

# Active is: The Brunner Investment Trust PLC

March 2021

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Value. Shared.

**Allianz**   
Global Investors

# Agenda

01

Market background

02

Performance  
attribution

03

Style and risk analysis

04

Portfolio positioning  
and market outlook

# 01

## Market Background



# Equity market background

## Financial Year to Date

### World Indices

	£	Local
FTSE All Share	9.0	9.0
MSCI Pacific Ex Japan	6.7	8.2
MSCI EM	5.6	10.5
S&P 500	3.3	7.5
FTSE W Europe Ex UK	2.4	7.5
Nikkei 225	1.3	10.0

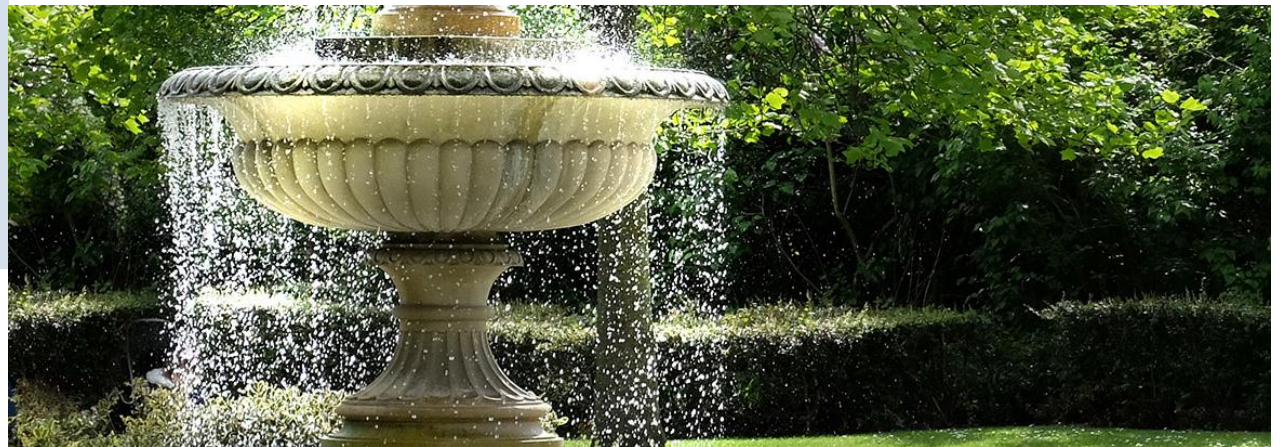
### FTSE World Sectors (£)

30 November 2020 – 9 March 2021	
FTSE World Oil and Gas	23.2
FTSE World Financials	10.3
FTSE World Basic Materials	9.0
FTSE World Industrials	3.5
FTSE World Technology	3.1
FTSE World Consumer Goods	1.3
FTSE World Consumer Services	0.5
FTSE World Telecom	-0.2
FTSE World Health Care	-2.9
FTSE Utilities	-5.4
<b>FTSE World</b>	<b>3.7</b>



# 02

## Performance Attribution



# Performance attribution – Equity portfolio

## Financial Year to Date

	Fund %	Benchmark %	+/-
Total Equity*	5.0	5.1	-0.1
UK Equity*	10.6	9.0	+1.6
Overseas Equity *	3.8	3.4	+0.4
NAV Performance**	6.5	5.1	+1.4

Attribution	Sector Allocation	Stock Selection	+/-
UK Equity*	-1.0	2.6	+1.6
Overseas Equity*	-0.4	0.8	+0.4

\* Based on Wilshire buy and hold methodology total return (equity only). \*\*Total return with debt at fair value. Source: AllianzGI, as of 9 March 2021. Figures may not add up due to rounding.

# Brunner Investment Trust – Combined

## Financial Year to Date

### Active ICB Industry Attribution

	PORT WEIGHT	TOTAL RETURN	ACTIVE CONTRIB
Cash	0.0%	0.00%	0.00%
Equity	100.0%	4.99%	-0.08%
ICB Industry Strategy (Allocation)			-0.77%
Stock Selection (Selection)			0.69%
Intra Period Effect			0.00%

### ICB Industry Strategy

	ICB Industry ACTIVE WEIGHT	ICB Industry EXCESS RETURN	ICB Industry STRATEGY
<b>Top 3 ICB Industry that HELPED</b>			
Consumer Services	-6.7%	-1.6%	0.11%
Consumer Goods	-2.0%	-4.7%	0.10%
Technology	-4.2%	-1.9%	0.09%
<b>Bottom 3 ICB Industry that HURT</b>			
Health Care	6.9%	-8.7%	-0.60%
Oil & Gas	-1.4%	18.8%	-0.25%
Utilities	1.8%	-9.0%	-0.17%

### ICB Industry Stock Selection

	AVERAGE ICB Industry WEIGHT	ICB Industry ACTIVE RETURN	STOCK SELECTION
<b>Top 3 ICB Industry that HELPED</b>			
Health Care	17.8%	3.6%	0.65%
Technology	12.4%	4.3%	0.52%
Consumer Goods	10.6%	4.3%	0.46%
<b>Bottom 3 ICB Industry that HURT</b>			
Basic Materials	4.4%	-11.6%	-0.50%
Industrials	21.7%	-2.1%	-0.47%
Oil & Gas	2.9%	-8.2%	-0.21%

### Active Country Attribution

	PORT WEIGHT	TOTAL RETURN	ACTIVE CONTRIB
Cash	1.5%	-0.82%	-0.08%
Equity	98.5%	5.00%	-0.08%
Country Strategy (Allocation)			-0.36%
Stock Selection (Selection)			0.81%
Currency Impact			-0.53%
Intra Period Effect			0.08%

### Country Strategy

	Country ACTIVE WEIGHT	Country EXCESS RETURN	Country STRATEGY
<b>Top 3 Country that HELPED</b>			
Taiwan	1.9%	9.5%	0.22%
Hong Kong	1.6%	4.7%	0.09%
Sweden	2.0%	3.0%	0.07%
<b>Bottom 3 Country that HURT</b>			
Switzerland	5.2%	-7.4%	-0.20%
South Korea	-1.4%	6.8%	-0.15%
Spain	2.9%	-4.8%	-0.10%

### Country Stock Selection

	AVERAGE Country WEIGHT	Country ACTIVE RETURN	STOCK SELECTION
<b>Top 3 Country that HELPED</b>			
Japan	2.7%	13.0%	0.35%
United Kingdom	17.8%	1.6%	0.29%
France	5.1%	4.1%	0.21%
<b>Bottom 3 Country that HURT</b>			
Italy	2.1%	-9.1%	-0.19%
Germany	5.6%	-1.4%	-0.08%
Spain	3.4%	-1.8%	-0.06%

Note: Attribution based on position-based performance attribution (daily buy-and-hold, closing price valuation, no transaction costs). Performance figures shown on this report are approximates. The official performance for funds subject to substantial cash flows or which trade in volatile daily market conditions will vary from these figures. Source: AllianzGI, as at 9 March 2021, GBP. Figures may not add up due to rounding.

# Brunner Investment Trust – Combined

## Financial Year to Date

<b>BEST</b>		Average Weight			Performance	
<b>Active Contributors</b>		( % of Total)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Taiwan Semiconductor Ma	3.4%	0.7%	2.8%	15.7%		<b>27 bp</b>
Itv	1.0%	0.1%	1.0%	34.3%		<b>25 bp</b>
Schwab Charles Cp Ne	1.3%	0.1%	1.2%	26.0%		<b>23 bp</b>
Amazon Com Inc	0.0%	1.8%	-1.8%	-7.1%		<b>23 bp</b>
St James's Place	1.5%	0.1%	1.4%	22.6%		<b>23 bp</b>
Apple Inc	0.0%	2.8%	-2.8%	-2.1%		<b>19 bp</b>
Stock Spirits Group Plc	1.2%	0.0%	1.1%	22.7%		<b>18 bp</b>
Aia Group Limited	2.4%	0.2%	2.2%	13.8%		<b>18 bp</b>
Astrazeneca	0.0%	1.3%	-1.3%	-6.8%		<b>17 bp</b>
Redrow Plc	1.2%	0.0%	1.2%	18.4%		<b>17 bp</b>
<b>Subtotal</b>	<b>12.0%</b>	<b>7.0%</b>	<b>5.0%</b>	<b>—</b>		<b>211 bp</b>

<b>Positive Active Contributors</b>	<b>2112</b>	<b>817 bp</b>
Overweighted	34	321 bp
Underweighted	2078	496 bp

<b>BIGGEST</b>		Average Weight			Performance	
<b>Overweights</b>		( % of Total)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Unitedhealth Group I	3.7%	0.4%	3.3%	0.9%		<b>-14 bp</b>
Agilent Technologies	2.9%	0.1%	2.8%	-1.3%		<b>-19 bp</b>
Cooper Cos Inc	2.8%	0.0%	2.8%	9.6%		<b>12 bp</b>
Taiwan Semiconductor Ma	3.4%	0.7%	2.8%	15.7%		<b>27 bp</b>
Muenchener Rueckversich	2.8%	0.1%	2.7%	7.8%		<b>8 bp</b>
Roche Holdings Ag	3.0%	0.3%	2.7%	-4.3%		<b>-26 bp</b>
Accenture Plc Ireland	2.8%	0.2%	2.6%	-1.5%		<b>-18 bp</b>
Microchip Technology	2.3%	0.0%	2.3%	4.3%		<b>-2 bp</b>
Estee Lauder Co. Inc.	2.3%	0.1%	2.2%	9.9%		<b>11 bp</b>
Abbvie Inc	2.5%	0.2%	2.2%	-0.7%		<b>-13 bp</b>
<b>Subtotal</b>	<b>28.5%</b>	<b>2.1%</b>	<b>26.4%</b>	<b>—</b>		<b>-33 bp</b>

<b>WORST</b>		Average Weight			Performance	
<b>Active Contributors</b>		( % of Total)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Ecolab Inc	2.3%	0.1%	2.2%	-7.0%		<b>-29 bp</b>
Roche Holdings Ag	3.0%	0.3%	2.7%	-4.3%		<b>-26 bp</b>
Iberdrola Sa	1.6%	0.1%	1.5%	-9.4%		<b>-23 bp</b>
Enel Spa	2.1%	0.1%	2.0%	-5.7%		<b>-22 bp</b>
Bright Horizons Fam Sol	1.5%	0.0%	1.5%	-8.1%		<b>-21 bp</b>
Agilent Technologies	2.9%	0.1%	2.8%	-1.3%		<b>-19 bp</b>
Accenture Plc Ireland	2.8%	0.2%	2.6%	-1.5%		<b>-18 bp</b>
Amphenol Corp New	1.2%	0.1%	1.2%	-8.4%		<b>-17 bp</b>
Bp	0.0%	0.8%	-0.8%	29.1%		<b>-17 bp</b>
Bhp Group Plc	0.0%	0.6%	-0.6%	33.8%		<b>-15 bp</b>
<b>Subtotal</b>	<b>17.4%</b>	<b>2.3%</b>	<b>15.2%</b>	<b>—</b>		<b>-205 bp</b>

<b>Negative Active Contributors</b>	<b>890</b>	<b>-825 bp</b>
Overweighted	27	-328 bp
Underweighted	863	-496 bp

<b>BIGGEST</b>		Average Weight			Performance	
<b>Underweights</b>		( % of Total)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Apple Inc	0.0%	2.8%	-2.8%	-2.1%		<b>19 bp</b>
Amazon Com Inc	0.0%	1.8%	-1.8%	-7.1%		<b>23 bp</b>
Alphabet Inc Cl-C	0.0%	1.5%	-1.5%	11.9%		<b>-10 bp</b>
Astrazeneca	0.0%	1.3%	-1.3%	-6.8%		<b>17 bp</b>
Hsbc Holdings Plc	0.0%	1.1%	-1.1%	15.2%		<b>-11 bp</b>
Diageo	0.0%	0.9%	-0.9%	3.8%		<b>1 bp</b>
Facebook Inc	0.0%	0.9%	-0.9%	-7.8%		<b>12 bp</b>
British American Tobacc	0.0%	0.8%	-0.8%	0.4%		<b>4 bp</b>
Bp	0.0%	0.8%	-0.8%	29.1%		<b>-17 bp</b>
Tesla Mtrs Inc	0.0%	0.7%	-0.7%	14.0%		<b>-5 bp</b>
<b>Subtotal</b>	<b>0.0%</b>	<b>12.6%</b>	<b>-12.6%</b>	<b>—</b>		<b>34 bp</b>

Note: Attribution based on position-based performance attribution (daily buy-and-hold, closing price valuation, no transaction costs). Performance figures shown on this report are approximates. The official performance for funds subject to substantial cash flows or which trade in volatile daily market conditions will vary from these figures. Source: AllianzGI, as at 9 March 2021, GBP. Figures may not add up due to rounding.



# 03

## Style and Risk Analysis



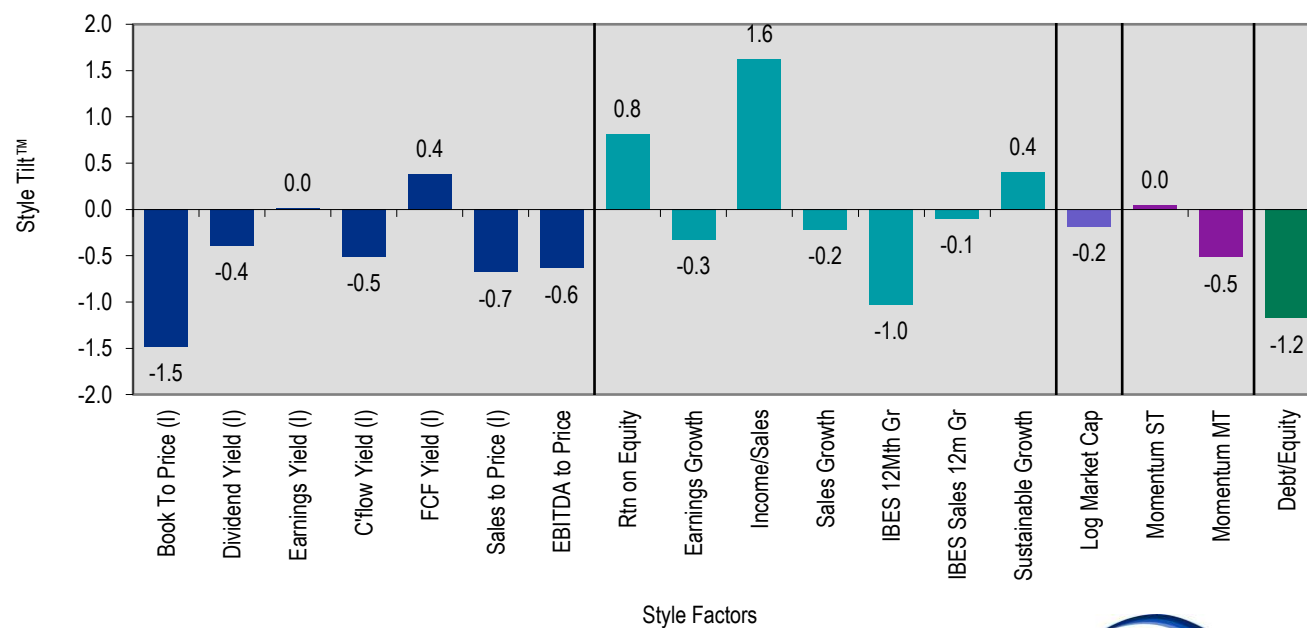
# Brunner Investment Trust

## Combined equity style analysis

Brunner Combined 26 February

### Portfolio Style Skyline

**Portfolio Style Skyline™**



STYLE  
RESEARCH

# Portfolio characteristics

Overseas Portfolio	
Number of Stocks	45
Predicted Beta*	1.0
Ex Ante Tracking Error	3.7
Yield	1.7
P/E	28.5

Combined Portfolio	
Number of Stocks	61
Predicted Beta*	1.0
Ex Ante Tracking Error	3.0
Yield	2.0
P/E	27.8

UK Portfolio	
Number of Stocks	16
Predicted Beta*	1.0
Ex Ante Tracking Error	6.6
Yield	3.1
P/E	25.4

## Risk- / Deviation-Report (risk based on APT's risk models)

Evaluation Date: 09/03/2021  
Base Currency: GBP  
Portfolio: Brunner Investment Trust  
Benchmark: 30% FT All Share 70% FTW ex UK (was 5050 to 21317)

Price Database: Wilshire Atlas  
Classification Database: Wilshire Atlas  
APT Ltd Risk Model: WORLD(GBP)

	Portfolio	Benchmark
Market Value of securities: (non-benchmark)	458,941,498 (2.2%)	
Cash (% of NAV):	---	
Number of Securities: (non-benchmark)	61 (2)	3,050
Total Risk ex ante* (in bps annualized)	1,697	1,674
Predicted Beta*	1.00	
Yield**	1.99	2.11
P/E***	27.83	33.11
P/B	3.18	2.20

Tracking Error ex ante* (in bps annualized)						301
Active Risk Decomposition	Factor Risk- Sources	Region	3%	Country	8%	31%
		Currency	4%	Style	4%	
		Economics	---	Sector	0%	
		Industrygroup	1%	Unexplained	10%	
	Stock Specific Risk					69%

Single Security Deviation*		5 largest overweights:			5 largest underweights:				
		Port	BM	Delta	Port	BM	Delta		
Active Money <sup>#</sup>	86.6%	Unitedhealth Group I	3.7%	0.4%	3.3%	Apple Inc	0.0%	2.6%	-2.6%
		Cooper Cos Inc	2.9%	0.0%	2.9%	Amazon Com Inc	0.0%	1.7%	-1.7%
		Muenchener Rueckversich	2.9%	0.1%	2.8%	Alphabet Inc Cl-A("M")	0.0%	1.6%	-1.6%
Concentration	80	Agilent Technologies	2.7%	0.0%	2.7%	Astrazeneca	0.0%	1.2%	-1.2%
		Taiwan Semiconductor Ma("M")	3.2%	0.7%	2.6%	Hsbc Holdings Plc	0.0%	1.2%	-1.2%

ICB Industry Deviation		3 largest overweights:			5 largest underweights:				
		Port	BM	Delta	Port	BM	Delta		
Active Money <sup>#</sup>	17.9%	Industrials (14)	22.4%	13.2%	9.2%	Consumer Services (4)	5.5%	11.8%	-6.3%
		Health Care (9)	17.4%	10.3%	7.1%	Technology (5)	12.2%	16.4%	-4.2%
		Utilities (3)	4.3%	2.7%	1.6%	Telecommunications	0.0%	2.2%	-2.2%
Concentration (10)	307				Oil & Gas (2)	3.2%	4.8%	-1.6%	
					Consumer Goods (7)	10.7%	12.2%	-1.6%	

FTSE Country/Location Deviation		5 largest overweights:			5 largest underweights:				
		Port	BM	Delta	Port	BM	Delta		
Active Money <sup>#</sup>	22.7%	Switzerland (4)	7.0%	1.9%	5.1%	United Kingdom (16)	18.6%	30.3%	-11.7%
		Germany (3)	5.6%	2.0%	3.6%	Japan (2)	2.9%	5.8%	-2.9%
		France (3)	5.3%	2.2%	3.0%	Canada	0.0%	2.0%	-2.0%
Concentration (36)	148	Spain (3)	3.3%	0.5%	2.8%	South Korea	0.0%	1.4%	-1.4%
		Sweden (2)	2.8%	0.8%	2.0%	United States (21)	43.4%	44.4%	-1.0%

Single Security CTE*		5 largest contributors:			next 5 largest contr.:			
(CTE = contribution to TE)		Port	BM	CTE		Port	BM	CTE
	Unitedhealth Group I	3.7%	0.4%	6.9%	Enel Spa	1.9%	0.1%	3.9%
	Cooper Cos Inc	2.9%	0.0%	5.0%	Muenchener Rueckversich	2.9%	0.1%	3.3%
	Estee Lauder Co. Inc.	2.5%	0.1%	4.8%	Roche Holdings Ag("M")	2.7%	0.3%	3.1%
	Abbvie Inc	2.4%	0.2%	4.8%	Ecolab Inc	2.2%	0.1%	3.1%
	Apple Inc	0.0%	2.6%	4.2%	Microchip Technologv	2.3%	0.0%	2.7%

Region(8)[MSCI based] over-/underweights			
	Port	BM	Delta
Europe ex UK (17)	27.0%	10.8%	16.3%
EM Asia (3)	5.5%	3.4%	2.0%
Pacific ex Japan (3)	4.1%	2.8%	1.3%

United Kingdom (16)	18.6%	29.5%	-10.9%
North America (20)	41.9%	46.2%	-4.3%
Japan (2)	2.9%	5.8%	-2.9%
EM Eu & Mid. E & Africa	0.0%	0.7%	-0.7%
EM Latin America	0.0%	0.7%	-0.7%

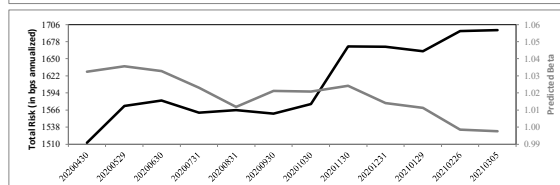
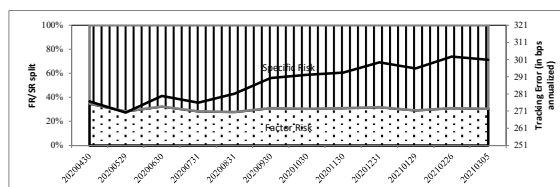
Currency over-/underweights			
	Port	BM	Delta
EUR	16.0%	6.8%	9.3%
CHF	7.0%	1.9%	5.1%
HKD	3.1%	0.8%	2.3%
USD	46.7%	44.5%	2.2%

GBP	18.6%	30.2%	-11.6%
JPY	2.9%	5.8%	-2.9%
CAD	0.0%	2.0%	-2.0%
TWD	0.0%	1.5%	-1.5%

AllianzGI ESG ratings			
	Port	BM	Delta
Aggregate	5.9	5.5	0.4
Governance	5.4	5.2	0.2
Social	5.2	5.0	0.3
Environment	7.2	6.4	0.8

Covered by weight	96.0%	97.4%
Covered by count	95.1%	89.1%

2 largest non-benchmark active weights		
	Port	Delta
Bright Horizons Fam Sol	1.4%	1.4%
Jiangsu Expressway Co	0.8%	0.8%



\* Risk Figures (if available) calculated by APT Ltd's WORLD(GBP) Equity Risk Model (0.1% of benchmark (9 sec.) not covered by APT Ltd's database. Not covered securities are ignored in the risk analysis at 20210305)

\*\* Yield = Indicated dividend rate divided by current price

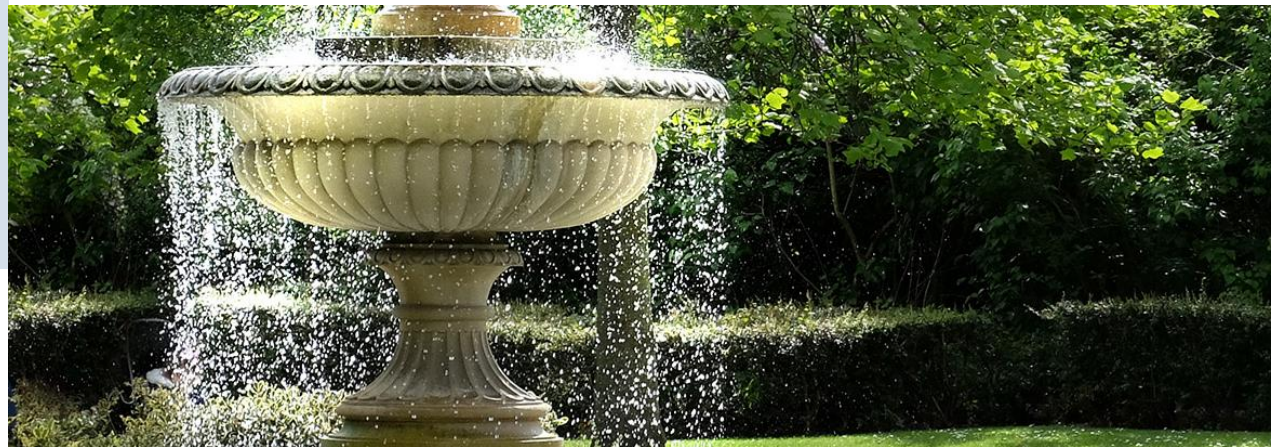
\*\*\* P/E based on firm's latest trailing 12 months EPS

\*Multi-listed securities are considered as one security [labeled with (\*M\*)], clustering not applied for risk calculations

\*Active money = sum of the absolute values of all negative active weights = sum of the absolute values of all active weights divided by 2

# 04

## Current Portfolio and Market Outlook





# Brunner Investment Trust Matrix

## 70% FTSE W Ex UK / 30% FTSE All Share

Portfolio: Brunner Investment Trust															
as of: 22/03/2021															
Benchmark: 30% FT All Share 70% FTW ex UK (was 5050 to 21317)															
Region	Sector/Country				Industrials	Financials	Health Care	Technology	Consumer Goods	Consumer Services	Utilities	Basic Materials	Oil & Gas	Telecommunications	
		Port	BM	Active		23.0	19.9	17.4	12.0	10.6	5.4	4.4	4.2	3.0	
						13.2	20.4	10.5	16.5	12.4	12.2	2.8	5.4	4.5	
						9.8	-0.5	6.9	-4.5	-1.8	-6.8	1.6	-1.2	-1.6	
North America	United States	42.8	46.7	-3.8											
		42.8	44.7	-1.9	Accenture Plc Irela	2.8 Visa Inc	2.5 Unitedhealth Group	3.9 Microsoft Corp	4.4 Estee Lauder Co. I	2.4 Yum China Hldgs I	1.5	Ecolab Inc	2.1		
					Agilent Technolog	2.8 Schwab Charles C	1.5 Cooper Cos Inc	2.8 Microchip Technol	2.4	Bright Horizons Far	1.4	International Flav&	1.0		
					Ametek Inc New	1.9 Cme Group Inc	1.3 Abbvie Inc	2.4 Intuit	1.2	Booking Hldgs Inc	1.4				
					Amphenol Corp Ne	1.2	Intuitive Surgical I	1.1							
					Fleetcor Technolog	0.9									
Europe ex United Kingdom		27.3	10.3	17.1											
	Denmark	1.2	0.5	0.7			Novo Nordisk A/S	1.2							
	France	5.3	2.2	3.0	Schneider Electric	2.3			Lvmh Moet Hennes	1.4			Total Se	1.5	
	Germany	5.5	2.0	3.5		Muenchener Rueck	2.8 Fresenius Se&Co H	1.0	Adidas Ag	1.7					
	Italy	2.0	0.5	1.4							Enel Spa	2.0			
	Spain	3.3	0.5	2.8		Merlin Properties S	0.8	Amadeus It Group	1.0		Iberdrola Sa	1.5			
	Sweden	2.9	0.8	2.0	Atlas Copco Ab	1.5									
					Assa Abloy	1.3									
	Switzerland	7.3	2.0	5.3		Partners Group Hlg	1.9 Roche Holdings Ag	2.8	Nestle Sa	1.2					
						Ubs Group Ag	1.2								
United Kingdom		19.1	29.8	-10.7											
	United Kingdom	19.1	29.8	-10.7	Tyman Plc	1.8 St James's Place	1.6 Glaxosmithkline	1.4	Redrow Plc	1.4 Itv	1.1 National Grid	0.9 Rio Tinto	1.1 Royal Dutch Shell	1.4	
					Dcc	1.4 Ig Group Hldgs	0.9		Unilever Plc	1.3					
					Stthree Plc	1.2 Ashmore Group	0.8		Stock Spirits Group	1.1					
						Helical Plc	0.8								
						Lloyds Banking Gr	0.7								
Pacific ex Japan		7.0	5.6	1.4											
	Australia	1.7	1.7	-0.0	Brambles Ltd	0.9 Australia & New Ze	0.7								
	Hong Kong	2.3	0.8	1.5		Aia Group Limited	2.3								
	Taiwan	3.1	1.4	1.6				Taiwan Semicondu	3.1						
Japan		3.0	5.9	-2.9											
	Japan	3.0	5.9	-2.9	Itochu Corp	2.2	Astellas Pharma	0.8							
Emerging		0.8	1.7	-1.0											
	China	0.8	0.0	0.8	Jiangsu Expresswa	0.8									

Source: Wilshire, IDS

Source: Wilshire, IDS, AllianzGI, as at 29 January 2021.

# Transactions since last board meeting

## New Holdings

Fleetcor

## Complete Sales


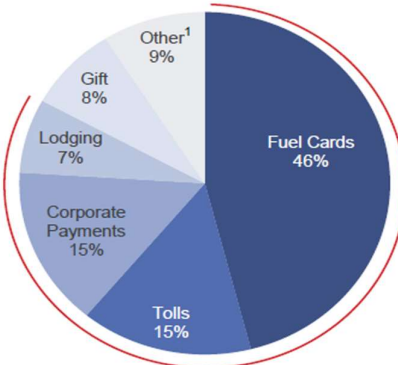
Citigroup

## Additions

IG Group

Sthree

## Reductions

<u>Company Name</u> <b>Fleetcor Technologies</b>		<u>Market cap</u> \$23bn USD, US listed	<u>Brunner Holding</u> 0.9%	<u>AGI Holdings</u> GEU	<u>Date</u> 22/02/21
<u>Company Description</u> Fleetcor is a US based technology company providing business payments solutions and workforce productivity tools.			<u>Investment case profile</u> High Growth		
<u>Investment case summary</u> Fleetcor's business model serves the commercial payments space across a number of different "spend categories" such as fuel, lodging, toll and working capital management. The company provides a number of "closed loop" networks in which customers are able to manage, monitor and track the payments made by their employees for goods and services. Fleetcor estimates that its products and services on average save customers 15%. Unlike consumer payments, the digitisation of commercial payments is still relatively immature, offering a lot of potential for future growth. Current CEO Ron Clarke joined in 2000, since when Fleetcor has followed an ambitious strategy of organic and acquisitive growth (over 70 acquisitions since 2002). The company initially focussed on the fuel vertical and has subsequently expanded into lodging, toll roads (in Brazil) and more recently into working capital management. Since IPO in 2010 Fleetcor has delivered 20% compound revenue and EPS growth. The structural growth drivers underpinning this growth remain in place. Around 60% of revenues stem from the US, 18% from Brazil and 10% from the UK and just under half is in the fuel category. On a 5-10 year view, Fleetcor should become more diversified as other payment categories grow faster and the company expands outside of the US. The business model is highly scalable which is reflected in the company's strong profitability, consistently achieving operating returns on capital over 40%. These returns are sustainable due to the competitive advantage that comes with an established closed loop network and a relatively fragmented customer and supplier base. Temporary disruption from COVID has caused a de-rating in the shares to an unusually attractive valuation - 19x 2022 p/e. HOLT is discounting 6% long-term real asset growth which looks conservative.					
<div><div><div><div>Operations</div><div></div></div><div><div><div>Valuation</div><div>Unsaved Scenario</div><div>Price USD 273.38</div><div>Warranted Price 282.06</div><div>upside +3%</div><div>Economic PE Ratio 31.0x</div><div>HOLT Price to Book 15.0x</div><div>Dividend Yield 0.00%</div><div>Momentum</div><div>CFROI Revisions -1.14 -0.53 -0.86</div><div>Price Change % 14.54 7.66 2.23</div></div></div><div><div></div></div></div></div>					
<u>Quality</u>	High and sustainable CFROI (c.45%) underpinned by strong competitive positions				
	Ambitious management team that has demonstrated success over many years				
	Revenue mix becoming more diversified by product line and geography				
	Periodically high balance sheet leverage, in part a function of M&A strategy				
	ESG: Default 2.4 on Governance, however PM explanation already provided				
<u>Gth</u>	Attractive long term structural growth in corporate payments				
	Ambitious organic / M&A strategy has consistently taken market share				
	Some cyclical revenue streams but these should be recovering now				
<u>Valn</u>	18x 2022 p/e looks very low for the growth potential				
	Reverse DCF implies only 6% growth versus 20%+ historic				
<u>Risks</u>	Technological obsolescence (e.g. fuel / EVs)		<u>Dividend:</u> No dividend		
	M&A / balance sheet (large / failed acquisition)				
	Cyber / data breaches / reputational				

# Global Outlook

## Liquidity

- Unprecedented monetary and fiscal stimulus have prevented widespread bankruptcies. Policy will remain accommodative.
- This has crushed bond yields and reinforced stocks' TINA narrative: There Is No Alternative.
- The withdrawal of emergency fiscal and monetary support may weigh on sectors already facing high corporate debt burdens.

## Growth

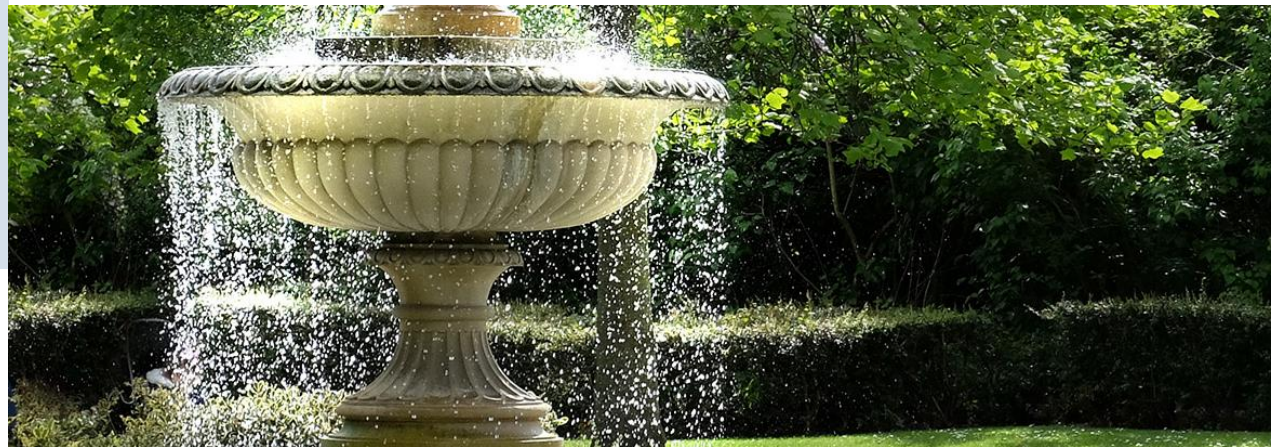
- Vaccines, pent-up demand and continued policy support likely to drive a strong short-term recovery.
- Structurally high debt levels and unfavourable demographics continue to weigh on growth.
- Secular trends such as digitalisation, aging populations and the energy transition offer more visibility for investors.

## Valuation

- With stock markets having already recovered, a strong economy may not lead to further equity market gains.
- Stock market valuations are elevated in certain areas, but attractive opportunities still exist.
- Acceleration of valuation divergence between companies embracing digital disruption and ESG and those which are not.

# A

## Appendices





# Performance: NAV vs. Benchmark

	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.	2020	2019	2018	2017	2016
Portfolio Return Ex Cash & Gilts	8.6	13.1	11.8	8.0	14.7	3.5	19.6	21.0
Total Return NAV Debt at Par	6.9	11.5	10.0	6.7	14.4	0.0	18.2	19.2
Total Return NAV Debt at Fair value	7.3	12.2	10.7	6.3	13.2	2.7	19.5	20.2
Combined Benchmark Total Return	7.3	10.9	9.9	5.3	12.6	4.1	15.1	18.0

	30/11/20 – 09/03/21	30/11/10 – 09/03/21 Annualised	30/11/10 – 09/03/21 Cumulative
Portfolio Return Ex Cash & Gilts Total Return	5.0	12.0	219.1
Total Return NAV Debt at Par	5.7	10.3	174.4
Total Return NAV Debt at Fair Value	6.5	11.1	195.5
Combined Benchmark Total Return	5.1	10.2	170.6

Total return in GBP. Source: Brunner Report and Accounts, as at 9 March 2021 in GBP. Until 24 March 2008, the benchmark index was 60% FTSE All-Share Index and 40% FTSE World Index (ex UK £). The benchmark changed to 50% FTSE All-Share Index and 50% FTSE World Index (ex UK £) from 25 March 2008, then to 30% FTSE All-Share Index and 70% FTSE World Index (ex UK £) from 22 March 2017

# Brunner performance 2010 to 2020

Year to 30 November	UK Portfolio			Overseas Portfolio		
	Return	Index Return	Variance	Return	Index Return	Variance
2010	11.4	11.5	-0.1	10.8	12.9	-2.1
2011	2.9	2.6	0.3	1.6	-0.4	2.1
2012	15.5	12.1	3.4	17.5	12.1	5.5
2013	24.2	19.8	4.4	23.0	23.0	0.0
2014	1.1	4.7	-3.7	14.8	14.5	0.3
2015	0.1	0.6	-0.5	5.2	2.9	2.3
2016	8.9	9.9	-1.1	29.1	26.8	2.3
2017	18.1	13.4	4.7	20.3	15.6	4.7
2018	0.8	-1.5	2.2	4.3	6.4	-2.2
2019	14.2	11.0	3.1	14.6	13.3	1.4
2020	-16.9	-10.5	-6.4	15.4	12.6	2.8
30/11/20 – 22/01/21	10.6	9.0	1.6	3.8	3.4	0.4
10 Years To Date Cumulative	103.1	93.2	9.9	294.3	232.4	61.9
30/11/10 – 22/01/21 Annualised	7.1	6.6	0.5	14.3	12.4	1.9

Source: Wilshire Atlas, as at 9 March 2021. Total Return Equity portfolio only. Figure may not add up due to rounding.

# Brunner Overseas Equity

## Financial Year to Date

### Active ICB Industry Attribution 0.36%

	PORT WEIGHT	TOTAL RETURN	ACTIVE CONTRIB
Cash	0.0%	0.00%	0.00%
Equity	100.0%	3.79%	0.36%
ICB Industry Strategy (Allocation)			-0.41%
Stock Selection (Selection)			0.77%

### Intra Period Effect 0.00%

### ICB Industry Strategy

	ICB Industry ACTIVE WEIGHT	ICB Industry EXCESS RETURN	ICB Industry STRATEGY
<b>Top 3 ICB Industry that HELPED</b>			
Consumer Services	-6.5%	-3.4%	0.22%
Telecommunications	-2.0%	-4.1%	0.07%
Financials	1.8%	6.7%	0.07%

<b>Bottom 3 ICB Industry that HURT</b>			
Health Care	8.3%	-6.2%	-0.52%
Oil & Gas	-1.0%	19.5%	-0.19%
Utilities	1.7%	-9.1%	-0.17%

### ICB Industry Stock Selection

	AVERAGE ICB Industry WEIGHT	ICB Industry ACTIVE RETURN	STOCK SELECTION
<b>Top 3 ICB Industry that HELPED</b>			
Health Care	20.0%	3.4%	0.68%
Technology	15.1%	4.3%	0.63%
Consumer Goods	8.3%	1.9%	0.17%

<b>Bottom 3 ICB Industry that HURT</b>			
Industrials	21.8%	-1.5%	-0.35%
Basic Materials	3.9%	-8.5%	-0.34%
Oil & Gas	1.8%	-12.5%	-0.20%

### Active FTSE Country Attribution 0.36%

	PORT WEIGHT	TOTAL RETURN	ACTIVE CONTRIB
Cash	3.8%	-0.72%	-0.13%
Equity	96.2%	3.82%	0.34%
FTSE Country Strategy (Allocation)			-0.30%
Stock Selection (Selection)			0.61%
Currency Impact			0.02%

### Intra Period Effect 0.15%

### FTSE Country Strategy

	FTSE Country ACTIVE WEIGHT	FTSE Country EXCESS RETURN	FTSE Country STRATEGY
<b>Top 3 FTSE Country that HELPED</b>			
Taiwan	1.9%	11.1%	0.24%
Hong Kong	1.7%	6.4%	0.10%
United States	-12.9%	-0.3%	0.09%

<b>Bottom 3 FTSE Country that HURT</b>			
South Korea	-2.0%	8.4%	-0.21%
Switzerland	5.8%	-5.7%	-0.21%
Spain	3.3%	-3.1%	-0.10%

### FTSE Country Stock Selection

	AVERAGE FTSE Country WEIGHT	FTSE Country ACTIVE RETURN	STOCK SELECTION
<b>Top 3 FTSE Country that HELPED</b>			
Japan	3.3%	13.0%	0.41%
France	6.1%	4.1%	0.25%
Switzerland	8.6%	1.5%	0.14%

<b>Bottom 3 FTSE Country that HURT</b>			
Italy	2.5%	-9.1%	-0.22%
Germany	6.6%	-1.4%	-0.09%
Spain	4.0%	-1.8%	-0.07%

Note: Attribution based on position-based performance attribution (daily buy-and-hold, closing price valuation, no transaction costs). Performance figures shown on this report are approximates. The official performance for funds subject to substantial cash flows or which trade in volatile daily market conditions will vary from these figures. Source: AllianzGI, as at 9 March 2021, GBP. Figures may not add up due to rounding.

# Brunner Overseas Equity

## Financial Year to Date

BEST		Average Weight			Performance	
Active Contributors		(% of Total)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Taiwan Semiconductor Ma	4.2%	0.9%	3.2%	15.7%	35 bp	
Schwab Charles Cp Ne	1.6%	0.1%	1.5%	26.0%	30 bp	
Amazon Com Inc	0.0%	2.6%	-2.6%	-7.1%	28 bp	
Aia Group Limited	2.9%	0.3%	2.6%	13.8%	25 bp	
Itochu Corp	2.4%	0.1%	2.3%	14.0%	24 bp	
Apple Inc	0.0%	4.0%	-4.0%	-2.1%	21 bp	
Cme Group Inc	1.6%	0.1%	1.5%	17.8%	20 bp	
Cooper Cos Inc	3.4%	0.0%	3.4%	9.6%	20 bp	
Estee Lauder Co. Inc.	2.8%	0.1%	2.7%	9.9%	18 bp	
Australia & New Zealand	0.8%	0.1%	0.7%	29.0%	17 bp	
Subtotal	19.7%	8.4%	11.4%	—	238 bp	

<b>Positive Active Contributors</b>	<b>1617</b>	<b>827 bp</b>
<b>Overweighted</b>	<b>25</b>	<b>316 bp</b>
<b>Underweighted</b>	<b>1592</b>	<b>511 bp</b>

BIGGEST Overweights		Average Weight (% of Total)			Performance	
Name	Port	Bmk	Diff	Total Return	Active Contribution	
Unitedhealth Group I	4.5%	0.6%	3.9%	0.9%	-10 bp	
Agilent Technologies	3.5%	0.1%	3.4%	-1.3%	-17 bp	
Cooper Cos Inc	3.4%	0.0%	3.4%	9.6%	20 bp	
Muenchener Rueckversich	3.4%	0.1%	3.3%	7.8%	15 bp	
Taiwan Semiconductor Ma	4.2%	0.9%	3.2%	15.7%	35 bp	
Roche Holdings Ag	3.6%	0.5%	3.2%	-4.3%	-25 bp	
Accenture Plc Ireland	3.5%	0.3%	3.2%	-1.5%	-16 bp	
Microchip Technology	2.9%	0.1%	2.8%	4.3%	2 bp	
Estee Lauder Co. Inc.	2.8%	0.1%	2.7%	9.9%	18 bp	
Schneider Electric Se	2.8%	0.1%	2.7%	2.5%	-3 bp	
Subtotal	34.6%	2.8%	31.8%	—	19 bp	

WORST		Average Weight			Performance	
Active Contributors		(% of Total)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Ecolab Inc	2.8%	0.1%	2.7%	-7.0%	-30 bp	
Roche Holdings Ag	3.6%	0.5%	3.2%	-4.3%	-25 bp	
Iberdrola Sa	2.0%	0.2%	1.9%	-9.4%	-25 bp	
Enel Spa	2.5%	0.1%	2.4%	-5.7%	-23 bp	
Bright Horizons Fam Sol	1.8%	0.0%	1.8%	-8.1%	-22 bp	
Amphenol Corp New	1.5%	0.1%	1.5%	-8.4%	-18 bp	
Alphabet Inc Cl-C	0.0%	2.1%	-2.1%	11.9%	-18 bp	
Agilent Technologies	3.5%	0.1%	3.4%	-1.3%	-17 bp	
Exxon Mobil Corp	0.0%	0.4%	-0.4%	53.6%	-16 bp	
Accenture Plc Ireland	3.5%	0.3%	3.2%	-1.5%	-16 bp	
Subtotal	21.3%	3.8%	17.4%	—	-210 bp	

<b>Negative Active Contributors</b>	<b>780</b>	<b>-791 bp</b>
<b>Overweighted</b>	<b>22</b>	<b>-296 bp</b>
<b>Underweighted</b>	<b>758</b>	<b>-495 bp</b>

BIGGEST Underweights		Average Weight (% of Total)			Performance	
Name	Port	Bmk	Diff	Total Return	Active Contribution	
Apple Inc	0.0%	4.0%	-4.0%	-2.1%	21 bp	
Amazon Com Inc	0.0%	2.6%	-2.6%	-7.1%	28 bp	
Alphabet Inc Cl-C	0.0%	2.1%	-2.1%	11.9%	-18 bp	
Facebook Inc	0.0%	1.2%	-1.2%	-7.8%	15 bp	
Tesla Mtrs Inc	0.0%	1.1%	-1.1%	14.0%	-9 bp	
Berkshire Hathaway I	0.0%	0.8%	-0.8%	9.0%	-5 bp	
Johnson & Johnson	0.0%	0.8%	-0.8%	5.4%	-2 bp	
J P Morgan Chase & C	0.0%	0.8%	-0.8%	24.7%	-15 bp	
Samsung Electronics Co	0.0%	0.8%	-0.8%	16.2%	-9 bp	
Procter & Gamble Co	0.0%	0.6%	-0.6%	-12.2%	11 bp	
Subtotal	0.0%	14.7%	-14.7%	—	18 bp	

Note: Attribution based on position-based performance attribution (daily buy-and-hold, closing price valuation, no transaction costs). Performance figures shown on this report are approximates. The official performance for funds subject to substantial cash flows or which trade in volatile daily market conditions will vary from these figures. Source: AllianzGI, as at 9 March 2021 GBP. Figures may not add up due to rounding.

# Brunner UK Equity

## Financial Year to Date

### Active ICB Industry Attribution 1.63%

	PORT WEIGHT	TOTAL RETURN	ACTIVE CONTRIB
Cash	0.0%	0.00%	0.00%
Equity	100.0%	10.57%	1.63%
ICB Industry Strategy (Allocation)			-0.95%
Stock Selection (Selection)			2.57%

### Intra Period Effect 0.00%

### ICB Industry Strategy

	ICB Industry ACTIVE WEIGHT	ICB Industry EXCESS RETURN	ICB Industry STRATEGY
<b>Top 3 ICB Industry that HELPED</b>			
Health Care	-0.9%	-14.9%	0.16%
Industrials	8.6%	0.7%	0.08%
Technology	-1.1%	-3.4%	0.04%

<b>Bottom 3 ICB Industry that HURT</b>			
Consumer Goods	4.2%	-10.4%	-0.45%
Basic Materials	-2.5%	18.2%	-0.42%
Utilities	2.2%	-8.7%	-0.19%

### ICB Industry Stock Selection

	AVERAGE ICB Industry WEIGHT	ICB Industry ACTIVE RETURN	STOCK SELECTION
<b>Top 3 ICB Industry that HELPED</b>			
Consumer Goods	20.8%	8.0%	1.77%
Consumer Services	5.6%	22.9%	1.17%
Financials	24.3%	1.1%	0.26%

<b>Bottom 3 ICB Industry that HURT</b>			
Oil & Gas	7.8%	-3.1%	-0.23%
Industrials	21.3%	-0.7%	-0.17%
Utilities	5.2%	-1.9%	-0.11%

Note: Attribution based on position-based performance attribution (daily buy-and-hold, closing price valuation, no transaction costs). Performance figures shown on this report are approximates. The official performance for funds subject to substantial cash flows or which trade in volatile daily market conditions will vary from these figures. Source: AllianzGI, as at 9 March 2021, GBP. Figures may not add up due to rounding



# Brunner UK Equity

## Financial Year to Date

BEST		Average Weight			Performance	
Active Contributors		(% of Equity)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Itv	5.6%	0.2%	5.4%	34.3%		126 bp
St James's Place	8.4%	0.3%	8.1%	22.6%		104 bp
Stock Spirits Group Plc	6.4%	0.0%	6.3%	22.7%		83 bp
Astrazeneca	0.0%	4.4%	-4.4%	-6.8%		77 bp
Redrow Plc	6.6%	0.1%	6.5%	18.4%		67 bp
Rio Tinto	7.0%	2.9%	4.1%	26.3%		64 bp
Reckitt Benckiser Group	0.0%	1.8%	-1.8%	-7.1%		32 bp
Royal Dutch Shell	7.8%	4.8%	2.9%	21.6%		32 bp
Sthree Plc	5.4%	0.0%	5.4%	13.9%		28 bp
British American Tobacc	0.0%	2.8%	-2.8%	0.4%		24 bp
<b>Subtotal</b>	<b>47.1%</b>	<b>17.3%</b>	<b>29.8%</b>	<b>—</b>		<b>636 bp</b>

<b>Positive Active Contributors</b>	<b>353</b>	<b>961 bp</b>
<b>Overweighted</b>	<b>9</b>	<b>533 bp</b>
<b>Underweighted</b>	<b>344</b>	<b>428 bp</b>

BIGGEST		Average Weight			Performance	
Overweights		(% of Equity)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Tyman Plc	9.6%	0.0%	9.6%	6.6%		-20 bp
St James's Place	8.4%	0.3%	8.1%	22.6%		104 bp
Redrow Plc	6.6%	0.1%	6.5%	18.4%		67 bp
Stock Spirits Group Plc	6.4%	0.0%	6.3%	22.7%		83 bp
Dcc	6.3%	0.3%	6.0%	6.7%		-8 bp
Itv	5.6%	0.2%	5.4%	34.3%		126 bp
Sthree Plc	5.4%	0.0%	5.4%	13.9%		28 bp
Glaxosmithkline	8.0%	3.0%	5.1%	-6.4%		-84 bp
Ashmore Group	5.1%	0.1%	5.0%	1.1%		-39 bp
Rio Tinto	7.0%	2.9%	4.1%	26.3%		64 bp
<b>Subtotal</b>	<b>68.3%</b>	<b>6.8%</b>	<b>61.6%</b>	<b>—</b>		<b>321 bp</b>

WORST		Average Weight			Performance	
Active Contributors		(% of Equity)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Glaxosmithkline	8.0%	3.0%	5.1%	-6.4%		-84 bp
Unilever Plc	7.9%	4.9%	3.0%	-13.5%		-77 bp
Bp	0.0%	2.5%	-2.5%	29.1%		-47 bp
National Grid	5.2%	1.4%	3.8%	-1.7%		-42 bp
Bhp Group Plc	0.0%	2.0%	-2.0%	33.8%		-42 bp
Ashmore Group	5.1%	0.1%	5.0%	1.1%		-39 bp
Prudential	0.0%	1.6%	-1.6%	32.3%		-34 bp
Ig Group Hldgs	3.2%	0.1%	3.1%	-0.5%		-31 bp
Anglo American	0.0%	1.4%	-1.4%	30.4%		-28 bp
Glencore Plc	0.0%	1.3%	-1.3%	34.5%		-28 bp
<b>Subtotal</b>	<b>29.4%</b>	<b>18.2%</b>	<b>11.2%</b>	<b>—</b>		<b>-450 bp</b>

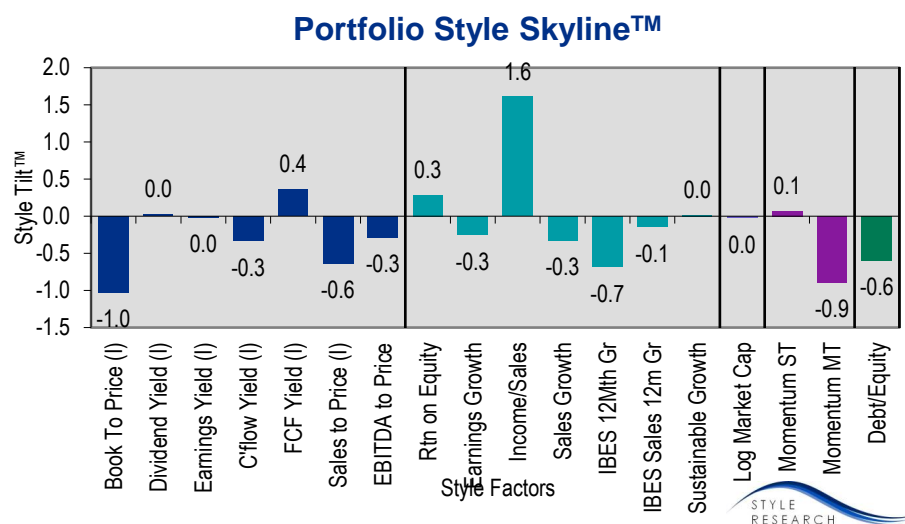
<b>Negative Active Contributors</b>	<b>256</b>	<b>-798 bp</b>
<b>Overweighted</b>	<b>7</b>	<b>-300 bp</b>
<b>Underweighted</b>	<b>249</b>	<b>-499 bp</b>

BIGGEST		Average Weight			Performance	
Underweights		(% of Equity)			Total	Active
Name	Port	Bmk	Diff	Return	Contribution	
Astrazeneca	0.0%	4.4%	-4.4%	-6.8%		77 bp
Hsbc Holdings Plc	0.0%	3.7%	-3.7%	15.2%		-24 bp
Diageo	0.0%	3.1%	-3.1%	3.8%		16 bp
British American Tobacc	0.0%	2.8%	-2.8%	0.4%		24 bp
Bp	0.0%	2.5%	-2.5%	29.1%		-47 bp
Bhp Group Plc	0.0%	2.0%	-2.0%	33.8%		-42 bp
Reckitt Benckiser Group	0.0%	1.8%	-1.8%	-7.1%		32 bp
Prudential	0.0%	1.6%	-1.6%	32.3%		-34 bp
Vodafone Group	0.0%	1.5%	-1.5%	6.5%		4 bp
Relx Plc	0.0%	1.5%	-1.5%	-1.4%		16 bp
<b>Subtotal</b>	<b>0.0%</b>	<b>24.9%</b>	<b>-24.9%</b>	<b>—</b>		<b>22 bp</b>

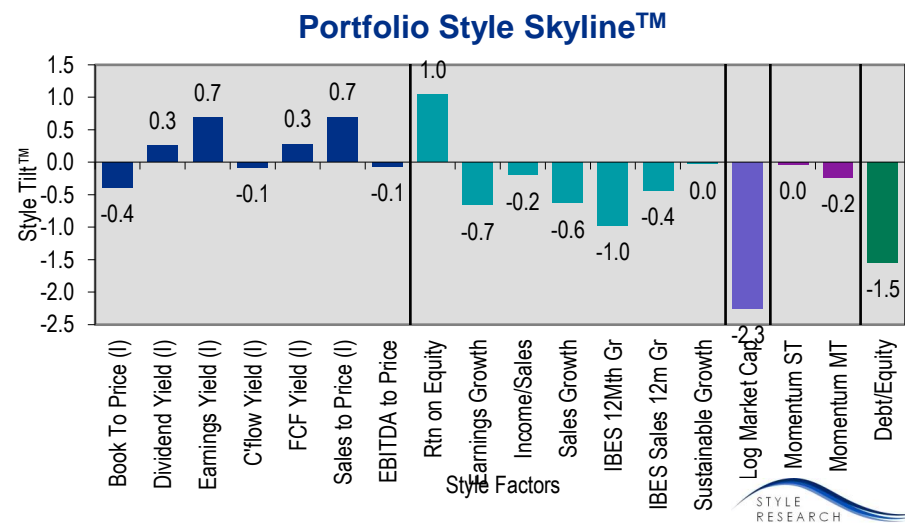
Note: Attribution based on position-based performance attribution (daily buy-and-hold, closing price valuation, no transaction costs). Performance figures shown on this report are approximates. The official performance for funds subject to substantial cash flows or which trade in volatile daily market conditions will vary from these figures. Source: AllianzGI, as at Financial year to 9 March 2021, GBP. Figures may not add up due to rounding

# Brunner Investment Trust

## Brunner Overseas 26 February Portfolio Style Skyline™



## Brunner UK 26 February Portfolio Style Skyline™



## Risk- / Deviation-Report (risk based on APT's risk models)



Evaluation Date: 09/03/2021  
Base Currency: GBP  
Portfolio: Brunner Overseas Equity  
Benchmark: FTSE World ex UK

Price Database: Wilshire Atlas  
Classification Database: Wilshire Atlas  
APT Ltd Risk Model: WORLD(GBP)

	Portfolio	Benchmark
Market Value of securities: (non-benchmark)	373,550,205 (2.7%)	
Cash (% of NAV):	---	
Number of Securities: (non-benchmark)	45 (2)	2,444
Total Risk ex ante* (in bps annualized)	1,698	1,679
Predicted Beta*	0.99	
Yield**	1.74	1.75
P/E***	28.46	31.97
P/B	3.82	2.65

Tracking Error ex ante*						370
(in bps annualized)						
Active Risk Decomposition	Factor Risk- Sources	Region	5%	Country	13%	41%
		Currency	2%	Style	5%	
		Economics	1%	Sector	1%	
		Industrygroup	3%	Unexplained	12%	
		Stock Specific Risk				

Single Security Deviation*		5 largest overweights:			5 largest underweights:				
		Port	BM	Delta	Port	BM	Delta		
Active Money <sup>#</sup>	89.0%	Unitedhealth Group I	4.6%	0.6%	4.0%	Apple Inc	0.0%	3.7%	-3.7%
		Cooper Cos Inc	3.6%	0.0%	3.6%	Amazon Com Inc	0.0%	2.4%	-2.4%
		Muenchener Rueckversich	3.5%	0.1%	3.5%	Alphabet Inc Cl-A>("M")	0.0%	2.3%	-2.3%
Concentration	112	Agilent Technologies	3.4%	0.1%	3.3%	Facebook Inc	0.0%	1.2%	-1.2%
		Accenture Plc Ireland	3.4%	0.3%	3.1%	Berkshire Hathaway I("M")	0.0%	0.9%	-0.9%

ICB Industry Deviation		4 largest overweights:			5 largest underweights:				
		Port	BM	Delta	Port	BM	Delta		
Active Money <sup>#</sup>	19.9%	Industrials (11)	22.4%	13.4%	9.1%	Technology (5)	15.0%	23.1%	-8.0%
		Health Care (8)	19.7%	11.2%	8.4%	Consumer Services (3)	5.4%	11.6%	-6.2%
		Utilities (2)	4.1%	2.6%	1.5%	Telecommunications	0.0%	2.2%	-2.2%
Concentration (10)	356	Financials (9)	19.1%	18.2%	0.8%	Consumer Goods (4)	8.4%	10.6%	-2.2%
					Oil & Gas (1)	2.0%	3.2%	-1.2%	

FTSE Country/Location Deviation		5 largest overweights:			5 largest underweights:				
		Port	BM	Delta	Port	BM	Delta		
Active Money <sup>#</sup>	25.7%	Switzerland (4)	8.6%	2.7%	5.9%	United States (21)	53.3%	63.7%	-10.3%
		Germany (3)	6.8%	2.8%	4.0%	Japan (2)	3.5%	8.3%	-4.8%
		Spain (3)	4.1%	0.7%	3.3%	Canada	0.0%	2.8%	-2.8%
Concentration (35)	162	France (3)	6.5%	3.2%	3.3%	South Korea	0.0%	2.0%	-2.0%
		Sweden (2)	3.4%	1.1%	2.4%	Netherlands	0.0%	1.2%	-1.2%

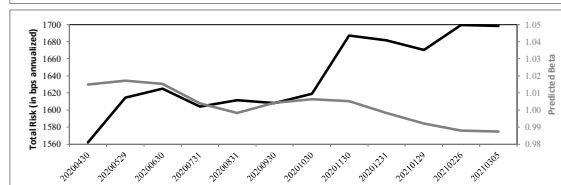
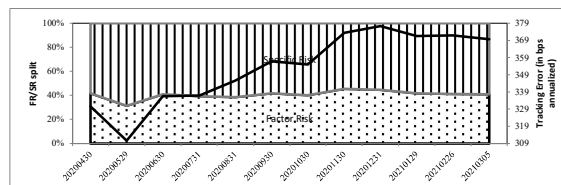
Single Security CTE*	5 largest contributors:			next 5 largest contr.:				
(CTE = contribution to TE)		Port	BM	CTE		Port	BM	CTE
	Apple Inc	0.0%	3.7%	8.4%	Estee Lauder Co. Inc.	3.1%	0.1%	4.5%
	Muenchener Rueckversich	3.5%	0.1%	8.3%	Cooper Cos Inc	3.6%	0.0%	4.3%
	Unitedhealth Group I	4.6%	0.6%	5.7%	Adidas Ag	2.1%	0.1%	4.2%
	Total Se	2.0%	0.2%	5.0%	Microchip Technology	2.8%	0.1%	4.1%
	Enel Spa	2.4%	0.1%	4.5%	Amazon Com Inc	0.0%	2.4%	4.1%

Region(8)[MSCI based] over-/underweights			
	Port	BM	Delta
Europe ex UK (17)	33.2%	14.4%	18.8%
EM Asia (3)	6.7%	4.9%	1.8%
Pacific ex Japan (3)	5.0%	4.0%	1.0%
North America (20)	51.5%	66.3%	-14.8%
Japan (2)	3.5%	8.3%	-4.8%
EM Latin America	0.0%	1.0%	-1.0%
EM Eu & Mid. E & Africa	0.0%	1.0%	-1.0%
Not Classified	0.0%	0.1%	-0.1%

Currency over-/underweights			
	Port	BM	Delta
EUR	19.7%	9.7%	10.0%
CHF	8.6%	2.7%	5.9%
HKD	3.9%	1.1%	2.7%
SEK	3.4%	1.1%	2.4%
USD	57.3%	63.7%	-6.4%
JPY	3.5%	8.3%	-4.8%
CAD	0.0%	2.8%	-2.8%
TWD	0.0%	2.1%	-2.1%

AllianzGI ESG ratings			
	Port	BM	Delta
Aggregate	5.9	5.4	0.5
Governance	5.2	4.7	0.5
Social	5.2	4.9	0.3
Environment	7.2	6.4	0.8
Covered by weight	100.0%	99.6%	
Covered by count	100.0%	97.1%	

2 largest non-benchmark active weights		
	Port	Delta
Bright Horizons Fam Sol	1.8%	1.8%
Jiangsu Expressway Co	0.9%	0.9%



\* Risk Figures (if available) calculated by APT Ltd's WORLD(GBP) Equity Risk Model (0.0% of benchmark (2 sec.) not covered by APT Ltd's database. Not covered securities are ignored in the risk analysis at 20210305)

\*\* Yield = Indicated dividend rate divided by current price

\*\*\* P/E based on firm's latest trailing 12 months EPS

\*Multi-listed securities are considered as one security [labeled with (\*M\*)], clustering not applied for risk calculations

\*Active money = sum of the absolute values of all negative active weights = sum of the absolute values of all active weights divided by 2

## Risk- / Deviation-Report (risk based on APT's risk models)



Evaluation Date: 09/03/2021  
Base Currency: GBP  
Portfolio: Brunner UK Equity  
Benchmark: FTSE All Share Index

Price Database: Wilshire Atlas  
Classification Database: Wilshire Atlas  
APT Ltd Risk Model: UK(GBP)

	Portfolio	Benchmark
Market Value of securities: (non-benchmark)	85,391,292 (0.0%)	
Cash (% of NAV):	---	
Number of Securities: (non-benchmark)	16 (0)	606
Total Risk ex ante* (in bps annualized)	2,118	1,998
Predicted Beta*	1.01	
Yield**	3.09	2.94
P/E***	25.39	36.10
P/B	1.87	1.59

Tracking Error ex ante*						657
(in bps annualized)						
Active Risk Decomposition	Factor Risk Sources	Currency	---	Style	14%	48%
		Fundamental	2%	Economics	11%	
		Sector	4%	Industrygroup	4%	
		Indices	3%	Unexplained	9%	
		Stock Specific Risk				

Single Security Deviation*		5 largest overweights:			5 largest underweights:		
		Port	BM	Delta	Port	BM	Delta
Active Money*	81.0%	Tyman Plc	9.2%	0.0%	Astrazeneca	0.0%	4.0%
		St James's Place	8.5%	0.3%	Hsbc Holdings Plc	0.0%	4.0%
		Redrow Plc	7.3%	0.1%	Diageo	0.0%	3.0%
Concentration	174	Dcc	6.9%	0.3%	Bp	0.0%	2.8%
		Stock Spirits Group Plc	6.3%	0.0%	British American Tobacc	0.0%	2.7%

ICB Industry Deviation		3 largest overweights:			5 largest underweights:		
		Port	BM	Delta	Port	BM	Delta
Active Money*	16.1%	Industrials (3)	22.1%	12.6%	Consumer Services (1)	5.9%	12.4%
		Consumer Goods (3)	20.7%	16.0%	Basic Materials (1)	6.9%	9.8%
Concentration (10)	272	Utilities (1)	4.8%	2.8%	Financials (5)	24.0%	26.3%
					Telecommunications	0.0%	2.2%
					Technology	0.0%	1.1%

Single Security CTE*		5 largest contributors:			next 5 largest contr.:		
		Port	BM	CTE	Port	BM	CTE
(CTE = contribution to TE)		Tyman Plc	9.2%	0.0%	Stock Spirits Group Plc	6.3%	0.0%
		Redrow Plc	7.3%	0.1%	Helical Plc	4.1%	0.0%
		Sthree Plc	6.1%	0.0%	Astrazeneca	0.0%	4.0%
		St James's Place	8.5%	0.3%	Ashmore Group	4.6%	0.1%
		Itv	5.9%	0.2%	Lloyds Banking Group	3.8%	1.3%

AllianzGI ESG ratings			
	Port	BM	Delta
Aggregate	6.3	5.9	0.5
Governance	6.5	6.3	0.3
Social	5.6	5.1	0.5
Environment	6.8	6.2	0.7
Covered by weight	78.4%	92.3%	
Covered by count	81.3%	56.9%	

### No non-benchmark active weight

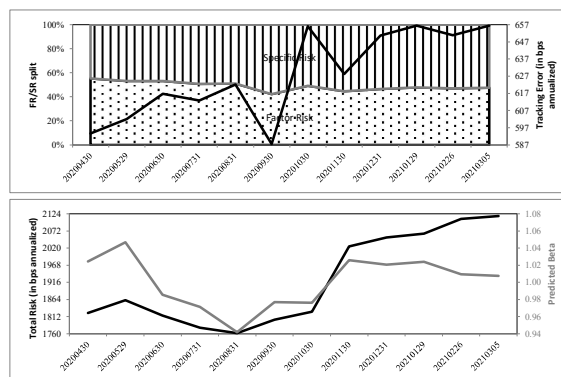
\* Risk Figures (if available) calculated by APT Ltd's UK(GBP) Equity Risk Model [0.2% of benchmark (5 sec.) not covered by APT Ltd's database. Not covered securities are ignored in the risk analysis at 20210305!]

\*\* Yield = Indicated dividend rate divided by current price

\*\*\* P/E based on firm's latest trailing 12 months EPS

\*Multi-listed securities are considered as one security [labeled with ("M")], clustering not applied for risk calculations

\*Active money = sum of the absolute values of all negative active weights = sum of the absolute values of all active weights divided by 2



# Glossary of terms

**Alpha:** The risk-adjusted excess return (positive or negative) of an asset relative to its benchmark. For a detailed, technical explanation of alpha, see William F. Sharpe, Gordon J. Alexander and Jeffrey V. Bailey, *Investments*, 5th Edition (Englewood Cliffs, NJ: Prentice Hall, 1995).

**Basis Point:** One hundredth of one percent, a convenient measure of securities price or yield. The difference in yield between an 8.25% bond and an 8.50% bond is 25 basis points.

**Benchmark:** A performance standard used as a basis for comparison. The performance of a fund manager is often compared to a predetermined benchmark that reflects the manager's trading style. In some cases, a standard index, such as the S&P 500, may be used; in other cases, the benchmark may be a custom-made combination of indices.

**Beta:** A coefficient that measures a stock's volatility relative to the stock market as a whole. The S&P 500 Index has a beta of 1; a stock with a higher beta is more volatile than the market and one with a lower beta is less volatile than the market.

**Company Stock Risk:** A classic example of diversification risk, but one worthy of its own designation. In a well-diversified portfolio, ownership of company stock is not inherently a risk, but frequently 401(k) investors are heavily invested in their own company's stock because their company match comes in that form. Often, company stock is their only equity investment. Company stock risk is a double whammy: apart from diversification risk the risk that comes with concentrating investment assets in any one investment—there is the risk of a 401(k) investor's salary being tied to the company's fate along with his or her retirement savings. Discussing company stock is problematic for plan sponsors, since it is not politically correct to publicly dissuade company stock investment even though current allocation levels are alarming.

**Compounding:** All going well, this year you will earn a positive return on your investment. Next year, all going well, you will earn a return on your initial investment plus a return on your year one returns. When your returns are reinvested and then provide you more returns in subsequent years, you are benefiting from compounding. Compounding occurs if you reinvest any returns, whether the returns are interest income, bond income or dividends from stocks or mutual funds. Thanks to compounding, your investment may grow quickly.

**Correlation:** The relationship between the returns of one asset class or investment and those of another. Common stocks and venture capital, for example, both represent corporate equity and correlate more closely than do common stocks and Treasury bills. One objective of asset diversification is to reduce correlation, so that when the value of one asset is declining, the value of the other is rising. A statistical measure of this relationship is called the "correlation coefficient."

**Coverage Ratios:** Ratios used to test the adequacy of a corporation's profits for meeting debt and lease obligations. Coverage ratios measure a company's margin of safety. Examples include the interest coverage ratio and the fixed charge coverage ratio.

**Credit (Quality) Risk:** Also known as default risk, this is the ability of a bond issuer to pay interest and principal on a timely basis, or the likelihood that the issuer will default on principal or interest payments. Credit risk is not a consideration with U.S. Treasury securities since they are backed by "the full faith and credit" of the U.S. government, but it is a consideration with sovereign issues (foreign government bonds) and corporate and municipal bonds. Holders of Orange County, California bonds (or of a mutual fund containing these issues) experienced credit risk firsthand, as did investors holding Mexican bonds in late 1994 or Chrysler's bonds just before the company's landmark government bailout. Credit risk affects not only the value of an issuer's bonds: if financial distress is the reason for a company's low credit rating from Standard & Poor's or Moody's, its stock will also decline in value. Investors who want the prospect of higher returns can mitigate credit risk through diversification.

**Currency Risk:** The underlying investment risk in securities of, or investments in, foreign country denominated in the local currency. Foreign exchange fluctuations make the currency's value volatile, thus affecting the value of the security (its net gain or loss). Currency risk must be factored into the total return calculation of an international investment. Many investors hedge currency risk through currency futures or options.



# Glossary of terms

**Diversification Risk:** The risk associated with putting all your investment eggs in one basket—or simply not spreading them among enough baskets. Allocating investments to each of the main asset classes doesn't necessarily protect against diversification risk; investors need to be properly diversified within each asset class.

**Gilt:** Domestic sterling-denominated bond backed by the full faith and credit of the United Kingdom and issued by the UK Treasury.

**Hedging:** A trading strategy which involves taking an offsetting position to reduce risk or limit loss. For example, a hedger might take one of the following positions: buy (own) an asset and sell the corresponding futures contracts or sell (owe) a physical commodity and buy an equal number of the corresponding futures contracts. Global portfolio managers often hedge currency risks by selling futures contracts of the same underlying currency.

**Inflation Risk:** The potential loss of an investment's value due to inflation, which decreases the purchasing power of a dollar. This is the big risk inherent in lower-yielding investments, such as bonds. With an inflation rate of 2%, a 4% money market return is worth only 2% in pre-tax purchasing power. After savings risk, inflation risk is considered the biggest risk to 401(k) investors.

**Information Ratio:** The ratio of active return to active risk annualized. The information ratio can be used as an indicator of a manager's opportunity to add value. Theoretically the most skillful managers will have the highest information ratios.

**Interest Rate Risk:** The potential for fixed-income investments to decline in value as interest rates rise. When prevailing interest rates go up relative to the rates of bonds an investor currently holds, the principal value of the bonds in his or her portfolio falls. The newer bonds offer a higher rate of return and are, therefore, worth more. Interest rate risk is the key risk of fixed-income investors.

**Investment Risk:** Sometimes a synonym for market risk; also used more generally to mean any variety of risk related to investing—market, inflation or interest rate risk, and so on. Because the 401(k) is a retirement vehicle and the investor's time horizon is usually long-range, investment risk can be minimized through sound asset allocation (diversification).

**Leverage:** An investment strategy that allows an investor to control a large amount of assets with a minimal investment. In some cases, an investor may use borrowed funds to acquire assets. In other cases, leverage can be achieved through the purchase of options and futures contracts, which give the investor control of the underlying assets. Leverage is a double-edged sword: it can increase profits or it can exaggerate losses.

**Liquidity Risk:** The possible failure to maintain sufficient funds (cash and marketable securities) to meet short-term obligations. Also, market liquidity risk is the difficulty in liquidating certain investments due to the lack of active markets in these securities.

**Performance Attribution:** Analysis of the factors affecting a money manager's performance. Performance attribution analysis seeks to identify the major sources of value-added, and to determine whether market timing, short-term factor timing and security selection were statistically significant.

**Price/Book Ratio (P/B Ratio):** P/B, Price-to-Book, is a financial ratio calculated as current share price divided by book value per share. It compares how the market values a company to the value on the company's books. For example a company trading at several times its book value tends to indicate a growth stock where investors believe the book value will rise in the future. Typically a company with a low P/B means that investors think that the firm's assets have been too highly valued on its financial statements.

**Price/Cashflow Ratio (P/CF Ratio):** P/CF, Price-to-Cash Flow, is a financial ratio calculated as current share price divided by cash flow per share - where cash flow is the spending and receiving of cash in a business. For example, a P/CF of 10 indicates that for each £1 that flows through that company, the stock price is £10. Optimal P/CF ratios differ from industry to industry. P/CF ratios will be much lower in capital-intensive industries than in ones such as software.

**Price/Earnings Ratio (P/E Ratio):** The ratio of a stock's price divided by its earnings per share. Also called "multiple", it's an indicator of how much the investor is paying for a stock's earning power and, therefore, its value. A high P/E ratio (20, for example) reflects a young, fast-growing company. Low P/E stocks tend to be in mature industries or sectors that are not in favour of those of blue-chip companies. Often high P/E stocks don't pay dividends.

# Glossary of terms

**Risk-Adjusted Return:** The return on an asset or a portfolio adjusted for volatility; Typically represented by the Sharpe Ratio. Risk-adjusted return is a very important performance measure because it tells us how much "bang for the buck" we are getting. Since we pay for returns by taking on risk, achieving a high return while taking on little risk is a real accomplishment!

**Risk Relative to Benchmark:** The potential for losses due to unintended bets or a breakdown in due diligence: the impact of investment initiatives that were not fully understood at the outset and had the potential of unintended consequences or the monetary impact (to the portfolio and the fund) of managers who violate guidelines, engage in unauthorized transactions, develop excessive concentrations (high tracking error), fraud, etc.

**Risk Tolerance:** The amount of risk or variability an investor is willing to accept in exchange for additional reward in the form of a higher expected return. Investors who demand a higher reward in exchange for an increase in risk have a lower risk tolerance than those who demand a lower reward.

**R-Squared:** A correlation measurement showing the percentage of volatility in a portfolio's returns that can be explained by returns (i.e. movement) of the market portfolio (S&P 500).

**Sharpe Ratio:** A statistical measure used to determine a portfolio's reward relative to its total variability. Developed by Nobel Laureate William Sharpe, the Sharpe Ratio is calculated using standard deviation and "excess return", a measure of a portfolio's return in comparison to that of a risk-free investment. The Sharpe Ratio represents a portfolio's excess return per unit of risk. The higher the ratio, the better the portfolio's risk-adjusted performance.

**Standard Deviation:** A measure of the mathematical deviation from the mean of two-thirds of a statistical sample. For example, assume the average annual return on the stocks of the S&P were +15% and the standard deviation were +/-15%. Given a normal distribution, two-thirds of the time the return of any stock chosen at random would fall between 0% and +30%. Standard deviation reflects the unpredictability of returns and is a useful indicator of risk, to the extent that returns are normally distributed.

**Strategic Asset Allocation:** The process of defining the broad categories or classes of assets that will form the foundation of one's portfolio, and what percentage of the total portfolio each asset class will account for. Broad asset classes include Stock, Bonds, International and Cash.

**Systematic Risk:** Market risk, a risk that is attributable to market wide risk. This risk is a non-diversifiable risk because if the market collapses, most all stocks will fall. Another way to describe systematic risk is a risk factor common to the whole economy.

**Systems Risk:** The risk that current system designs or implementations are inappropriate or ineffective to the extent that information obtained from or disseminated through the system environment is incorrect or incorrectly perceived and the decisions made based on that information is sub-optimal. In addition, this includes the security of information in response to unauthorized access and disaster.

**Tracking Error:** The differential in performance between a portfolio and its benchmark. Mathematically, it is the annualized standard deviation of the difference in return. In an indexing strategy, tracking error refers to the degree to which an index fund's performance diverges from its index.

**Value-Added Return:** The excess return, relative to a benchmark, that is added by an investment strategy or manager after accounting for commissions and fees. Most investors view alpha as a measurement of a portfolio manager's value-added.

**Value-At-Risk (VAR):** A statistical estimate of maximum potential loss that can be expected over a given period a certain percentage of the time. VAR is applied to complex portfolios as a way for financial organizations to sum up their total risk in a simple measure. It's an old concept built on the foundations of Modern Portfolio Theory, recently rediscovered in response to the rising interest in and need for risk measures and controls. How it is computed, its use and reliability are all the subject of considerable debate.

**Volatility:** A measure of the fluctuation in the price of a security, commodity or market. Mathematically, it is computed as the annualized standard deviation of the percentage.

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