environment where visibility is quite low around a number of important issues such as the future of the Eurozone, the extent of the slowdown in China and the approach the US will take to tackling its budgetary issues. It is clear that in general terms deleveraging and fiscal austerity will weigh on growth for an extended period and will be only somewhat offset by monetary stimulus and negative real interest rates. Given the lack of positive macro tailwinds, stock picking will remain critical. We are biasing the portfolio towards high quality growth companies supported by strong balance sheets and, as appropriate, solid dividends as we believe sustainable growth should be valued at a premium in the current environment.

*Lucy MacDonald and Jeremy Thomas*  
*RCM (UK) Limited*

# Investment Portfolio

as at 31 May 2012

## Listed Equity Holdings

Security Name	Market Value £'000s	Total Assets %	Principal Activity
GlaxoSmithKline	9,218	3.65	Pharmaceuticals & Biotechnology
Royal Dutch Shell 'B' Shares	8,214	3.25	Oil & Gas Producers
Vodafone Group	6,918	2.74	Mobile Telecommunications
BP	6,904	2.73	Oil & Gas Producers
Diageo	6,333	2.51	Beverages
HSBC Holdings	5,840	2.31	Banks
Apple	4,146	1.64	Technology Hardware & Equipment
Unilever	3,920	1.55	Food Producers
Reed Elsevier	3,768	1.49	Media
Rio Tinto	3,739	1.48	Mining
Centrica	3,677	1.46	Gas, Water & Multiutilities
Philip Morris	3,508	1.39	Tobacco
Abbott Laboratories	3,488	1.38	Pharmaceuticals & Biotechnology
Pfizer	2,990	1.18	Pharmaceuticals & Biotechnology
Reckitt Benckiser	2,898	1.15	Household Goods
Anglo American	2,869	1.14	Mining
Henkel	2,690	1.07	Household Goods
Nestle	2,676	1.06	Food Producers
Itochu	2,633	1.04	Support Services
Tesco	2,574	1.02	Food & Drug Retailers
BAE Systems	2,553	1.01	Aerospace & Defence
Allergan	2,548	1.01	Pharmaceuticals & Biotechnology
US Bancorp	2,534	1.00	Banks
Bunzl	2,426	0.96	Support Services
Celgene	2,425	0.96	Pharmaceuticals & Biotechnology
Crown Castle International	2,402	0.95	Technology Hardware & Equipment
Microsoft	2,351	0.93	Software & Computer Services
United Health Group	2,332	0.92	Health Care Equipment & Services
China Mobile	2,316	0.92	Mobile Telecommunications
Wells Fargo & Co	2,277	0.90	Banks
Tyco	2,250	0.89	General Industrials
Visa	2,208	0.87	Financial Services
Cobham	2,198	0.87	Aerospace & Defence
Tullett Prebon	2,121	0.84	Financial Services
Flowserve Corp	2,111	0.84	Industrial Engineering
Samsung Electronics	2,107	0.83	Technology Hardware & Equipment
Fresenius	2,095	0.83	Health Care Equipment & Services
Xstrata	2,029	0.80	Mining



# Investment Portfolio *as at 31 May 2012*

*(continued)*

## Listed Equity Holdings (continued)

Security Name	Market Value £'000s	Total Assets %	Principal Activity
Adidas	2,016	0.80	Personal Goods
BG Group	1,997	0.79	Oil & Gas Producers
Amadeus	1,947	0.77	Support Services
Ameriprise Financial	1,942	0.77	Financial Services
Accenture	1,921	0.76	Support Services
Australia & New Zealand Banking Group	1,914	0.76	Banks
Canon	1,881	0.75	Technology Hardware & Equipment
Resolution	1,863	0.74	Life Insurance
Smith & Nephew	1,857	0.74	Health Care Equipment & Services
Agilent Technologies	1,801	0.71	Electronic & Electrical Equipment
Priceline.com	1,778	0.70	Travel & Leisure
Starbucks	1,772	0.70	Travel & Leisure
Suncor Energy	1,691	0.67	Oil & Gas Producers
Lupus Capital	1,677	0.66	Construction & Materials
Compass	1,648	0.65	Travel & Leisure
Muenchener Rueckve	1,644	0.65	Non-Life Insurance
CCR	1,637	0.65	Industrial Transportation
Intuitive Surgical	1,630	0.65	Health Care Equipment & Services
BHP Billiton (USD)	1,629	0.65	Mining
Jardine Matheson	1,622	0.64	General Industrials
Mitsui Fudosan	1,611	0.64	Real Estate
Genting Singapore	1,580	0.63	Travel & Leisure
Taiwan Semiconductor (ADS)	1,559	0.62	Electronic & Electrical Equipment
Microchip Technology	1,557	0.62	Technology Hardware & Equipment
Estee Lauder "A"	1,555	0.62	Personal Goods
AIA	1,551	0.61	Life Insurance
Xchanging	1,537	0.61	Support Services
SMC	1,512	0.60	Industrial Engineering
Google	1,456	0.58	Software & Computer Services
Standard Chartered	1,445	0.57	Banks
Travis Perkins	1,444	0.57	Support Services
Balfour Beatty	1,438	0.57	Construction & Materials
Mothercare	1,368	0.54	General Retailers
Fubon Financial	1,354	0.54	Financial Services
Intermediate Capital	1,306	0.52	Financial Services
Danaher	1,291	0.51	Electronic & Electrical Equipment
UCB	1,285	0.51	Pharmaceuticals & Biotechnology
Barclays	1,283	0.51	Banks

# Investment Portfolio *as at 31 May 2012*

*(continued)*

## Listed Equity Holdings (continued)

Security Name	Market Value £'000s	Total Assets %	Principal Activity
Hiscox	1,272	0.50	Non-Life Insurance
Itau Unibanco	1,271	0.50	Banks
IG Group	1,254	0.50	Financial Services
Boat (Henry)	1,248	0.49	Construction & Materials
ABB	1,242	0.49	Electronic & Electrical Equipment
BASF	1,212	0.48	Chemicals
Keller Group	1,201	0.48	Construction & Engineering
Baidu.com	1,194	0.47	Software & Computer Services
Inmarsat	1,190	0.47	Mobile Telecommunications
F5 Network	1,171	0.46	Technology Hardware & Equipment
Union Pacific	1,150	0.46	Industrial Transportation
Technip	1,147	0.45	Oil Equipment, Services & Distribution
Jiangsu Express	1,146	0.45	Industrial Transportation
Air Liquide	1,118	0.44	Chemicals
Hays	1,107	0.44	Support Services
CPFL Geracao Energia SA	1,076	0.43	Electricity
Umicore	1,072	0.42	Chemicals
National Oilwell Varco	1,055	0.42	Oil Equipment, Services & Distribution
Cnooc	1,052	0.42	Oil & Gas Producers
AMEC	1,049	0.42	Oil Equipment, Services & Distribution
AZ Electronic Materia	948	0.38	Chemicals
Vienna Insurance	927	0.37	Non-Life Insurance
Carnival	900	0.36	Travel & Leisure
Sage Group	885	0.35	Software & Computer Services
Aegis Group	859	0.34	Media
Eutelsat	846	0.34	Media
Anadarko Petroleum	843	0.33	Oil & Gas Producers
Petroceltic International	811	0.32	Oil & Gas Producers
Man Group	569	0.23	Financial Services
Royal Bank of Scotland	341	0.14	Banks
	<b>223,441</b>	<b>88.50</b>	

# Investment Portfolio *as at 31 May 2012*

*(continued)*

## Fixed Interest Holdings

Security Name	Market Value £'000s	Total Assets %	Principal Activity
Treasury Stock 4.5% 07/03/2013	10,317	4.10	Gilt
Treasury Stock 2.5% I/L 16/04/2020	9,514	3.77	Gilt
Treasury Stock 4% 07/03//2022	9,145	3.62	Gilt
	<b>28,976</b>	<b>11.49</b>	

## Unlisted Equity Holdings

Security Name	Market Value £'000s	Total Assets %	Principal Activity
First Debenture Finance	24	0.01	Financial Services
Fintrust Debenture	4	0.00	Financial Services
	<b>28</b>	<b>0.01</b>	

## Geographical Analysis

	%
United Kingdom*	54.76
North America	23.84
Europe	8.68
Pacific Basin	8.11
Japan	3.03
Latin America	1.58
<b>Total</b>	<b>100.00</b>

\*Includes Gilts.

## Sectoral Analysis

	%
Industrials	15.49
Financials	14.48
Healthcare	11.83
Gilts	11.48
Consumer Goods	10.14
Oil & Gas	9.81
Technology	7.25
Consumer Services	6.77
Basic Materials	5.79
Telecommunications	5.08
Utilities	1.88
<b>Total</b>	<b>100.00</b>

# Income Statement and Balance Sheet

## Income Statement

for the six months ended 31 May 2012

	Revenue £'000s	Capital £'000s	Total Return £'000s
			(Note 2)
Net gains (losses) on investments held at fair value	-	7,156	7,156
Net gains (losses) on foreign currency	-	8	8
Income from investments	4,301	-	4,301
Other income	9	-	9
Investment management fee	(180)	(419)	(599)
Administration expenses	(149)	(7)	(156)
<b>Net return on ordinary activities before finance costs and taxation</b>	<b>3,981</b>	<b>6,738</b>	<b>10,719</b>
Finance costs: Interest payable and similar charges	(677)	(1,553)	(2,230)
<b>Net return on ordinary activities before taxation</b>	<b>3,304</b>	<b>5,185</b>	<b>8,489</b>
Taxation	(134)	-	(134)
<b>Net return attributable to Ordinary Shareholders</b>	<b>3,170</b>	<b>5,185</b>	<b>8,355</b>
<b>Net return per Ordinary Share (Note 1)</b>			
Basic and diluted	7.30p	11.93p	19.23p

## Balance Sheet

as at 31 May 2012

	£'000s
Investments held at fair value through profit or loss	252,445
Net current assets	5,604
<b>Total Assets less Current Liabilities</b>	<b>258,049</b>
Creditors: amount falling due after more than one year	(50,181)
<b>Total Net Assets</b>	<b>207,868</b>
Called up Share Capital	10,819
Capital Redemption Reserve	5,181
Capital Reserve	178,689
Revenue Reserve	13,179
<b>Equity Shareholders' Funds</b>	<b>207,868</b>
<b>Net Asset Value per Ordinary Share</b>	<b>480.3p</b>

The net asset value is based on 43,277,918 Ordinary Shares in issue.

for the six months ended 31 May 2011			for the year ended 30 November 2011		
Revenue £'000s	Capital £'000s	Total Return £'000s	Revenue £'000s	Capital £'000s	Total Return £'000s
		(Note 2)			(Note 2)
-	17,126	17,126	-	(581)	(581)
-	(2)	(2)	-	(6)	(6)
3,954	-	3,954	7,803	-	7,803
9	-	9	18	-	18
(190)	(443)	(633)	(365)	(852)	(1,217)
(167)	(9)	(176)	(366)	(26)	(392)
<b>3,606</b>	<b>16,672</b>	<b>20,278</b>	<b>7,090</b>	<b>(1,465)</b>	<b>5,625</b>
(668)	(1,559)	(2,227)	(1,356)	(3,111)	(4,467)
<b>2,938</b>	<b>15,113</b>	<b>18,051</b>	<b>5,734</b>	<b>(4,576)</b>	<b>1,158</b>
(137)	-	(137)	(239)	-	(239)
<b>2,801</b>	<b>15,113</b>	<b>17,914</b>	<b>5,495</b>	<b>(4,576)</b>	<b>919</b>
6.17p	33.27p	39.44p	12.28p	(10.23)p	2.05p

as at 31 May 2011	as at 30 November 2011
£'000s	£'000s
268,381	250,583
11,558	4,286
<b>279,939</b>	<b>254,869</b>
(50,392)	(50,289)
<b>229,547</b>	<b>204,580</b>
11,269	10,915
4,731	5,085
200,640	175,084
12,907	13,496
<b>229,547</b>	<b>204,580</b>
509.2p	468.6p

The net asset value is based on 45,076,162 Ordinary Shares in issue.

The net asset value is based on 43,658,587 Ordinary Shares in issue.

# Reconciliation of Movements in Shareholders' Funds

	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
<b>Six months ended 31 May 2012</b>					
Net Assets at 30 November 2011	10,915	5,085	175,084	13,496	204,580
Revenue Return	-	-	-	3,170	3,170
Shares repurchased during the period	(96)	96	(1,580)	-	(1,580)
Dividends on Ordinary Shares	-	-	-	(3,487)	(3,487)
Capital Return	-	-	5,185	-	5,185
<b>Net Assets at 31 May 2012</b>	<b>10,819</b>	<b>5,181</b>	<b>178,689</b>	<b>13,179</b>	<b>207,868</b>

## Six months ended 31 May 2011

Net Assets at 30 November 2010	11,437	4,563	188,280	13,467	217,747
Revenue Return	-	-	-	2,801	2,801
Shares repurchased during the period	(168)	168	(2,753)	-	(2,753)
Dividends on Ordinary Shares	-	-	-	(3,361)	(3,361)
Capital Return	-	-	15,113	-	15,113
<b>Net Assets at 31 May 2011</b>	<b>11,269</b>	<b>4,731</b>	<b>200,640</b>	<b>12,907</b>	<b>229,547</b>

## For the year ended 30 November 2011

Net Assets at 30 November 2010	11,437	4,563	188,280	13,467	217,747
Revenue Return	-	-	-	5,495	5,495
Shares repurchased during the year	(522)	522	(8,620)	-	(8,620)
Dividends on Ordinary Shares	-	-	-	(5,466)	(5,466)
Capital Return	-	-	(4,576)	-	(4,576)
<b>Net Assets at 30 November 2011</b>	<b>10,915</b>	<b>5,085</b>	<b>175,084</b>	<b>13,496</b>	<b>204,580</b>

# Cash Flow Statement

	Six Months ended 31 May 2012 £'000s	Six Months ended 31 May 2011 £'000s	Year ended 30 Nov 2011 £'000s
<b>Net cash inflow from operating activities</b>	<b>3,178</b>	<b>2,690</b>	<b>6,236</b>
<b>Return on investments and servicing of finance</b>			
Interest paid	(2,328)	(3,244)	(4,650)
Dividends paid on Preference Stock	(11)	(11)	(22)
<b>Net cash outflow from servicing of finance</b>	<b>(2,339)</b>	<b>(3,255)</b>	<b>(4,672)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of fixed asset investments	(34,486)	(73,964)	(100,799)
Sale of fixed asset investments	36,540	81,049	110,366
<b>Net cash inflow from capital expenditure and financial investment</b>	<b>2,054</b>	<b>7,085</b>	<b>9,567</b>
<b>Equity dividends paid</b>	<b>(3,487)</b>	<b>(3,361)</b>	<b>(5,466)</b>
<b>Net cash (outflow) inflow before financing</b>	<b>(594)</b>	<b>3,159</b>	<b>5,665</b>
<b>Financing</b>			
Purchase of Ordinary Shares for cancellation	(1,580)	(2,753)	(8,623)
<b>(Decrease) Increase in cash</b>	<b>(2,174)</b>	<b>406</b>	<b>(2,958)</b>
<b>Reconciliation of Return on Ordinary Activities before Finance Costs and Taxation to Net Cash Flow from Operating Activities</b>			
Total return before finance costs and taxation	10,719	20,278	5,626
Add: Net (gains) losses on investments at fair value	(7,156)	(17,126)	581
Add: Special dividends credited to capital	-	-	408
Add: Effective yield amortisation	115	122	243
Less: Net (losses) gains on foreign currency	(8)	2	6
Less: Overseas tax suffered	(134)	(137)	(239)
	<b>3,536</b>	<b>3,139</b>	<b>6,625</b>
Increase in debtors	(299)	(417)	(396)
(Decrease) Increase in creditors	(59)	(32)	7
<b>Net cash inflow from operating activities</b>	<b>3,178</b>	<b>2,690</b>	<b>6,236</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net cash (outflow) inflow	(2,174)	406	(2,958)
Net gains (losses) on foreign currency	8	(2)	(6)
Decrease in long term loans	108	102	204
<b>Movement in net (funds) debt</b>	<b>(2,058)</b>	<b>506</b>	<b>(2,760)</b>
Net debt brought forward	(42,878)	(40,118)	(40,118)
<b>Net debt carried forward</b>	<b>(44,936)</b>	<b>(39,612)</b>	<b>(42,878)</b>

# Notes

## Note 1

The Returns per Ordinary Share have been calculated using a weighted average number of shares in issue of 43,443,600 (31 May 2011 - 45,418,882; 30 November 2011 - 44,745,974 shares).

## 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 £58,000 (31 May 2011 - £176,000; 30 November 2011 - £278,000) and transaction costs on sales which amounted to £25,000 (31 May 2011 - £83,000; 30 November 2011 - £116,000).

## Note 3

Investments are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Recognition and 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 2012 £'000s	Six Months ended 31 May 2011 £'000s	Year ended 30 Nov 2011 £'000s
Final dividend 8.00p paid 23 March 2012 (2011 - 7.40p)	3,487	3,361	3,361
Interim dividend 4.80p paid 2 September 2011	-	-	2,105
	<b>3,487</b>	<b>3,361</b>	<b>5,466</b>

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 2012 £'000s	Six Months ended 31 May 2011 £'000s	Year ended 30 Nov 2011 £'000s
Interim proposed dividend 5.00p payable 31 August 2012 (2011 - 4.80p)	2,164	2,164	-
Final dividend 8.00p	-	-	3,493
	<b>2,164</b>	<b>2,164</b>	<b>3,493</b>



# Notes

*(continued)*

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 upon 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 and prior to the record date.

## Note 5

The Directors believe 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.

## Note 6

The half yearly report has neither been audited nor reviewed by the Company's auditors. The financial information for the year ended 30 November 2011 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 498(2) or (3) of the Companies Act 2006.

In accordance with the UK's disclosure requirements for listed companies, the Company is required to make limited additional and updated disclosures, mainly relating to the first and third quarters of the financial year. These Interim Management Statements are released via the Regulatory News Service and posted on the Company's website [www.brunner.co.uk](http://www.brunner.co.uk) on or shortly before 19 April and 19 October each year.

# Investor Information

## Directors

Keith Percy (Chairman)  
Ian Barlow  
Vivian Bazalgette  
Peter Maynard  
William Worsley

## Managers

RCM (UK) Limited  
155 Bishopsgate  
London EC2M 3AD  
Telephone: 020 7859 9000  
Represented by Lucy MacDonald and Jeremy Thomas (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

Kirsten Salt BA (Hons) ACIS  
155 Bishopsgate  
London EC2M 3AD  
Telephone: 020 7065 1513  
Registered Number: 226323

## Registrars

Capita Registrars, The Registry  
34 Beckenham Road  
Beckenham, Kent BR3 4TU  
Telephone: 0871 664 0300  
(calls cost 10p per minute plus network extras)  
Or, if telephoning from overseas,  
0044 20 8639 3399  
Email: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)  
Website: [www.capitaregistrars.com](http://www.capitaregistrars.com)

# Investor Information

*(continued)*

## Results

Half-year announced in July.

Full Year announced late January/early February  
Annual Financial Report posted to shareholders in  
February. Annual General Meeting held March.

## Ordinary Dividends 2011/2012

Interim dividend payable 31 August 2012 (ex  
dividend 1 August 2012).

Final dividend payable March 2013.

## AIC Membership

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

Category: Global Growth

## Net Asset Value

The Net Asset Value of the Ordinary Shares is  
calculated and announced 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 Allianz  
Global Investors, via Investor Services on 0800 389  
4696 or on the Managers' website: [www.rcm.com/  
investmenttrusts](http://www.rcm.com/investmenttrusts)

## Shareholders' Enquiries

Capita Registrars are the Company's registrars  
and maintain the share register. 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, 155  
Bishopsgate, London EC2M 3AD. Telephone: 020  
7859 9000.

## 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 Managers' website: [www.rcm.  
com/investmenttrusts](http://www.rcm.com/investmenttrusts), or from Alliance Trust Savings  
Customer Services Department on 01382 573737  
or by email: [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

A short list of other providers can be found on the  
RCM Investment Trusts website: [www.rcm.com/  
investmenttrusts](http://www.rcm.com/investmenttrusts)

## Website

Further information about the Trust is available at  
[www.brunner.co.uk](http://www.brunner.co.uk), or on the Manager's website:  
[www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts).



