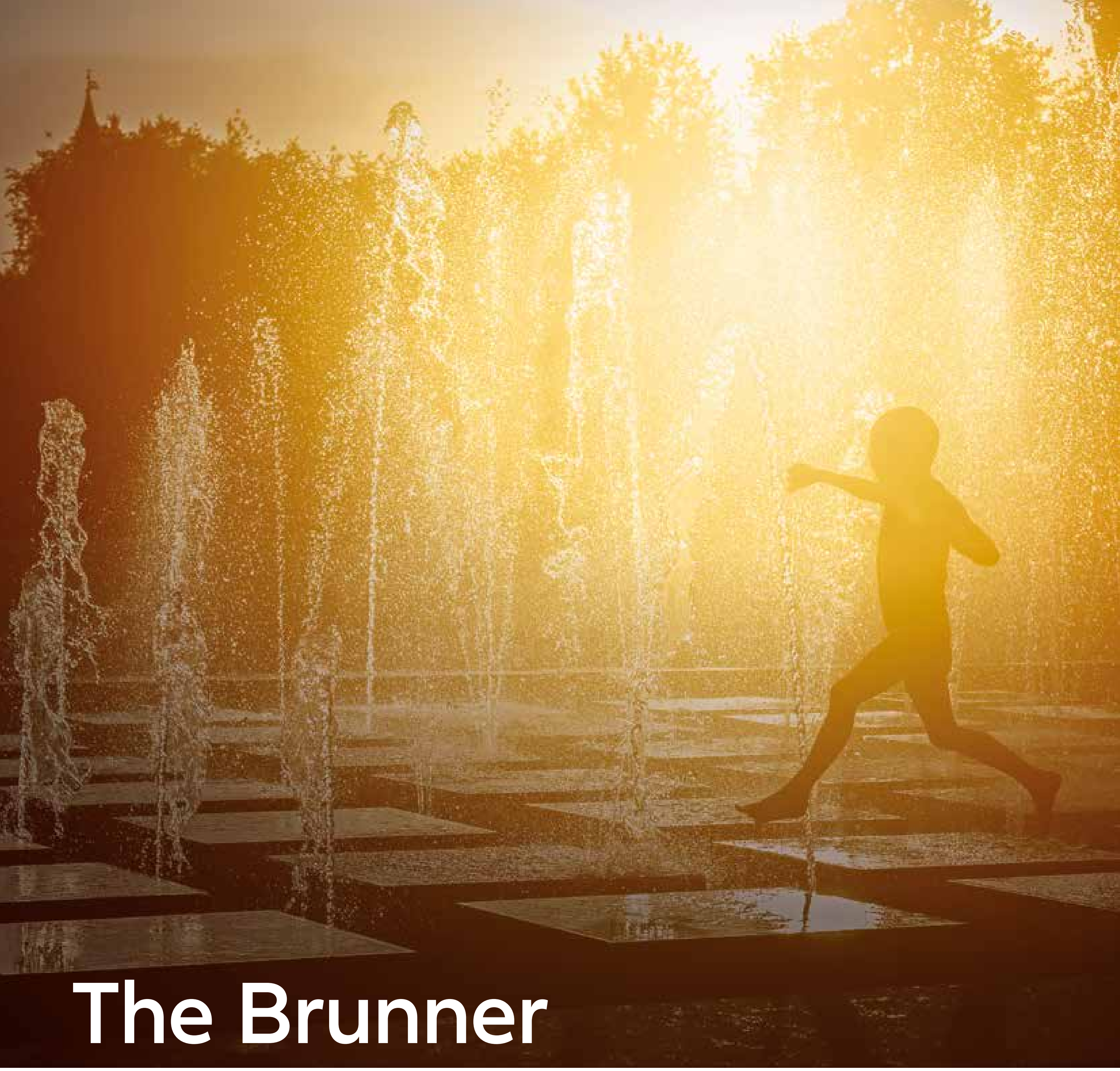

The Brunner Investment Trust PLC

Annual Financial Report

30 November 2019

AIC DIVIDEND HERO

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 and UK 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.

The Key Performance Indicators (KPIs) on pages 14 and 15 of the report show how effective the company has been in delivering its strategy.

Benchmark

For the year under review the benchmark against which the portfolio is measured was a composite of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index. A statement explaining how the assets have been invested to spread risk and how gearing is managed is included in the table under "Risk Policy" on page 16.

The company's investment policy is set out in the Strategic Report on page 12.

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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Financial Highlights

As at 30 November 2019

Net assets per ordinary share*
Debt at Fair Value#

937.4p

2018 845.8p
+10.8%

Net assets per ordinary share*
Debt at Par

945.8p

2018 843.9p
+12.1%

Earnings per ordinary share

21.7p

2018 19.7p
+10.1%

Dividend per ordinary share

19.98p

2018 18.15p
+10.1%

Net asset value total return
Debt at fair value#

+13.2%

2018
+2.7%

Net asset value total return
Debt at par#

+14.4%

2018
+0.0%

Seattle, USA, home of Microsoft, the portfolio's largest holding and the biggest single contributor to performance for the year under review.

Benchmark index†

+12.6%

2018
+4.1%

Consumer price index

1.5%

2019 108.6
2018 107.0

Share price total return#

+18.4%

2019 862.0p
2018 745.0p

Discount - average in the year#

8.6%

2018
9.2%

All figures are UK GAAP unless they are stated to be Alternative Performance Measures. (Glossary page 110).

*All references to NAV in our commentary and the Strategic Report 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 reported above and in the Performance – Review of the Year on page 8.

Alternative Performance Measures (APM). See Glossary on page 110.

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

Chairman's Statement

Dear Shareholder

Performance

The company's Net Asset Value (NAV) per ordinary share rose by 13.2% on a net dividends reinvested basis with debt at fair value, our key performance measure. This was ahead of the composite benchmark index (70% FTSE World Ex-UK and 30% FTSE All-Share Index) which rose by 12.6% on a total return basis over the period.

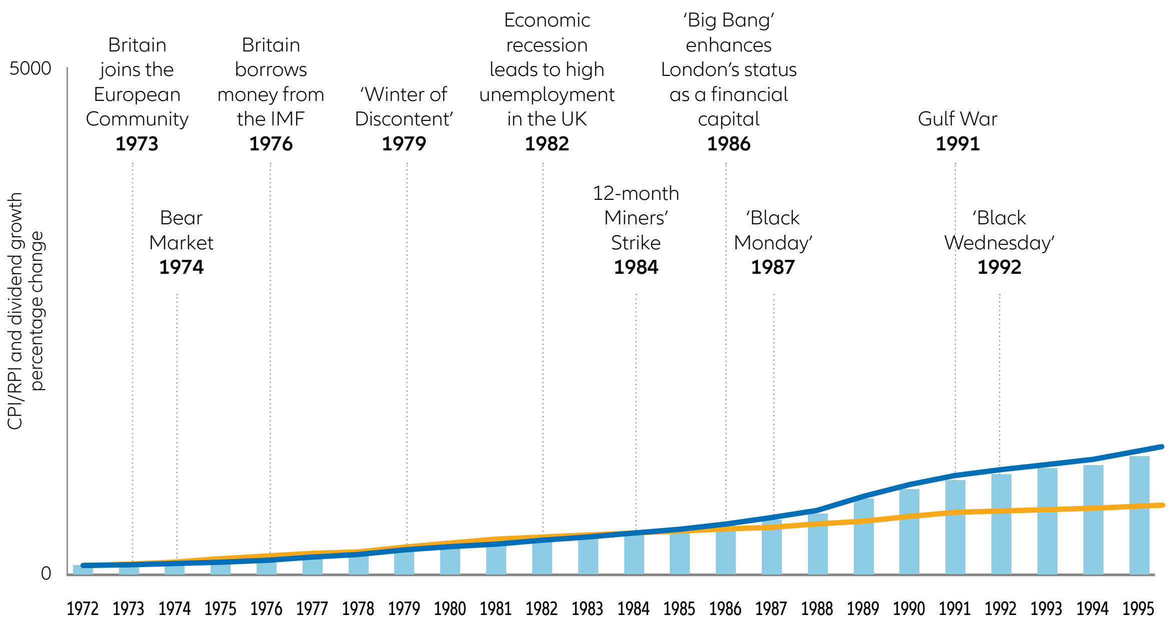
Global equity markets were volatile through 2019 and this produced opportunities for long term stock pickers as individual share prices often got temporarily mispriced during these bouts of market instability.

A full investment review which goes into more detail can be found on page 29.

We were delighted that, in response to Brunner's strong long-term performance and strategic focus, the trust was a shortlisted finalist in the highly competitive 'Overseas' category of the Investment Week – Investment Company of the Year Awards. It is encouraging to see Brunner recognised in this way.

Earnings per share

Strong underlying dividend growth from the investment portfolio contributed to an increased level of income and earnings. Earnings per share for the year rose by 10.1%, from 19.7p to 21.7p.



Inflation growth of 5.14% over the period. RPI 1972-1986. CPI 1987-2019.

Brunner dividend growth of 4162.5% over the period

Benefits from improved costs of debt

When I wrote to you last year I described how the company's balance sheet had been transformed and simplified during the year following the repayment and refinancing of expensive long-term debentures. The weighted average interest rate on all structural borrowings and preference stock is now 3% compared to 9% previously and the current level of structural debt and preference stock is 7.2% of net assets.

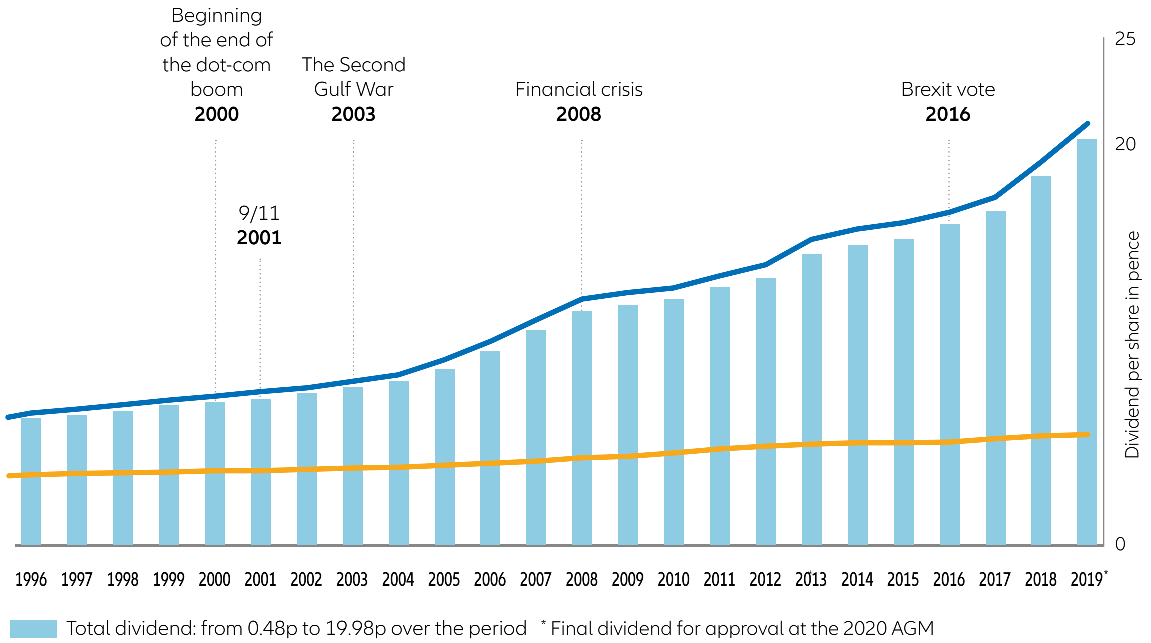
Continued focus on dividends

The continuing dividend growth in the investment portfolio, combined with lower annual cost of debt and strong revenue reserves means the company is again in a strong position to pay an above inflation increase in dividends over the previous year.

It is proposed that a fourth and final dividend of 6.0p per share will be paid on 3 April 2020 to shareholders on the Register of Members at close of business on 28 February 2020, bringing the total payment for 2019 to 19.98p, an increase of 10.1% on last year. Dividend payments for the year are fully covered by earnings per share of 21.7p, allowing a further increase in the company's revenue reserves to 28.6p per share, after the payment of the third quarterly and proposed final dividends.

This is the second successive year of the company increasing dividends by 10% and dividend levels have now reflected the benefits of the lower debt costs. Dividend growth in future years will broadly reflect underlying growth in earnings. However underlying portfolio earnings growth has been strong and revenue reserves at 28.6p per share cover the annual dividend 1.4 times, which is a considerable position of strength for future years. The board continues to view the delivery of a reliable income stream to investors as an important factor.

Should shareholders approve the proposed dividend, it would push the company to 48 years of successive dividend increases. The company retains its status as a 'dividend hero', as defined by the Association of Investment companies (AIC).



Discount management

I am pleased to report that demand for your company's shares has been strong, particularly in the latter portion of 2019. This has led to a significant narrowing of the share price discount to NAV, ending 2019 at just under 6%. As a result, the average discount to NAV at which the company's shares trade over the year has narrowed once more from 9.2% last year to 8.6% this year. We believe that we are seeing the fruits of our pursuit of a clear long-term strategy as detailed at the 2018 year end:

- Focused global equity proposition
- Consistent growth in dividends supported by strong revenue reserves
- Balanced stock picking approach with demonstrable returns in a range of market environments
- Efficient capital structure
- Active PR and marketing programme

Buy back of shares into treasury

There were no buybacks during the year under review, but the board is seeking renewal of shareholder approval to buy back shares for the next year. This is being sought so the company may retain a mechanism to manage the discount of share price to NAV should it be needed. Buying back shares may help to reduce the volatility of the discount and could enhance the underlying NAV but also reduces the size of the company, which may make it less attractive to some investors. In addition to seeking renewed authority to buy back shares at the annual general meeting, we will also be asking for approval to be able to hold these shares in treasury rather than immediately cancelling them. More information is given in the Directors' Report on page 64, but any shares issued or sold from treasury will be at a premium to NAV to ensure that existing shareholders benefit from the transaction.

Spreading the message

The board recognises the importance of a coherent programme of activity aimed at stimulating demand in the market for the company's shares. Through the year, Brunner has continued its marketing and communications programme that includes targeted advertising and proactive contact with national and trade journalists. As a closed-ended investment trust, the creation of sustained demand for the company's shares is a benefit to all shareholders. As with any expense for the supply of services to the company, the board monitors the costs for marketing and PR, and the associated results, to ensure they remain appropriate.

Environmental, Social and Governance matters – responsible investment

Our manager has an active approach to investment. AllianzGI has a dedicated ESG research team working with the portfolio managers to integrate ESG factors into investment decisions. We firmly support our manager's view that there is value in working with companies in the portfolio on environmental, social, governance and business conduct issues. This helps unlock potential, identifies risk, creates broader societal gains and as a result delivers value to shareholders. There is more detail on the engagement with the portfolio companies on page 19 and in the investment manager's review on pages 36 to 38.

Board succession

As I noted in the last annual report, whilst maintaining the tenure of experienced long-standing directors has facilitated a smooth transition during a period of strategy development and implementation for the company over the past few years, we are undertaking a process of recruitment aimed at refreshing the composition of the board as director retirements start to take place. That process began this year and we were happy to announce the appointment of Amanda Aldridge as a non-executive director of the company with effect from 1 December 2019 and of Andrew Hutton as a non-executive director of the company with effect from 20 April 2020. Amanda will become Chair of the Audit Committee on 1 April 2020. I am looking forward to working with both Amanda and Andrew on the Brunner board.

Vivian Bazalgette retired from the board on 22 November 2019 – the board will greatly miss Vivian who made an invaluable contribution to the company, providing excellent counsel and guidance as a colleague and as Senior Independent Director. We wish him well for the future.

Ian Barlow will retire as our audit committee chairman after the AGM on 1 April and will be retiring from the Board in late 2020. We remain committed to keeping shareholders fully informed as we progress the process of refreshing the board whilst ensuring a balance of skills and relevant experience is maintained for the benefit of the company and its shareholders.

Outlook

We had thought as some of the uncertainty that plagued global markets through 2019 falls away that economic and corporate growth would pick up or at least there would be a clearer outlook. This would allow companies to plan better for the future and this increased confidence could spur improved corporate spending and growth. However, at the time of writing it is impossible to know whether the current outbreak of the Coronavirus will remain a human tragedy or also develop into a significant economic problem as global trade becomes disrupted. Also, the eventual outcome of the Brexit negotiations remains far from clear.

Equity markets are still attractively valued when compared to bond markets. We believe that the manager's strategy of carefully buying quality companies, backed by the detailed analysis carried out to ensure every investment held in the portfolio is justified, will continue to serve the company well in the future. At a time of rapid technological change, it remains particularly important for the portfolio to maintain a sharp focus on stocks with the potential for structural growth, providing good cash returns for shareholders and which have strong management teams guiding them. We also remain committed to our view that working with portfolio companies on environmental, social, governance and business conduct issues should remain a key factor of the investment process.

Annual General Meeting

The Annual General Meeting will be held at Trinity House, Trinity Square, Tower Hill, London, EC3N 4DH on Wednesday 1 April 2020 at 12 noon, and on behalf of the board, I look forward to meeting those shareholders who are able to attend.

Carolan Dobson
Chairman
19 February 2020

Performance – Review of the Year

Review of the Year

Revenue

Year ended 30 November	2019	2018	% change
Income available for ordinary dividend	£9,248,430	£8,397,632	+10.1
Earnings per ordinary share	21.7p	19.7p	+10.1
Dividends per ordinary share	19.98p	18.15p	+10.1
Consumer price index	108.6	107.0	+1.5

Assets

As at 30 November	2019	2018	Capital return % change	Total return[1] % change
Net asset value per ordinary share with debt at fair value	937.4p	845.8p	+10.8	+13.2
Net asset value per ordinary share with debt at par	945.8p	843.9p	+12.1	+14.4
Share price	862.0p	745.0p	+15.7	+18.4
Total net assets with debt at fair value[2]	£400,206,584	£361,105,475	+10.8	-
Total net assets with debt at par	£403,786,544	£360,273,124	+12.1	-
Ongoing charges[3]	0.66%	0.66%	-	-

Net Asset Value with Debt at Fair Value[4] Relative to Benchmark[5]

	Capital return	Total return[1]
Change in net asset value	+10.8%	13.2%
Change in benchmark	+9.3%	12.6%
Percentage point performance against benchmark	**+1.5**	**+0.6**

	Capital return	Total return[1]
Portfolio return[6]	+11.3%	+14.7%
Change in benchmark	+9.3%	+12.6%
Percentage point performance against benchmark	**+2.0**	**+2.1**

A Glossary of Alternative Performance Measures (APMs) can be found on page 110.

1 Total return is based on the capital net asset value, including dividends reinvested. (APM).
2 Total net assets with debt at fair value. (APM).
3 The ongoing charges percentage is calculated in accordance with the explanation given on page 15. (APM)
4 The board prefers to measure performance using net asset value with debt at fair value in line with industry practice, as demonstrated in the Chairman's statement on page 4. (APM).
5 For the period under review the benchmark was 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.
6 Equity only, excludes cash and gearing.
7 The difference in the relative performance of the portfolio against the sum of the asset allocation and stock selection elements arises because the information derives from the following separate sources: Benchmark - Datastream. Asset allocation and stock selection - Based on Wilshire buy and hold methodology total return (equity only). Also figures may not add up due to rounding.

Portfolio Performance against Benchmark[5]

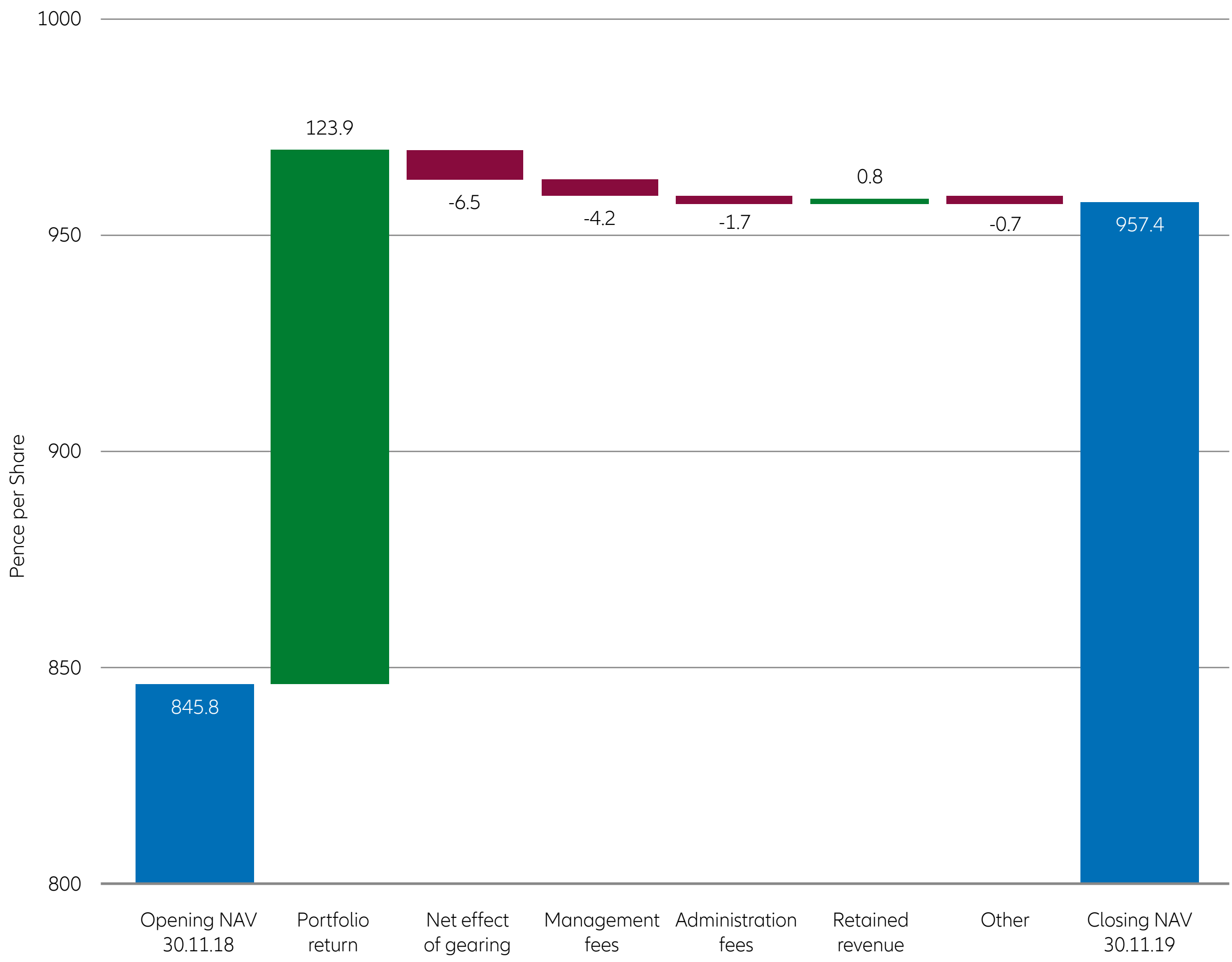
The factors explaining the elements of the equity portfolio performance, i.e., excluding cash, are set out below. Asset allocation and stock selection is shown relative to the benchmark and the return on the company's equity portfolio is shown against the benchmark returns.

	Portfolio Return[6]	Index	Relative Performance[7]	Of which: Sector Selection	Of which: Stock Selection
Brunner portfolio return	+14.7%	+12.6%	+2.1%	1.1%	0.9%

Reconciliation of Benchmark Performance to Total Return to Shareholders

	Debt at par			Debt at fair value		
	Capital Return	Income Return	Total Return[1]	Capital Return	Income Return	Total Return[1]
Equity Portfolio return (excluding cash)	**11.3%**	**3.4%**	**14.7%**	**11.3%**	**3.4%**	**14.7%**
Impact of gearing	0.7%	0.2%	0.9%	0.7%	0.1%	0.8%
Finance costs	-0.2%	0.0%	-0.2%	-0.2%	0.0%	-0.2%
Increase in value of debt	0.0%	0.0%	0.0%	-1.2%	0.0%	-1.2%
Other	0.3%	-0.5%	-0.2%	0.3%	-0.5%	-0.2%
Effect of gearing	**0.8%**	**-0.3%**	**0.5%**	**-0.4%**	**-0.4%**	**-0.8%**
Retained revenue	0.3%	-0.2%	0.1%	0.3%	-0.2%	0.1%
Management fee	-0.4%	-0.1%	-0.5%	-0.4%	-0.1%	-0.5%
Administration expenses	0.0%	-0.2%	-0.2%	0.0%	-0.2%	-0.2%
Other	0.1%	-0.3%	-0.2%	0.0%	-0.1%	-0.1%
Total of factors above	**0.0%**	**-0.8%**	**-0.8%**	**0.1%**	**-0.6%**	**-0.7%**
Return to shareholders	12.1%	2.3%	14.4%	10.8%	2.4%	13.2%
Change in benchmark	9.3%	3.3%	12.6%	9.3%	3.3%	12.6%
Relative performance	**2.8%**	**-1.0%**	**1.8%**	**1.5%**	**-0.9%**	**0.6%**

Attribution Analysis - Movement in Total Return NAV for Year Ended 30 November 2019 with Debt at Fair Value*



* Total return with debt at fair value is an Alternative Performance Measures (APM). A Glossary of APMs can be found on page 110.

Strategic Report

As at the year end, the portfolio contained nineteen United Kingdom-incorporated firms, the majority headquartered in London.

Introduction

Purpose

Our purpose is to provide the company's shareholders with growth in capital value and dividends over the long term through investing in a portfolio of global and UK equities. The company aims to achieve a return higher than that of our benchmark, after costs, and to achieve steady dividend growth in real terms.

Strategy Review

We hold an annual strategy meeting outside the normal timetable of board meetings. At the most recent meeting the topics covered included:

– the company's strategic position
– long-term dividend and revenue management
– the continued suitability of the benchmark
– the company's marketing and communications
– distribution strategy and investment platforms

Business Model

The Brunner Investment Trust carries on business as an investment company and follows the investment policy described below.

By pursuing our investment objective we aim to appeal to a broad range of investors and to ensure that the company's shares are attractive to new investors and investor groups, particularly individuals with smaller portfolios held either directly or in self-invested pension plans for whom we can provide a 'one stop shop' for equity investment. It is also our objective to provide good value for shareholders and ensure that the costs of running the company are reasonable and competitive.

Brunner is run by an independent board of non-executive directors and has no employees or premises of its own. Like other investment companies, it outsources investment management, accounting, company secretarial and other administration services to an investment management company – Allianz Global Investors GmbH, UK Branch – and to other parties, including HSBC Bank plc as depositary and custodian, and Link Asset Services as registrar. This enables Brunner to provide shareholders with a competitive, cost-effective way to gain wide investment exposure through a single investment vehicle.

The company has a main market listing on the London Stock Exchange. In addition to annual and half-yearly financial reports, the company announces net asset values per share daily and provides more detailed information monthly to the Association of Investment Companies (AIC), of which the company is a member, in order for investors and market professionals to compare its performance with its peer group. The investment manager also issues a monthly update on investment performance which is posted on the company's website and is available by email.

Manager's Investment Style

The essence of the investment style which we ask the investment manager to follow is to select the best stocks in a 'bottom up' approach, before sector and country selection. The portfolio is concentrated into 66 stocks at 30 November 2019 (65 stocks in 2018). Within that concentration modest gearing - employing the company's borrowings to invest - is within guidelines set by the board.

Investment Policy

Investment Objective

The Brunner Investment Trust 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.

The benchmark against which performance is measured is 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.

Risk Diversification

The company aims to achieve a spread of investments across geographies and sectors. The maximum holding in a stock is limited to 10% of gross assets at the time of investment and the portfolio will consist of at least 50 stocks. The company will not invest more than 15% of its gross assets in other UK listed investment companies.

Gearing

The company seeks to enhance returns over the long term through appropriate gearing. The board monitors the gearing, which is employed within the guidelines set from time to time by the board. Gearing in any case will not exceed 20% of net assets at the time of borrowing.

*In the investment policy above, **gross assets** means the company's assets before deduction of all debt and other obligations, **net assets** means the company's assets after deduction of all debt and other obligations based on the fair value of the long-term debt and preference shares.*

Engagement with Key Stakeholders

The company's key stakeholders are its investors, its service providers and the companies in which it invests. The board's strategy is facilitated by interacting with a wide range of stakeholders through direct meetings, seminars, presentations and publications and through contacts made through our suppliers and intermediaries.

Engagement with the company's stakeholders enables the company to fulfil its strategies and to promote the success of the company for the benefit of the shareholders as a whole. Set out below are examples of the ways in which Brunner has interacted with key stakeholders in line with section 172 of the Companies Act.

Stakeholders	Why we engage	How we engage and what we do	The outcomes
Shareholders	Shareholders receive relevant information to enable them to evaluate whether their investment interests are aligned with the strategy of the company.	The board communicates with shareholders through the annual and half-yearly reports, fact sheets, website and podcasts. The board meets with shareholders at the AGM and provides a forum for interaction. There is a portfolio management presentation and Q&As.	Shareholders make informed decisions about their investments. Shareholder correspondence is forwarded directly to the board.
The manager	The board works with Allianz Global Investors who provide investment management, accounting and secretarial services as well as expertise in sales and marketing.	In addition to the reporting at regular board meetings the board meets with representatives of the manager to develop strategy for the company, including a sales and marketing plan to promote the company and raise its profile which helps raise its rating.	The company is well managed and receives appropriate and timely advice and guidance for a reasonable cost.
Service providers	The board has appointed a depositary, a custodian and a registrar to provide specialist services.	Our manager maintains regular contact and ensures service levels are satisfactory and appropriate controls are in place with Brunner's service providers.	The board provides assurances to shareholders that sound and effective controls are in place.
Portfolio companies	The board approves the manager's active, stock picking approach and believes in good stewardship.	On the company's behalf the manager engages with investee companies, including on Environmental, Social and Governance matters and exercises its votes at company meetings.	The company is a responsible investor.
Brokers	The board and manager work with the brokers, including their research and sales teams to provide access to the market and liquidity in the company's shares.	The brokers are kept updated on the strategy of the company so that they can publish relevant research information and talk to potential investors. The sales team receives regular contact and helps the company to participate in exchange volume and provide liquidity for investors.	Brunner is an attractive investment and there is liquidity in the company's shares.
Media partnerships	The company works with public relations advisers to ensure information about the company, its strategies and performance can reach a wide audience of potential investors through press articles and online media coverage.	Regular communication with public relations partners to raise the company's profile through press and media activity. We can measure the success of this activity by monitoring website hits and new investment in the company on retail platforms.	Brunner's name and its attributes as an investment company are known to an increasingly wider audience.
Distribution partnerships	To reach a wider audience of investors the company works with firms providing access to platforms and wealth managers.	The managers together with our distribution partners arrange presentations about Brunner at roadshows and conferences to reach investors through share trading platforms and wealth managers.	The board receives detailed feedback to confirm wide and growing interest in the company's shares.
Lenders	The company employs modest gearing with the aim of enhancing returns to shareholders.	The company provides regular business updates to its lenders to demonstrate the headroom of the covenants for its borrowings and that the company is performing in line with expectations.	The company is able to raise financing to support its strategy and objectives.
Auditors	Shareholders benefit from investing in a well-run company with appropriate accounting management and professional oversight.	The auditors meet with directors at least twice each year and provide insights and guidance throughout the year.	Shareholders and the market can see audited financial and governance reports.
AIC	The Association of Investment Companies looks after the interests of investment trusts and provides information to the market.	The company is a member of the AIC and has supported lobbying activities such as the representations made to the Financial Conduct Authority on the KID document. Brunner is named in the AIC's Dividend Hero campaign.	Brunner has a voice in the regulatory environment in which it operates. Information about Brunner is disseminated widely.

Key Performance Indicators

The board uses the following Key Performance Indicators (KPIs) to monitor and evaluate the performance of the company, shown on pages 8 to 10, in executing its strategy

Performance against the Benchmark Index

This is the most important KPI by which performance is judged. The principal objective is to achieve a return higher than that of the benchmark index, currently 70% FTSE World Ex UK Index and 30% FTSE All-Share Index, over the long term, after absorbing costs.

For this indicator, we measure the performance against the benchmark using NAV with debt at fair value, in line with industry practice. We have also disclosed here the performance against the benchmark using NAV with debt at par value for information purposes. Total Return NAV against the benchmark is shown in the graph on page 23. Capital returns are shown on pages 2 and 3 and in the Chairman's Statement.

Brunner NAV Total Return

	2019	2018
Debt at fair value	+13.2%	+2.7%
Debt at par	+14.4%	+0.0%
Benchmark	+12.6%	+4.1%
Percentage point relative return with debt at fair value	+0.6	-1.4
Percentage point relative return with debt at par	+1.8	-4.1

Dividends

The board aims to pay a progressive dividend each year, taking into account inflation and the ability to achieve this subject to general earnings growth and dividends received in the portfolio. Dividends paid in the past ten years are set out in the Historical Record table on page 54 which shows that dividends have risen in every year and the graph on page 22 shows how the dividends have outpaced inflation.

Annual Dividend

	2019	2018
	19.98p*	18.15p
	+10.1%	+10.0%

*Includes the proposed final dividend.

Share Ownership

The marketing programme targets both professional and retail investors and aims to create ongoing and sustained demand for Brunner shares. A successful marketing strategy stands to benefit all of the company's shareholders. We look at the growth of share holdings of clients of wealth managers and of investment platforms to see the impact of retail demand for the company's shares.

Percentage of issued capital held by wealth managers and investment platforms

	2019	2018
	39.8%	36.8%

Analysis as at 30 November. Source: RD:IR and AllianzGI.

Discount

The company's shares currently trade at a discount to the net asset value per share. The share price depends on a number of factors, including sentiment towards the company and towards investments in equities in general. The board monitors the discount with the aim of keeping in step with average discounts in the sector. The board gives the manager authority in certain circumstances to buy back and cancel the company's shares which would be likely to result in a narrowing of the discount.

Discount

	2019	2018
Highest	12.2%	11.9%
Lowest	2.7%	5.2%
Average	8.6%	9.2%
Year end	8.0%	11.9%

Ongoing Charges

Ongoing charges are operating expenses incurred in the running of the company, whether charged to revenue or capital but excluding financing costs. The ongoing charges figure is calculated by dividing operating expenses, that is, the company's investment management fee (charged to both income and capital, as in Note 2 on page 88) and all other administration expenses (Note 3 on page 89), by the average net asset value (with debt at fair value) over the year in accordance with the AIC's recommended methodology. This figure does not include costs incurred from trading activities, as these are capitalised within the investment valuation (Note 8 on page 92) which amount to a further 0.04% of net assets (2018 - 0.04%).

Ongoing charges are published by the AIC.

Ongoing Charges

	2019	2018
	0.66%	0.66%

Risk Report

Risk Policy

The board operates a risk management policy to ensure that the level of risk taken in pursuit of the board's objectives and in implementing its strategy are understood. The principal risks identified by the board are set out in the table below and on the page opposite, together with the actions taken to mitigate these risks. The process by which the directors monitor risk is described in the Audit Committee Report on page 71.

Principal Risks

A more detailed version of the table below, in the form of a risk matrix, is reviewed and updated by the audit committee at least twice yearly. The principal risks are broadly unchanged from the previous year.

Risk Appetite

The directors' approach to risk is to identify where there are risks and to note mitigating actions taken and then to look at the probability of the event and consider the extent to which the resulting residual risk is acceptable, which is defined as the board's risk appetite. As a result of this exercise the risks are rated as follows:

- Risk is acceptable, no additional measures needed
- Risk is of concern, but sufficient measures are defined and have been or are being implemented
- Risk is of concern, sufficient mitigation measures not possible or not yet in place

The nature of the company's business means that a certain amount of risk must be taken for the objectives to be met and it is not surprising that portfolio risk measures are allocated amber ratings.

Portfolio Risk

Principal Risks identified

- Significant market movements may adversely impact the investments held by the company increasing the risk of loss or challenges to the investment strategy.
- Reduction of dividends across the market affecting the portfolio yield and the ability to pay in line with dividend policy.
- Exposure to significant exchange rate volatility could affect the performance of the investment portfolio.

Controls and mitigation

- The board meets with the portfolio managers and considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines that are monitored and reported on by AllianzGI.
- The board monitors yields and can modify investment parameters and consider a change to dividend policy.
- The board receives reports from the manager on the stress testing of the portfolio at least twice each year and contact is made with the chairman and board if necessary between board meetings.
- Currency movements are monitored closely and are reported to the board.

Business Risk

Principal Risks identified

- An inappropriate investment strategy e.g. asset allocation or the level of gearing may lead to underperformance against the company's benchmark index and peer group companies, resulting in the company's shares trading on a wider discount.

Controls and mitigation

- The board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and on which the board receives reports at every meeting. The board monitors the implementation and results of the investment process with the investment managers, who attend all board meetings, and reviews data which shows risk factors and how they affect the portfolio. The manager employs the company's gearing tactically within a strategic range set by the board. The board also meets annually specifically to discuss strategy, including investment strategy.

Operational Risk

Principal Risks identified

- Risk of inadequate procedures for the identification, evaluation and management of risks at outsourced providers including Allianz Global Investors (AllianzGI), and AllianzGI's outsourced administration provider, State Street Bank & Trust Company, HSBC Bank plc (Depositary and Custodian) and Link Asset Services (Registrar).

Controls and mitigation

- AllianzGI carries out regular monitoring of outsourced administration functions, this includes compliance visits and risk reviews where necessary. Results of these reviews are monitored by the board.
- Agreed Service Level Agreements (SLAs) and Key Performance Indicators (KPIs) are in place and the board receives reports against these.

Emerging Risks and Uncertainties

Principal Risks identified

- The board also considers the impact from emerging risks that are not yet known or fully identifiable, such as economic, regulatory and political risks arising from the implementation of the UK's exit from the European Union or other geopolitical factors, including pandemics. Cyber Security Risks and Brexit Risks are discussed more fully on the next page.

Controls and mitigation

- The board maintains close relations with its advisers (auditors, lawyers and manager) and will make preparations for mitigation of these risks as and when they are known or can be anticipated.

In addition to the principal risks described above, the board has identified more general risks, for example relating to compliance with accounting, tax, legal and regulatory requirements and to the provision of services from third parties. As in all companies, the board is alert to the risks of financial crime and threat of cyber attacks and monitors reports provided by third party service providers on how these threats are being handled.

Cyber Security Risks – review

The risk of cyber attacks is identified in the company's risk matrix as being a moderately low impact risk, likely to occur with moderate frequency (every two to five years). The board has received details of the cyber security frameworks in place at each of the company's key suppliers, and it has concluded that there are sufficient safeguards in place for the risk profile in the matrix to remain unchanged.

Brexit – Risks and Implications

The board has considered the uncertainty surrounding the impact of Britain's exit from the European Union and identified the areas where it believes there will be adjustments in how the company operates.

Portfolio management: There could be an impact on the day to day ability of the company to trade as the UK will be seen as a third country party under MiFID II. While the UK is expected to put in place a temporary permissions regime, there has been no clarity from the EU on how it will treat UK institutions. For example, the EU would need to formally recognise UK clearing banks as being properly regulated and supervised. Brunner will be in the same position as other investment companies and will monitor the developments in this area closely with its advisers. Changes in trade and tariff arrangements may affect company valuations.

Regulations: The company will need to consider the impact of Brexit on the key financial services regulations which apply to it. Data Protection laws in the UK will remain in force, although there will need to be some safeguards on any transfers of personal data between the EEA and the UK. The company's AIFM, Allianz Global Investors GmbH (AllianzGI GmbH) is incorporated in Germany and it currently provides cross-border management services to the company using the AIFMD management passport. AllianzGI has confirmed it will be able to continue operating its business in the UK under the Temporary Permissions Regime granted by the FCA from 31 January 2020.

Banking and finance: The temporary permissions register being introduced by the UK government will also allow EEA firms which currently passport into the UK (such as its lending bank, ING Bank NV) to continue to operate in the UK for up to three years while they apply for full authorisation.

The board has concluded that although there may be some changes to the way the company operates now that Brexit has come into force, it is well prepared for what is foreseeable, and that there is likely to be no fundamental change to its business model.

Viability Statement

Brunner is an investment company and has operated as an investment vehicle since 1927 with the aim of offering a return to investors over the long term. The directors have formally assessed the prospects of the company for a period of longer than a year. The directors believe that five years is the suitable outlook period for this review as there is a realistic prospect that the company will continue to be viable whilst seeking to achieve its aim to provide growth in capital value and dividends over the long term. This reflects the longevity of the company and the expectation that investors will want to hold on to their shares for some time. The board also notes that as a high conviction investor, the portfolio manager has a five year view on stocks in the portfolio.

The board has assessed the long-term viability of the company against the principal risks faced by the company, outlined in the reporting under Risk Policy on page 16.

Many of these matters are subject to ongoing review and the final assessment, to enable this statement to be made, has been formally reviewed by the board.

The factors considered at each board meeting are:

- The company's investment strategy and the long-term performance of the company, together with the board's view that it can continue to provide attractive returns to investors;
- The financial position of the company, including the impact of foreseeable market movements on cash flows. The board monitors the financial position in detail at each board meeting and at least twice each year it stress-tests the portfolio against significant market falls; and
- The liquidity of the portfolio, and the company's ability to pay dividends and to meet the budgeted expenses, including interest payments, of running the company.

Based on the results of this assessment, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their review.

Environmental, Social and Governance Issues

As an investment trust, the company has no direct social or community responsibilities. However, the board shares the manager's view that it is in shareholders' interests to be aware of and consider environmental, social and governance factors, when selecting and retaining investments. Details of the company's policy on socially responsible investment are set below.

Environmental, Social and Governance Research and Stewardship

Active stewardship is an integral component of our manager's active approach to investment. Investment stewardship can help to unlock potential in companies, as well as protect companies from downside risks.

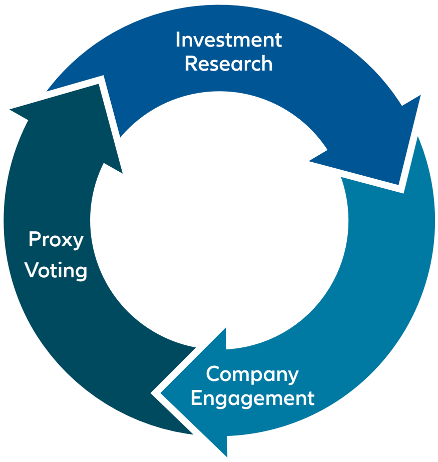
Active engagement by the manager with the direct involvement of investment professionals spans all aspects of company performance, improves practices and enhances company research.

Active proxy voting engagement for clients is seen as a core element of fiduciary responsibilities and the manager provides total voting coverage. This active, global approach to the exercise of voting rights is aimed at improving governance standards across all portfolios managed by AllianzGI.

Company Engagement

The manager conducts regular meetings with companies which:

- Enriches investment analysis and decision making
- Helps assess company leadership and culture and build trust
- Facilitates active involvement from portfolio managers and sector analysts in company engagements
- Provides an inclusive transparent process and multiple pressure points from within AllianzGI
- Focuses on material issues in a case-by-case approach
- Provide an organic link to Proxy Voting decisions



Engagement success is part of delivering investment performance

More information can be found at:
uk.allianzgi.com/en-gb/insights/esg-matters

Directors and Employees and Gender Representation

The directors of the company who were in office during the year and up to the date of signing the financial statements are set out in the directors' biographies on pages 56 and 57. There are currently three male directors and two female directors. The company has no employees.

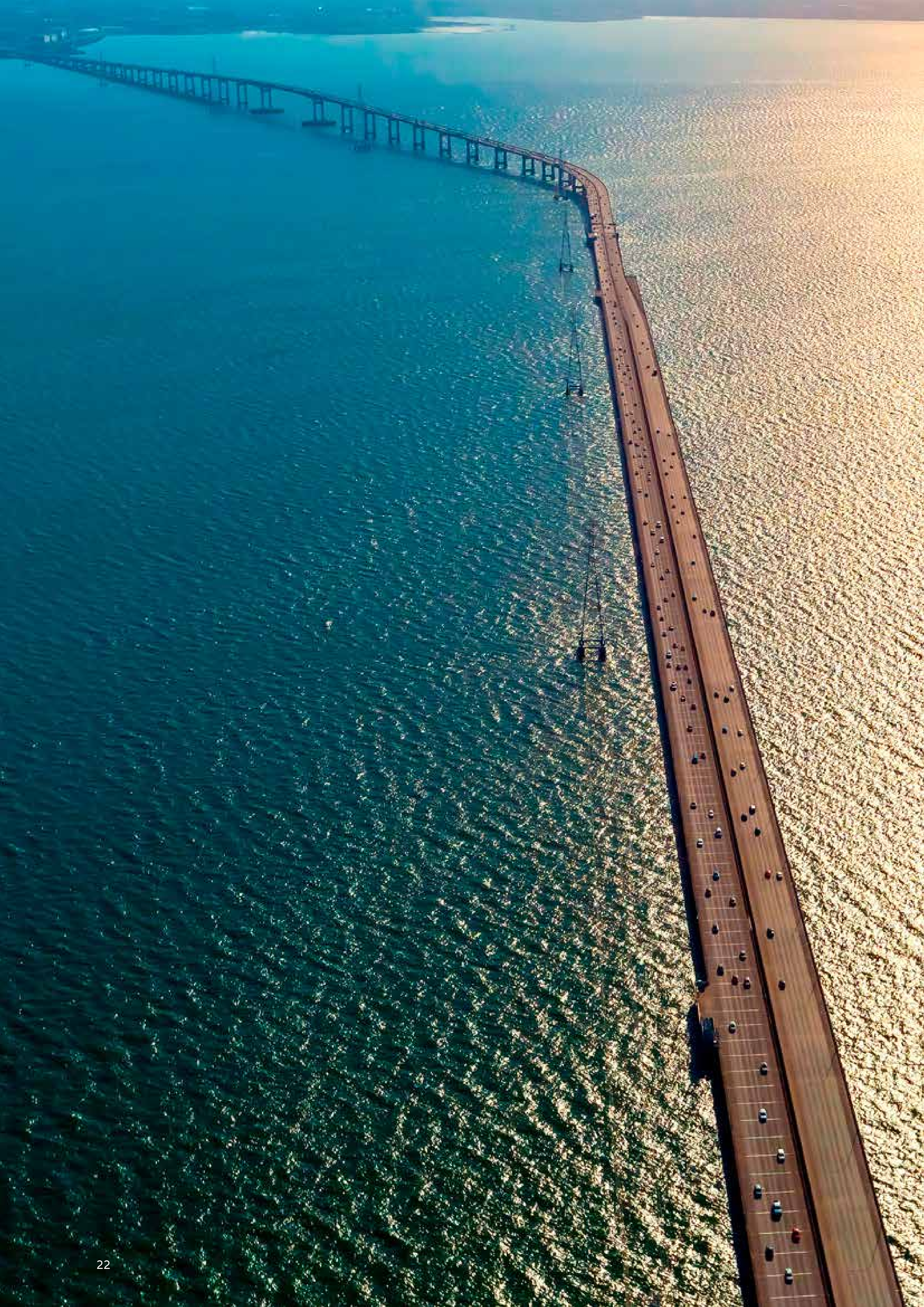
The Future

The main trends and factors likely to affect the company in the future are common to all investment companies and are the attractiveness of investment companies as investment vehicles for the asset classes in which the company invests, and the returns available from the market. The development of the company is dependent on the success of the company's investment strategy against the economic environment and market developments. The Chairman gives her view on the outlook in her statement on page 6 and the investment manager discusses her view of the outlook for the company's portfolio in her review on page 41.

By order of the board
Kirsten Salt
Company Secretary
19 February 2020

Investment Manager's Review

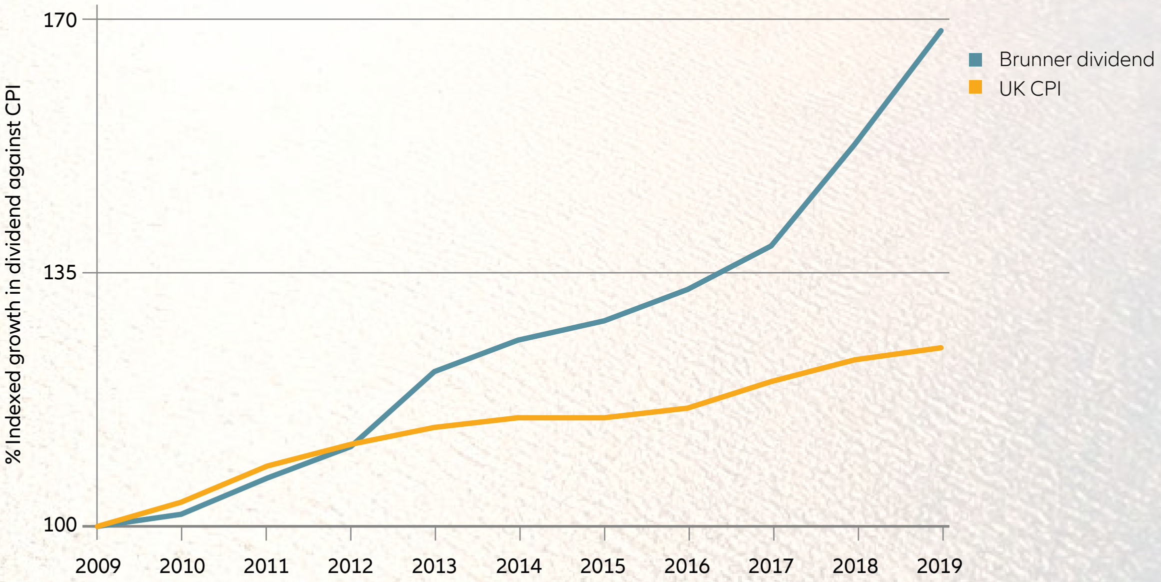
Based in the city of Hsinchu, Taiwan Semiconductor Manufacturing Company is our largest Pacific Basin investment and was a notable contributor to performance.



The San Mateo Bridge in California links the San Francisco peninsular with the East Bay. Several of our US investments are headquartered nearby, the largest being Visa.

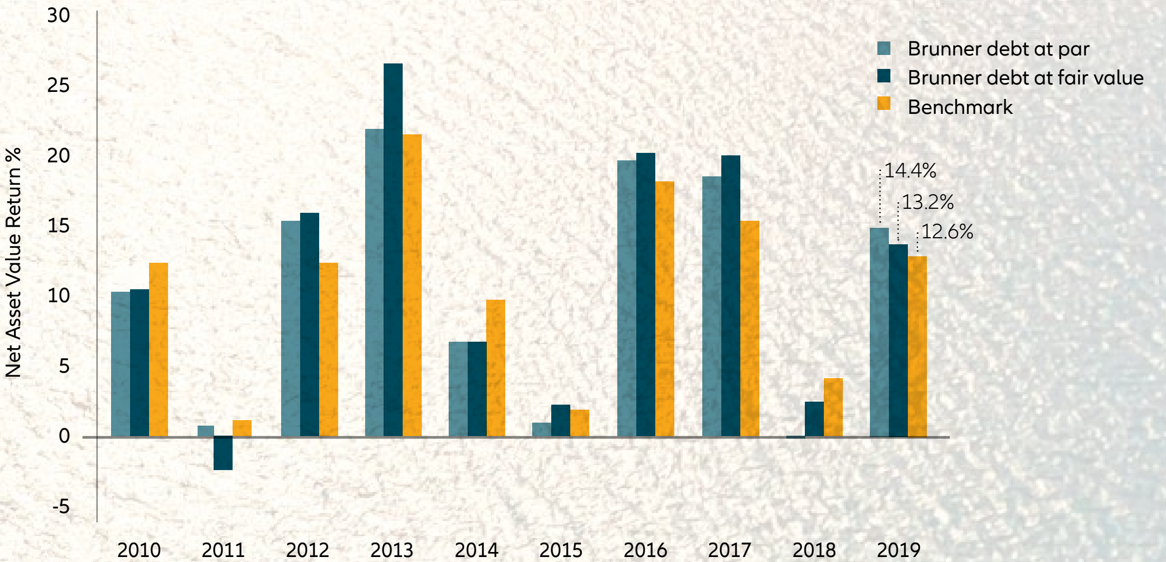
Performance – Ten Year Record

Dividends in respect of each year against the Consumer Price Index



Source: AllianzGI/Thomson DataStream.

Net Asset Value Total Return with Debt at Fair Value and Debt at Par against Benchmark



Re-based to 100. Source: AllianzGI/Thomson Reuters DataStream. Benchmark: 70% FTSE World Ex UK Index and 30% FTSE All-Share Index. Alternative Performance Measure (APM). See Glossary on page 110.

Top 20 Holdings

1 Microsoft

Software & Computer Services
North America
£ 21,202,673
4.87%

Microsoft develops, manufactures, licenses, and supports a range of hardware and software. Since Satya Nadella took over as CEO in 2014, the company has moved away from its traditional hardware business to focus on its Azure cloud computing platform. As a result, Microsoft revenue is now split roughly equally between its three personal computing, cloud and business processing divisions.

2 UnitedHealth

Health Care Equipment & Services
North America
£ 14,815,882
3.40%

UnitedHealth is a leading US and international health insurer. Its health benefits segment delivers health insurance plans as well as Medicare, Medicaid, state-funded and supplemental vision and dental options. Its Optum health services units provide wellness and care management programs, financial services, IT solutions, and pharmacy benefit management services.

3 Munich Re

Non-Life Insurance
Germany
£ 13,862,122
3.18%

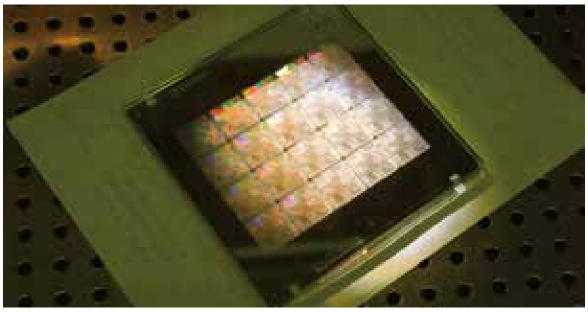
Muenchener Rueckversicherungs-Gesellschaft (Munich Re) provides reinsurance, insurance and asset management services. The company also provides direct insurance including life, health, and property coverage. As one of the world's leading reinsurers and risk management firms, the company operates in some 160 countries.

4 Roche Holdings

Pharmaceuticals & Biotechnology
Switzerland
£ 12,962,591
2.98%

Roche operates two segments - pharmaceuticals and diagnostics - and sells its products in some 190 countries. Its prescription drugs target cancer, hepatitis, idiopathic pulmonary fibrosis, macular degeneration and influenza. The diagnostics arm's offerings include clinical lab supplies, genetic tests and diabetes monitoring supplies.

 Sector Headquarters £ Value of holding Percentage of portfolio



5 Taiwan Semiconductor

Technology Hardware & Equipment
Taiwan
£ 11,971,863
2.75%

Taiwan Semiconductor Manufacturing Company (TSMC) is the first and largest dedicated silicon foundry in the world, with nine plants in Asia and one in the US. Largely a wafer fabricator, 85% of sales are to semiconductor and systems companies who do not have their own manufacturing facilities, including AMD, Broadcom, NVIDIA, and QUALCOMM.

6 Accenture

Support Services
North America
£ 11,498,545
2.64%

Accenture is the world's largest consulting firm and offers outsourcing services to government organisations and companies in more than forty industries, including over three-quarters of the Fortune 500. Clients use Accenture's services to enter new markets, increase revenue in existing markets, improve operational performance, and deliver new products to market.

7 Visa

Financial Services
North America
£ 11,271,839
2.59%

Almost 2.5 billion credit, debit and other payment cards in use in more than 200 countries and territories make Visa the world's largest consumer payment operator. The company licenses the Visa name to member institutions, which issue and market their own Visa products and participate in the VisaNet payment system. Visa also offers internet payment systems and traveller's cheques.

8 The Cooper Companies

Health Care Equipment & Services
North America
£ 10,167,578
2.33%

The Cooper Companies consists of two business units. Cooper Vision, which manufactures contact lenses, has consistently outperformed, gaining +1% market share annually since 2011. Although much smaller, Cooper Surgical, which manufactures medical devices and products for women's health care, is using its scale and distribution capacity to consolidate and corner a relatively fragmented market.

9 Shell

Oil & Gas Producers
UK
10,137,232
2.33%

The world's second-largest oil company and the third largest of any type globally, Royal Dutch Shell (Shell) operates in over 70 countries. Among the company's many and varied operations, it boasts the world's deepest oil and gas project in the Gulf of Mexico, the world's largest offshore floating LNG production plant off the Australian coast, and the world's largest retail fuel network at more than 44,000 stations.

10 Estée Lauder

Personal Goods
North America
9,852,633
2.26%

Estée Lauder sells cosmetics, fragrances, and skin and hair care products, with brands including Estée Lauder, Clinique and Origins, as well as professional Bobbi Brown and luxurious Tom Ford beauty and fragrance lines. The company's products are sold through its network of upscale department stores, via specialty retailers, and online. Estée Lauder operates a chain of freestanding retail stores (primarily for its M.A.C, Origins, and Aveda brands).

11 Agilent

Electronic & Electrical Equipment
North America
9,756,651
2.24%

A leading maker of scientific testing equipment, Agilent supplies analytical and measurement instruments, including gas and liquid chromatographs, mass spectrometers, vacuum pumps, anatomic pathology workflows, and genetic and diagnostic instruments and tools. Its operations include products used in life sciences, chemical analysis, energy, and food, forensics, and environment.

12 Ecolab

Chemicals
North America
9,526,599
2.19%

Ecolab provides solutions and on-site services to companies in a range of sectors, from the food and hospitality industry, to hospitals and energy companies. Customer relationships are solid, with 90% of revenues on a recurring basis. Returns on capital are also consistently around 15% or higher. Ecolab has also made $600m of investment over the past 5 years in customer facing, field devices and infrastructure.

Sector Headquarters Value of holding Percentage of portfolio

13 GlaxoSmithKline

Pharmaceuticals & Biotechnology
UK
£ 8,770,000
2.01%

GlaxoSmithKline PLC operates as a research-based pharmaceutical company. The Company develops, manufactures, and markets vaccines, prescription, and over-the-counter medicines, as well as health-related consumer products. GlaxoSmithKline provides products for infections, depression, skin conditions, asthma, heart and circulatory disease, and cancer.

14 Adidas

Personal Goods
Germany
£ 8,436,550
1.94%

Adidas is a German manufacturer of sports apparel and equipment which comprises both the Reebok and Adidas brand. Founded in Germany, the company now sells its merchandise in over 160 countries through both its own branded stores and third party retailers.

15 AIA

Life Insurance
Hong Kong
£ 8,327,458
1.91%

AIA is the world's largest life insurer and the only one 100% dedicated to Asia-Pacific, covering 18 markets. An increasingly affluent Asian middle class is driving rapid demand for life insurance, as well as for the company's other services in retirement planning and wealth management. Its geographic spread helps deliver sustainably high growth with lower volatility than peers. AIA also has strong governance controls.

16 AbbVie

Pharmaceuticals & Biotechnology
North America
£ 8,071,758
1.85%

AbbVie discovers, develops, and commercialises both biopharmaceutical and small molecule drugs, with a focus on autoimmune diseases, hepatitis C, HIV, and other ailments. Its primary product is Humira, best known as a rheumatoid arthritis drug. Other key products include cancer treatment Imbruvica and hepatitis C drug Viekira. The firm has seven facilities making products that are available in more than 170 countries.

17 Schneider Electric

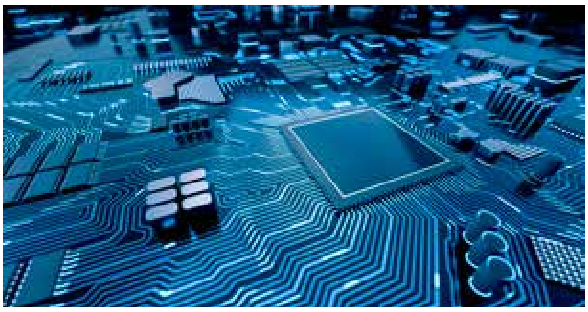
Electronic & Electrical Equipment
France
7,694,165
1.77%

Schneider Electric is a global producer of electrical distribution, automation and energy management products. With revenues of over 26 billion EUR and gross margins of around 40 per cent, the company focuses on four main markets –buildings, industry, utilities, and data centres.

18 AMETEK

Electronic & Electrical Equipment
North America
7,583,927
1.74%

Ametek is a global manufacturer of electronic instruments and electromechanical devices. The Company manufactures advanced instruments for process, aerospace, power, and industrial markets and is a supplier of electrical interconnects, specialty metals, technical motors and systems, and floor care and specialty motors.



19 Microchip Technology

Technology Hardware & Equipment
North America
7,391,878
1.70%

Microchip Technology designs, manufactures, and markets microcontrollers, linear, mixed-signal, memory, power management and thermal management products, and application development systems for high-volume embedded control applications. Its chips are used by tens of thousands of customers in the automotive, consumer, industrial, office automation, and telecommunications markets.

20 Itochu

General Industrials
Japan
7,181,639
1.65%

Itochu is a Japanese general trading firm with six major operational divisions. These respectively specialise in textiles, metals/minerals, food, machinery, energy/chemicals and general products including Information Technology and Real Estate. Itochu operates globally and has annual revenues of over 100 billion USD.

Total value of top twenty holdings: **£210,483, 583** Percentage of portfolio: **48.33%**

Investment Manager's Review

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

Market Review

After a dismal start to the period, global equity markets rebounded to deliver a strong year overall, with total returns making it into double-digits. Liquidity was the main positive support, as the Federal Reserve switched policy 180 degrees from tightening to loosening early in the period in response to trade related economic weakness and the resulting volatility in stock markets. US Federal Funds rates were reduced back down to 1.75%, from their recent peak of 2.5%. Soon after in Europe, the ECB reinstated its bond-buying programme and lowered interest rates, while China has made substantial liquidity injections.

While financial returns have been positive, most of the year has seen a deterioration of global macroeconomic data and corporate earnings, the latter delivering hardly any growth. The weakness has been most noticeable in manufacturing, with Purchasing Manager Indices (PMIs) for the US, UK, Eurozone and China all in contraction. Corporate confidence was impacted by the halt in profit growth and the uncertainty about the scale and duration of trade disruption, leading to a slowdown in corporate spending.

At a sector level, Information Technology led the way, although concerns over global growth and lower bond yields also saw bond proxies like Real Estate and Utilities perform strongly. Health Care lagged due to – in our view exaggerated – concerns about the potential for US Democratic Presidential candidates to implement universal healthcare. Energy has been the weakest performing sector, with Brent Crude oil prices occupying a volatile range between 55 and 65 USD a barrel and increasing investor aversion towards fossil fuel assets.

In recent months, however, there have been signs of stabilisation. In the US, jobs numbers and wage growth remain resilient and Germany narrowly avoided falling into a technical recession in the third quarter. Corporate activity has also picked up, with a plethora of deals including the planned acquisition of Tiffany by LVMH for 16.6 billion USD and TD Ameritrade by Charles Schwab for 26 billion USD.

In the UK sterling was volatile in response to the shifting sands of UK politics. Towards the end of the year, sentiment towards sterling and UK assets improved as it became clearer that

The planned 16.6 billion USD acquisition of Tiffany by LVMH would be the largest ever in the luxury sector.

The global rollout of 5G should be a further driver for Taiwan Semiconductor Manufacturing Company stock.

a no-deal exit from the EU was unlikely and that the ruling Conservative party was likely to win the General Election. The UK market's underperformance of the rest of the world also started to reverse, with some particularly sharp recoveries in the domestic stocks, which had been discounting extremely negative economic outcomes.

Portfolio Review

Over the twelve months to November 30, 2019, the portfolio returned 14.7% vs a benchmark return of 12.6%. The Trust's NAV with debt at fair value returned 13.2% after fees, against a benchmark return of 12.6%. Strong stock selection, as well as sector allocation have contributed to the portfolio's robust performance this year.

The three largest contributors to overall portfolio performance were Microsoft, Taiwan Semiconductor, both positive, and United Internet, negative. **Microsoft** has made the biggest single return to the portfolio, reporting consistently strong results that exceeded expectations. In its most recent quarter, the technology company reported revenues of over 33 billion USD, with both revenue and income each almost a billion higher than expected. Growth continues to come from Microsoft's expansion in cloud services, with Azure maintaining its impressive 60 per cent rate. That there have been no signs of a slowdown highlights the company's well-rounded offering and resilience in the face of a downturn; cloud adoption remains a structural growth driver whether organisations are looking to cut costs or transform radically. Looking to next year, Microsoft continues to expect that revenues will grow above 10% while income growth should reach 30%. The company remains a key long-term holding in technology.

Taiwan Semiconductor Manufacturing Company (TSMC) has made a similarly large contribution. In January, the maker of semiconductors was trading at a depressed valuation following weaker than expected seasonal demand for its products, as well as a softer macro outlook. However, with earnings starting to stabilise, we took the opportunity to add to our position. Since then, TSMC has reported solid revenue and earnings growth, thanks to high seasonal iPhone demand. Longer term, the structural shift towards 5G will be a further driver for the stock. TSMC recently announced a near doubling of its annual capital expenditure to 15 billion USD for the production of its 7nm and 5nm nodes. These more efficient models will be central to the rollout of 5G handsets and infrastructure globally, which should fuel structural rather than cyclical growth. The yield of over 3% also remains attractive.

Conversely, **United Internet** has made the largest absolute negative contribution to performance. The original investment case for United Internet was based on a high return, capital light business model. This has been under review since it emerged the mobile network operator would bid for 5G Spectrum in its native Germany. Despite reassurances from the company about the scale of ambition and resultant capital expenditure, the eventual bidding was higher than initial guidance. Although historically, the CEO's alignment with shareholders had provided good returns, and despite engagement on this issue, we reached the view that United's governance structures have not evolved sufficiently as the company has grown. Ralph Dommermuth is both the CEO of United Internet and 1&1 Drillisch AG (73% owned by United Internet but still listed) and a 40% shareholder. As a result of these concerns, following a collaborative agreement between German network operators which boosted the share price, we took the opportunity to exit our holding.

Elsewhere in the portfolio, by sector, we have seen strong stock selection in Financials, Consumer Goods and Utilities. In Financials, we have seen strong contributions from Munich Re and Sirius Real Estate, with Estée Lauder and Adidas performing well in Consumer Goods. Although we are slightly underweight the Utilities sector, good stock selection has also made a substantial contribution here, thanks to our holding in Enel.

Munich Re has successfully weathered persistently low investment yields and weaker pricing. That is partially thanks to fewer payments for large natural disasters compared to 2018. However, Munich Re has also delivered strong new business growth, particularly in its Property and Casualty division, which has enabled the company to beat its full year 2.5 billion profit target within nine months. A modest pullback for the shares in July enabled us to increase our position, further boosting the stock's contribution given its strong performance since. Munich Re continues to combine fee-based revenues with resilient growth and conservative targets. Delivering a dividend yield of 3.49% even after strong performance, the shares appear reasonably valued and we remain comfortable with our position.

Sirius Real Estate has made a similarly positive impact within Financials. In our engagement, CEO Andrew Coombs stated that – following our previous discussions with him on the subject – the real estate manager would focus more on return on invested capital (ROIC) than absolute growth. The past twelve months have seen Sirius deliver on this potential. In March, the company announced a joint venture with AXA, a French insurance company. Where AXA has gained access to a steady substantial yield, Sirius has found a way to realise value within mature assets, managing the properties for a fee. More generally, the company continues to manage assets more intensely than the competition and its in-house platform demonstrates the ability with which efficient development and marketing can add value. As a result, recent interim results saw funds from operations increase 16%, while net asset value rose 6%. Sirius' culture and integrated operations now more closely resemble that of an operating company rather than its more-passive peers. Alongside the continued benefit of low interest rates and high demand for yield, Sirius' investment case remains firmly intact.

Estée Lauder is a long-standing position in the Brunner portfolio, and has extended its run of good performance into 2019. Our original investment case five years ago was predicated on the multinational cosmetics company's ability to deliver meaningful sales growth within the Consumer sector. CEO Fabrizio Freda's strategic priorities continue to be online expansion and servicing the rapidly growing market of younger consumers looking for premium skincare, particularly in Asia. Estée Lauder is executing this strategy efficiently, bolstered by the shrewd acquisition of various youth-oriented brands, such as the recently announced 'Have and Be', a popular Korean skincare producer. Q3 did see the shares weaken temporarily as investors repositioned towards stocks on seemingly cheaper valuations. The company also highlighted some softer sales growth in Hong Kong as a result of political protests. However, the shares have since recovered, with Estée Lauder's key online, travel and Asian channels remaining robust and raising its full year earnings expectations for 2020.

Adidas has also made a positive performance contribution within the Consumer sector. Like Estée Lauder, the maker of sports apparel targets a young customer base and has invested in a digital platform to extend its reach and improve profitability. CEO Kasper Rorsted has acquired a reputation for boosting margins and in this respect continues to deliver. Adidas has also returned to growth in Europe and North America – previous problem areas – with

Adidas global gross profits have almost doubled from less than 6 billion euros in 2010 to 11.4 billion euros last year.

overall sales growth reaching 5% year to date. As a result, full year net profits are expected to grow between 10 and 14%. Looking ahead, the company recently hosted a 2021-2025 strategy day where particular prominence was given to improving manufacturing sustainability, flexibility (including automation) and localisation – i.e. producing unique items for specific markets. Adidas is aiming to improve its operational quality on many fronts – given its strong track-record of doing so, this should set a solid foundation for profitable future growth.

Our underweight to Utilities makes **Enel** one of the Trust's only two holdings in the sector. As such, the Italian integrated utility company has made a strong contribution over the period. The negative price reaction to political unrest which provided our entry point into the stock in 2018 has, as expected, proved unwarranted. Instead, the company has continued to pursue its ambitious growth in renewables. Within utilities, renewables are particularly attractive as they benefit from political goodwill and higher, more stable margins than traditional thermal energy sources. In this respect, Enel is well ahead of peers, earning market-leading returns thanks to operational outperformance. In Q3, the company reported adjusted earnings growth of 10.5% year on year, with further improvements expected.

Enel has also consistently improved the pace of its growth, and over the next three years plans to invest an additional 13 billion EUR in renewables, equivalent to over 14 gigawatts, the largest pipeline in the industry. The company is also investing 5.4 billion EUR in its digital capabilities. Part of this will see all customer management converge onto a single cloud-based system. This should not only improve the company's offering, but works to raise operational efficiency in a way that can be passed on to the end consumer. Despite its strong performance and outlook, Enel has a dividend yield of 4% and retains its attractive valuation on a price to forward earnings ratio of 15x. Consequently, we remain comfortable with the position.

Despite a net positive contribution from stock selection overall, it has been weaker in the Consumer Services and Health Care sectors this year. In the former, **Walgreens Boots Alliance**, a position we had started to reduce due to concerns about the investment case, suffered from weaker same store sales in the US. Despite positive initiatives like a partnership with Microsoft and plans to roll out a next-day prescription delivery service, these failed to address our concerns about increasing competitive pressure. We sold the holding in March. The company went on to cut its full-year

Italian utilities holding Enel plans to invest an additional 13 billion euros in renewables over the next three years.

earnings outlook and post its "most difficult quarter" since merging five years ago.

In Health Care, **UnitedHealth Group** has lagged this year. Shares in the integrated health care provider have been negatively affected by political sentiment, as Democratic candidates for the US Presidential election began calling for universal state medical provision Our position on this issue is unchanged, we believe this outcome extremely improbable, even if the Democrats win the 2020 election. In addition, as a managed care company, UnitedHealth is a driver of lower medical costs and part of the solution to the Healthcare spending escalation. Over the course of the year the company continued to demonstrate strong growth in premiums, services and products, with healthy medical loss ratios and good cost control. Late in the period, management reiterated long-term growth guidance of 13-16%. As a result, the stock has rebounded strongly. While some reform of drug pricing and rebates is likely, and rhetoric is likely to continue over the next year, these should not impact our long term investment case.

Overall, the Trust's 2018-19 fiscal year has seen the portfolio deliver strong returns, with stock selection making a substantial contribution to performance. This has been managed against a background of waxing and waning market sentiment.

Transactions

Total turnover by value for the year has been 12.3% (2018 - 13.9%). Overall, we have initiated positions in nine companies, while selling out of eight. These relatively low numbers underscore one of our key investment principles as long-term stewards of our clients' capital: we are high conviction owners, aiming to hold companies for at least five years. In other words, we expect to change no more than a fifth of the portfolio's holdings each year. Owning companies for longer periods of time not only means that we are better placed to hold management to account on a range of issues, but also, when things go right, that we continue to benefit from their steadily compounding growth.

All our new holdings in the Trust's portfolio exhibit the quality and growth characteristics that our investment philosophy favours. These are companies with stable, high or growing cash-flows and a clear path to expanding their revenues and earnings. We also favour businesses whose growth trajectories are secured by means of a technological or brand edge, which create customer loyalty and strong barriers to entry for potential competition. Alongside quality and growth, valuation makes up the third and final aspect to our investment philosophy. Making sure that we do not overpay for these traits means that any investment we

New US childcare holding Bright Horizons' low staff turnover represents a significant competitive advantage.

make not only has greater scope for capital growth but also mitigates the potential for downside risk.

In **Bright Horizons**, we identified a company with several growth drivers not fully accounted for in consensus expectations. The business is a US-based provider of childcare and early education services, as well as other work/life services for employers and families. As the number of families with two working parents is increasing, so too is the demand for high quality child care. Experienced and capable personnel are central to the delivery of this. They also represent c.70% of Bright Horizons' operating costs, making attraction and retention of staff critical. As a result, Bright Horizons has a significant competitive advantage, with staff turnover of around 20% p.a., half the industry average.

Where Bright Horizons has created a strong brand advantage through its personnel, **Intuitive Surgical** has done so through technology. The medical technology company specialises in robot-assisted surgical systems, most notably its da Vinci System. The company's robotic systems already operate in the hernia, prostate and hysterectomy procedures and the company has recorded strong double digit growth in these areas thanks to da Vinci's efficacy and relative ease of use. Intuitive is also expanding into thoracic, oral and lung operations, additional markets which should create a more sustainable runway for future growth. With its da Vinci platform used in an estimated 1.25 million procedures in 2019, the company estimates that its total addressable opportunity is likely north of 5 million.

Our decision to invest in **Helical**, a UK-based commercial property group, was similarly driven by our view that markets had underestimated the business' potential. The company is a specialist London-focussed property development company, and has built up a portfolio of high quality commercial offices with potential for significant rental growth and development gains in the coming years. The company has purposefully acquired a portfolio of grade A office assets which are in high demand and thus better positioned to weather broader market shocks. We initiated our position in May, with a view that Brexit-related concerns were seeing UK property stocks unfairly punished. London's office market has been more resilient than expected and at the time of purchase, shares traded at almost a 30% discount to Net Asset Value. Helical's portfolio in particular tends to be let to technology companies, whose demands and future are less tied to European Union agreements than the financial firms traditionally occupying high-end offices. As a result, rental growth trajectories have continued to be strong. Any sort of clarification regarding Britain's departure from the European Union should only boost the valuation further.

Buys	Sells
Assa Abloy	Ameriprise
Bright Horizons	Apple
Helical	BP
International Flavors & Fragrances	CME
Intuit	Covestro
Intuitive Surgical	Greene King
St. James' Place	United Internet
Stock Spirits Group	Walgreens Boots Alliance
Yum China	

The market's under-appreciation of long-term growth potential also informed our decision to start a position in **International Flavors & Fragrances (IFF)**. As investors, we had discussed a possible holding in the maker of flavouring compounds for some time before making the purchase. IFF operates in an oligopolistic industry with stable growth, high returns and the shares have a yield of 2.5%. In August, the shares de-rated sharply as a result of slower than expected growth and revelations that Frutarom, an expensive acquisition, had made improper payments to customer representatives in Russia and Ukraine. However, discussions with management revealed that these isolated events have been swiftly resolved and will have limited financial impact. The sell-off thus looked overdone and we started a position. Post-purchase, growth rates have rebounded and the investment case has developed further on the announcement of a merger with Dupont's Nutrition and Biosciences unit. We view this deal as strategically sensible and fairly valued, creating an industry leader with synergy potential.

In the portfolio review we discussed the sale of United Internet and Walgreens Boots Alliance. In addition to these, we also exited a number of holdings where the investment case had reached its logical conclusion.

We acquired our position in the **Chicago Mercantile Exchange** through its acquisition of **Nex Group**. Formerly the electronic brokerage and post-trade arm of ICAP, shares in Nex Group rallied over 40% following a bid of 10 GBP per share bid from CME Group. Nex's strong digital assets and the relative ease with which it would integrate into CME made it an ideal target for the American multinational. The company had also been targeting strong organic growth. However, given the 32% premium paid for the shares, and the potential for superior growth elsewhere we sold the shares once the deal had completed in November 2018.

As part of our ongoing strategy to move the portfolio away from low growth companies with high yields, we also sold our holding in **BP**, which we had held primarily for its dividend. Instead, we are seeking to gain greater exposure to higher quality companies with more

Company Engagement Activities

Topics and Engagements by Sector

Sector	Business Model	Financial Performance	Capital Management	Risk Management
Consumer Staples				
Consumer Discretionary				
Financials	1			3
Industrials	1	1	2	1
Real Estate				
Technology				
Telecoms	1			
Utilities				1

Several issues may be covered in each meeting.

growth, all the while retaining the portfolio's dividend potential. By contrast, we have retained our holding in Shell, a multinational energy company with a similar dividend and less financial gearing. Shell also has greater exposure to natural gas, a key stepping stone in the transition towards a lower carbon economy, with a more sustainable business model as a result.

Responsible Stewardship

As long-term equity holders, our investment process has always tried to take the longest possible view of a company's prospects, and the associated risks. With respect to our quality, growth and valuation focus, Environmental, Social and Governance (ESG) criteria have historically played a key role in determining the quality of a company. This is driven as much by our desire to avoid risk as it is about achieving returns. Ultimately, a better understanding of ESG reinforces the strategy's central characteristics of long-term sustainable growth and good capital allocation.

Engagement is also central to our stewardship approach at AllianzGI. However, engagement is not just about meeting with companies to further research and provide an investment evaluation. Instead, engagement should involve two-way interaction with a company through presenting a viewpoint, seeking change and monitoring and documenting results.

A full list of our engagement with Brunner's holdings over the past fiscal year can be found below. We have also detailed some examples by way of illustration. As with all our engagements, these dialogues are a continual process and we look forward to sharing our progress over the coming year.

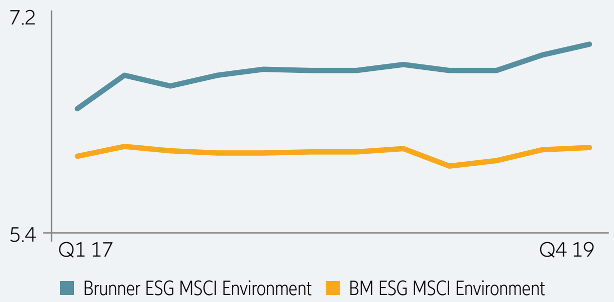
Howden Joinery Group: February 2019
Strategy/ Business Model
We spoke to Howden Joinery about the company's proposed remuneration policy changes and also discussed the implications of new leadership. Our feedback on remuneration was generally positive. Proposed remuneration changes are in line with best practice and our

Operational Performance	Audit & Accounting	Corporate Governance	Environmental Risks / Impacts	Social Risks / Impacts	Business Conduct & Culture	Transparency & Disclosure
	1	5				1
		2				
		12			1	
1	1	9	1	1	1	2
		2				
		3	1		1	
		2			1	
		3				

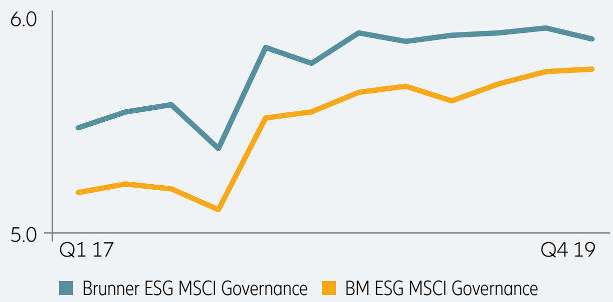
Environmental, Social and Governance performance

AllianzGI uses third party research provided by MSCI to help identify Environmental, Social and Governance factors that can impact the businesses of the companies in the portfolio. The charts below show that the Brunner portfolio's ESG ratings compare well against the benchmark's ESG ratings over the three year period under review. They show the rating of the Brunner portfolio on Environment, Social and Governance risks and combined ESG risk measurements compared to the rating of the Benchmark (70% FTSE World Ex UK Index and 30% FTSE All-Share Index) scored on a scale of 1-10 (where 10 is high) on a quarterly basis over the three years from 1 January 2017 to 31 December 2019.

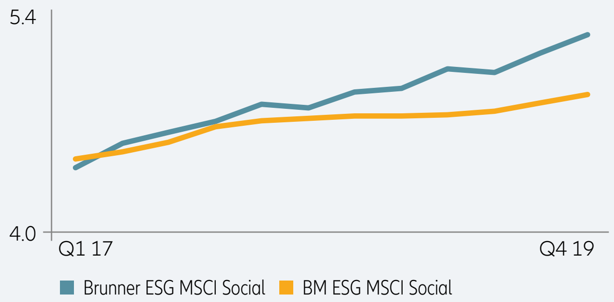
Environmental performance v benchmark



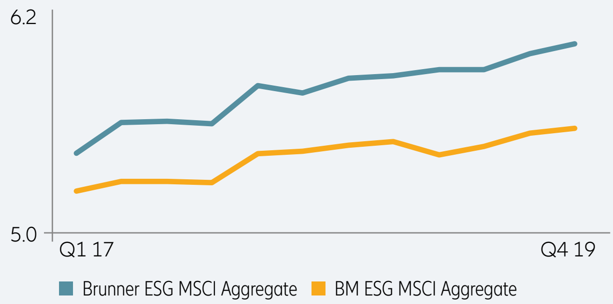
Governance performance v benchmark



Social performance v benchmark



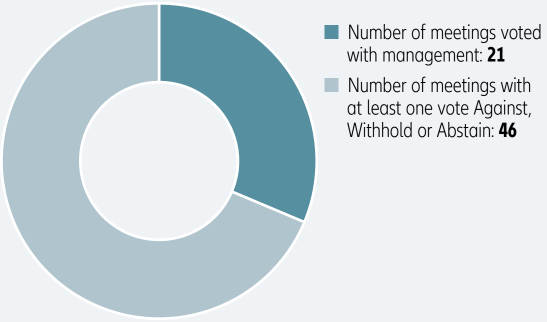
ESG performance v benchmark



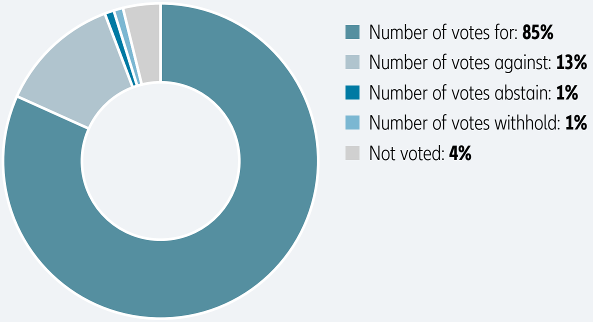
Source: MSCI/AllianzGI.

Proxy voting 1 December 2018 to 30 November 2019

Company meeting voting record



Vote distribution



In the year there were 69 shareholder meetings for companies in the portfolio and the manager voted on the company's behalf at 67 of these. This represents a total of 1,026 resolutions and the company voted on 96% of these. Source: AllianzGI.

expectations. The company is looking to include a returns metric to align with the company's focus on improving and optimising the productivity of its existing assets. This metric will be trailed internally before being implemented within the policy.

Our conversation around new leadership centred around any strategic shifts within Howden, and the focus on retaining executive team members. The change in leadership (from Howden's founder) was well managed and supported at all levels. The transition has been smooth and one year on, the board have confidence that the CEO has landed well within the business. Succession planning is a topic that is regularly discussed at the board level – and there are plans for the orderly refreshment of the rest of the executive team when this becomes necessary. At the moment there is no need for change – however the team is of a certain age and over time change is inevitable. Increasing focus on the "digital" aspect of the business; but this is not e-commerce, rather the development of channels to engage consumers and builders more effectively. Examples include search engine optimisation; better utilisation of social media to support customer journeys; supporting builders with technology to make it easier to work with Howden. As such, this appears to be more an extension and refinement of existing strategy, rather than a total about-face.

Microsoft: October 2019
Corporate Governance and Environmental Risks/Impacts

Microsoft contacted us in order to discuss the company's governance practices ahead of its Annual General Meeting (AGM). We were encouraged to hear that Charles H. Noski and Helmut Panke, the two directors with 16 year tenures, retired this year and a new nominee, Emma Walmsley (CEO of GSK plc) will join the board as an independent director.

Our main concern was with remuneration, which currently lacks sufficient links to performance and relies heavily on undisclosed targets. We communicated that we would be unlikely to support such a plan in its current design and encouraged that they add some relative performance metrics to clearly align incentives with shareholders.

On audit rotation, Microsoft said it was extremely difficult to move away from Deloitte because of other consulting partnerships with the Big Four. This seems like a systemic issue

Our largest holding, Microsoft, achieved a one trillion USD market capitalisation in April 2019.

common to many big companies.
Microsoft has successfully worked with the Science Based Targets Initiative to set CO2 reduction goals in-line with the Paris Acord. However, the board is against disclosing overall gender pay gaps, preferring instead to disclose the gender proportions at each level of seniority. Under this arrangement pay is consistently equal among all employees at the same seniority level.

Schneider Electric: November 2019
Risk Management and Audit & Accounting
Schneider Electric asked us, as one of a very small group of investors, to take part in an internal annual risk matrix exercise. This was conducted by Schneider's Global Internal Audit team and focused on identifying significant risks facing the group in terms of strategy, business and operations.

At the start of the call we acknowledged that Schneider Electric already has a very detailed and extended risk section in its annual report. During the 30 minute call we gave our view that the following risks are particularly important:

Systematic management succession planning: We discussed our view about the importance of systematic succession planning for top-management especially given the strong personality of Schneider's long-standing CEO (Jean-Pascale Tricoire).

Talent attraction: Given its importance, we discussed how they manage top talent, especially in the IT/engineering space and given the changing mind-set of Millennials who might be more interested in working with smaller companies/start-ups.

Internet of Things (IoT): We spoke about the risk that the IoT might substantially change business models, especially for Schneider's Automation segment. We raised the issue that understanding is still at an early stage in terms of how vendors can monetise the value created for customers, and that there will be the need for the company to explain the evolution of longer-term business models. We also raised the issue that the competitive landscape might change with the risk that IT companies go deeper into manufacturing, thus competing with Schneider's automation capabilities.

Cybersecurity: Cybersecurity is crucial for company products and operations. Schneider claims it has a very strong focus on cybersecurity in product development.

Board set up: We stressed the importance that new technology developments should be reflected in the skill sets of newly elected board members.

French energy management firm Schneider Electric is a sector leader in terms of its own environmental performance.

Outlook: 2020

Monetary policy has been the strongest driver of equity market returns in 2019. This force is now on hold for the foreseeable future, with both the US Fed and European Central Bank adopting an accommodative stance. The unusual volatility in the US repo market (a marketplace for short-term loans) has increased the probability of loose liquidity being maintained, with cash injections and a potential return to short term quantitative easing. This will provide a support for current asset levels, without providing stimulus for further strong appreciation.

Growth, which decelerated throughout the previous year, now appears to be stabilising. Global Purchasing Managers' Index data and the US yield curve are both giving healthier signals about future economic activity. With the phase one US/China trade deal announced, the major drag on growth from trade disputes, tariffs and corporate spending should at least not increase. Corporate profits should also return to modest growth in 2020 after a year of negative momentum. In addition, the prospect of substantial fiscal stimulus has been widely discussed in many developing economies with ageing infrastructure, notably Europe. However, as investors, we will need to see evidence of its delivery.

Corporate spending has sharply decelerated during 2019, and this year should see an increase if higher confidence levels can be sustained. Removing the potential for further US/China trade disruption provides corporates with enough confidence to focus solely on mitigating its current known impacts. Similarly in Europe, while a firm agreement for the UK's departure of the European Union has yet to be reached, businesses are hopeful that Prime Minister Johnson's substantial majority will at last deliver some clarity.

Valuations have risen over the course of 2019 and remain higher than average in absolute terms. At an aggregate level, the MSCI World now trades on a long-term price to earnings multiple not seen since 2007. Global equities are attractively valued relative to other asset classes, with higher yields than most bond markets. Within equity markets, valuations are still tilted in favour of growth vs value, despite some recovery in the latter over the last few months. Bond proxies and stable growth companies are relatively highly valued.

We maintain a strategic bias towards Quality and structural Growth. We believe this tilt will continue to benefit the portfolio as sources of potential volatility remain in the uncertainty over growth, trade frictions between the US and its major trading partners, the US election and increased Middle East conflict. However, we recognise that valuations of Growth and Quality are higher than average. Therefore, within the range of our Quality Growth bias, we have been avoiding the most expensive defensives, favouring Health Care over Consumer staples for example, and maintaining some cyclicality via our Industrials exposure. Where performance has led valuations towards extremes, we have trimmed positions. Our continuing task as investors is to identify those individual stocks whose valuations give a realistic, or even pessimistic reflection, of their long-term growth potential.

Lucy Macdonald
Portfolio Manager
19 February 2020

Global equities are attractively valued relative to other asset classes, with higher yields than most bond markets

Lucy Macdonald
Portfolio Manager

Stock Stories

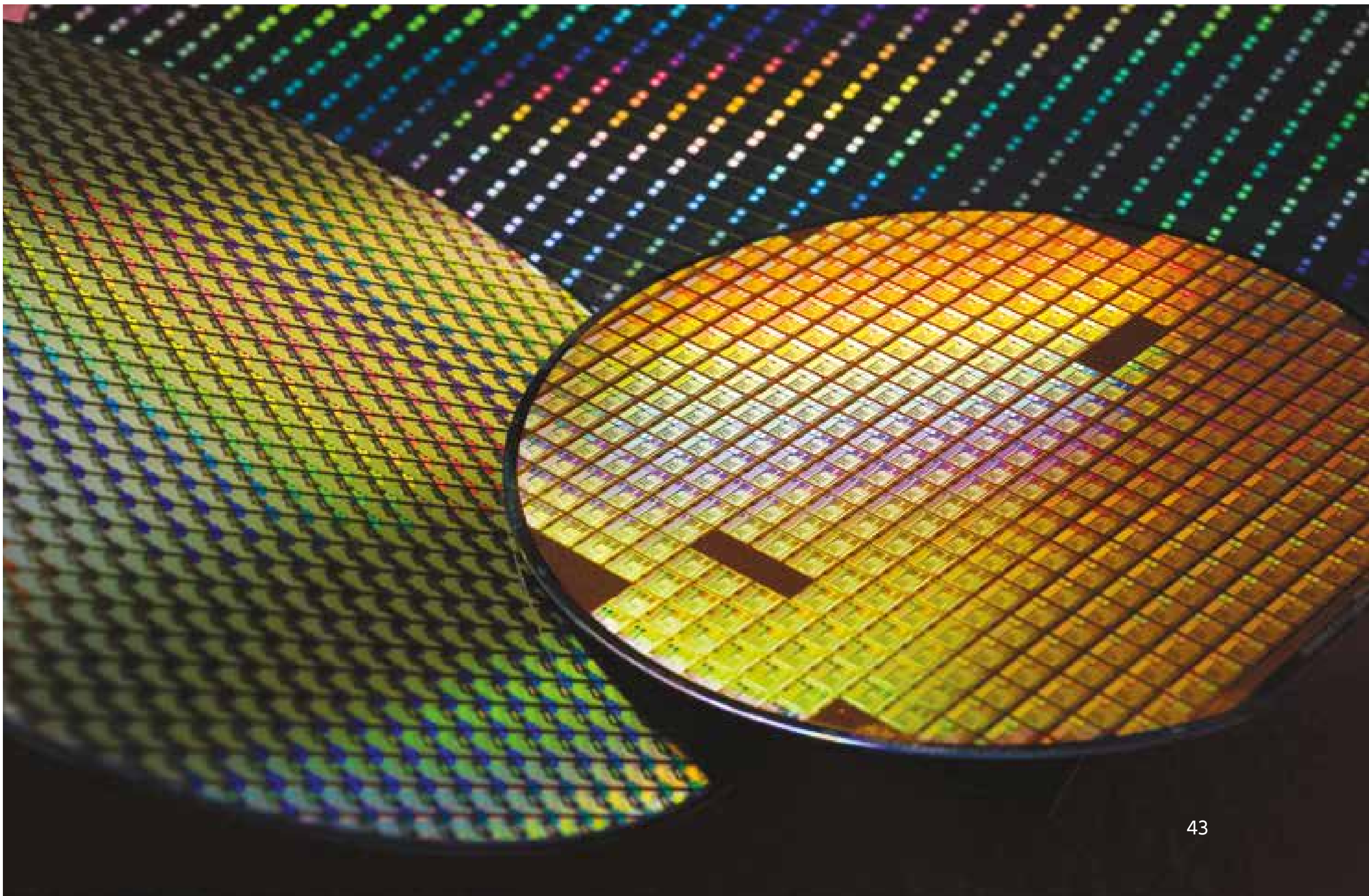
Taiwan Semiconductor

Sector Technology Hardware & Equipment
Headquarters Taiwan
Value of holding 11,971,863
% of portfolio 2.75%

Taiwan Semiconductor Manufacturing Company (TSMC) is the world's largest maker of semiconductors, with an annual revenue of over 35 billion USD and gross profit margins of almost 50%. The stock also has a dividend yield of around 3%, having increased its payout by 24% over the past five years.

Semiconductors act as the essential circuitry within computer chips. Founded in 1987, TSMC has consistently been at the forefront of the industry, developing ever-more sophisticated technology to fuel an increasingly digitised world. The company's ability to produce smaller and smaller semiconductors has enabled hardware developers to unleash the exponentially greater processing power which underpins our modern economy. As a result, TSMC is now a vital supplier to two of the world's largest technology companies, Huawei and Apple.

TSMC's physically complex manufacturing processes, combined with the industry's high cost and information barriers, present a structural barrier to competition. More recently, TSMC has invested over 17 billion USD in the creation of a new factory, designed to produce its next generation of semiconductors. These chips, at the advanced nodes of 5nm, will be central to the rollout of 5G handsets and infrastructure globally, providing a new cycle of structural rather than cyclical growth.



UnitedHealth Group

Sector Health Care Equipment & Services
Headquarters North America
Value of holding 14,815,882
% of portfolio 3.40%

UnitedHealth Group owns and manages organised health systems in the United States and internationally. The company has an annual turnover of 242 billion USD, around two-thirds of which is UnitedHealthcare and the remaining third Optum. These two platforms enable UnitedHealth to provide a wide variety of medical related services to companies and individuals.

UnitedHealthcare is an international supplier of medical insurance plans to over 30 million people, broadly encompassing employees, retirees and veterans. Optum focuses on health delivery, in the form of its OptumRx, OptumHealth and OptumInsight divisions. These consist of pharmacies; health and wellness services; and technology and consulting services, respectively.

At a structural level, ageing populations are putting increasing strain on health services in developed economies. UnitedHealth has pioneered value-oriented healthcare, building up industry-leading scale and diversification thanks to its first mover advantage. As a result, UnitedHealth is best-placed to cater to these demands. In recent years, OptumInsight has also been one of the fastest growing parts of the business, leveraging the company's extensive data and medical knowledge to sign up substantial new contracts.

Schneider Electric

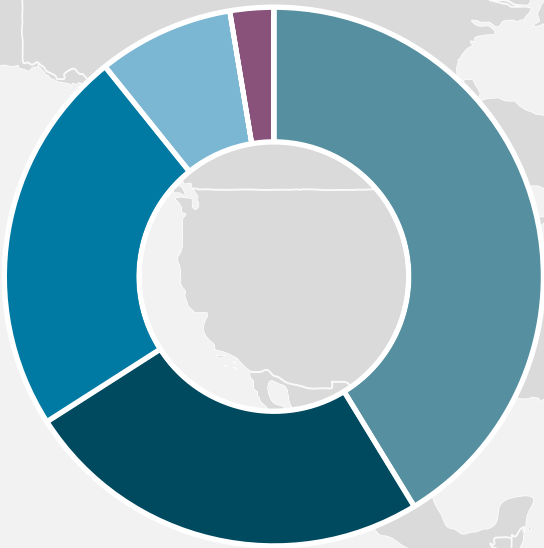
Sector Electronic & Electrical Equipment
Headquarters France
Value of holding 7,694,165
% of portfolio 1.77%

Schneider Electric is a global producer of electrical distribution, automation and energy management products. With revenues of over 26 billion EUR and gross margins of around 40 per cent, the company focuses on four main markets – buildings, industry, utilities, and data centres.

Schneider is focused on two core offerings: energy management and industrial automation. Products therefore range from circuit breakers to switches, motor starters to transformers, automated power grids to electric car chargers. The company is also expanding rapidly in smart technology and automation, developing its EcoStruxure Internet of Things offering. Its Data and Networks division now accounts for 14% of the business and is driving faster growth. More broadly, Schneider's customer relationships make it a leading global provider, with revenues equally split between Asia Pacific, North America and Western Europe. Schneider also has a high exposure to clean-tech opportunities and is a sector leader in terms of its own environmental performance.

Portfolio Breakdown

at 30 November 2019



North America

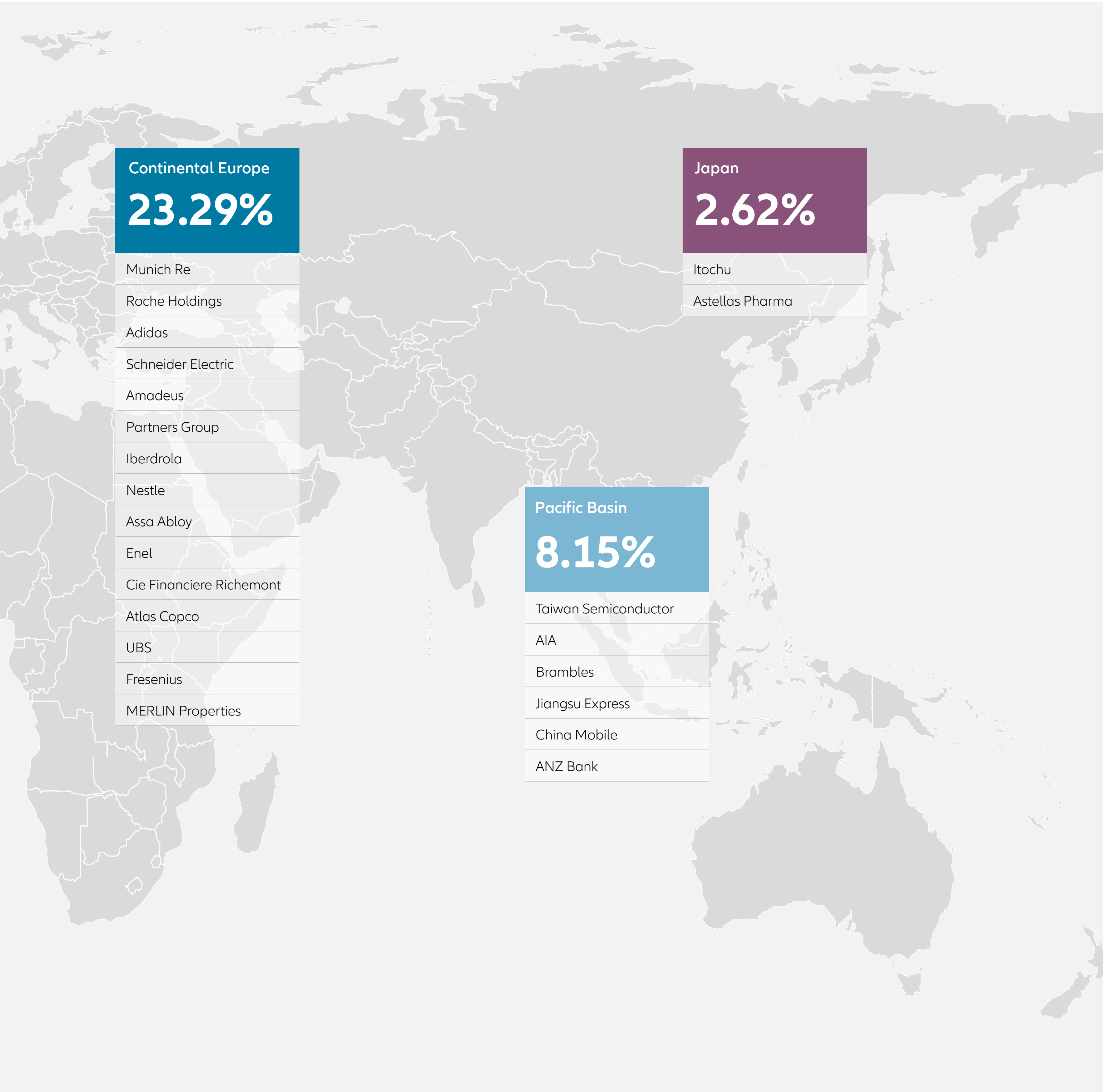
41.28%

- Microsoft
- UnitedHealth
- Accenture
- Visa
- The Cooper Companies
- Estée Lauder
- Agilent
- Ecolab
- AbbVie
- AMETEK
- Microchip Technology
- Charles Schwab
- Booking Holdings
- Wabtec
- Citigroup
- Amphenol
- International Flavors & Fragrances
- Bright Horizons Family Solutions
- Intuitive Surgical
- Intuit
- EOG Resources
- Albemarle
- Yum China Holdings
- Nielsen

United Kingdom

24.66%

- Shell
- GlaxoSmithKline
- Compass
- Informa
- Tyman
- St. James's Place
- Howden Joinery
- Unilever
- SThree
- Sirius Real Estate
- Lloyds Banking Group
- HSBC
- Ashmore
- Helical
- Rio Tinto
- Prudential
- Senior
- TP ICAP
- Stock Spirits Group



Continental Europe

23.29%

- Munich Re
- Roche Holdings
- Adidas
- Schneider Electric
- Amadeus
- Partners Group
- Iberdrola
- Nestle
- Assa Abloy
- Enel
- Cie Financiere Richemont
- Atlas Copco
- UBS
- Fresenius
- MERLIN Properties

Japan

2.62%

- Itochu
- Astellas Pharma

Pacific Basin

8.15%

- Taiwan Semiconductor
- AIA
- Brambles
- Jiangsu Express
- China Mobile
- ANZ Bank

North America Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Microsoft	21,202,673	4.87	Software & Computer Services
United Health	14,815,882	3.40	Health Care Equipment & Services
Accenture	11,498,545	2.64	Support Services
Visa	11,271,839	2.59	Financial Services
The Cooper Companies	10,167,578	2.33	Health Care Equipment & Services
Estée Lauder	9,852,633	2.26	Personal Goods
Agilent	9,756,651	2.24	Electronic & Electrical Equipment
Ecolab	9,526,599	2.19	Chemicals
AbbVie	8,071,758	1.85	Pharmaceuticals & Biotechnology
AMETEK	7,583,927	1.74	Electronic & Electrical Equipment
Microchip Technology	7,391,878	1.70	Technology Hardware & Equipment
Charles Schwab	7,012,695	1.61	Financial Services
Booking Holdings	6,371,870	1.46	Travel & Leisure
Wabtec	5,423,936	1.25	Industrial Engineering
Citigroup	5,399,346	1.24	Banks
Amphenol	5,234,693	1.20	Electronic & Electrical Equipment
International Flavors & Fragrances	5,118,628	1.18	Chemicals
Bright Horizons Family Solutions	5,018,123	1.15	General Retailers
Intuitive Surgical	4,756,869	1.09	Health Care Equipment & Services
Intuit	3,978,118	0.91	Software & Computer Services
EOG Resources	3,545,018	0.81	Oil & Gas Producers
Albemarle	2,783,175	0.64	Chemicals
Yum China Holdings	2,168,705	0.50	Travel & Leisure
Nielsen	1,853,554	0.43	Media
	179,804,693	**41.28**	**% of Total Invested Funds**

United Kingdom Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Royal Dutch Shell 'B' Shares	10,137,232	2.33	Oil & Gas Producers
GlaxoSmithKline	8,770,000	2.01	Pharmaceuticals & Biotechnology
Compass	6,820,200	1.57	Travel & Leisure
Informa	6,725,200	1.54	Media
Tyman	6,625,000	1.52	Construction & Materials
St. James's Place	6,531,000	1.50	Life Insurance
Howden Joinery	6,463,650	1.48	Support Services
Unilever	6,224,720	1.43	Personal Goods
SThree	5,844,239	1.34	Support Services
Sirius Real Estate	5,649,000	1.30	Real Estate
Lloyds Banking Group	4,891,200	1.12	Banks
HSBC	4,609,600	1.06	Banks
Ashmore	4,522,000	1.04	Financial Services
Helical	4,321,854	0.99	Real Estate
Rio Tinto	4,201,500	0.96	Mining
Prudential	4,129,500	0.95	Life Insurance
Senior	4,156,100	0.95	Aerospace & Defence
TP ICAP	3,858,000	0.89	Financial Services
Stock Spirits Group	2,976,000	0.68	Beverages
	107,455,995	**24.66**	**% of Total Invested Funds**

United Kingdom Unlisted Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Fintrust Debenture	4,338	0.00	Financial Services
	4,338	**0.00**	**% of Total Invested Funds**

Continental Europe Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Munich Re	13,862,122	3.18	Non-Life Insurance (Germany)
Roche Holdings	12,962,591	2.98	Pharmaceuticals & Biotechnology (Switzerland)
Adidas	8,436,550	1.94	Personal Goods (Germany)
Schneider Electric	7,694,165	1.77	Electronic & Electrical Equipment (France)
Amadeus	7,068,200	1.62	Software & Computer Services (Spain)
Partners Group	6,828,261	1.57	Financial Services (Switzerland)
Iberdrola	5,850,758	1.34	Electricity (Spain)
Nestle	5,849,189	1.34	Food Producers (Switzerland)
Assa Abloy	5,733,885	1.32	Construction & Materials (Sweden)
Enel	5,535,631	1.27	Electricity (Italy)
Cie Financiere Richemont	5,486,410	1.26	Personal Goods (Switzerland)
Atlas Copco	5,168,765	1.19	Industrial Engineering (Sweden)
UBS	3,711,459	0.85	Banks (Switzerland)
Fresenius	3,663,064	0.84	Health Care Equipment & Services (Germany)
MERLIN Properties	3,593,146	0.82	Real Estate (Spain)
	101,444,196	**23.29**	**% of Total Invested Funds**

Japan Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Itochu	7,181,639	1.65	General Industrials
Astellas Pharma	4,219,001	0.97	Pharmaceuticals & Biotechnology
	11,400,640	**2.62**	**% of Total Invested Funds**

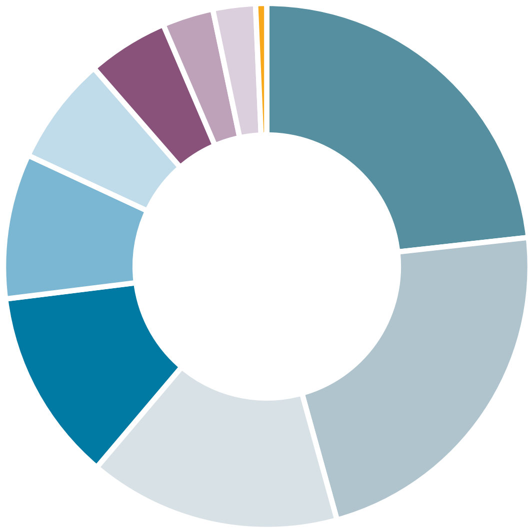
Pacific Basin Listed Equity Holdings

Name	Value (£)	% of Invested Funds	Sector
Taiwan Semiconductor	11,971,863	2.75	Technology Hardware & Equipment (Taiwan)
AIA	8,327,458	1.91	Life Insurance (Hong Kong)
Brambles	5,034,535	1.16	General Industrials (Australia)
Jiangsu Express	4,338,641	1.00	Industrial Transportation (Hong Kong)
China Mobile	2,944,240	0.68	Mobile Telecommunications (Hong Kong)
Australia & New Zealand Bank	2,842,414	0.65	Banks (Australia)
	35,459,151	**8.15**	**% of Total Invested Funds**

Total Invested Funds	**£435,569,013**	**100%**	

Distribution of Invested Funds

at 30 November 2019



Breakdown of Equity Portfolio

Sector	% Held
Financials	23.27
Industrials	22.45
Health Care	15.47
Technology	11.85
Consumer Goods	8.91
Consumer Services	6.65
Basic Materials	4.97
Oil & Gas	3.14
Utilities	2.61
Telecommunications	0.68

Total Invested Funds - £435,569,013 (2018 - £381,787,312)

	United Kingdom %	North America %	Other Countries %	2019 Total %	Composite Benchmark Sector Weighting*	2018 Total %
Financials						
Banks	2.18	1.24	1.50	4.92	8.59	6.18
Equity Investment Instruments	-	-	-	-	1.61	-
Financial Services	1.93	4.20	1.57	7.70	4.07	9.14
Life Insurance	2.45	-	1.91	4.36	1.91	2.62
Non-Life Insurance	-	-	3.18	3.18	2.63	2.19
Real Estate	2.29	-	0.82	3.11	3.07	1.93
	8.85	**5.44**	**8.98**	**23.27**	**21.88**	**22.06**
Industrials						
Aerospace & Defence	0.95	-	-	0.95	1.93	1.13
Construction & Materials	1.52	-	1.32	2.84	1.47	1.25
Electronic & Electrical Equipment	-	5.18	1.77	6.95	1.41	6.44
General Industrials	-	-	2.81	2.81	1.61	2.16
Industrial Engineering	-	1.25	1.19	2.44	1.73	2.34
Industrial Transportation	-	-	1.00	1.00	1.38	1.17
Support Services	2.82	2.64	-	5.46	3.66	3.99
	5.29	**9.07**	**8.09**	**22.45**	**13.19**	**18.48**

	United Kingdom %	North America %	Other Countries %	2019 Total %	Composite Benchmark Sector Weighting*	2018 Total %
Health Care						
Health Care Equipment & Services	-	6.82	0.84	7.66	3.27	7.37
Pharmaceuticals & Biotechnology	2.01	1.85	3.95	7.81	7.72	7.75
	2.01	**8.67**	**4.79**	**15.47**	**10.99**	**15.12**
Technology						
Software & Computer Services	-	5.78	1.62	7.40	7.35	7.14
Technology Hardware & Equipment	-	1.70	2.75	4.45	5.94	5.17
	-	**7.48**	**4.37**	**11.85**	**13.29**	**12.31**
Consumer Goods						
Automobiles	-	-	-	-	1.49	-
Beverages	0.68	-	-	0.68	2.31	-
Food Producers	-	-	1.34	1.34	1.71	1.27
Household Goods	-	-	-	-	1.89	-
Leisure Goods	-	-	-	-	0.61	-
Personal Goods	1.43	2.26	3.20	6.89	2.32	6.24
Tobacco	-	-	-	-	1.55	-
	2.11	**2.26**	**4.54**	**8.91**	**11.88**	**7.51**
Consumer Services						
Food & Drug Retailers	-	-	-	-	1.27	1.71
General Retailers	-	1.15	-	1.15	4.50	-
Media	1.54	0.43	-	1.97	2.57	2.63
Travel & Leisure	1.57	1.96	-	3.53	3.07	4.09
	3.11	**3.54**	**-**	**6.65**	**11.41**	**8.43**
Basic Materials						
Chemicals	-	4.01	-	4.01	1.87	4.26
Forestry & Paper	-	-	-	-	0.21	-
Industrial Metals	-	-	-	-	0.40	-
Mining	0.96	-	-	0.96	2.35	1.54
	0.96	**4.01**	**-**	**4.97**	**4.83**	**5.80**

	United Kingdom %	North America %	Other Countries %	2019 Total %	Composite Benchmark Sector Weighting*	2018 Total %
Oil & Gas						
Alternative Energy	-	-	-	-	0.04	-
Oil & Gas Producers	2.33	0.81	-	3.14	5.95	6.53
Oil Equipment, Services & Distribution	-	-	-	-	0.71	-
	2.33	**0.81**	**-**	**3.14**	**6.69**	**6.53**
Utilities						
Electricity	-	-	2.61	2.61	1.76	2.73
Gas, Water & Multiutilities	-	-	-	-	1.37	-
	-	**-**	**2.61**	**2.61**	**3.13**	**2.73**
Telecommunications						
Fixed Line Telecommunications	-	-	-	-	1.45	-
Mobile Telecommunications	-	-	0.68	0.68	1.25	1.03
	-	**-**	**0.68**	**0.68**	**2.70**	**1.03**
Total	**24.66**	**41.28**	**34.06**	**100.00**	**100.00**	**100.00**

*The above groupings are based on The Industry Classification Benchmark (ICB).

Historical Record

Revenue and Capital	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total income (£000s)	6,674	7,822	8,165	9,113	9,031	8,735	9,996	11,000	10,968	11,505
Earnings per share	10.31p	12.28p	13.34p	15.22p	14.71p	14.09p	16.40p	18.40p	19.67p	21.66p
Dividend per share	12.20p	12.80p	13.30p	14.50p	15.00p	15.30p	15.80p	16.50p	18.15p	19.98p
Total net assets (£000s)*	217,747	204,580	227,194	268,254	278,363	273,630	318,334	368,014	360,273	403,787
Total net assets (£000s)†	203,399	186,946	208,301	255,769	264,945	262,487	307,707	359,228	361,105	400,207
Net asset value per ordinary share*	476.0p	468.6p	525.4p	622.6p	646.0p	636.2p	742.8p	862.0p	843.9p	945.8p
Net asset value per ordinary share†	444.6p	428.2p	481.7p	593.6p	614.9p	610.3p	718.0p	841.4p	845.8p	937.4p
Share price	390.5p	380.5p	413.5p	508.0p	541.0p	540.5p	591.8p	785.0p	745.0p	862.0p
Year end discount %†	12	11	14	14	12	11	18	7	12	8

* Debt at par. † Debt at fair value.

Geographical Disposition — % of Investment Funds* at 30 November

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
United Kingdom	49.8	51.4	50.2	50.5	47.0	42.1	35.0	30.8	26.4	24.7
Europe	11.9	10.7	10.6	13.3	13.6	16.0	20.4	20.8	21.6	23.3
Americas	26.5	25.4	27.3	25.3	30.7	32.5	34.1	37.5	42.7	41.3
Japan	4.2	3.6	2.7	4.0	3.0	3.4	3.7	2.6	2.1	2.6
Pacific Basin	6.9	8.9	9.2	6.9	5.7	6.0	6.8	8.3	7.2	8.1
Other Countries	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* Excludes Cash.

Governance

Financial services was the largest sector represented in our United Kingdom investments.

Directors, Manager and Advisers

Carolan Dobson BSc Chartered FCSI*†

Chairman of the Board, the Management Engagement Committee and the Nomination Committee. Member of the Remuneration Committee.

Joined the board in December 2013 and has been Chairman since the AGM in March 2016. She is also Chairman of Baillie Gifford UK Growth Fund plc and BlackRock Latin American Investment Trust plc. Carolan was previously head of UK equities at Abbey Asset Managers, Head of Investment Trusts at Murray Johnstone and was the portfolio manager of two investment trusts.

Experience:
Carolan is an experienced fund manager and has held key roles in the investment management industry and in advisory roles and she chairs both investment trusts and other organisations.

Reasons for the recommendation for re-election:
Carolan's wise and effective leadership of the board, notably demonstrated recently through the debt refinancing, and wide knowledge and experience of the industry.

Ian Barlow MA FCA CTA (Fellow)*

Chairman of the Audit Committee. Member of the Management Engagement Committee, the Nomination Committee and the Remuneration Committee.

Joined the board in November 2009. Ian worked full time from 1973 until 2008 at KPMG, latterly as London Office Senior Partner, and prior to that, as Head of Tax and Legal from 1993-2001. He is senior independent non-executive director of Foxtons Group PLC and Urban&Civic plc. Ian is a Fellow of the Institute of Chartered Accountants in England and Wales and of the Chartered Institute of Taxation.

Experience:
Ian has strong expertise in financial and accounting matters and wide board experience as chair, audit chair and as senior independent director in large public companies and other organisations.

Reasons for the recommendation for re-election:
Ian's knowledge and experience; he will ensure that Amanda is fully briefed to take over as Audit Committee Chair on his retirement during 2020.

*Independent of the manager.
†Independent on appointment as Chairman.

Amanda Aldridge BSc FCA*

Member of the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee.

Joined the board in December 2019. Amanda is a non-executive director and Audit Committee Chair of Headlam Group plc and of Impact Healthcare REIT plc and is also a non-executive director on the Regulated Board of Places for People Group. She worked at KPMG LLP for 33 years until 2017 and during her career she was Head of the Retail Sector practice before becoming Head of Contract Governance in the Risk-Consulting Division. Amanda is a Fellow of the Institute of Chartered Accountants in England and Wales.

Experience:
Amanda brings senior experience in accounting practice, with specialisms including risk, and is a non-executive director and audit committee chair on other public company boards.

Reasons for the recommendation for election:
Amanda has evident skills and experience both from her background as a chartered accountant and as an audit committee chair. Amanda will be appointed Audit Committee Chair during 2020.

Peter Maynard MA*

Senior Independent Director. Member of the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee.

Joined the board in October 2010. He is a retired solicitor and qualified with Slaughter and May in 1977. He is a non-executive director of Asia Dragon Investment Trust plc. He was Group Legal Director at Prudential plc from 1998 to 2009 and Company Secretary from July 1999. Prior to that he was with HSBC for 14 years during which time he was variously a director of HSBC Investment Bank, President and Chief Executive Officer of James Capel Inc in New York and finally Deputy Group Legal Adviser. He is a former chairman of the GC100 and was a supervisory board member of the London Business School Centre for Corporate Governance.

Experience:
Peter is a lawyer and has worked at a senior level in the financial services industry including in specialist corporate governance roles and is an experienced investment trust director.

Reasons for the recommendation for re-election:
Peter's legal knowledge and negotiating skills are valuable to the board and he has wide knowledge of the industry.

Jim Sharp MA*

Chairman of the Remuneration Committee. Member of the Management Engagement Committee and the Nomination Committee.

Joined the board in January 2014. He began his career in corporate finance with J. Henry Schroder & Co from 1992 to 2002, where he was a director. He is a non-executive director of James Cropper PLC and chairman of four private businesses.

Experience:
Jim has a background in financial services and in addition to experience in running businesses and insight into marketing and promotion he brings a connection to the largest group of shareholders.

Reasons for the recommendation for re-election:
Jim's commercial experience and understanding of marketing and promotion are valuable and his connection to a key stakeholder helps the board's understanding of the requirements of shareholders.

The Manager or Alternative Investment Fund Manager (AIFM)

Allianz Global Investors GmbH (AllianzGI) is an investment company with limited liability incorporated in Germany and registered in the UK as a branch with establishment number BR009058 and with an establishment address of 199 Bishopsgate, London EC2M 3TY. It is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Financial Conduct Authority (FCA).

AllianzGI is an active asset manager operating across nineteen markets with specialised in-house research teams around the globe, managing assets for individuals, families and institutions worldwide.

As at 30 September 2019, AllianzGI had €557 billion of assets under management worldwide.

Through its predecessors, AllianzGI has a heritage of investment trust management expertise in the UK reaching back to the nineteenth century and as at 31 December 2019 had £1.75 billion assets under management in a range of investment trusts.

Website: allianzgi.co.uk

Head of Investment Trusts

Stephanie Carbonneil
Email: stephanie.carbonneil@allianzgi.com

Investment Manager

Lucy Macdonald, CIO Global Equities, representing Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY (the manager).

Company Secretary and Registered Office

Kirsten Salt BA (Hons) ACIS,
199 Bishopsgate, London EC2M 3TY
Telephone: 020 3246 7513
Email: kirsten.salt@allianzgi.com

Registered Number

00226323

Bankers and Custodian

HSBC Bank plc

Depositary

HSBC Securities Services

Solicitors

Dickson Minto LLP
Herbert Smith Freehills LLP

Independent Auditors

PricewaterhouseCoopers LLP

Registrars

Link Asset Services
(full details on page 105)

Stockbrokers

Stifel Nicolaus Europe Limited

Directors' Report

The directors present their Report which incorporates the audited financial statements for the year ended 30 November 2019 .

Share Capital

Details of the company's share capital are set out in Note 12 on page 94. There were no share buybacks during the year or since the year end.

A resolution to renew the authority to purchase shares for cancellation or holding in treasury is to be put to shareholders at the forthcoming annual general meeting and the full text is set out in the notice of meeting on pages 107 to 109.

Going Concern

The directors have considered the future viability of the company, as reported on page 18. In the light of this they 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. The directors' policy on going concern is set out on page 86.

While the company is in a net current liability position as at 30 November 2019, if an obligation arose investments could be sold to raise cash.

Independent Auditors

A resolution to approve the re-appointment of PricewaterhouseCoopers LLP as auditors of the company will be proposed at the annual general meeting, together with a resolution authorising the directors to determine the auditor's remuneration.

Each of the directors at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the company's Auditors are unaware; and
2. the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Related Party Transactions

During the financial year no transactions with related parties have taken place which would materially affect the financial position or the performance of the company.

Management Contract and Management Fee

The main expense of the company and therefore the most significant element of the ongoing charges is the investment management fee and the board is keen to ensure this fee remains competitive.

The manager's performance under the contract and the contract terms are reviewed annually by the management engagement committee. The committee's report is on page 66.

Under the Alternative Investment Fund Managers Directive (AIFMD) the company has appointed Allianz Global Investors GmbH (AllianzGI) as the designated Alternative Investment Fund Manager (AIFM) for the company on the terms and subject to the conditions of the management and administration agreement between the company and AllianzGI (the management contract). AllianzGI has been authorised to act as an Alternative Investment Fund Manager by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and has completed the relevant notifications to enable it to conduct its activities from its UK Branch in accordance with AIFMD and Financial Conduct Authority requirements.

The management contract provides for a management fee based on 0.45% per annum of the value of the company's assets after the deduction of current liabilities, short-term loans with an initial duration of less than one year and the value of the company's investments in any other funds managed by the manager. The contract can be terminated with six months' notice.

Revenue

The revenue earnings attributable to ordinary shareholders for the year amounted to £9,248,430 or 21.66p per share (2018 - £8,397,632, 19.67p per share).

The first two quarterly dividends of 4.66p (£1,989,481) were paid during the company's financial year to 30 November 2019 and the board declared a third quarterly dividend of 4.66p (£1,989,481) per ordinary share which was paid on 12 December 2019. The board recommends a final dividend for the year ended 30 November 2019 of 6.00p (2,561,564), payable on 3 April 2020, making a total distribution for the year of 19.98p per ordinary share. The next quarterly dividend payment is expected to be made in July 2020.

Invested Funds

The market value of the Company's investments at 30 November 2019 was £435,569,013 (2018 - £381,787,312). Sales of investments during the year resulted in net gains based on historical costs of £44,225,932 (2018 - £3,230,518). Provisions contained in the Finance Act 2010 exempt approved investment trusts from corporation tax on their chargeable gains.

Details of the total return of the company and the split between revenue and capital returns are shown in the Income Statement on page 82. The revenue and capital split is explained in more detail in the Statement of Accounting Policies on page 86 under 'Investment management fee and administrative expenses' and on page 87 under 'Finance costs'.

The following disclosures are made in accordance with Part 6 of Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

Capital Structure

The company's capital structure is set out in Note 12 on page 94.

Listing Rule 9.8.4R

There are no matters requiring disclosure under this Rule.

Voting Rights in the Company's Shares

As at 19 February 2020, the company's capital consisted of:

Share class	Number of shares issued	Voting rights per share	Total voting rights
Ordinary shares of 25p	42,692,727	1	42,692,727
5% Cumulative preference shares of £1	450,000	0	0
Total	**43,142,727**		**42,692,727**

These figures remain unchanged as at the date of this report.

Common Reporting Standards (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the company to provide certain additional details to HMRC in relation to UK resident foreign investment holders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Link Asset Services, have been engaged to collate such information and file the reports with HMRC on behalf of the company.

Interests in the Company's Share Capital

As at 1 February 2020, the company was aware of the following interests in the company's share capital greater than 3%: J Maitland (as trustee 14.8%); Sir Hugo Brunner (beneficial 2.32% – as trustee 12.17)%; TBH Brunner (beneficial 1.67% – as trustee 4.62%).

J Maitland acts as a co-trustee with TBH Brunner in respect of 1,709,180 ordinary shares (4.00%), which form part of TBH Brunner's trustee holding. J Maitland also acts as co-trustee with Sir Hugo Brunner in respect of 4,430,193 ordinary shares (10.38%) which form part of Sir Hugo Brunner's trustee holdings.

In addition, the company has notification of the following interest in the voting rights of the ordinary shares: Aviva PLC 17.77%.

Corporate Governance Statement

In previous years the board has reported against the AIC Code of Corporate Governance (AIC Code) and been guided by the AIC Corporate Governance 2016 Guide for Investment Companies (AIC Guide). The AIC published its new Code of Corporate Governance in February 2019. The board reviewed the new Code and noted that the company was already largely compliant and therefore it would report against the new 2019 code in this year's Annual Financial Report These documents can be found on the AIC website theaic.co.uk. As confirmed by the Financial Reporting Council, following the AIC Corporate Governance Guide enables investment company boards to meet their obligations under the UK Corporate Governance Code and Listing Rules.

Board Composition

There are five directors on the board. We aim to have two investment professionals, an accountant, a lawyer and a director with commercial expertise, with a connection to the Brunner family, to provide a balanced board. The optimum number of directors is therefore five, but the number could fall to four and go as high as six to cover periods of recruitment and retirement. In the year ahead there will be six directors when Andrew Hutton joins in April 2020. When Ian Barlow steps down later in the year, we will have reverted to five directors representing the desired mix of backgrounds described above.

The board has a plan for the retirement of directors to ensure that an orderly process of recruitment can take place and that the board's balance of skills and relevant experience is maintained.

The biographies of the directors are set out on pages 56 and 57 together with the skills and experience each director brings to the board for the long-term sustainable success of the company.

No contracts of significance in which directors are deemed to have been interested have subsisted during the year under review. Contracts of employment are not entered into with the directors, who hold office in accordance with the company's Articles.

Board Evaluation

The board was subject to an internal performance appraisal during the course of the year. This was conducted by means of a detailed questionnaire and the responses were collated into a report in which the respondents were anonymous. The Chairman conducted the evaluation and it was found that the board is effective and that each director continues to be effective, has the appropriate skills and has demonstrated commitment and devoted the necessary time to his or her role. All directors attended all board and relevant committee meetings during the year. The directors all provide challenge in board meetings and each offers useful guidance from their own areas of expertise.

The Senior Independent Director conducted an appraisal of the Chairman following a similar method to the board evaluation. This exercise confirmed that the Chairman demonstrates effective leadership, makes an excellent contribution to the company and is assiduous in her engagements with the company's stakeholders.

Gender Diversity

Three of the company's directors are male and two are female. As the company is an investment trust, all of its activities are outsourced and it does not have any employees. Therefore it has nothing further to report in respect of gender representation within the company.

Conflicts of Interest

Under the Companies Act 2006 directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The board reports annually on the company's procedures for ensuring that its powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Each of the directors has provided a statement of all conflicts of interest and potential conflicts of interest relating to the company. These statements have been considered and approved by the board. The directors have undertaken to notify the Chairman and Company Secretary of any proposed new appointments and new conflicts or potential conflicts for consideration, if necessary, by the board. The board has agreed that only directors who have no interest in the matter being considered will be able to participate in taking the relevant decision and that in taking the decision the directors will act in a way they consider, in good faith, will be most likely to promote the company's success. The board is able to impose limits or conditions when giving authorisation if it thinks this is appropriate.

The board confirms that its powers of authorisation are operating effectively and that the agreed procedures have been followed.

Directors' Indemnities

Directors' and Officers' Liability insurance cover is held by the company. As permitted by the company's Articles, the company has granted indemnities to the directors.

Board Committees

Audit Committee
The Audit Committee Report is on pages 71 to 73.

Nomination Committee
The nomination committee meets as needed – at least once each year – and makes recommendations on board succession planning and the appointment of new directors and considers the composition and balance of the board. The committee is chaired by Carolan Dobson, the Chairman of the board, and met once in the last year when it considered the re-election of directors at the annual general meeting. All directors serve on the nomination committee and consider nominations made in accordance with an agreed procedure.

It is the board's policy to use external agencies to draw up lists of candidates as part of the recruitment of new directors. The brief to the recruitment consultant includes the request that the shortlist should include a significant proportion of female candidates.

The Nomination Committee Report is on page 67.

Management Engagement Committee
The management engagement committee met once in the year to review the Management and Administration Agreement and the manager's performance and a report of management fees. It has defined terms of reference and consists of all the directors. It is chaired by Carolan Dobson, the Chairman of the board.

The Management Engagement Committee Report is on page 66.

Remuneration Committee
The remuneration committee met once in the year and consists of all the directors. The committee is chaired by Jim Sharp who succeeded Vivian Bazalgette on his retirement from the board in November 2019. The committee determines the company's remuneration policy and determines the remuneration of each director within the terms of that policy. The Directors' Remuneration Report is on pages 68 to 70.

The terms of reference for each of the committees may be viewed by shareholders on request and are published on the company's website brunner.co.uk in the Literature & Resources/Literature/Terms of Reference and Corporate Documents section.

Board Attendance

Attendance by the directors at formal board and committee meetings during the year was as follows:

Director	Board	Board Strategy Day	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee
No. of meetings	6	1	2	1	1	1
Carolan Dobson	6	1	2[1]	1	1	1
Ian Barlow	6	1	2	1	1	1
Vivian Bazalgette	6	1	2	1	1	1
Peter Maynard	6	1	2	1	1	1
Jim Sharp	6	1	2[1]	1	1	1

[1] Invited to attend meetings, although not a committee member.

Internal Control

The directors have overall responsibility for the company's system of internal control. Whilst acknowledging their responsibility for the system of internal control, the directors are aware that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable but not absolute assurance against material misstatement or loss.

The board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the company. This process has been fully in place throughout the year under review and up to the date of the signing of this Annual Financial Report.

The key elements of the process are as follows:

– In addition to the review of the key risks (see page 16), the directors regularly review all the risks on the Internal Risk Matrix and every six months the board receives from the manager a formal report which details any known internal controls failures, including those that are not directly the responsibility of the manager.
– Allianz Global Investors GmbH, UK Branch (AllianzGI), as the appointed manager, provides investment management, accounting and company secretarial services to the company. The manager therefore maintains the internal controls associated with the day-to-day operation of the company. These responsibilities are included in the Management and Administration Agreement between the company and the manager. The manager's systems of internal control are regularly evaluated by its management and monitored by internal auditors.
– There is a regular review by the board of asset allocation and any risk implications. There are also regular and comprehensive reviews by the board of management accounting information, including revenue and expenditure projections, actual revenue against projections and performance comparisons.
– Authorisation and exposure limits are set and maintained by the board.
– The board meets with senior representatives of AllianzGI and also receives an Internal Controls Report from the manager, together with a report on compliance with the manager's anti-bribery policy.
– The audit committee on behalf of the board reviews the Internal Controls Reports of other third party service providers, including those of AllianzGI and all other providers of administrative and custodian services to AllianzGI or directly to the company.

The directors confirm that the audit committee has reviewed the effectiveness of the system of internal control, which it has found to be appropriate.

Statement of the Depositary's Responsibilities in Respect of The Brunner Investment Trust PLC provided by HSBC Securities Services, Depositary to the Company.

"The Depositary must ensure that the company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, (the Sourcebook), the Alternative Investment Fund Managers Directive (AIFMD) (together the Regulations) and the company's Articles of Association.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the company and its investors.

The Depositary is responsible for the safekeeping of the assets of the company in accordance with the Regulations.

The Depositary must ensure that:

– the company's cash flows are properly monitored and that cash of the company is booked into the cash accounts in accordance with the Regulations;
– the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
– the assets under management and the net asset value per share of the company are calculated in accordance with the Regulations;
– any consideration relating to transactions in the company's assets is remitted to the company within the usual time limits;
– that the company's income is applied in accordance with the Regulations; and
– the instructions of the Alternative Investment Fund Manager (the AIFM) are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the company is managed in accordance with the Articles of Association in relation to the investment and borrowing powers applicable to the company.

Report of the Depositary to the Shareholders of The Brunner Investment Trust PLC ("the company") for the period ended 30 November 2019.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the company, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Articles of Association of the company and as required by the AIFMD."

HSBC Securities Services
13 December 2019

Further information about the relationship with the Depositary is on page 104.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the financial statements is on page 74 and a statement of going concern is on page 59. The Independent Auditor's Report can be found on pages 76 to 81.

The UK Stewardship Code and Exercise of Voting Powers

The board has delegated discretion to discharge its responsibilities in respect of investments, including the exercise of voting powers on its behalf to the manager, AllianzGI. There is more information on company engagement in the Strategic Report on page 19, and in the Investment Manager's Review on pages 29 to 41.

Greenhouse Gas Emissions

The company has an external manager, AllianzGI, part of Allianz Group, and has no physical assets, operations, premises or employees of its own. Consequently it has no greenhouse gas emissions to report. Allianz Group reports on the greenhouse gas emissions for its own operations.

Modern Slavery Act 2015

The company does not provide goods or services in the normal course of business, and as a financial investment vehicle does not have customers. The directors therefore consider that the company is not required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking.

Bribery Act 2010

The board has a zero tolerance policy in relation to bribery and corruption and has received assurance through internal controls reporting from the company's main third party service providers that adequate safeguards are in place to protect against any such potentially illegal behaviour by employees or agents.

Annual General Meeting

Directors' Re-election and Election

The plans for board succession, including the arrangements for the retirements of the directors with over nine years' service, are described on page 61. Ian Barlow has held office for ten years and will retire at the annual meeting and offer himself for re-election. Notwithstanding the length of service of Ian Barlow, the board views him as independent of the manager. Carolan Dobson, Peter Maynard and Jim Sharp also retire in accordance with the board policy adopted in the year on the annual re-election of directors and offer themselves for re-election at the AGM. Amanda Aldridge was appointed to the board on 1 December 2019 and offers herself for election at the AGM. Biographical details of the directors are on pages 56 and 57 together with the reasons why the board supports and recommends their re-election. Directors serving during the year and their interests in the share capital of the company as at 30 November 2019 are set out in the Directors' Remuneration Report on pages 68 to 70.

The board's view is that each director who is retiring and offering themselves to be re-elected at the AGM continues to make a valuable and effective contribution and remains committed in the role. The board has also considered the number of boards on which each director sits and the other time commitments for each board member and is satisfied that each director has the capacity to devote all the time and attention needed to fulfil their role and duties to the company.

Increase in Limit on Directors' Fees

A resolution will be proposed to increase the current cap on the aggregate amount of fees payable to directors in any year, contained in the Company's Articles, to £250,000. The board believes that to enable flexibility in respect of succession planning, and in particular to recruit new directors from time to time, it is prudent to keep remuneration at or around market levels. The board is therefore proposing to increase the Articles cap from £200,000 to £250,000. The cap was last increased, from £150,000 to the present limit, in 2013. The increase will allow new directors to overlap with retiring directors and ensure that any overlap of directors' service does not breach the aggregate fees the company is permitted to pay. The Directors' Remuneration Report on pages 68 to 70 contains further details of the directors' fee policy and remuneration. This change will require a change to the Articles and resolution 12 is therefore proposed as a special resolution.

Allotment of New Shares

A resolution authorising the directors to allot new share capital for cash was passed at the annual general meeting of the company on 4 April 2019 under section 551 of the Companies Act 2006. The current authority will expire on 4 July 2020 and approval is therefore sought for the renewal of this authority, which will last until the conclusion of the annual general meeting in 2021 or 1 July 2020 if earlier.

This authority is limited to a maximum number of 14,230,908 ordinary shares, representing approximately one third of the existing ordinary share capital of the company as at the date of this report, provided that there is no change in the issued share capital between the date of this report and the annual general meeting to be held on 1 April 2020.

Disapplication of Pre-emption Rights

A resolution was passed at the annual general meeting of the company held on 4 April 2019 under section 570 of the Companies Act 2006, to authorise the directors to allot ordinary shares for cash other than pro rata to existing shareholders. The current authority will expire on 4 July 2020 and approval is therefore sought for the renewal of this authority, which will last until the conclusion of the annual general meeting in 2021 or 1 July 2020 if earlier.

This authority is limited to a maximum number of 2,134,636 ordinary shares, representing approximately 5% of the existing ordinary share capital of the company as at the date of this report, provided that there is no change in the issued share capital between the date of this report and the annual general meeting to be held on 1 April 2020.

Accordingly resolution 13 as set out in the notice of meeting on page 107 will be proposed as an ordinary resolution and resolution 14 will be proposed as a special resolution.

The directors do not currently intend to allot shares under these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the company's existing shareholders to do so. The directors confirm that no allotments of new shares will be made unless the lowest market offer price of the ordinary shares is at least at a premium to net asset value.

Share Buy Back Programme
As referred to in the Chairman's Statement, the board is proposing the renewal of the company's authority under section 701 of the Companies Act 2006, to purchase ordinary shares in the market for cancellation. In addition to renewing its powers to buy back shares for cancellation, the board will seek shareholder authority to repurchase shares for holding in treasury for sale and reissue at a later date.

This authority will give the company the ability to reissue treasury shares quickly and cost-effectively (including pursuant to the authority under resolution 14, see above) and provides the company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends are suspended whilst they are in the treasury. If the board exercises the authority conferred by resolution 15, which will be proposed as a Special Resolution, the company will have the option of either holding in treasury or of cancelling any of its shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

The board believes that such purchases in the market at appropriate times and prices may be a suitable method of enhancing shareholder value. The company would make either a single purchase or a series of purchases, when market conditions are suitable, with the aim of maximising the benefits to shareholders and within guidelines set from time to time by the board. Additionally, the board believes that the company's ability to purchase its own shares should create additional demand for the ordinary shares in the market and that this should assist shareholders wishing to sell their ordinary shares.

Where purchases are made at prices below the prevailing net asset value of the ordinary shares, net asset value per share for the remaining shareholders is enhanced. It is therefore intended that purchases will only be made at prices below net asset value, with the purchases to be funded from the realised capital profits of the company (which are currently in excess of £207 million). The rules of the UK Listing Authority limit the price which may be paid by the company to 105% of the average middle market quotation for an ordinary share on the five business days immediately preceding the date of the relevant purchase. The minimum price to be paid will be 25p per ordinary share (being the nominal value).

Under the Financial Conduct Authority's Listing Rules, a company is permitted to purchase up to 14.99% of its equity share capital through market purchases pursuant to a general authority granted by shareholders in general meeting.

The current authority which permits the company to purchase up to 14.99% of the ordinary shares, expires at the conclusion of the forthcoming annual general meeting. The board believes that the company should continue to have authority to make market purchases of its own ordinary shares for cancellation or additionally for holding in treasury. Accordingly, a special resolution to authorise the company to make market purchases of up to 14.99% of the company's issued ordinary share capital will be proposed. Provided there is no change in the issued share capital between the date of this report and the annual general meeting to be held on 1 April 2020 such authority is equivalent to 6,399,639 ordinary shares.

The authority will last until the annual general meeting of the company to be held in 2021 or the expiry of 18 months from the date of the passing of this resolution, whichever is the earlier. The authority will be subject to renewal by shareholders at subsequent annual general meetings.

The Brunner Family

Since the establishment of the company in 1927, various members of the extended Brunner family have held shares in the company. Jim Sharp is connected by marriage to the Brunner family.

Following discussions in 2013, agreement was reached with the Takeover Panel that for the purposes of the City Code on Takeovers and Mergers (the Code), Sir Hugo Brunner and Mr TBH Brunner, together with their children (and their spouses) and related trusts (the Connected Parties) will be treated as acting in concert for the purposes of the Code. The Connected Parties currently hold 9,767,841 shares, representing 22.88% of the ordinary share capital of the company. If the proposed buy back authority were to be used in full, the repurchase of ordinary shares could result in the Connected Parties holding 26.91% of the reduced ordinary share capital of the company (assuming that the Connected Parties did not sell any ordinary shares in connection with the exercise of the buy back authority).

The board and the Annual Financial Report

Following the process reported in the Audit Committee Report, on pages 71 to 73, the board is able to state that it considers that the Annual Financial Report, taken as a whole, is fair, balanced and understandable.

By order of the board
Kirsten Salt
Company Secretary
19 February 2020

Management Engagement Committee Report

Role of the Committee

The Management Engagement Committee reviews the investment management agreement and monitors the performance of the Manager for the investment, secretarial, financial, administration, marketing and support services that it provides under that agreement. It also reviews the terms of the agreement including the level and structure of fees payable, the length of notice period and best practice provisions generally.

Composition of the Committee

All the directors are members of the committee. Its terms of reference can be found on the website at brunner.co.uk.

Manager evaluation process

The Committee met once during the year for the purpose of the formal evaluation of the manager's performance.

For the purposes of its ongoing monitoring, the board receives detailed reports and views from the portfolio manager on investment policy and strategies, asset allocation, stock selection, attributions, portfolio characteristics, gearing and risk. The board also assesses the manager's performance against the investment controls set by the board.

Portfolio performance information, is set out on page 9.

Manager reappointment

The annual evaluation that took place in November 2019 included a presentation from the portfolio manager and AllianzGI's Head of Investment Trusts. This covered the work done with the board on strategy and the integrated sales and marketing activity, including the work with investment platforms and wealth managers. The evaluation also considered the manager's fee in relation to the peer group. The committee met in a private session following the presentation and concluded that in its opinion the continuing appointment of the manager on the terms agreed was in the interests of shareholders as a whole and recommended this to the board.

Note 2 to the Accounts on page 88 provides detailed information in relation to the management fee.

Committee evaluation

The activities of the Management Engagement Committee were considered as part of the board evaluation process completed in accordance with standard governance arrangements as summarised on page 61. The conclusion from the process was that the committee was operating effectively, with the right balance of membership and skills.

Carolan Dobson
Management Engagement Committee Chairman
19 February 2020

Nomination Committee Report

Role of the Committee

The Nomination Committee leads the process for board appointments and makes nomination recommendations to the board. The Committee reviews and makes recommendations on board structure, size and composition, the balance of knowledge, experience, skill ranges and diversity and considers succession planning and tenure policy.

Composition of the Committee

All directors are members of the committee and its terms of reference can be found on the website at brunner.co.uk

Activities of the Committee

The committee met during the year and considered, in accordance with its terms of reference the structure, size and composition of the board and satisfied itself with regard to succession planning, making recommendations to the board. The committee also discussed the results of the board and committee evaluation exercise, which covered the structure and size of the board and its composition particularly in terms of succession planning and the experience and skills of the individual directors and the topic of board diversity.

Succession planning

Vivian Bazalgette, who joined the board in January 2004, retired in November 2019. Ian Barlow, who has completed ten years' service, will retire later in 2020. Ian is therefore included in the number of directors standing for re-election at the forthcoming AGM. Peter Maynard attained nine years' service in 2019 and will be the next director to retire from the board in accordance with the succession plan.

During the year a search was made for two directors, one to replace Vivian Bazalgette who retired in November 2019, and another to take on the chairmanship of the audit committee on Ian Barlow's retirement in 2020. These searches were carried out by Tyzack Partners.

Committee evaluation

The activities of the Nomination Committee were considered as part of the board evaluation process completed in accordance with standard governance arrangements as summarised on page 61. The conclusion from the process was that the committee was operating effectively, with the right balance of membership and skills.

Carolan Dobson
Nomination Committee Chairman
19 February 2020

Remuneration Committee Report

I am pleased to present my first report as Chairman of the Remuneration Committee and would like to thank my predecessor Vivian Bazalgette for his thorough and attentive leadership over the years.

Composition

All the directors are members of the committee and its terms of reference can be found on the website at brunner.co.uk.

Role

The Remuneration Committee leads the process for fixing directors' remuneration and makes recommendations to the board.

Activities

The committee's activities are set out in the report from the committee which follows.

Directors' Remuneration Report

This is the Directors' Remuneration Report for the year. The report is submitted in accordance with Schedule 8 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended August 2013, for the year ended 30 November 2019.

An ordinary resolution for the approval of the Directors' Remuneration Policy Report was first put to a binding shareholder vote at the annual general meeting in 2014 and was placed before shareholders for approval at the AGM in 2017. It will be put to shareholders at the forthcoming AGM in 2020. The Directors' Remuneration Implementation Report is to be put to the AGM, annually, as an advisory shareholder vote.

The information provided in this part of the Directors' Remuneration Report is not subject to audit unless specified below.

The Board

The board of directors is composed solely of non-executive directors. The determination of the directors' fees is guided by the remuneration policy (see below) and the recommendations of the remuneration committee which is made up of the independent directors and has been chaired by Jim Sharp since his appointment on 22 November 2019.

Directors' Interests (Audited)

The directors are required to hold 4,000 shares in the company under the company's Articles. Pursuant to Article 19 of the EU Market Abuse Regulations the directors' interests in the share capital of the company are shown in the table below.

Ordinary shares of 25p	2019 Beneficial	2019 Non-beneficial	2018 Beneficial	2018 Non-beneficial
Carolan Dobson	4,750	-	4,750	-
Ian Barlow	61,059	-	61,059	-
Vivian Bazalgette*	4,000	-	4,000	-
Peter Maynard	4,000	-	4,000	-
Jim Sharp	114,646	651,956	114,561	651,956

* Retired 22 November 2019

On 1 December 2019 Amanda Aldridge was appointed as a director and currently holds 4,000 shares in the company. Directors retire and offer themselves for re-election annually. No director has a service contract with the company. The company's policy is for the directors to be remunerated in the form of fees, payable quarterly in arrears. In accordance with the AIC Code of Corporate Governance, there are no long term incentive schemes and fees are not related to the individual director's performance, nor to the performance of the board as a whole. No exit payments are made when a director leaves the board.

Directors' Remuneration Policy

The board's policy, subject to the overall limit in the Articles, is to determine the level of directors' fees having regard to the level of fees payable to non-executive directors in the investment trust industry generally, the rate of inflation, the increasing requirements in the nature of the role that individual directors fulfil, and the time committed to the company's affairs. These requirements are particularly relevant to the Chairman and the Chairman of the Audit Committee. The board believes that levels of remuneration should be sufficient to attract and retain non-executive directors with the relevant experience and skills to oversee the company. The company's Articles currently limit the aggregate fees payable to the board of directors to a total of £200,000 per annum. The directors are proposing an special resolution at the forthcoming AGM (resolution 12) to increase the current limit on the aggregate amount of fees payable to directors in any year to £250,000. A further explanation of resolution 12 appears in the Directors' Report on page 64.

The company's Articles also provide that additional discretionary payments can be made for services which in the opinion of the directors are outside the scope of the ordinary duties of a director. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at meetings. Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. There are no agreements between the company and its directors concerning compensation for loss of office.

This Directors' Remuneration Policy is the same in all material respects as that currently followed by the board and summarised in the last Directors' Remuneration Report and approved by shareholders at the annual general meeting held on 4 April 2019.

The company has no employees and consequently has no policy on the remuneration of employees.

The board will consider, where raised, shareholders' views on directors' remuneration.

Implementation Report

The policy is to review directors' fee rates from time to time, but reviews will not necessarily result in a change to the rates. In the year under review the directors were paid at a rate of £24,000 per annum and the Chairman at a rate of £38,000 per annum, with an additional £5,000 for the Chairman of the Audit Committee, and an additional £2,000 for the Senior Independent Director. The current fees have been effective since 1 December 2017, with the exception of the Chairman's fee and the additional fee for the Senior Independent Director, which have been unchanged for three years.

The fees were reviewed during the year and it was determined that there would be the following increase to the directors' fees with effect from 1 December 2019: Chairman £39,000, directors £26,000 with an additional £6,000 to the Chairman of the Audit Committee, and an additional £2,000 (no change) for the Senior Independent Director.

Directors' Emoluments (Audited)

The directors received directors' fees and no other remuneration or additional discretionary payments during the year and therefore the directors' emoluments during the year and in the previous year are as follows:

			2019			**2018**
	Base salary £	**Taxable expenses** £**	**Total £**	**Base salary £**	**Taxable expenses** £**	**Total £**
Carolan Dobson	38,000	7,513	45,513	38,000	6,587	44,587
Ian Barlow	29,000	-	29,000	29,000	-	29,000
Vivian Bazalgette*	25,500	-	25,500	26,000	-	26,000
Peter Maynard	24,000	-	24,000	24,000	-	24,000
Jim Sharp	24,000	-	24,000	24,000	-	24,000
Total	**140,500**	**7,513**	**148,013**	**141,000**	**6,587**	**147,587**

* Retired from the board 22 November 2019
** Taxable travel and subsistence expenses incurred in attending Board and Committee meetings, gross pre-tax amounts

Analysis of Pay against Distributions

A table showing actual expenditure by the company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the company on remuneration and distributions to the shareholders

	2019 £	**2018 £**
Remuneration paid to all directors	140,500	141,000
Distributions paid during the financial year	8,269,581	7,513,919

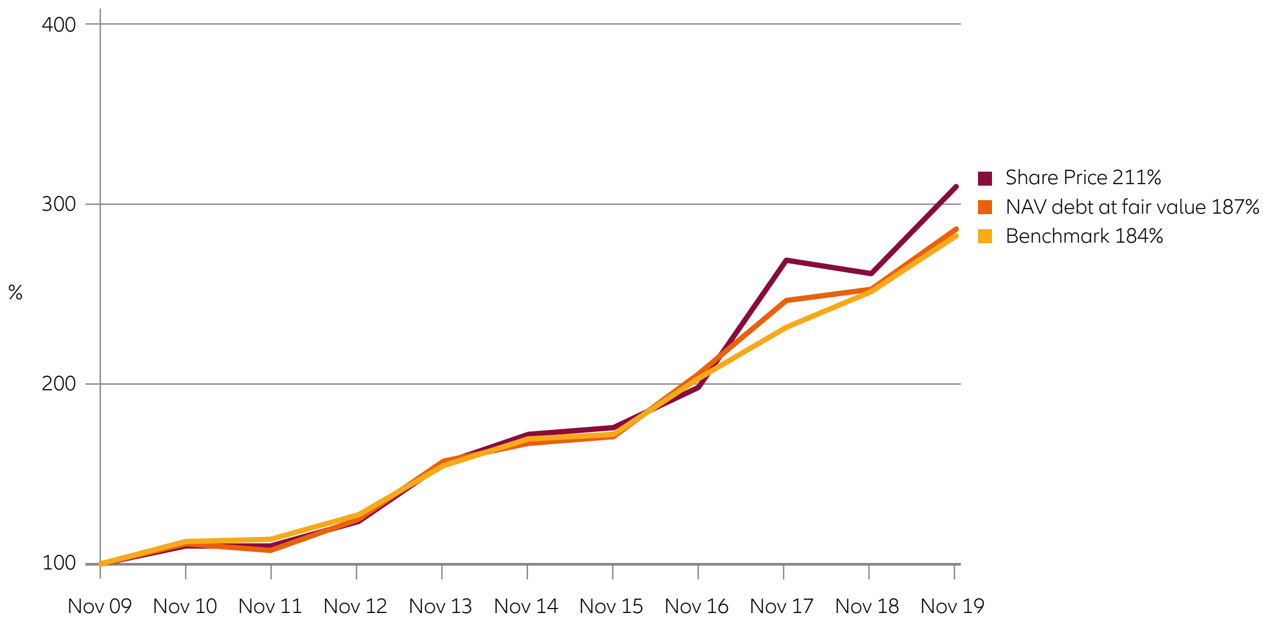
This disclosure is a statutory requirement. The directors, however, do not consider that the comparison of directors' remuneration with distributions to shareholders is a meaningful measure of the company's overall performance.

Performance Graph

The performance graph below measures the company's share price and net asset value performance on a total return basis against the benchmark index: 70% FTSE World Ex UK Index and 30% FTSE All-Share Index. An explanation of the company's performance is given in the Chairman's Statement and the Investment Manager's Review.

The Brunner Investment Trust PLC

30 November 2009 - 30 November 2019



Source: AllianzGI/Thomson Reuters DataStream

Jim Sharp
Remuneration Committee Chairman
19 February 2020

Audit Committee Report

I am pleased to introduce the audit committee's report for 2019. There were no significant changes during the year.

Composition

The audit committee comprises all of the directors, except for the Chairman of the board and Jim Sharp, both of whom are invited to attend audit committee meetings, as are representatives of the manager. We have recently been joined by Amanda Aldridge who will succeed me as audit committee chair during 2020. I am the Chairman of the audit committee, and as you will see from my biography on page 56, I am a Chartered Accountant and until 2008, I was Senior Partner, at KPMG, London. I also chair the audit committees of two other listed companies. During the year the board reviewed the composition of the audit committee and it considers that, collectively, its members have sufficient recent and relevant financial experience to discharge their responsibilities fully.

Role

The principal role of the committee is to assist the board in relation to the reporting of financial information, review of financial controls and management of risk. The committee has defined terms of reference and duties and the terms of reference are published on the company's website, brunner.co.uk. These include:

- responsibility for the review of the Annual Financial Report and the half-yearly Financial Report;
- consideration of the nature and scope, independence and effectiveness of the external audit and of the auditor's findings and recommendations; and
- review of the terms of appointment of the auditor, including their remuneration and the provision of any non audit services by them.

Activities

The committee meets twice each year. These meetings are attended by the auditors and also by representatives of the manager, including both risk and compliance officers.

At the scheduled meetings in respect of the year ending 30 November 2019 the committee reviewed the company's accounting policies and confirmed their appropriateness, and reviewed in detail the annual and half-yearly financial reports and in each case recommended them for adoption by the board. At the meeting for the half year the auditors presented the audit plan for the year ending 30 November 2019. In the meeting relating to the year end the committee considered the auditor's report on the annual financial statements.

At each meeting the committee received a report on the operation of controls relating to the company and the proper conduct of its business in accordance with the regulatory environment in which both the company and the manager operate.

Risk

Although the board has ultimate responsibility for the management of risk, the audit committee assists by monitoring the formal reports from the manager and third party service providers on internal controls.

The committee reviewed its approach to the risk management process and concluded that existing processes were adequate to ensure that its assessment of risk is robust and of sufficient frequency, namely carried out at each committee meeting and twice annually by the board as follows:

- A matrix of risks is reviewed at each of its meetings. We consider whether new risks should be added or previously identified risks removed, assess their likelihood of occurring and potential scale, review the mitigating actions and assess the residual risk against what we regard as acceptable –'risk appetite'.
- Assurance over mitigating actions in relation to these risks is provided in a series of reports from all the third party service providers.
- Resulting from the work of the audit committee, certain key risks are identified for disclosure and discussion in our annual report. In the year we have also assessed residual risks after controls and mitigating actions have been applied, and evaluated whether our risk appetite has been satisfied. The principal risks are in relation to Portfolio, Business and Operational matters. The risks identified, together with mitigating actions, and the results of the risk appetite assessment are set out in the Strategic Report on pages 16 and 17.

Viability Statement

Based on this review of risk the committee reviewed a paper that supported the board's conclusion, set out on page 18 in the strategic report, of their reasonable expectation that the company is viable in the longer term, assessed as the next five years.

The audit, its effectiveness and the terms of appointment of the auditor

The committee reviewed the terms of appointment of the auditor, monitored the audit process, assessed the auditor's independence and objectivity as well as the effectiveness of the audit process. It was noted that there were no non audit services provided by the firm, and that none are planned in the financial year to 30 November 2020.

As part of the review of the auditor, the members of the committee and those representatives of the manager involved in the audit process reviewed and considered a number of areas including:

- the reputation and standing of the audit firm;
- the audit processes, evidence of partner oversight and external information such as annual reports from the auditor's regulator;
- the skills, experience and specialist knowledge of the audit team, particularly relating to investment trusts;
- audit communication including details of planning, information on relevant accounting and regulatory developments, and recommendations on corporate reporting;
- the reasonableness of audit fees; and
- the Financial Reporting Council's Audit Quality Report on PricewaterhouseCoopers LLP for 2018/19.

There were no non audit services in the years ended 30 November 2019 or 30 November 2018.

The committee considered the representations made by the auditor and sought comments from representatives of the manager on the provision of services by the auditor and the effectiveness of the external audit for the year ended 30 November 2019.

It is the practice of the committee to meet with the auditor without management present. Based on all of the above, the audit committee considers that the performance of the auditor is satisfactory and has recommended to the board that a resolution proposing the re-appointment of the auditor is put to shareholders at the annual general meeting.

Financial Report and Significant Issues

The chief issues identified for the review of the financial statements, those identified as presenting the greatest risks, were substantively similar to those identified in the audit for the year ended 2018:

- the valuation and existence of the investments in the portfolio; and
- the accuracy, occurrence and completeness of dividend income.

Valuation and existence of the investments in the portfolio

Investments are valued using stock exchange prices provided by third party financial data vendors. Unlisted investments are recognised on a fair value basis as set out in the Statement of Accounting Policies on page 86 and are reviewed by the manager's valuation committee before being approved by the company and being made available to the auditor.

The manager confirms to us the existence and ownership of portfolio investments. The manager receives information from the custodian which is reconciled with the portfolio list.

Accuracy, occurrence and completeness of dividend income

We review income reports and forecasts in detail with the manager at each meeting of the board, including yield information. We also look at changes to the forecast for each portfolio stock from meeting to meeting.

The committee confirms that these reports and checks have provided the directors with reasonable assurances on the risks identified.

These and other matters, identified as posing lesser risk, were considered and discussed with the manager and the auditor as part of the year end process.

In addition we reviewed the manner in which expenses are allocated between capital and income and concluded that the ratio of 70:30 remains appropriate since it fairly reflects our investment policy and split of prospective capital and income returns.

We also confirmed, as stated in the Statement of Accounting Policies on page 87, that there are no judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The committee observed the audit materiality and error reporting thresholds in the audit plan and confirmed that they were satisfied with these. As in previous years, the auditor set the materiality threshold as 1% of net asset value to align closely with comparable companies, but continues to report to the committee on matters below that level on qualitative grounds. In practice there were no unadjusted errors reported in the audit.

The audit committee and the whole board reviewed the entire annual report and noted all of the supporting information received. It then considered whether the annual report satisfactorily reflected a true picture of the company and its activities and performance in the year, with a clear link between the relevant sections of the report and concluded that it did so. The directors were then able to confirm that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

Internal audit

The audit committee continues to believe that the company does not require an internal audit function of its own as it delegates its day-to-day operations to third parties from whom it receives internal control reports. Reports from third party auditors on the internal controls maintained on behalf of the company by AllianzGI and by all other providers of administrative and custodian services to AllianzGI or directly to the company were reviewed during the year.

Whistleblowing

As the company has no employees it does not have a formal policy concerning the raising, in confidence, of any concerns about improprieties for appropriate independent investigation. The audit committee has, however, received and noted the manager's policy on this matter. However, any matters concerning the company should be raised with the Chairman or Senior Independent Director.

Ian Barlow FCA CTA
Audit Committee Chairman
19 February 2020

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement under Disclosure Guidance and Transparency Rule 4.1.12

The directors, at the date of the approval of this Report, each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and
- the annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

This responsibility statement was approved by the board of directors on 19 February 2020 and signed on its behalf by:

Carolan Dobson
Chairman

Financial Statements

Munich, Germany is home to Muenchener Rueckversicherungs-Gesellschaft (Munich Re), our largest continental European holding.

Independent Auditor's Report to the Members of The Brunner Investment Trust PLC

Report on the audit of the financial statements

Opinion

In our opinion, The Brunner Investment Trust PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Financial Report (the "Annual Report"), which comprise: the Balance Sheet as at 30 November 2019; the Income Statement, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

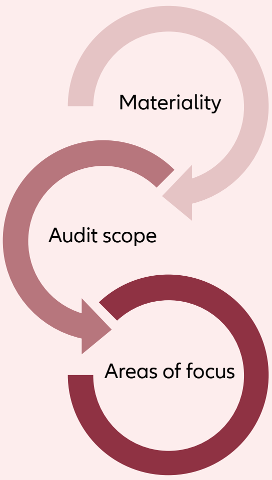
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 1 December 2018 to 30 November 2019.

Our audit approach

Overview



- Overall materiality: £4,037,865 (2018: £3,602,000), based on 1% of Net Asset Value.

- The company is a standalone Investment Trust Company and engages Allianz Global Investors GmbH UK Branch (the "Manager") to manage its assets.
- We conducted our audit of the financial statements using information from State Street Bank & Trust Company (the "Administrator") to whom the Manager has, with the consent of the directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.

- Valuation and existence of investments
- Accuracy, occurrence and completeness of Income from investments

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud
Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 86 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Chapter 15 of the UK Listing Rules applicable to Closed-Ended Investment Funds. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value, and management bias in accounting estimates:

- Discussions with the manager and the audit committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Audit Committee;
- Evaluation of the controls implemented by the Company and the Administrator designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Identifying and testing journal entries, in particular year end journal entries posted by the administrator during the preparation of the financial statements and any journals with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters
Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments *Refer to page 72 (Report of the Audit Committee), page 86 (Accounting Policies) and page 88 (Notes to the financial statements).* The investment portfolio at the year-end comprised listed equity investments valued at £436m. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the financial statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources. No misstatements were identified by our testing identified which required reporting to those charged with governance. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No misstatements were identified by our testing identified which required reporting to those charged with governance.

Key audit matter	How our audit addressed the key audit matter
Accuracy, occurrence and completeness of Income from investments *Refer to page 71 (Report of the Audit Committee), page 86 (Accounting Policies) and page 88 (Notes to the financial statements).* We focused on the accuracy, occurrence and completeness of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. No misstatements were identified which required reporting to those charged with governance. To test for completeness, we tested, for a sample of investment holdings/all investment holdings in the portfolio, that all dividends declared in the market by investment holdings had been recorded. No misstatements were identified which required reporting to those charged with governance. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. Our testing did not identify any misstatements which required reporting to those charged with governance. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. Our procedures did not identify any misstatements which required reporting to those charged with governance

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control reports issued by the independent service auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£4,037,865 (2018: £3,602,000).
How we determined it	1% of Net Asset Value.
Rationale for benchmark applied	We have applied this benchmark, which is generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £201,893 (2018: £180,100) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 November 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

The directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 16 of the Annual Report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 18 of the Annual Report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the company and statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the company and its environment obtained in the course of the audit. *(Listing Rules)*

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 74, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the company's position and performance, business model and strategy is materially inconsistent with our knowledge of the company obtained in the course of performing our audit.
- The section of the Annual Report on page 71 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 74, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 19 December 2018 to audit the financial statements for the year ended 30 November 2018 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 30 November 2018 to 30 November 2019.

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
19 February 2020

Income Statement

for the year ended 30 November 2019

	Notes	2019 Revenue £	2019 Capital £	2019 Total Return £	2018 Revenue £	2018 Capital £	2018 Total Return £
Gains on investments held at fair value through profit or loss	8	-	44,532,408	44,532,408	-	3,230,518	3,230,518
Losses on foreign currencies		-	(113,939)	(113,939)	-	(140,338)	(140,338)
Income	1	11,504,521	-	11,504,521	10,968,206	-	10,968,206
Investment management fee	2	(544,156)	(1,269,696)	(1,813,852)	(537,597)	(1,254,394)	(1,791,991)
Administration expenses	3	(661,219)	(799)	(662,018)	(606,637)	(1,391)	(608,028)
Profit before finance costs and taxation		**10,299,146**	**43,147,974**	**53,447,120**	**9,823,972**	**1,834,395**	**11,658,367**
Finance costs: interest payable and similar charges	4	(289,632)	(619,284)	(908,916)	(723,962)	(10,458,860)	(11,182,822)
Profit (loss) on ordinary activities before taxation		**10,009,514**	**42,528,690**	**52,538,204**	**9,100,010**	**(8,624,465)**	**475,545**
Taxation	5	(761,084)	-	(761,084)	(702,378)	-	(702,378)
Profit (loss) after taxation attributable to ordinary shareholders		**9,248,430**	**42,528,690**	**51,777,120**	**8,397,632**	**(8,624,465)**	**(226,833)**
Earnings (loss) per ordinary share (basic and diluted)	7	**21.66p**	**99.62p**	**121.28p**	**19.67p**	**(20.20p)**	**(0.53p)**

Dividends to be distributed in respect of the financial year ended 30 November 2019 total 19.98p (2018 - 18.15p), amounting to £8,530,007 (2018 - £7,748,729). Details are set out in Note 6 on page 91.

The total return column of this statement is the profit and loss account of the company.

The supplementary revenue return and capital return columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The net profit for the year disclosed above represents the company's total comprehensive income.

The notes on pages 86 to 102 form an integral part of these Financial Statements.

Balance Sheet

at 30 November 2019

	Notes	2019 £	2019 £	2018 £
Fixed assets				
Investments held at fair value through profit or loss	8		435,569,013	381,787,312
Current assets				
Other receivables	10	2,593,076		1,520,117
Cash and cash equivalents	10	2,327,639		11,132,616
		4,920,715		**12,652,733**
Current liabilities				
Other payables	10	(11,639,274)		(9,111,545)
Net current (liabilities) assets			**(6,718,559)**	**3,541,188**
Total assets less current liabilities			**428,850,454**	**385,328,500**
Creditors: amounts falling due after more than one year	11		(25,063,910)	(25,055,376)
Total net assets			**403,786,544**	**360,273,124**
Capital and reserves				
Called up share capital	12		10,673,181	10,673,181
Capital redemption reserve	13		5,326,819	5,326,819
Capital reserve	13		371,014,001	328,485,311
Revenue reserve	13		16,772,543	15,787,813
Equity shareholders' funds	14		**403,786,544**	**360,273,124**
Net asset value per ordinary share	14		**945.8p**	**843.9p**

The financial statements of The Brunner Investment Trust PLC, company number 00226323, were approved and authorised for issue by the Board of Directors on 19 February 2020 and signed on its behalf by:

Carolan Dobson
Chairman

The notes on pages 86 to 102 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the year ended 30 November 2019

	Notes	Called up Share Capital £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets as at 1 December 2017		10,673,181	5,326,819	337,109,776	14,904,100	368,013,876
Revenue profit		-	-	-	8,397,632	8,397,632
Dividends on ordinary shares	6	-	-	-	(7,513,919)	(7,513,919)
Capital loss		-	-	(8,624,465)	-	(8,624,465)
Net assets as at 30 November 2018		**10,673,181**	**5,326,819**	**328,485,311**	**15,787,813**	**360,273,124**
Net assets as at 1 December 2018		10,673,181	5,326,819	328,485,311	15,787,813	360,273,124
Revenue profit		-	-	-	9,248,430	9,248,430
Dividends on ordinary shares	6	-	-	-	(8,269,581)	(8,269,581)
Unclaimed Dividends		-	-	-	5,881	5,881
Capital profit		-	-	42,528,690	-	42,528,690
Net assets as at 30 November 2019		**10,673,181**	**5,326,819**	**371,014,001**	**16,772,543**	**403,786,544**

The notes on pages 86 to 102 form an integral part of these Financial Statements.

Cash Flow Statement

for the year ended 30 November 2019

	Notes	2019 £	2018 £
Operating activities			
Profit before finance costs and taxation*		53,447,120	11,658,367
Less: Gains on investments held at fair value through profit or loss		(44,532,408)	(3,230,518)
Add: Special dividends credited to capital		306,476	-
Less: Overseas tax suffered		(761,084)	(702,378)
Add: Losses on foreign currency		113,939	140,338
Purchase of fixed asset investments held at fair value through profit or loss		(58,125,352)	(58,464,100)
Sales of fixed asset investments held at fair value through profit or loss		49,985,728	65,927,432
Decrease (increase) in other receivables		57,398	(84,741)
(Decrease) increase in other payables		(50,763)	39,789
Net cash inflow from operating activities		**441,054**	**15,284,189**
Financing activities			
Interest paid and similar charges		(845,893)	(13,874,360)
Repayment of Stepped Rate Interest Loan		-	(18,200,000)
Repayment of Fixed Rate Interest Loan		-	(28,000,000)
Proceeds from Revolving Credit Facility		-	8,000,000
Proceeds from 2.84% Fixed Rate Note 2048		-	24,601,800
Dividend paid on cumulative preference stock		(22,499)	(22,500)
Dividends paid on ordinary shares	6	(8,269,581)	(7,513,919)
Unclaimed dividends over 12 years		5,881	-
Net cash outflow from financing activities		**(9,132,092)**	**(35,008,979)**
Decrease in cash and cash equivalents		**(8,691,038)**	**(19,724,790)**
Cash and cash equivalents at the start of the year		11,132,616	30,997,744
Effect of foreign exchange rates		(113,939)	(140,338)
Cash and cash equivalents at the end of the year		2,327,639	11,132,616
Comprising:			
Cash at bank		2,327,639	11,132,616

* Cash inflow from dividends was £10,468,821 (2018 - £10,982,138) and cash inflow from interest was £14,750 (2018 - £15,759).

The notes on pages 86 to 102 form an integral part of these Financial Statements.

Statement of Accounting Policies

for the year ended 30 November 2019

The company is incorporated in the United Kingdom under the Companies Act. The company is a public company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 58. The principal activity of the company and the nature of its operations are set out in the strategic report on pages 12 to 19. The company conducts its business so as to qualify as an investment trust company within the meaning of sub-section 1158 of the Corporation Tax Act 2010. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1. **Basis of preparation** – The financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments held at fair value through profit or loss and in accordance with applicable United Kingdom law and UK Accounting Standards (UK GAAP), including Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in line with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies (AIC SORP) in November 2014 and updated in October 2019. The amended SORP is not mandatory for adoption until periods beginning on or after 1 January 2019. Therefore it has been early adopted.

   In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of revenue and capital nature has been presented alongside the Income Statement. In accordance with the company's Articles of Association, net capital returns may not be distributed by way of dividend.

   The directors believe that 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 significantly exceed liabilities. Accordingly, the directors believe that the company has adequate financial resources, to continue in operational existence for the foreseeable future. The company's business, the principal risks and uncertainties it faces, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 12 to 19.

2. **Income** – Dividends received on equity shares are accounted for on an ex-dividend basis. Foreign dividends are grossed up at the appropriate rate of withholding tax.

   Special dividends are recognised on an ex-dividend basis and treated as a capital or revenue item depending on the facts and circumstances of each dividend. The board reviews special dividends and their treatment at each meeting.

   Where the company has elected to receive its dividends in the form of additional shares rather than in cash, the equivalent of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves.

   Deposit interest receivable is accounted for on an accruals basis.

   Commissions in respect of underwriting are recognised when the underwritten issue closes and are generally recognised within the Income Statement as revenue. Where, however, the company is required to take up a proportion of the shares underwritten, the same proportion of the shares underwritten is recognised as capital, with the balance recognised as revenue.

3. **Investment management fee and administrative expenses** – The investment management fee is calculated on the basis set out in Note 2 to the financial statements and is charged to capital and revenue in the ratio 70:30 to reflect the company's investment policy and prospective capital and income growth. Other administrative expenses are charged in full to revenue, except custodian handling charges on investment transactions which are charged to capital. All expenses are on an accruals basis.

4. **Investments** – As the company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are held at fair value through profit or loss in accordance with FRS 102 Section 11: 'Basic Financial Instruments' and Section 12: 'Other Financial Instruments'. The company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about investments is provided on this basis to the board.

   Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid price or the last traded price depending on the convention of the exchange on which they are listed.

Gains or losses on investments are recognised in the capital column of the Income Statement. Purchases and sales of financial assets are recognised on the trade date, being the date which the company commits to purchase or sell assets.

Unlisted investments are valued by the Directors based upon the latest dealing prices, stockbrokers' valuations, net asset values, earnings and other known accounting information in accordance with the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in December 2018.

After initial recognition unquoted stocks are valued by the board on an annual basis.

5. Finance costs – In accordance with the FRS 102 Section 11: 'Basic Financial Instruments' and Section 12 'Other Financial Instruments', long term borrowings are stated at the amortised cost being the amount of net proceeds on issue plus accrued finance costs to date. Finance costs are calculated over the term of the debt on the effective interest rate basis.

   Where debt is issued at a premium, the premium is amortised over the term of the debt on the effective interest rate basis.

   Finance costs net of amortised premiums are charged to capital and revenue in the ratio 70:30 to reflect the board's investment policy and prospective split of capital and revenue returns.

   Dividends payable on the 5% cumulative preference stock are classified as an interest expense and are charged in full to revenue.

6. Taxation – Where expenses are allocated between capital and revenue, any tax relief obtained in respect of those expenses is allocated between capital and revenue on the marginal method and the company's effective rate of corporation tax for the accounting period. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

   A deferred tax asset is recognised when it is more likely than not that the asset will be recoverable. Deferred tax is measured on a non-discounted basis at the rate of corporation tax that is expected to apply when the timing differences are expected to reverse.

7. Shares repurchased and subsequently cancelled – Share capital is reduced by the nominal value of the shares repurchased, and the capital redemption reserve is correspondingly increased in accordance with Section 733 Companies Act 2006. The full cost of the repurchase is charged to the capital reserve within Gains (Losses) on Sales of Investments.

8. Dividends – In accordance with FRS 102 Section 32: 'Events After the End of the Reporting Period', the final dividend proposed on ordinary shares is recognised as a liability when approved by shareholders. Interim dividends are recognised only when paid. Dividends are paid from the revenue reserve.

9. Foreign currency – In accordance with FRS 102 Section 30: 'Foreign Currency Translation', the company is required to nominate a functional currency, being the currency in which the company predominately operates. The functional and reporting currency is pounds sterling, reflecting the primary economic environment in which both the company and its' shareholders predominantly operate and in which its' expenses are generally paid. Transactions in foreign currencies are translated into pounds sterling at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into pounds sterling at the rates of exchange ruling at the balance sheet date. Profits and losses thereon are recognised in the capital column of the income statement and taken to the capital reserve.

10. Significant judgements, estimates and assumptions – In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. There are no significant judgements, estimates, and assumptions. The investment portfolio currently consists of listed investments and therefore no significant estimates have been made in valuing those securities.

    Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

for the year ended 30 November 2019

1. Income

	2019 £	2018 £
Income from Investments*		
Equity income from UK investments†	4,800,955	4,935,335
Equity income from overseas investments††	6,688,816	6,012,967
	11,489,771	**10,948,302**
Other Income		
Deposit interest	14,750	13,930
Underwriting commission	-	5,974
	14,750	**19,904**
Total income	**11,504,521**	**10,968,206**

* All dividend income is derived from listed investments.

† Includes special dividends of £49,820 (2018 - £93,243).

†† Includes special dividends of £312,736 (2018 - £114,578).

2. Investment Management Fee

	2019 Revenue £	2019 Capital £	2019 Total £	2018 Revenue £	2018 Capital £	2018 Total £
Investment management fee	**544,156**	**1,269,696**	**1,813,852**	**537,597**	**1,254,394**	**1,791,991**

Under the terms of the Management and Administration Agreement the company's manager is Allianz Global Investors GmbH, UK Branch (AllianzGI). The agreement was restated in July 2014, with the appointment of AllianzGI as the Alternative Investment Fund Manager. The terms of the agreement were unchanged: it provides for a management fee based on 0.45% per annum of the value of the assets after deduction of current liabilities, short-term loans under one year and other funds managed by AllianzGI, calculated monthly. The fee is charged in the ratio 70:30 between capital and revenue as set out in the Statement of Accounting Policies.

The provision of investment management services, company administrative and secretarial services by AllianzGI under the Management and Administration Agreement may be terminated by either the company or AllianzGI on not less than six months' notice.

3. Administration Expenses

	2019 £	2018 £
Auditors' remuneration		
for audit services	29,925	28,500
VAT on auditor's remuneration	5,985	5,700
	35,910	**34,200**
Directors' fees	140,500	141,000
Depositary fees	42,673	44,274
Custody fees	42,336	53,223
Registrars' fees	46,229	46,819
Association of Investment Companies' fees	21,543	20,837
Marketing costs	150,661	145,271
Printing and postage	42,384	42,502
Directors' and officers' liability insurance	9,456	7,089
Professional and advisory fees	72,609	34,830
Other	92,757	91,554
VAT recovered	(35,839)	(54,962)
	661,219	**606,637**

(i) The above expenses include value added tax where applicable.
(ii) Directors' fees are set out in the Directors' Remuneration Report on page 68.
(iii) Custodian handling charges of £799 were charged to capital (2018 - £1,391).

4. Finance Costs: Interest Payable and Similar Charges

	2019 Revenue £	2019 Capital £	2019 Total £	2018 Revenue £	2018 Capital £	2018 Total £
On Stepped Rate Interest Loan	-	-	-	55,664	128,449	184,113
On Fixed Rate Interest Loan	8,391	19,578	27,969	496,596	1,158,724	1,655,320
Administration fees related to Fixed Rate Interest Loan repayment	-	-	-	29,827	69,595	99,422
On Fixed Rate Interest Loan repayment premium	-	-	-	-	8,831,014	8,831,014
On 5% Cumulative Preference Stock repayable after more than five years	22,499	-	22,499	22,500	-	22,500
On 2.84% Fixed Rate Notes 2048 repayable after more than five years	215,560	502,974	718,534	91,859	214,339	306,198
On Revolving Credit Facility	41,768	96,732	138,500	24,317	56,739	81,056
On Sterling overdraft	1,414	-	1,414	3,199	-	3,199
	289,632	**619,284**	**908,916**	**723,962**	**10,458,860**	**11,182,822**

The Fixed Rate Interest Loan was repaid on 2 July 2018. The total cost of redeeming the debt was £38.9m net of expenses and £0.3m of interest already accrued to 2 July 2018. The early repayment premium, as required under the Fintrust legal agreement, of £10.9m over the borrowed amount of £28.0m, was paid from capital. The early repayment premium above of £8.8m is net of the £2.1m unamortised portion of the premium received in 1998, which was accelerated and offset against the early repayment premium paid.

5. Taxation

	2019 Revenue £	2019 Capital £	2019 Total £	2018 Revenue £	2018 Capital £	2018 Total £
Overseas taxation	761,084	-	761,084	702,378	-	702,378
Total tax	761,084	-	761,084	702,378	-	702,378
Reconciliation of tax charge						
Profit before taxation	10,009,514	42,528,690	52,538,204	9,100,010	(8,624,465)	475,545
Tax on profit at 19.00% (2018 - 19.00%)	1,901,808	8,080,451	9,982,259	1,729,002	(1,638,649)	90,353
Effects of						
Non-taxable income	(2,183,056)	-	(2,183,056)	(2,080,177)	-	(2,080,177)
Non-taxable capital gains	-	(8,439,509)	(8,439,509)	-	(587,134)	(587,134)
Disallowable expenses	4,275	152	4,427	4,512	818	5,330
Overseas tax suffered	761,084	-	761,084	702,378	-	702,378
Excess of allowable expenses over taxable income	276,973	358,906	635,879	346,663	2,224,965	2,571,628
Total tax	**761,084**	**-**	**761,084**	**702,378**	**-**	**702,378**

The company's taxable income is exceeded by its tax allowable expenses, which include both the revenue and capital elements of the management fee and finance costs.

As at 30 November 2019, the company had accumulated surplus expenses of £94.3 million (2018 - £100.1 million) and eligible unrelieved foreign tax of nil (2018 - nil).

The company has not recognised a deferred tax asset of £16.0 million (2018 - £17.0 million) in respect of these expenses, based on a prospective corporation tax rate of 17% (2018 - 17%) because there is no reasonable prospect of recovery. The reduction in the standard rate of corporation tax was substantively enacted on 6 September 2016 and will be effective from 1 April 2020.

6. Dividends on Ordinary Shares

	2019 £	2018 £
Dividends paid on ordinary shares		
Third interim dividend - 4.05p paid 14 December 2018 (2017 - 3.50p)	1,729,055	1,494,245
Final dividend - 6.00p paid 5 April 2019 (2018 - 6.00p)	2,561,564	2,561,564
First interim dividend - 4.66p paid 25 July 2019 (2018 - 4.05p)	1,989,481	1,729,055
Second interim dividend - 4.66p paid 19 September 2019 (2018 - 4.05p)	1,989,481	1,729,055
	8,269,581	**7,513,919**

Dividends payable at the year end are not recognised as a liability under FRS 102 Section 32 'Events After the End of the Reporting Period' (see page 87 - Statement of Accounting Policies). Details of these dividends are set out below.

	2019 £	2018 £
Third interim dividend - 4.66p paid 12 December 2019 (2018 - 4.05p)	1,989,481	1,729,055
Final proposed dividend - 6.00p payable 3 April 2020 (2019 - 6.00p)	2,561,564	2,561,564
	4,551,045	**4,290,619**

The proposed final dividend accrued is based on the number of shares in issue at the year end. However, the dividend payable will be based on the numbers of shares in issue on the record date and will reflect any changes in the share capital between the year end and the record date.

All dividends disclosed in the tables above have been paid or are payable from the revenue reserves.

7. Earnings per Ordinary Share

	2019 Revenue £	2019 Capital £	2019 Total £	2018 Revenue £	2018 Capital £	2018 Total £
Profit (loss) after taxation attributable to ordinary shareholders	9,248,430	42,528,690	51,777,120	8,397,632	(8,624,465)	(226,833)
Earnings (loss) per ordinary share	21.66p	99.62p	121.28p	19.67p	(20.20p)	(0.53p)

The earnings per ordinary share is based on a weighted number of shares 42,692,727 (2018 - 42,692,727) ordinary shares in issue.

8. Fixed Asset Investments

	2019 £	2018 £
Opening book cost	246,535,918	243,240,469
Opening investments holding gains	135,251,394	139,715,649
Opening market value	**381,787,312**	**382,956,118**
Additions at cost	60,671,854	57,902,910
Disposals proceeds received	(51,116,085)	(62,302,234)
Gains on investments	44,225,932	3,230,518
Market value of investments held at 30 November	**435,569,013**	**381,787,312**
Closing book cost	271,420,282	246,535,918
Closing investment holding gains	164,148,731	135,251,394
Closing market value	**435,569,013**	**381,787,312**
Gains on investments		
Gains on investment	44,225,932	3,230,518
Special dividends credited to capital	306,476	-
Gains on investments	**44,532,408**	**3,230,518**

The company received £51,116,086 (2018 - £62,302,234) from investments sold in the year. The book cost of these investments when they were purchased was £35,733,669 (2018 - £94,237,499).

These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The board considers that the company's unlisted investment is not material to the financial statements. No material disposals of unlisted investments took place during the year (2018 - none).

Transaction costs and stamp duty on purchases amounted to £123,785 (2018 - £92,101) and transaction costs on sales amounted to £15,540 (2018 - £36,825).

9. Investments in Other Companies

The company held more than 10% of the share capital of the following company at 30 November 2019 .

Company	Class of Shares held	%
Fintrust Debenture PLC (Fintrust)	Ordinary Shares	50.0

Fintrust is incorporated in Great Britain and registered in England and Wales.

In the opinion of the directors, the company is not in a position to exert significant influence over the financial operating policies of Fintrust, either through voting rights or through agreement with the company's other shareholders, due to provisions in Fintrust's Articles of Association and in certain contracts between the company and Fintrust. Accordingly, Fintrust is not considered to be an Associate Undertaking as per FRS 102 Section 14 and is therefore included in the balance sheet at the directors' valuation. Fintrust was the lender of the company's Fixed Rate Interest Loan. The Fixed Rate Interest Loan was repaid on 2 July 2018. Fintrust was placed into liquidation on 25 November 2019. The company continues to own share capital in Fintrust and will pay its share of any additional expenses borne out of the liquidation process.

10. Other Receivables and Other Payables

		2019 £	2018 £
Other receivables			
Sales for future settlement		1,130,357	-
Accrued income		1,366,718	1,473,796
Prepayments		49,993	46,321
Other income		46,008	-
		2,593,076	**1,520,117**
Cash and cash equivalents			
Current account		2,327,639	11,132,616
		2,327,639	**11,132,616**
Other payables: amounts falling due within one year			
Purchases for future settlement		2,546,502	-
Other payables		724,058	774,821
Interest on borrowings (see below)		313,871	313,873
Revolving Credit Facility	10(i)	8,054,843	8,022,851
		11,639,274	**9,111,545**

The carrying amount of other receivables, cash and cash equivalents and other payables: amounts falling due within one year, each approximate their fair value.

	2019 £	2018 £
Interest on outstanding borrowings consists of:		
5% Cumulative preference stock	11,248	11,250
2.84% Fixed Rate Note 2048	302,623	302,623
	313,871	**313,873**

(i) On 28 June 2019 the company entered into a revolving credit facility agreement of £10,000,000 and drew down £8,000,000. The rate of interest for the revolving credit facility is set at each roll-over date and is made up of a fixed margin plus LIBOR rate. Under this agreement £8,000,000 was rolled over on 28 December 2019 at a rate of 1.63% with a maturity date of 29 June 2020. The repayment date of the revolving facility is the last day of its interest period and the termination date is 29 June 2020.

The company pays a commitment fee of 0.2% p.a. on any undrawn amounts.

11. Creditors: Amounts falling due after more than one year

		2019 £	2018 £
5% Cumulative preference stock	(i)	450,000	450,000
2.84% Fixed Rate Note 2048	(ii)	24,613,910	24,605,376
		25,063,910	**25,055,376**

(i) The 5% Cumulative Preference Stock is recognised as a creditor due after more than one year under the provisions of FRS102 Section 11: 'Basic Financial Instruments' and Section 12: 'Other Financial Instruments'. The right of the preference stockholders to receive payments is not calculated by reference to the company's profits and, in the event of a return of capital are limited to a specific amount, being £450,000. Dividends on the preference stock are payable on 30 June and 31 December each year.

(ii) The Fixed Rate Notes of £25,000,000 is stated at £24,613,910 (2018 - £24,605,376) being the net proceeds of £24,601,800 plus accrued finance costs of £12,110 (2018 - £3,576).

The Note is repayable on 28 June 2048 and carries interest at 2.84% per annum on the principal amount. Interest is payable in June and December each year. The effective interest rate of the loan inclusive of the issue costs is 2.94%.

12. Called up Share Capital

	2019 £	2018 £
Allotted and fully paid		
42,692,727 ordinary shares of 25p each (2018 - 42,692,727)	**10,673,181**	**10,673,181**

The directors are authorised by an ordinary resolution passed on 4 April 2019 to allot relevant securities, in accordance with section 551 of the Companies Act 2006, up to a maximum of 14,230,908 ordinary shares of 25p each. This authority expires on 3 July 2020 and accordingly a renewed authority will be sought at the annual general meeting on 1 April 2020.

During the year nil (2018 - nil) ordinary shares were repurchased by the company. The aggregate purchase price of these shares, amounting to £nil (2018 - £nil) was charged to the capital reserve, within gains on sales of investments (see Note 13).

13. Reserves

		Capital Reserve		
	Capital Redemption Reserve £	Gains (losses) on sales of Investments £	Investment Holding Gains (losses) £	Revenue Reserve £
Balance at 1 December 2018	5,326,819	193,226,809	135,258,502	15,787,813
Gains on realisation of investments	-	17,260,480	-	-
Transfer on disposal of investments	-	(1,931,885)	1,931,885	-
Movement in investment holding gains	-	-	26,965,452	-
Special dividends	-	306,476	-	-
Losses on foreign currency	-	-	(113,939)	-
Investment management fee	-	(1,269,696)	-	-
Finance costs of borrowings	-	(619,284)	-	-
Other capital expenses	-	(799)	-	-
Dividends appropriated in the year	-	-	-	(8,269,581)
Profit retained for the year	-	-	-	9,248,430
Unclaimed dividends	-	-	-	5,881
Balance at 30 November 2019	**5,326,819**	**206,972,101**	**164,041,900**	**16,772,543**

Under the terms of the company's Articles of Association, the capital reserves are distributable only by way of redemption or purchase of the company's own shares, for so long as the company carries on business as an Investment Company. The Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants in Scotland (ICAS), in its technical guidance TECH 02/17, states that investment holding gains arising out of a change in fair value of assets may be recognised as gains on sales of investments provided they can be readily converted into cash. Securities listed on a stock exchange are generally regarded as being readily convertible into cash and hence investment holding gains in respect of such securities may be regarded as realised under company law.

All paid and payable dividends for the year are charged to the revenue reserve (2018 - same). In accordance with the company's Articles of Association, net capital returns may not be distributed by way of a dividend.

14. Net Asset Value Total Return

The net asset value total return for the year is the percentage movement from the capital net asset value as at 30 November 2018 to the net asset value, on a total return basis as at 30 November 2019. The net asset value total return with debt at fair value is 13.2% (2018 - 2.7%) and the net asset value total return with debt at par is 14.4% (2018 - 0.0%).

The net asset value per ordinary share is based on 42,692,727 ordinary shares in issue at the year end (2018 - 42,692,727). The method of calculation of the net asset value with debt at fair value is described in Note 16(c) on page 99.

The net asset value per ordinary share was as follows:

	Debt at fair value 2019	Debt at par 2019	Debt at fair value 2018	Debt at par 2018
Net asset value per ordinary share attributable	937.40p	945.80p	845.80p	843.90p
Effect of dividends reinvested on the respective ex-dividend dates	19.98p	19.98p	18.15p	18.15p
Net asset value total return	**957.38p**	**965.78p**	**863.95p**	**862.05p**
Net asset value attributable	**£400,206,584**	**£403,786,544**	**£361,105,475**	**£360,273,124**

15. Contingent Liabilities, Capital Commitments and Guarantees

At 30 November 2019 there were no contingent liabilities (2018 - £nil).

16. Financial Risk Management policies and procedures

The company invests in equities and other investments in accordance with its investment objective as stated in the Strategic Report on page 12. In pursuing its investment objective, the company is exposed to certain inherent risks that could result in either a reduction in the company's net assets or a reduction in the profits available for distribution by way of dividends.

The main risks arising from the company's financial instruments are: market risk (comprising market price risk, market yield risk, foreign currency risk and interest rate risk), liquidity risk and credit risk. The directors' approach to the management of these risks, are set out below. The directors determine the objectives and agree policies for managing each of these risks, as set out below. The manager, in close cooperation with the directors, implements the company's risk management policies. These policies have remained substantially unchanged during the current and preceding year.

(a) Market Risk

The manager assesses the exposure to market risk when making each investment decision, and monitors the risk on the investment portfolio on an ongoing basis. Market risk comprises of market price risk (price and yield), foreign currency risk and interest rate risk.

(i) Market Price Risk

Market price risk arises mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the company might suffer through holding market positions in the face of price movements. An analysis of the company's portfolio is shown on pages 46 to 53.

Market Price Risk Sensitivity

The value of the company's listed equities which were exposed to market price risk as at 30 November 2019 and 2018 was as follows:

	2019 £	2018 £
Listed equity investments held at fair value through profit or loss	**435,564,675**	**381,782,974**

The following illustrates the sensitivity of the return after taxation for the year and the net assets to an increase or decrease of 20% (2018 - 20%) in the fair values of the company's quoted equities. This level of change is considered to be reasonably possible based on observation of market conditions in recent years. The sensitivity analysis on the profit after taxation and net assets is based on the impact of a 20% increase or decrease in the value of the company's listed investments at each closing balance sheet date and the consequent impact on the investment management fees for the year, with all other variables held constant.

	2019 20% Increase in fair value £	2019 20% Decrease in fair value £	2018 20% Increase in fair value £	2018 20% Decrease in fair value £
Revenue earnings				
Investment management fee	(117,602)	117,602	(103,081)	103,081
Capital earnings				
Gains (losses) on investments at fair value	87,112,935	(87,112,935)	76,356,595	(76,356,595)
Investment management fee	(274,406)	274,406	(240,523)	240,523
Change in net earnings and net assets	**86,720,927**	**(86,720,927)**	**76,012,991**	**(76,012,991)**

Management of Market Price Risk

The directors meet regularly to review the asset allocation of the portfolio recommended by the manager, in order to minimise the risk associated with particular countries or industry sectors. Dedicated fund managers have the responsibility for monitoring the existing portfolio selection in accordance with the company's investment objectives and seek to ensure that individual stocks meet an acceptable risk reward profile.

(ii) Market Yield Risk

Market yield risk arises from the uncertainty about the company's ability to maintain its income objectives due to a systematic decline in corporate dividend levels.

Management of Market Yield Risk

The directors regularly review the current and projected yield of the investment portfolio, and discuss with the manager the extent to which it will enable the company to meet its investment income objective.

(iii) Foreign Currency Risk

Foreign currency risk is the risk of the movement in the values of overseas financial instruments as a result of fluctuations in exchange rates.

Management of Foreign Currency Risk

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. The company does not currently hedge against foreign currency exposure.

The table below summarises in sterling terms the foreign currency risk exposure:

	2019 Investments £	2019 Other net Liabilities £	2019 Total Currency Exposure £	2018 Investments £	2018 Other net Liabilities £	2018 Total Currency Exposure £
Pounds Sterling	107,460,332	(32,459,966)	75,000,366	100,766,558	(23,726,790)	77,039,768
Australian Dollar	7,876,949	91,580	7,968,529	7,256,688	100,235	7,356,923
Euro	55,703,635	294,930	55,998,565	50,964,140	227,465	51,191,605
Hong Kong Dollar	15,610,339	-	15,610,339	13,766,614	-	13,766,614
Japanese Yen	11,400,640	155,708	11,556,348	8,208,287	109,862	8,318,149
Norwegian Krona	-	-	-	-	4,202	4,202
Swedish Krona	10,902,650	-	10,902,650	3,495,970	-	3,495,970
Swiss Franc	34,837,910	372,885	35,210,795	27,786,386	335,253	28,121,639
Taiwan Dollar	-	872,886	872,886	-	876,566	876,566
US Dollar	191,776,558	(1,110,492)	190,666,066	169,542,669	559,019	170,101,688
Total	**435,569,013**	**(31,782,469)**	**403,786,544**	**381,787,312**	**(21,514,188)**	**360,273,124**

The following table details the company's sensitivity to a 20% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on net return and net assets. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the year end for a 20% change in foreign currency rates.

	2019 20% Decrease in sterling against foreign currencies £	2019 20% Increase in sterling against foreign currencies £	2018 20% Decrease in sterling against foreign currencies £	2018 20% Increase in sterling against foreign currencies £
Australian Dollar	1,992,132	(1,328,088)	1,839,231	(1,226,154)
Euro	13,999,641	(9,333,094)	12,797,901	(8,531,934)
Hong Kong Dollar	3,902,585	(2,601,723)	3,441,654	(2,294,436)
Japanese Yen	2,889,087	(1,926,058)	2,079,537	(1,386,358)
Norwegian Krona	-	-	1,051	(700)
Swedish Krona	2,725,663	(1,817,108)	873,993	(582,662)
Swiss Franc	8,802,699	(5,868,466)	7,030,410	(4,686,940)
Taiwan Dollar	218,222	(145,481)	219,142	(146,094)
US Dollar	47,666,516	(31,777,678)	42,525,422	(28,350,281)
Total	**82,196,545**	**(54,797,696)**	**70,808,341**	**(47,205,559)**

(iv) Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Interest Rate Exposure

The table below summarises in sterling terms the financial assets and financial liabilities whose values are directly affected by changes in interest rates.

	2019 Fixed rate interest £	2019 Floating rate interest £	2019 Nil Interest £	2019 Total £	2018 Fixed rate interest £	2018 Floating rate interest £	2018 Nil Interest £	2018 Total £
Financial assets	-	2,327,639	435,569,013	437,896,652	-	11,132,616	381,787,312	392,919,928
Financial Liabilities	(25,063,910)	-	-	(25,063,910)	(25,055,376)	-	-	(25,055,376)
Net financial (liabilities) assets	**(25,063,910)**	**2,327,639**	**435,569,013**	**412,832,742**	**(25,055,376)**	**11,132,616**	**381,787,312**	**367,864,552**
Short term receivables and payables	-	-	-	(9,046,198)	-	-	-	(7,591,428)
Net (liabilities) assets per balance sheet	**(25,063,910)**	**2,327,639**	**435,569,013**	**403,786,544**	**(25,055,376)**	**11,132,616**	**381,787,312**	**360,273,124**

As at 30 November 2019, the interest rates received on cash balances, or paid on bank overdrafts respectively, is approximate to 0.20% and 1.75% per annum (2018 - 0.27% and 1.60% per annum).

The fixed rate interest bearing liabilities bear the following coupon and effective rates as at 30 November 2018 and 30 November 2019.

2019	Maturity date	Amount borrowed £	Coupon rate	Effective rate since inception*
5% Cumulative Preference Stock	n/a	450,000	5.00%	n/a
2.84% Fixed Rate Note 2048	28/06/2048	25,000,000	2.84%	2.94%

2018	Maturity date	Amount borrowed £	Coupon rate	Effective rate since inception*
5% Cumulative Preference Stock	n/a	450,000	5.00%	n/a
2.84% Fixed Rate Note 2048	28/06/2048	25,000,000	2.84%	2.94%

* The effective rates are calculated in accordance with FRS 102 Section 12: 'Other Financial Instruments' as detailed in the Statement of Accounting Policies on page 86.

The weighted average effective rate of the company's fixed interest bearing liabilities (excluding the 5% cumulative preference stock) is 2.94% (2018 - 2.94%) and the weighted average period to maturity of these liabilities is 28.5 years (2018 - 29.5 years).

The above year end amounts are reasonably representative of the exposure to interest rates during the year, as the level of exposure does not change materially. The company's profit after tax and net assets, is not significantly affected by changes in interest rates.

Management of Interest Rate Risk

The company invests mainly in equities, the values of which are not directly affected by changes in prevailing market interest rates.

The company finances its operations through a mixture of share capital, retained earnings and long term borrowings which are subject to fixed and variable interest rates. Movement in interest rates will not materially affect the finance costs of the company.

The company is considered to have low direct exposure to interest rate risk.

(b) Liquidity Risk

Liquidity risk relates to the capacity to meet liabilities as they fall due and is dependent on the liquidity of the underlying assets.

Maturity of Financial Liabilities

The table below presents the future cash flows payable by the company in respect of its financial liabilities.

Cash flows in respect of the principal and interest on the 2.84% Fixed Rate Note 2048 reflect the maturity dates set out in Note 11 on pages 93 and 94. Cash flows in respect of the 5% cumulative preference stock, which has no fixed repayment date, assume maturity of 20 years from the balance sheet date. Cash flows have not been discounted.

2019	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
Other payables					
Finance costs of borrowing	366,250	366,250	-	-	732,500
Revolving Credit Facility	65,333	8,010,027	-	-	8,075,360
Other payables	3,270,560	-	-	-	3,270,560
Creditors: amounts falling due after more than one year					
Maturity of borrowings	-	-	-	25,450,000	25,450,000
Finance costs of borrowing	-	-	2,930,000	17,377,500	20,307,500
	3,702,143	**8,376,277**	**2,930,000**	**42,827,500**	**57,835,920**

2018	Three months or less £	Between three months and one year £	Between one and five years £	More than five years £	Total £
Other payables					
Finance costs of borrowing	366,250	389,101	-	-	755,351
Revolving Credit Facility	-	8,000,000	-	-	8,000,000
Other payables	774,821	-	-	-	774,821
Creditors: amounts falling due after more than one year					
Maturity of borrowings	-	-	-	25,450,000	25,450,000
Finance costs of borrowing	-	-	2,930,000	18,087,500	21,017,500
	1,141,071	**8,389,101**	**2,930,000**	**43,537,500**	**55,997,672**

Other creditors include trade creditors only, no accrued finance costs included.

Management of Liquidity Risk

Liquidity risk is not considered to be significant as the company's assets mainly comprise realisable securities, which can be sold to meet funding requirements. Short-term flexibility can be achieved through the use of overdraft facilities, where necessary. The company has an undrawn committed borrowing facility of £5 million (2018 - £5 million).

(c) Credit Risk

Credit risk is the risk of default by a counterparty in discharging its obligations under transactions that could result in the company suffering a loss. There were no impaired assets as of 30 November 2019 (30 November 2018 - nil). The counterparties which the company engages with are regulated entities and are of high credit quality.

Management of Credit Risk

Outstanding settlements are subject to credit risk. Credit risk is mitigated by the company through its decision to transact with counterparties of high credit quality. The company only buys and sells investments through brokers which are approved counterparties, thus minimising the risk of default during settlement. The credit rating of brokers are reviewed quarterly by the manager.

The company is also exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the company's rights with respect to cash held by banks to be delayed or limited. The company's cash balance is held by HSBC Bank plc, rated Aa3 by Moody's rating agency. The directors believe the counterparties the company has chosen to transact with are of high credit quality, therefore the company has minimal exposure to credit risk.

In summary, the exposure to credit risk at 30 November 2019 and 2018 was as follows:

	2019 £	2018 £
Other Receivables:		
Outstanding settlements	1,130,357	-
Accrued income	1,366,718	1,473,796
Prepayments	49,993	46,321
Other income	46,008	-
	2,593,076	**1,520,117**
Cash and cash equivalents	2,327,639	11,132,616
	4,920,715	**12,652,733**

Fair Values of Financial Assets and Financial Liabilities

Investments are designated as held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12.

FRS 102 as amended for 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.

With the exception of those financial liabilities measured at amortised cost, all other financial assets and financial liabilities are either carried at their fair value or the balance sheet amount is a reasonable approximation of their fair value.

As at 30 November 2019 the financial assets at fair value through profit and loss of £435,569,013 (2018 - £381,787,312) are categorised as follows:

	2019 £	2018 £
Level 1	435,564,675	381,782,974
Level 2	-	-
Level 3	4,338	4,338
	435,569,013	**381,787,312**

Level 3 investments comprise the one (2018 - one) unlisted equity holdings held by the company.

There were no transfers between levels for financial assets and financial liabilities during the year recorded at fair value as at 30 November 2019 and 30 November 2018.

The financial liabilities measured at amortised cost have the following fair values:*

	2019 Book Value £	2019 Fair Value £	2018 Book Value £	2018 Fair Value £
Preference Stock	450,000	768,870	450,000	555,525
Fixed Rate Note	24,613,910	27,875,000	24,605,376	23,667,500
	25,063,910	**28,643,870**	**25,055,376**	**24,223,025**

The net asset value per ordinary share, with the debt at fair value is calculated as follows:

	2019 £	2018 £
Net assets per balance sheet	403,786,544	360,273,124
Add: financial liabilities at book value	25,063,910	25,055,376
Less: financial liabilities at fair value *	(28,643,870)	(24,223,025)
Net assets (debt at fair value)	**400,206,584**	**361,105,475**
Net asset value per ordinary share (debt at fair value)	**937.4p**	**845.8p**

* The fair value has been derived from the closing market value as at 30 November 2019 and 30 November 2018.

The fair value of the long term debt is calculated with reference to the nearest relevant gilt based on repayment date. A margin is added to the yield of the relevant reference gilt to calculate the fair value. This margin is derived from the excess of UK corporate bond yields over gilt yields.

The net asset value per ordinary share is based on 42,692,727 ordinary shares in issue at 30 November 2019 (2018 - 42,692,727).

17. Capital Management Policies and Procedures

The company's objective is to provide growth in capital value and dividends over the long term through investing in a portfolio of UK and international securities.

The company's capital at 30 November comprises:

	2019 £	2018 £
Debt		
Revolving Credit Facility	8,054,843	8,022,851
Creditors: amounts falling due after more than one year	25,063,910	25,055,376
	33,118,753	**33,078,227**
Equity		
Called up share capital	10,673,181	10,673,181
Share premium account and other reserves	393,113,363	349,599,943
	403,786,544	**360,273,124**
Total Capital	**436,905,297**	**393,351,351**
Debt as a percentage of total capital	7.6%	8.4%

The board, with the assistance of the manager, monitors and reviews the broad structure of the company's capital on an ongoing basis. The level of gearing is monitored, taking into account the manager's view on the market and the future prospects of the company's performance. Capital management also involves reviewing the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium) to assess the need to repurchase shares for cancellation.

The company is subject to several externally imposed capital requirements. The company has an overdraft facility of £5m (2018 - £5m) available, hence any amounts drawn under this facility should not exceed £5m, and as a public company the minimum share capital is £50,000. The company's objective, policies and processes for managing capital are unchanged from the preceding accounting period, and the company has complied with them. The terms of the debt instruments have various covenants which prescribe that moneys borrowed should not exceed 33% of the adjusted net asset value. These are measured in accordance with the policies used in the annual financial statements. The company has complied with these.

18. Transactions with the Investment Manager and related parties

The amounts paid to the investment manager together with details of the investment management contract are disclosed in note 2 on page 88. The existence of an independent board of directors demonstrates that the company is free to pursue its own financial and operating policies and therefore, under FRS102 Section 33: 'Related Party Disclosures', the investment manager is not considered to be a related party.

The company's related parties are its directors. Fees paid to the company's board are disclosed in the Directors' Remuneration Report on page 68.

There are no other identifiable related parties at the year end, and as of 19 February 2020.

19. Post Balance Sheet Events

There are no significant events after the end of the reporting period requiring disclosure.

Investor Information

Several of our North American investments are headquartered in New York, USA. Long-standing holding Estée Lauder extended its run of good performance in the year under review.

Investor Information (unaudited)

AIFM and Depositary

Allianz Global Investors GmbH (AllianzGI) is designated the Alternative Investment Fund Manager (AIFM). AllianzGI is authorised to act as an AIFM and to conduct its activities from its UK Branch by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), in accordance with AIFMD and Financial Conduct Authority requirements. The management fee and the notice period are unchanged in the restated Management and Administration Agreement (details in Note 2 on page 88).

The company appointed HSBC Bank PLC as its depositary and custodian in accordance with AIFMD under an agreement between the company, AllianzGI and HSBC. Depositary fees are charged in addition to custody fees and are calculated on the basis of net assets.

Leverage and Risk Policies under AIFMD

Details of leverage and risk policies required under AIFMD are published on the website brunner.co.uk under Literature/Trust Documents/Disclosures to Investors under AIFMD. These policies represent no change to the board's policies in existence prior to AIFMD and are in place to ensure that these limits would not be breached under any foreseeable circumstances.

Remuneration Disclosure of the AIFM

Employee remuneration of Allianz Global Investors GmbH for the financial year ending 31 December 2018 (all values in Euro).

Number of employees: 1,718

	All employees	Risk Taker	Board Member	Other Risk Taker	Employees with Control Function	Employees with Comparable Compensation
Fixed remuneration	152,084,831	8,487,988	1,962,234	1,226,734	405,616	4,893,404
Variable remuneration	119,079,444	28,858,193	12,335,788	4,789,449	323,424	11,409,531
Total remuneration	**271,164,275**	**37,346,181**	**14,298,022**	**6,016,183**	**729,040**	**16,302,935**

Remuneration Policy of the AIFM

The compensation structure at AllianzGI is set up to avoid any kind of excessive risk-taking. Variable compensation awards are delivered via deferral programmes to ensure they are linked to sustainable performance. In addition, any compensation decisions have to be reviewed and approved by the AIFM's Functional, Regional and Global Compensation Committees on both an aggregate and individual basis, to further ensure effective risk mitigation.

Key Investor Information Document (KID)

The Key Investor Information (KID) is a standardised pan-European document that contains product, risk, charges and other information. It is a regulatory requirement that you are provided with a KID before you invest, and you will be required to declare that you have seen the latest KID when you make your investment.

The Brunner Investment Trust KID is available from the Literature Library at brunner.co.uk. However, your chosen platform provider or stockbroker should provide you with a copy before accepting your investment instructions. Please note that existing investors do not need to review the KID unless planning to add to an investment. The KID's standardised format is intended to allow potential investors to compare funds easily, on a like-for-like basis. However, there are wider investment industry concerns that disclosures mandated for inclusion may prove to be unhelpful for investors. Investors should be aware that the performance and risk numbers in the KID are based on the last five years' experience and note that past experience is not always a guide to the future. Transaction costs quoted in the KID are based on the difference between the market price of the investment at the time the order is made and the actual price paid/received when the deal was completed. The transaction costs quoted on page 15 are the costs associated with the buying and selling of the underlying investments, such as dealing fees and stamp duty. Both are calculated as a percentage of the net asset value.

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

Preference Dividends

Payable half-yearly 30 June and 31 December.

Benchmark

For the year under review the benchmark was 70% FTSE World Ex UK Index / 30% FTSE All-Share Index. For further information, the FTSE 100 Index was 7346.53 at 30 November 2019, compared to 6980.24 at 30 November 2018, an increase of 5.2%.

Market and Portfolio Information

The company's ordinary shares are listed on the London Stock Exchange. The market price range, gross yield and net asset value are shown daily in the Financial Times and The Daily Telegraph under the headings 'Investment Companies' and 'Investment Trusts', respectively. The net asset value of the ordinary shares is calculated daily and published on the London Stock Exchange Regulatory News Service. The geographical spread of investments and ten largest holdings are published monthly on the London Stock Exchange Regulatory News Service. They are also available from the manager's Investors Helpline on 0800 389 4696 or via the company's website: brunner.co.uk.

Website

Further information about The Brunner Investment Trust PLC, including monthly factsheets, daily share price and performance, is available on the company's website: brunner.co.uk.

How to Invest

Information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or on the company's website: brunner.co.uk.

A list of other providers can be found on the company's website: brunner.co.uk/howtoinvest.

Dividend

The board is recommending a final dividend of 6.0p to be payable on 3 April 2020 to shareholders on the Register of Members at the close of business on 28 February 2020, making a total distribution of 19.98 p per share for the year ended 30 November 2019, an increase of 10.1% over last year's distribution. The ex-dividend date is 27 February 2020.

A Dividend Reinvestment Plan (DRIP) is available for this dividend and the relevant Election Date is 13 March 2020.

Cash dividends will be sent by cheque to first-named shareholders at their registered address. Dividends may be paid directly into shareholders' bank accounts. Details of how this may be arranged can be obtained from Link Asset Services. Dividends mandated in this way are paid via Bankers' Automated Clearing Services (BACS).

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: linkassetservices.com.

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.

Dividend Reinvestment Plan for Ordinary Shareholders (DRIP)

The registrars offer a DRIP which gives ordinary shareholders the opportunity to use their cash dividend to buy further shares in the company under a low-cost dealing arrangement. Terms and Conditions and an application form are enclosed with each dividend payment. For more information please email shares@linkgroup.co.uk or call 0371 664 0381.

Share Dealing Services

Link Asset Services operate an online and telephone dealing facility for UK resident shareholders with share certificates. Stamp duty and commission may be payable on transactions.

For further information on these services please contact: linksharedeal.com for online dealing or 0371 664 0445 for telephone dealing. Lines are open 8.00 a.m. to 4.30 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.

Share Portal

Link Asset Services offer shareholders a free online service called Share Portal, enabling shareholders to access a comprehensive range of shareholder related information. Through Share Portal, shareholders can: view their current and historical shareholding details; obtain an indicative share price and valuation; amend address details; view details of dividend payments; and apply for dividends to be paid directly to a bank or change existing bank details.

Shareholders can access these services at signalshares.com. Shareholders will need to register for a Share Portal Account by completing an on-screen registration form. An email address is required.

International Payment Services

Link Asset Services operate an international payment service for shareholders, whereby they can elect either for their dividend to be paid by foreign currency draft or they can request an international bank mandate. This service is only available for dividend payments of £10 or more and a small administration fee per dividend payment applies.

For further information on this service please contact: 0371 664 0385. Lines are open between 9.00am and 5.30pm (London time), Monday to Friday or email IPS@linkgroup.co.uk.

CREST Proxy Voting

Shares held in uncertificated form (i.e., in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

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 theaic.co.uk.

AIC Category: Global.

Warning to Shareholders

We are aware that some shareholders may have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas based organisations who target UK shareholders offering to sell them, what often turn out to be, worthless or high risk shares in US or UK investments or encourage them to dispose of UK shares. They can be extremely persistent and persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice or offers.

Please note that it is most unlikely that either the company or the company's Registrar, Link Asset Services, would make unsolicited telephone calls to shareholders. Any such calls would only ever relate to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited telephone call, please call the Company Secretary on +44 (0)800 389 4696 or the Registrar on +44 (0) 371 664 0300.

Notice of Meeting

Notice is hereby given that the ninety-third annual general meeting of The Brunner Investment Trust PLC will be held at Trinity House, Trinity Square, Tower Hill, London EC3N 4DH, on Wednesday 1 April 2020 at 12 noon to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Report and the Financial Statements for the year ended 30 November 2019 with the Auditor's Report thereon.
2. To declare a final dividend of 6.0p per ordinary share.
3. To re-elect Carolan Dobson as a director.
4. To re-elect Ian Barlow as a director.
5. To re-elect Peter Maynard as a director.
6. To re-elect Jim Sharp as a director.
7. To elect Amanda Aldridge as a director.
8. To approve the Directors' Remuneration Policy Report.
9. To approve the Directors' Remuneration Implementation Report.
10. To re-appoint PricewaterhouseCoopers LLP as the Auditor of the company.
11. To authorise the directors to determine the remuneration of the Auditor.

Special Business

To consider and, if thought fit, pass the following resolutions of which resolution 13 will be proposed as an ordinary resolution and resolutions 12, 14 and 15 will be proposed as special resolutions:

12. That the limit on aggregate fees payable to the directors be increased from £200,000 to £250,000.

13. That the directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot relevant securities (within the meaning of section 551 of that Act) provided that this power shall be limited to the allotment of relevant securities up to an aggregate nominal amount of £3,557,727 (14,230,908 ordinary shares) and shall expire at the conclusion of the next annual general meeting of the company held after the meeting at which this resolution is passed or 30 June 2021 if earlier, save that the directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

14. That the directors be and are hereby empowered, pursuant to section 570 of the Companies Act 2006, to allot equity securities (as defined in section 560 of that Act) pursuant to the authority conferred by resolution 13 above or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash of an aggregate maximum nominal amount of £533,659 (2,134,636 ordinary shares) and shall expire at the conclusion of the next annual general meeting of the company held after the meeting at which this resolution is passed or 30 June 2021, if earlier, save that the directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred had not expired.

15. That the company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25p each in the capital of the company (ordinary shares) either for retention as treasury shares or for cancellation, provided that:

(i) the maximum number of ordinary shares hereby authorised to be purchased shall be 6,399,639;

(ii) the minimum price which may be paid for an ordinary share is 25p;

(iii) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Official List for the 5 business days immediately preceding the day on which the ordinary share is purchased or such other amount as may be specified by the London Stock Exchange from time to time;

(iv) the authority hereby conferred shall expire at the conclusion of the annual general meeting of the company in 2021 or 30 June 2021 if earlier, unless such authority is renewed prior to such time;

(v) the company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract; and

199 Bishopsgate, London EC2M 3TY
19 February 2020

By order of the board
Kirsten Salt
Company Secretary

Notes:

1. Members entitled to attend and vote at this meeting may appoint one or more proxies to attend, speak and vote in their stead by completion of a personalised form of proxy. Full details on how to complete the form of proxy are set out on the form of proxy. The proxy need not be a member of the company.
2. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. A proxy has one vote on a show of hands in all cases (including where one member has appointed multiple proxies) except where he is appointed by multiple members who instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution.
3. A personalised form of proxy is provided with the Annual Financial Report. Any replacement forms must be requested direct from the registrars.
4. Completion of the form of proxy does not exclude a member from attending the meeting and voting in person.
5. Duly completed forms of proxy must reach the office of the registrars at least 48 (excluding non-business days) hours before the Meeting.
6. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual on the Euroclear website (euroclear. com/ CREST).
7. To be entitled to attend and vote at the meeting (and for the purpose of determination by the company of the number of votes they may cast), members must be entered on the company's Register of Members by close of business on 30 March 2020 (the record date).
8. If the meeting is adjourned to a time not more than 48 hours after the record date applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the company's Register of Members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the company gives new notice of the adjourned meeting, at the record date specified in that notice.
9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
10. Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006. Pursuant to the Companies (Shareholders' Rights) Regulations 2009 (SI 2009/1632), multiple corporate representatives appointed by the same corporate member can vote in different ways provided they are voting in respect of different shares.
11. Members have a right under section 319A of the Companies Act 2006 to require the company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given: (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the company's website; or (c) it is undesirable in the best interests of the company or the good order of the meeting.
12. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the company, at its expense, to publish a statement on the company website setting out any matter which relates to the audit of the company's financial statements that are to be laid before the meeting. Any such statement must also be sent to the company's auditor no later than the time it is made available on the website and must be included in the business of the meeting.
13. As at 19 February 2020, the latest practicable date before this notice is given, the total number of shares in the company in respect of which members are entitled to exercise voting rights was 42,692,727 ordinary shares of 25p each. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the company on 19 February 2020 is 42,692,727. The 5% cumulative preference shares do not ordinarily have any voting rights.
14. Further information regarding the meeting which the company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this notice), can be accessed at brunner.co.uk.
15. Contracts of service are not entered into with the directors, who hold office in accordance with the Articles.

Annual General Meeting venue

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 (see Note 14 on page 95).

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.

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 (see page 15 for more detail).

Revenue Reserve per ordinary share is the revenue reserve per the balance sheet less the third dividend and final proposed dividend in respect of the year (Note 6), payable after the year end, divided by the total number of ordinary shares in issue.

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www.brunner.co.uk