



The Brunner Investment Trust PLC

Half-Yearly Financial Report

31 May 2019



Allianz 
Global Investors

Key Information

Capital growth and dividends

The Brunner Investment Trust PLC aims to provide growth in capital value and dividends for investors over the long term through investing in a portfolio of global and UK equities.

One stop shop

The company provides a “one stop shop” for investors looking for a global portfolio of equities and a quarterly dividend. The company's shares are recognised by the Association of Investment Companies (AIC) as suitable for retail investors.

Independent

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.

Benchmark

The benchmark Index is a composite of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.



London, England

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 'Brunnen' 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 (AIC).

AIC Category: Global

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The current board, from left to right, Peter Maynard, Ian Barlow, Carolan Dobson, Jim Sharp, Vivian Bazalgette.



Half year results

As at 31 May 2019



Revenue

Six months ended 31 May	2019	2018	% change
Available for ordinary dividend	£5,372,000	£4,502,000	+19.3
Earnings per ordinary share	12.6p	10.6p	+18.9
Dividends per ordinary share	9.32p ¹	8.1p	+15.1
Retail price index	289.2	280.7	+3.0

¹ First quarterly 4.66p, second quarterly 4.66p

Assets

	31 May 2019	30 November 2018	% change
Net asset value per ordinary share with debt at fair value	861.2p	845.8p	+1.8
Net asset value per ordinary share with debt at par	865.8p	843.9p	+2.6
Ordinary share price	774.0p	745.0p	+3.9
Total net assets with debt at fair value	£367,656,000	£361,105,000	+1.8
Total net assets with debt at par	£369,616,000	£360,273,000	+2.6

* References to NAV in our Interim Management Report and our Investment Manager's Review are to NAV with debt at fair value since this is the measure that the board considers best reflects the value to shareholders. However, NAV with debt at par value is also reported above.

[#] Alternative Performance Measures (APM). See Glossary on page 21.

[†] The Benchmark Index of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.

Performance relative to the benchmark for the six months to 31 May 2019

Net Asset Value with debt at fair value relative to Benchmark*	Capital return	Total return ²
Change in net asset value	+1.8%	+2.9%
Change in benchmark	+1.7%	+3.4%
Percentage point performance against benchmark	0.1	-0.5

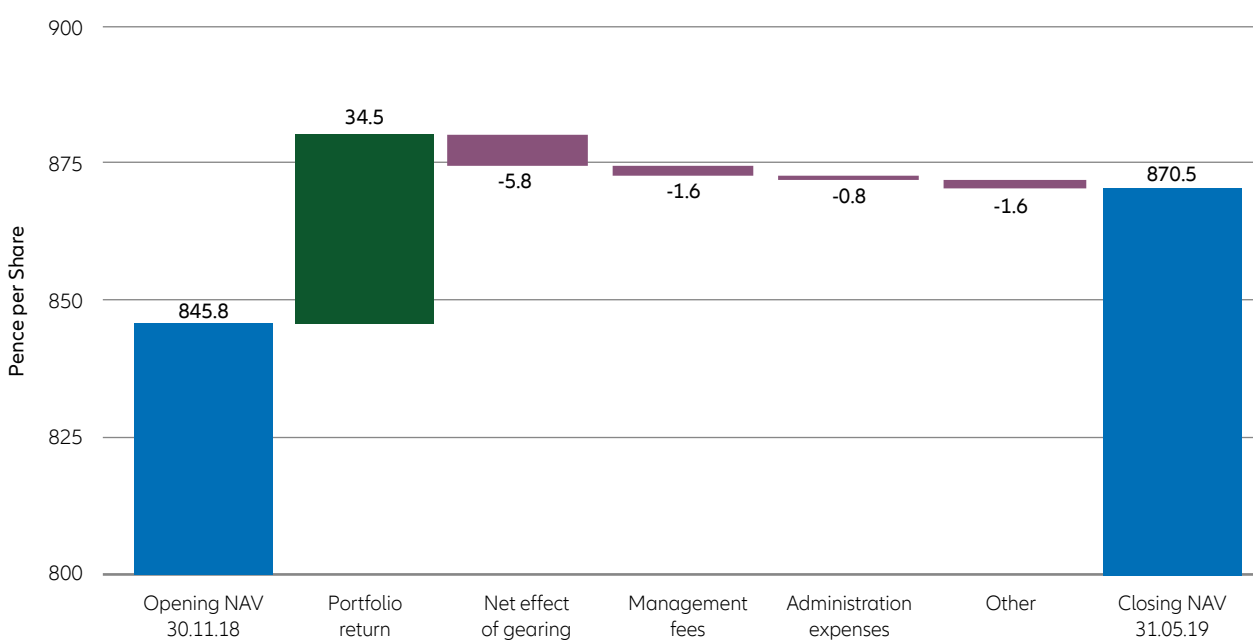
Reconciliation of Benchmark* performance to total return to shareholders

Equity portfolio return (excluding cash)	4.1%
Impact of gearing	0.2%
Finance costs	-0.1%
Increase in fair value of debt	-0.8%
Effect of gearing	-0.7%
Management fee	-0.2%
Administration expenses	-0.1%
Other	-0.2%
Total of above factors	-0.5%
Return to shareholders	2.9%
Change in benchmark	3.4%
Relative performance	-0.5

² Total returns are calculated with net dividends reinvested

* The benchmark applied is 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.

Attribution Analysis - Movement in Total Return NAV for 6 months ended 31 May 2019 with Debt at Fair Value



Interim Management Report



Dear Shareholder

Performance

The Net Asset Value per ordinary share of the company increased by 2.9% on a total return basis; the difference between this and the portfolio return of 4.1% is explained in the table on page 3. The benchmark (70% FTSE World Index Ex UK and 30% FTSE All-Share Index) rose by 3.4% over the period.

Earnings

Earnings increased by 18.9% to 12.6p per ordinary share in the six months to 31 May 2019 (2018: 10.6p).

Dividends

In continuation of the policy to distribute income more evenly throughout the year, the board declared a first quarterly dividend of 4.66p per ordinary share which is payable on 25 July 2019. The board has now declared a second quarterly dividend of 4.66p per ordinary share payable on 19 September 2019 to holders on the register of members at the close of business on 9 August 2019. A Dividend Reinvestment Plan (DRIP) is available for this dividend and the relevant Election Date is 23 August 2019.

The board is continuing to balance quarterly payments to bring them in line with the final. It is anticipated, subject to there being no unforeseen circumstances, that the third quarterly dividend will be maintained at this rate, and an unchanged final dividend of 6.00p will be proposed for the year ending 30 November 2019, giving a dividend for the year of 19.98p, a 10% increase on the previous year. The third quarterly payment will be made in December and the final dividend will be proposed for payment in March 2020.

Material events and transactions

In the six month period ended 31 May 2019 the following material events and transactions have taken place.

- At the annual general meeting of the company held on 4 April 2019, all the resolutions put to shareholders were passed.

There were no share buy backs, share issuances and no related party transactions in the period or since the period end.

Interim Management Report *(continued)*

Principal Risks

The principal risks 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 2018. These are set out in a table in the Strategic Report on page 16 of the annual report, together with commentary on the board's approach to mitigating the risks, under the following headings: Portfolio Risk; Business Risk; and Operational Risk.

In addition to the principal risks, the company faces the risks associated with the provision of services by third parties and general business risks including accounting, legal and regulatory matters. The board oversees a detailed review of the principal risks by the audit committee at least twice a year to ensure the risk assessment is current and relevant, adjusting mitigating factors and procedures as appropriate.

Going concern

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, the company has adequate financial resources to continue in operational existence for the foreseeable future.

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 FRS 102 and FRS 104, as set out in Note 2, and 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 17 July 2019 and the above responsibility statement was signed on its behalf by the Chairman.

Carolyn Dobson
Chairman

Investment Manager's Review



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

Market Review

Our expectation for the equity market to provide moderate returns with higher volatility has been borne out in the past six months. Overall, global equity markets as measured by the MSCI All Country World Index, are up 3 per cent in GBP terms over the period. However, this modest return has encompassed a sharp correction followed by a rapid recovery. In May, markets experienced yet another, albeit more modest, correction.

The catalysts for this increased volatility have been US trade and monetary policy. Escalating trade tensions between the US and its trading partners and the potential impact on global growth have been a major source of concern. At the end of 2018, data revealed that President Trump's tariffs were starting to create a material economic drag. However, promising trade talks soon erased the equity market's losses and sustained markets for some months. Market sentiment was dented once more in May, with both the US and China imposing higher tariffs on each other's exports. Technology stocks were particularly hit after the US administration effectively banned US companies from using equipment made by China's Huawei, raising fears that Beijing would target US tech companies in return.

The US Federal Reserve's (Fed) about turn in policy has been the other defining influence on all asset markets. Over the period, the central bank has gone from raising interest rates and pursuing quantitative tightening to pausing and hinting at lower interest rates. This has led to a fall in bond yields and support for bond proxy investments in the equity markets. Against a background of weakening global growth and slumping financial markets, the Fed announced it would not raise rates for the remainder of 2019, and slowed the pace of its balance sheet reductions. Similarly, the European Central Bank (ECB) pledged to hold rates until the end of 2020 and reinstated its offer of cheap long-term loans to banks. The People's Bank of China also injected a record amount of liquidity into China's economy and cut the reserve requirement ratio for banks.

At a sector level, Real Estate, Utilities and Information Technology have made the most impressive gains. The latter has continued to demonstrate its ability to generate meaningful earnings growth amidst market volatility. Meanwhile, Real Estate and Utilities have benefited from lower bond yields. Conversely, Health Care has come under consistent pressure as Democratic nominees for the US Presidency push for greater state medical provision.

The US Federal Reserve's u-turn on interest rate policy has been a defining influence on all asset markets



Investment Manager's Review *(continued)*

In terms of currencies, sterling has remained a Brexit bellwether, consistently reflecting investors' fluctuating concerns over the likelihood, timing and nature of the UK's exit from the European Union (EU). As a result, sterling strengthened steadily until March, in line with the prospects of either a soft Brexit or second referendum. Since then, the currency has weakened to December levels, reflecting Theresa May's departure and the likelihood of her being replaced by Boris Johnson, who is more vocal about leaving the EU without a deal.

Portfolio Review

Between December 2018 and May 2019 inclusive, the Trust's portfolio returned 4.1 per cent against a benchmark return of 3.4 per cent. The main driver of performance over this period has been stock selection. Holdings in the Consumer Goods, Utilities and Financials sectors have all contributed positively to returns.

Adidas, the maker of sports apparel, has made the strongest contribution to the portfolio. Its CEO, Kasper Rorsted, has made clear cultural and operational changes to the company, and these continue to

bear fruit. In its Q1 results, the company reported strong growth, particularly in Russia and Asia Pacific. The company's focus on digitalisation is central to our investment case and e-commerce grew 40 per cent. Earlier in the year, some slowdown in sales growth led us to test our investment case by commissioning a report from Grassroots Research, our proprietary market research division. Using on the ground interviews and big data web-scraping, the report found that this slowdown was due to Adidas exercising its pricing power over retailers, leading to improved margin and profitability. This has since been borne out in the results, with margins clearly rising and Adidas maintaining a positive outlook for 2019.

Iberdrola, the Spanish based power company, is delivering revenue and net income growth of 9 and 15 per cent, respectively. Renewables are a key growth area, and the company has seen pricing, production and capacity all rise as countries try to move away from fossil fuels. Looking ahead, the company is optimistic about full year earnings and dividends, aided further by lower debt and tax costs.

Adidas was the largest contributor to portfolio performance. Proprietary Grassroots research was instrumental to our investment decision.



Investment Manager's Review *(continued)*

In Financials, our positions in Munich Re, Visa and Ashmore have all distinguished themselves by virtue of their ability to generate fee-based revenues. Visa in particular continues to benefit from a structural move away from cash, and its strategic investment in new payment technologies.

Conversely, stock selection in Industrials and Health Care sectors was weaker.

Wabtec detracted from performance. We believe this has been mostly driven by arbitrage around the closure of Wabtec's General Electric deal, as well as the relatively high leverage this incurred. However, as rail companies move towards Precision Scheduled Railroading (PSR), Wabtec's merger with GE makes it the leading Original Equipment Manufacturer (OEM) supplier of the most efficient diesel-electric locomotives in the world and thus well positioned to benefit from this modernisation. Moreover, while economic weakness remains a potential risk, industry order backlog remains strong. With the company expecting to reduce leverage to 2.5 times net debt / EBITDA* by the end of the year thanks to its strong free cash flow, the company looks oversold.

UnitedHealth Group has had the largest negative impact on returns over this period. Shares in the integrated healthcare provider weakened following calls for universal state provision from US Democrats in the run up to 2020's presidential election. We regard this as a very low probability event and more of an excuse for profit-taking given the company's success in recent years. We believe that some reform of drug pricing and rebates is likely to emerge, and that rhetoric is likely to rise over the next year. However, we view the concerns towards the healthcare providers, who are drivers of lower healthcare costs, as overdone. Indeed, the stock has rebounded with recent results showing strong growth in premiums, services and products, with healthy medical loss ratios and good cost control.

*Earnings before interest, tax, depreciation and amortisation

Significant Transactions

Overall we have continued the strategic shift in the portfolio, concentrating the holdings on higher conviction, higher quality investments. The restructured balance sheet has provided higher dividend cover, allowing greater flexibility in stock selection.

Visa's payment technologies connect 2.3 billion accounts, 38 million vendors and 2.3 million ATMs in 200 countries.



Investment Manager's Review *(continued)*

Having monitored St James's Place for some time, we initiated a position in the UK financial services company in January. Brexit-induced weakness has made the shares increasingly cheap. However, the business has an exceptional growth record and there is substantial valuation support underpinned by its existing book of business.

In March, we initiated positions in Bright Horizons, Assa Abloy and Intuit. These are a provider of childcare and educational services, a manufacturer of door locking services and a developer of financial management software, respectively. Each company has demonstrated the ability to generate sustainable earnings growth at a time when this is in short supply and, at the time of purchase, the shares were reasonably valued.

More recently we have started a position in Intuitive Surgical, the manufacturer of the da Vinci surgical system. Growth is being driven by new product launches and increased adoption of robotic surgery in different procedures beyond its traditional areas of Gynaecology and Urology. A Grassroots study in the month showed strong intent among Chinese hospitals to buy or upgrade their systems, and a growing

awareness of the product among surgeons and patients. The stock is likely to exhibit higher volatility than average but this is balanced by higher growth potential.

To fund these new holdings, we have continued to exit positions with lower medium term conviction, using short term strength where possible. Greene King, the UK pub company, was held primarily for yield, while growth was pedestrian. However, the shares rallied sharply following a strong Christmas trading statement, so we used the recovery to exit our holding. Similarly Ameriprise and Apple were sold after sharp recoveries in the first quarter.

Across the portfolio, we have also taken advantage of several bouts of market volatility to increase positions in favoured stocks. In December, despite good overall numbers, slightly weaker new business figures for Accenture caused the consultancy firm's share price to decline to overly pessimistic levels, so we took the position up. In January, we took the opportunity to add to TSMC, which was trading at a depressed valuation with earnings starting to stabilise.

New holding Intuitive Surgical is gaining recognition for its da Vinci robotic surgical system.



Investment Manager's Review *(continued)*

Outlook

Monetary policy and trade are likely to remain key drivers of market behaviour in the foreseeable future.

US/China trade tensions and tariffs have the potential for further negative impacts on growth. At the micro level, the more uncertain operating environment for the corporate sector is increasingly hindering decision making and reducing visibility on demand. On balance, our base case assumption remains that some partial deal will be reached between US and China, potentially rolling back some of the recently increased tariffs. We are, however, expecting long term friction to feature in the technology sector with ongoing tension around state control, intellectual property and cyber security.

Global growth has slowed in the last six months as the stimulus from US tax reform faded and trade frictions hold back investment. The considerable stimulus being applied in China should lead to stabilisation later this year, but domestic demand is weaker in the meantime. Within Europe, the recent elections, with no further shift towards populism, have removed some risk but growth remains sluggish. Italy continues to be a long term source of instability, as now does the UK.

Monetary policy remains a source of uncertainty. In the US, the Fed has paused and is mulling over recent mixed data while conducting a major review of its tools, policies and communication methods, including what targets to aim for going forward. In Europe, the ECB also faces a potential shift when its President, Mario Draghi, departs at the end of October. US ten-year treasury yields are at their lowest level in two years, lifting bond proxies in the equity markets as a result. Whether growth or value stocks are more likely to outperform in this event is a constant source of debate.

Our expectation of more moderate returns with higher volatility is therefore still a central case, with slight gains and considerable movement in between. With monetary policy on hold and optimistic rate expectations already embedded, earnings growth decelerating and valuations towards the upper end of historic ranges, there is no reason to expect equity markets overall to deliver strong nominal returns. Therefore, an active approach such as ours, driven by superior stock selection, is going to be required to provide additional upside.

The UK now looks to be a continued source of instability, making an active approach such as ours all the more prudent.



Investment Portfolio

as at 31 May 2019

Name	Value (£'000s)	% of Invested Funds	Sector
Microsoft	17,763	4.51	Software & Computer Services
United Health	13,127	3.34	Health Care Equipment & Services
Royal Dutch Shell 'B' Shares	11,452	2.90	Oil & Gas Producers
Accenture	10,440	2.65	Support Services
Visa	10,108	2.56	Financial Services
The Cooper	9,923	2.52	Health Care Equipment & Services
Ecolab	9,639	2.44	Chemicals
Muenchener Rueckver	9,407	2.39	Non-Life Insurance
Roche Holdings	9,087	2.30	Pharmaceuticals & Biotechnology
Taiwan Semiconductor	8,877	2.25	Technology Hardware & Equipment
BP	8,850	2.24	Oil & Gas Producers
Estée Lauder 'A' Shares	8,327	2.11	Personal Goods
Agilent	8,315	2.11	Electronic & Electrical Equipment
AIA	8,015	2.03	Life Insurance
Adidas	7,914	2.01	Personal Goods
GlaxoSmithKline	7,634	1.94	Pharmaceuticals & Biotechnology
AbbVie	7,244	1.84	Pharmaceuticals & Biotechnology
Amadeus	6,934	1.76	Software & Computer Services
Informa	6,601	1.67	Media
Unilever	6,578	1.67	Personal Goods
Schneider Electric	6,448	1.63	Electronic & Electrical Equipment
Compass	6,446	1.63	Travel & Leisure
AMETEK	6,435	1.63	Electronic & Electrical Equipment
Microchip Technology	6,418	1.63	Technology Hardware & Equipment
Itochu	6,221	1.58	General Industrials
Charles Schwab	6,045	1.53	Financial Services
HSBC	5,870	1.49	Banks
Nestle	5,714	1.45	Food Producers
Booking Holdings	5,690	1.44	Travel & Leisure
Iberdrola	5,524	1.40	Electricity
Cie Financiere Richemont	5,416	1.37	Personal Goods
Tyman	5,333	1.35	Construction & Materials
Senior	5,290	1.34	Aerospace & Defence
St. James's Place	5,230	1.33	Life Insurance
Rio Tinto	4,990	1.27	Mining
Prudential	4,733	1.20	Life Insurance
SThree	4,697	1.19	Support Services

Investment Portfolio *(continued)*

as at 31 May 2019

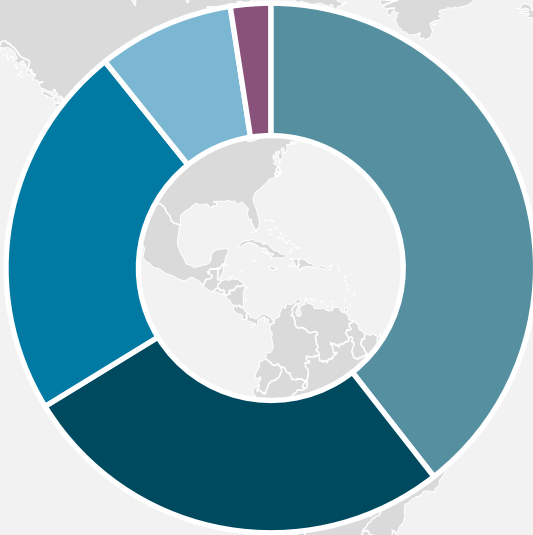
Name	Value (£'000s)	% of Invested Funds	Sector
Jiangsu Express	4,659	1.18	Industrial Transportation
Enel	4,649	1.18	Electricity
Citigroup	4,583	1.16	Banks
Amphenol	4,492	1.14	Electronic & Electrical Equipment
Ashmore	4,488	1.14	Financial Services
Sirius Real Estate	4,466	1.13	Real Estate
Partners Group	4,444	1.13	Financial Services
Wabtec	4,415	1.12	Industrial Engineering
Brambles	4,413	1.12	General Industrials
Howden Joinery	4,396	1.11	Support Services
Bright Horizons Family Solutions	4,335	1.10	General Retailers
EOG Resources	4,199	1.06	Oil & Gas Producers
United Internet	4,090	1.04	Software & Computer Services
Atlas Copco	3,881	0.98	Industrial Engineering
Intuit	3,860	0.98	Software & Computer Services
Intuitive Surgical	3,826	0.97	Health Care Equipment & Services
Lloyds Banking Group	3,722	0.94	Banks
Assa Abloy	3,660	0.93	Construction & Materials
UBS	3,606	0.91	Banks
TP ICAP	3,567	0.90	Financial Services
Nielsen	3,554	0.90	Media
China Mobile	3,503	0.89	Mobile Telecommunications
Fresenius	3,480	0.88	Health Care Equipment & Services
Merlin Properties	3,422	0.87	Real Estate
Astellas Pharma	3,416	0.87	Pharmaceuticals & Biotechnology
Australia & New Zealand Bank	3,354	0.85	Banks
Covestro	2,942	0.75	Chemicals
Albemarle	2,766	0.70	Chemicals
Helical	1,469	0.37	Real Estate
	394,392	100.00	% of Total Invested Funds

Unlisted Equity Holdings

Name	Value (£'000s)	% of Invested Funds	Sector
Fintrust Debenture	4	0.00	Financial Services
	4	0.00	% of Total Invested Funds

Investment Portfolio *(continued)*

as at 31 May 2019



Geographical Analysis

Region	% of Invested Funds
North America	39.44
UK	26.81
Continental Europe	22.98
Pacific Basin	8.32
Japan	2.45



Sectoral Analysis

Sector	% Held
Financials	21.93
Industrials	21.06
Health Care	14.66
Technology	12.17
Consumer Goods	8.61
Consumer Services	6.74
Oil & Gas	6.20
Basic Materials	5.16
Utilities	2.58
Telecommunications	0.89

Income Statement

	For the six months ended 31 May 2019			For the six months ended 31 May 2018		
	Revenue £'000s	Capital £'000s	Total Return £'000s	Revenue £'000s	Capital £'000s	Total Return £'000s (Note 2)
Gains on investments held at fair value through profit or loss	-	9,227	9,227	-	10,156	10,156
Losses on foreign currencies	-	(52)	(52)	-	(72)	(72)
Income from investments	6,615	-	6,615	5,945	-	5,945
Other income	11	-	11	10	-	10
Investment management fee	(258)	(601)	(859)	(272)	(636)	(908)
Administration expenses	(340)	-	(340)	(349)	(1)	(350)
Profit before finance costs and taxation	6,028	8,574	14,602	5,334	9,447	14,781
Finance costs: interest payable and similar charges	(148)	(318)	(466)	(415)	(939)	(1,354)
Profit on ordinary activities before taxation	5,880	8,256	14,136	4,919	8,508	13,427
Taxation	(508)	-	(508)	(417)	-	(417)
Profit after taxation attributable to ordinary shareholders	5,372	8,256	13,628	4,502	8,508	13,010
Earnings per ordinary share (basic and diluted) (Note 1)	12.58p	19.34p	31.92p	10.55p	19.93p	30.48p

Balance Sheet

	As at 31 May 2019 £'000s	As at 31 May 2018 £'000s	As at 30 November 2018 £'000s
Investments held at fair value through profit or loss (Note 3)	394,396	405,108	381,787
Net current assets	280	2,282	3,541
Total assets less current liabilities	394,676	407,390	385,328
Creditors: amounts falling due after more than one year	(25,060)	(30,422)	(25,055)
Total net assets	369,616	376,968	360,273
Called up share capital	10,673	10,673	10,673
Capital redemption reserve	5,327	5,327	5,327
Capital reserves	336,741	345,618	328,485
Revenue reserve	16,875	15,350	15,788
Equity shareholders' funds	369,616	376,968	360,273
Net asset value per ordinary share	865.8p	883.0p	843.9p

The net asset values are based on 42,692,727 ordinary shares in issue at 31 May 2019, 31 May 2018 and 30 November 2018.

Statement of Changes in Equity

	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
Six months ended 31 May 2018					
Net assets at 1 December 2017	10,673	5,327	337,110	14,904	368,014
Revenue profit	-	-	-	4,502	4,502
Dividends on ordinary shares (Note 4)	-	-	-	(4,056)	(4,056)
Capital profit	-	-	8,508	-	8,508
Net assets at 31 May 2018	10,673	5,327	345,618	15,350	376,968

Six months ended 31 May 2019

Net assets at 1 December 2018	10,673	5,327	328,485	15,788	360,273
Revenue profit	-	-	-	5,372	5,372
Dividends on ordinary shares (Note 4)	-	-	-	(4,291)	(4,291)
Unclaimed dividends	-	-	-	6	6
Capital profit	-	-	8,256	-	8,256
Net assets at 31 May 2019	10,673	5,327	336,741	16,875	369,616

Cash Flow Statement

	For the six months ended 31 May 2019 £'000s	For the six months ended 31 May 2018 £'000s
Operating activities		
Profit before finance costs and taxation	14,602	14,781
Less: Gains on investments held at fair value through profit or loss	(9,227)	(10,156)
Add: Special dividends credited to capital	257	-
Less: Losses on foreign currency	52	72
Less: Overseas tax suffered	(508)	(417)
Increase in other receivables	(288)	(36)
Decrease in other payables	(96)	(31)
Purchases of fixed asset investments held at fair value through profit or loss	(35,004)	(32,244)
Sales of fixed asset investments held at fair value through profit or loss	31,365	23,312
Net cash inflow (outflow) from operating activities	1,153	(4,719)
Financing activities		
Interest paid	(451)	(2,333)
Repayment of Stepped Rate Interest Loan	-	(18,200)
Dividends paid on cumulative preference stock	(11)	(11)
Dividends paid on ordinary shares	(4,291)	(4,056)
Unclaimed dividends	6	-
Net cash outflow from financing activities	(4,747)	(24,600)
Decrease in cash and cash equivalents	(3,594)	(29,319)
Cash and cash equivalents at the start of the period	11,133	30,998
Effect of foreign exchange rates	(52)	(72)
Cash and cash equivalents at the end of the period	7,487	1,607
Comprising:		
Cash at bank	7,487	1,607

Notes

Note 1

The returns per ordinary share have been calculated using a weighted average number of shares in issue of 42,692,727 (31 May 2018: 42,692,727 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.

Purchases for the half year ended 31 May 2019 were £35,004,000 (31 May 2018: £31,682,000) and sales for the half year ended 31 May 2019 were £31,365,000 (31 May 2018: £19,687,000).

Included in the cost of investments are transaction costs on purchases which amounted to £69,000 (31 May 2018: £29,000) and transaction costs on sales which amounted to £7,000 (31 May 2018: £8,000).

Note 3

Investments are designated as held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12. Investments are initially recognised at fair value, which is determined to be their cost. Subsequently, investments are revalued at fair value which is the bid market price for listed investments.

FRS 102 fair value hierarchy disclosures (March 2016) sets out three fair value levels.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly

Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability

As at 31 May 2019, the financial assets at fair value through profit and loss of £394,396,000 (30 November 2018: £381,787,000) are categorised as follows:

	Six months ended 31 May 2019 £'000s	Six months ended 31 May 2018 £'000s
Level 1	394,392	381,783
Level 2	-	-
Level 3	4	4
	394,396	381,787

Notes *(continued)*

Note 4

In accordance with section 32 FRS102 'Events After the end of the Reporting Period', dividends declared after the end of the reporting period shall not be recognised as a liability.

Dividends payable on ordinary shares in respect of earnings for each period are as follows:

	Six months ended 31 May 2019 £'000s	Six months ended 31 May 2018 £'000s	Year ended 30 November 2018 £'000s
Final dividend 6.00p paid 5 April 2019 (2018: 6.00p)	2,562	2,562	2,562
First quarterly dividend 4.05p paid 27 July 2018 (2017: 3.50p)	-	-	1,729
Second quarterly dividend 4.05p paid 21 September 2018 (2017: 3.50p)	-	-	1,729
Third quarterly dividend 4.05p paid 14 December 2018 (2017: 3.50p)	1,729	1,494	1,494
	4,291	4,056	7,514

Dividends declared after the period end are not recognised as a liability under section 32 FRS 102 'Events after the end of the reporting period'. Details of these dividends are set out below.

	Six months ended 31 May 2019 £'000s	Six months ended 31 May 2018 £'000s	Year ended 30 November 2018 £'000s
First quarterly dividend 4.66p payable 25 July 2019 (2018: 4.05p)	1,989	1,729	-
Second quarterly dividend 4.66p payable 19 September 2019 (2018: 4.05p)	1,989	1,729	-
Third quarterly dividend 4.05p	-	-	1,729
Final dividend 6.00p	-	-	2,562
	3,978	3,458	4,291

The final and quarterly dividends above are 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 purchase or cancellation of shares by the company settled subsequent to the period end.

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 2018 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies and restated by reference to the changes in the accounting policies detailed above. 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.

The half-yearly financial report will be sent to shareholders in late July 2019 and will be available to members of the public from the company's registered office at 199 Bishopsgate, London EC2M 3TY.

Investor Information

Directors

Carolán Dobson (Chairman)
Ian Barlow
Vivian Bazalgette
Peter Maynard
Jim Sharp

Managers

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Telephone: +44 (0)20 3246 7000
Represented by Lucy Macdonald
(Fund Manager)

Secretary and Registered Office

Kirsten Salt BA (Hons) ACIS
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London
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Telephone: +44 (0)20 3246 7513
Registered Number: 226323

Registrars

Link Asset Services (formerly Capita Asset Services),
The Registry, 34 Beckenham Road, Beckenham, Kent BR3
4TU. Telephone: 0371 664 0300. Lines are open 9.00 a.m.
to 5.30 p.m. (London time) Monday to Friday.
Email: enquiries@linkgroup.co.uk.
Website: www.linkassetservices.com

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/April.
Half year results announced and half-yearly Financial
Report posted to shareholders in July.

Ordinary Dividends

It is anticipated that dividends will be paid as follows:

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

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.

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 Trust's website: www.brunner.co.uk

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 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. 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 3246 7513.

How to Invest

Shareholders can invest in Brunner by purchasing shares through an investment platform operated by a third party provider, a stockbroker or a financial adviser. Many online platforms allow share dealing in 'real time' and some offer an option to invest regularly each month as well as lump sum investing. Competition between platform providers is keen so charges are usually very competitive. More information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or see 'How to invest' on our website, www.brunner.co.uk where there are links to a range of these platforms, many of which allow the holding of shares within an ISA, Junior ISA, SIPP and/or savings scheme.

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.

Glossary of UK GAAP Performance Measures and Alternative Performance Measures

UK GAAP performance measures

Net Asset Value is the value of total assets less all liabilities. The Net Asset Value, or NAV, per ordinary share is calculated by dividing this amount by the total number of ordinary shares in issue. The debt in the company used in the calculation is measured at par value, that is, the net proceeds on issue plus accrued finance costs to date and, if issued at a premium, the amortised premium to date.

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period.

Alternative Performance Measures (APMs)

Net Asset Value per ordinary share, debt at fair value, is the value of total assets less all liabilities, with the company's debt measured at the market value at the time of calculation. The Net Asset Value, or NAV, per ordinary share with debt at fair value is calculated by dividing this amount by the total number of ordinary shares in issue.

Net Asset Value per ordinary share, total return represents the theoretical return on NAV per ordinary share, assuming that dividends paid to shareholders were reinvested at the NAV per ordinary share at the close of business on the day the shares were quoted ex dividend.

Share Price Total Return represents the theoretical return to a shareholder, on a closing market price basis, assuming that all dividends received were reinvested, without transaction costs, into the ordinary shares of the company at the close of business on the day the shares were quoted ex dividend.

Benchmark Total Return is the return on the benchmark, on a closing market price basis, assuming that all dividends received were reinvested into the shares of the underlying companies at the time their shares were quoted ex dividend. Further information on the company's benchmark, which was changed during the financial year.

Discount is the amount by which the stock market price per ordinary share is lower than the Net Asset Value, or NAV, with debt at fair value, per ordinary share. The discount is normally expressed as a percentage of the NAV per ordinary share. The opposite of a discount is a premium.

Ongoing Charges are operating expenses incurred in the running of the company, whether charged to revenue or capital, but excluding financing costs. These are expressed as a percentage of the average net asset value during the year and this is calculated in accordance with guidance issued by the Association of Investment Companies.

The Brunner Investment Trust PLC

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