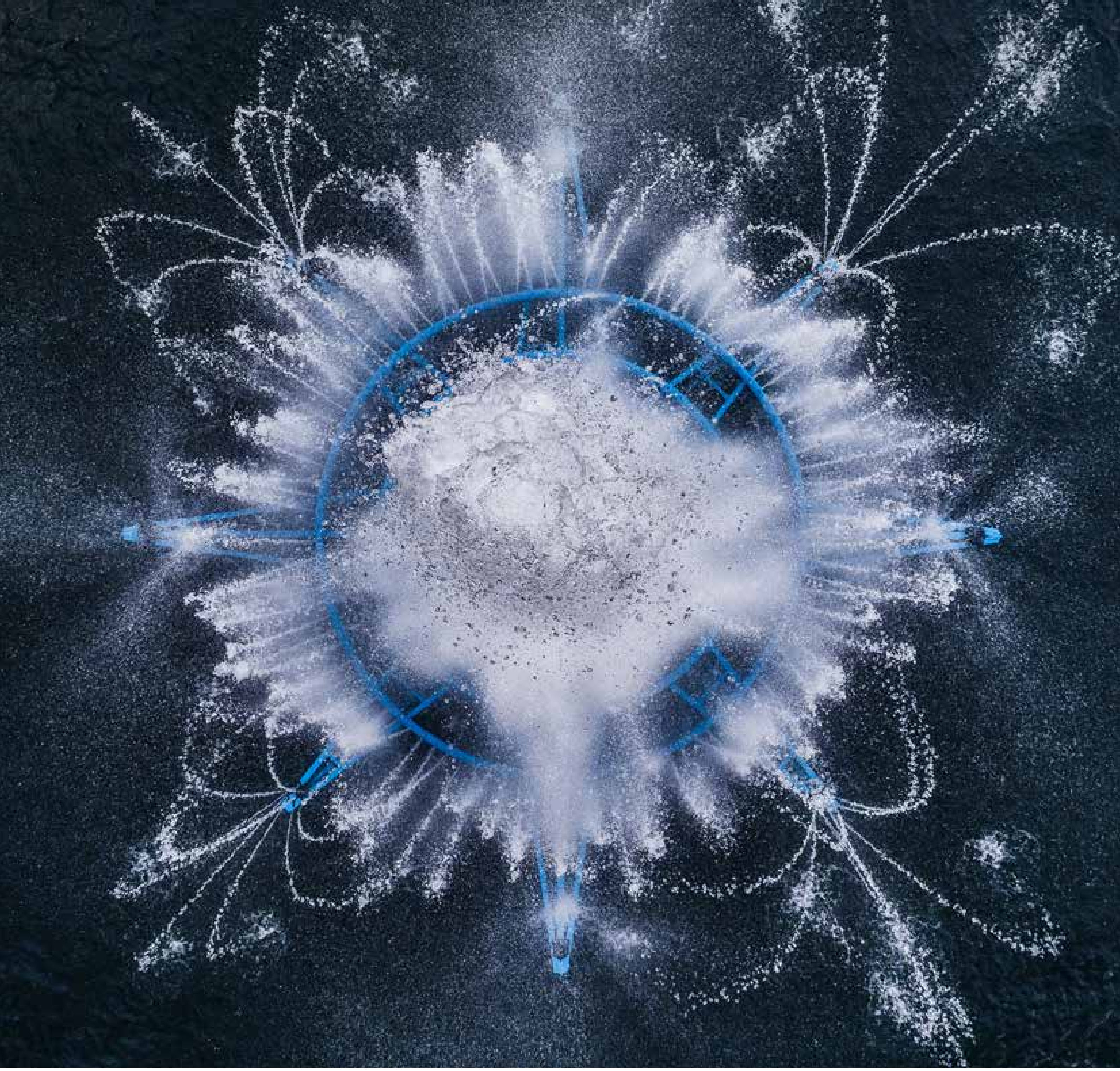


The Brunner Investment Trust PLC

Annual Report, 30 November 2021

aic DIVIDEND HERO

INTEGRATED ESG iESG

Allianz Global Investors

Whatever your goals, there's Brunner...

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.

The Key Performance Indicators (KPIs) on page 14 show how effective the company has been in delivering its strategy.

'All-weather' portfolio

The company provides a balanced solution for investors looking for a global and UK portfolio of equities and a quarterly dividend. The company's investment policy is set out in the Strategic Report on page 9.

Brunner is a member of the Association of Investment Companies (AIC) and the company's shares are recognised by the AIC as suitable for retail investors. AIC Category: Global

Independence

Brunner has an independent board of directors and no employees. Like other investment companies, it outsources investment management and administration to an investment management company – Allianz Global Investors – and other third parties to provide shareholders with an efficient, competitive, cost-effective way to gain wide equity investment exposure through a single investment vehicle.

Benchmark

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.

Risk and gearing

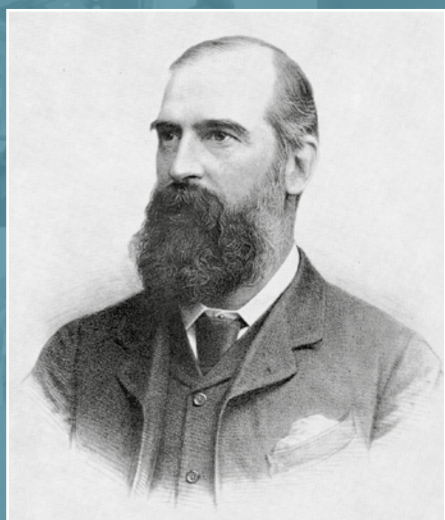
A statement explaining how the assets have been invested to spread risk and how gearing is managed is included under Investment Policy on page 10.

A family investment from the beginning...

Like many long-established investment trusts, Brunner's name reflects its history rather than its investment strategy. Johannes Brunner was born in Canton Zürich and migrated to Lancashire in 1832. His son, Sir John Brunner, Bart, was one of the most successful industrialists of the nineteenth century, and in politics an influential radical Liberal MP until well into the twentieth century. In 1873 he and the scientist Ludwig Mond founded Brunner, Mond and Co, the largest of the four companies which came together to form ICI in 1926. The following year the Brunner family chose to sell its ICI shares and establish a broad, long-term investment vehicle – so in 1927, The Brunner Investment Trust was formed.

John Brunner was a passionate campaigner, including for welfare reforms and free trade, and used his wealth for philanthropic purposes. 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.

Brunner, Mond & Co. factory, worker cottages and Co-operative Society



Sir John Brunner

Contents

www.brunner.co.uk

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.

Financial Highlights

As at 30 November 2021

Net assets per ordinary share[1]
Debt at Fair Value[2]

1,165.4p

2020 975.5p
+19.5%

Net assets per ordinary share[1]
Debt at Par

1,176.9p

2020 988.7p
+19.0%

Earnings per ordinary share

20.4p

2020 16.0p
+27.5%

Dividend per ordinary share[3]

20.15p

2020 20.06p
+0.4%

Net asset value total return
Debt at fair value[2]

+21.5%

2020
+6.2%

Net asset value total return
Debt at par[2]

+21.1%

2020
+6.7%

Headquartered in Copenhagen, pharmaceutical company Novo Nordisk was the top contributor to performance for the year under review.

Benchmark total return index[4]

+21.1%

2020
+5.3%

Consumer price index

+5.1%

2021 114.5
2020 108.9

Share price total return[2,5]

+27.1%

2021 1,050.0p
2020 842.0p

Discount - average in the year[2]

11.4%

2020
9.4%

All figures are UK GAAP unless they are stated to be Alternative Performance Measures. (Glossary page 111).

[1] 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.

[2] Alternative Performance Measures (APM). See Glossary on page 111.
[3] The dividend per ordinary share includes the proposed final dividend of 6.05p.
[4] The Benchmark Index of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.
[5] Share price total return is based on the movement in share price including dividends reinvested.

Chairman's Statement

Dear Shareholder

Performance

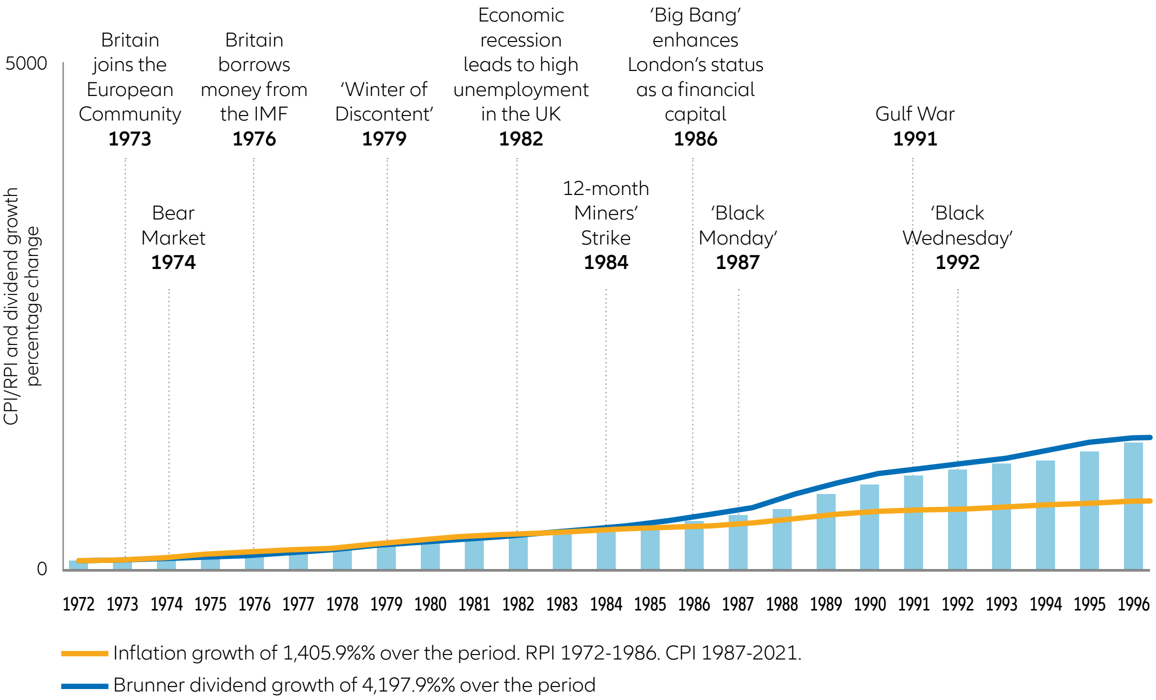
Welcome to the Annual Report of the 2021 financial year. Stock markets in 2021 witnessed strong returns, led by the US and Europe, interspersed with bouts of volatility. Against this backdrop, we are pleased to report that the company's Net Asset Value (NAV) per ordinary share rose by 21.5% on a net dividends reinvested basis with debt at fair value, our key performance measure. This was marginally ahead of the composite benchmark index (70% FTSE World Ex-UK and 30% FTSE All-Share Index) which rose by 21.1% on a total return basis over the period.

This marks a third year of outperformance against the benchmark. It is particularly pleasing to see this outperformance in the radically different market conditions of these years.

Review of the 2021 Financial Year

This is the fourth time of writing to shareholders under the shadow of the COVID-19 pandemic, either in an Annual or Half-Year Report. It remains unclear how close we may be to the end of these conditions.

The individual human and broader social costs have been immense and the future path of the pandemic will influence global economic developments. The ability of economies to open and grow will continue to be balanced against the need to protect the vulnerable and we have seen the impact of frequent and abrupt changes to governments' responses. Certainly, the middle of 2021 had a very different outlook to either end of the year, though that was also dependent on where in the world you might be living. In 2021, economies reopened strongly earlier in the year, supported by emergency fiscal and monetary policies; supply and labour shortages started to drive a rise in inflation to levels not seen for a decade; and geopolitical instability around the world has steadily



increased over the year. Despite these negative factors, recovering economic growth encouraged investors to commit record amounts of capital to flow to financial markets, supporting share price growth, if skewed somewhat towards in-favour sectors.

Brunner is about investing responsibly and sustainably in businesses across the globe with the aim of generating superior returns for the trust's shareholders. In normal times, company valuations reflect their ability to grow and be profitable. In the current market valuations have often been unduly influenced by sentiment. Sentiment can become distorted and amplified when there is a high degree of uncertainty in the future. Yet most companies have carried on doing what they have always done, adapting to the prevailing situation. Short-term sentiment driven stock markets are not wholly negative for the long-term active investor – such market volatility can prove beneficial where valuations of good quality companies become depressed on the back of wider sentiment, providing opportunity where valuation rigour is an integral part of the investment management process. There is more detail about this in the Investment Manager's Review which begins on page 22.

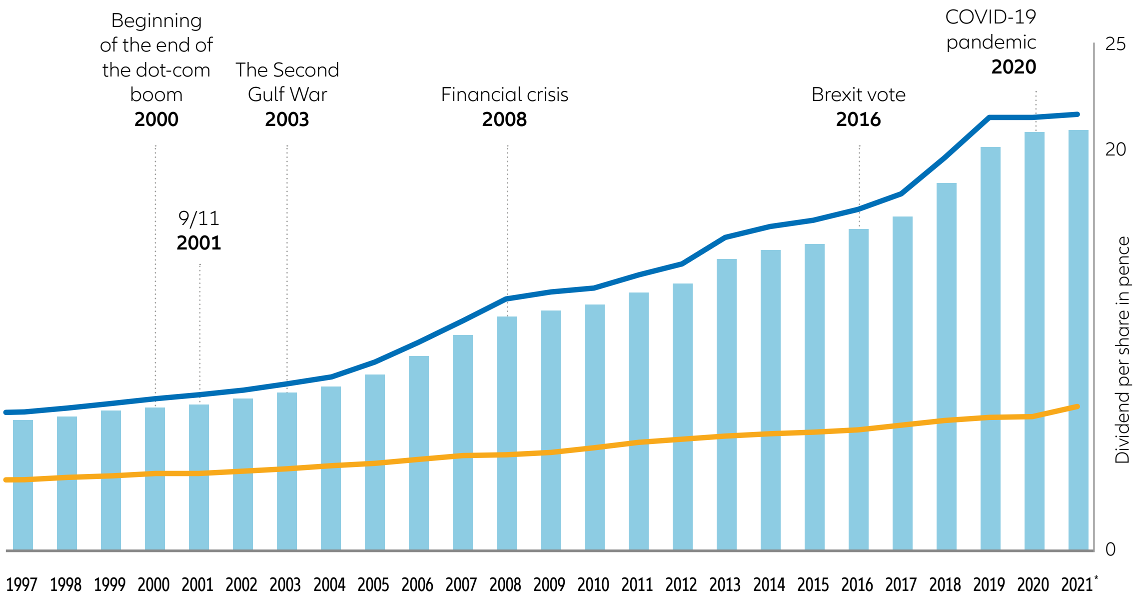
Our manager remains alert to the ever-changing variety of extraneous factors which could have an effect in some way on the portfolio's companies and the investment process remains focused on finding sound businesses with clear business models which have the potential to provide sustainable returns for shareholders over the long term.

Whilst such an approach will inevitably mean missing out on some of the highest returns available – particularly in an environment where global stock markets have been dominated by a few titans of the technology space – it also means less exposure to the volatility that can sometimes accompany these very in-favour companies.

Environmental, Social and Governance (ESG)

The board considers that it is in shareholders' interests to be aware of and consider environmental, social and governance factors when selecting and retaining investments and believes that active stewardship is a key task of a responsible asset owner.

Understanding the manager's approach to ESG and how it has been integrated within the investment process has been a specific focus for the board over the past year. We continue to take account of our performance in this area against our objectives using the manager's internal analysis and external measures and benchmarks.



Total dividend: from 0.48p to 20.15p over the period * Final dividend for approval at the 2022 AGM

We give a full and clear account of ESG considerations within this report (see page 19) and we also have a page on our website that describes the manager's Integrated ESG process in more detail. Since the beginning of 2020 we have included quarterly updated ESG measurements on our monthly factsheet, showing the rating of the Brunner portfolio on ESG risks and combined ESG risk measurements compared to the rating of the benchmark, however imperfect that comparison may still be.

One of the complications surrounding ESG is terminology. Shareholders will be aware of the considerable variety in terms used to describe the same activities and the variety of ways to measure them. The development of the EU taxonomy regulation will be a key step forward to more universal descriptions and until ESG can be more reliably measured it remains difficult to reliably compare one portfolio to another.

Earnings per Share

Over the past year we have witnessed a good income recovery with many companies returning to paying dividends after a hiatus in the prior year. This rebound meant the portfolio's generation of income and earnings recovered through 2021, with earnings per share for the year rising by 27.5%, from 16.0p to 20.4p. This has put Brunner in the strong position this year to once again be able to cover our dividend payment to shareholders.

Dividend

The proposed final dividend of 6.05p, if approved by shareholders, will be paid on 1 April 2022 to shareholders on the register on 25 February 2022. In line with board's dividend policy, which is outlined on page 14, the total dividend for 2021, including the proposed final dividend, will be 20.15p. This represents an increase over the 2020 dividend which was 20.06p and means Brunner has now reached a landmark 50 years of consecutive dividend increases, maintaining its place as one of the AIC's "Dividend Heroes".

Revenue reserves will remain strong at 24.7p after the payment of the proposed final dividend.

Board Succession

The board is continuing with its cycle of recruitment as existing directors reach the point of retirement from the board. The next planned change will be the recruitment of a new director to succeed Peter Maynard during 2022. Peter, the Senior Independent Director, has given long service, invaluable challenge and input and guidance to the board, staying slightly beyond his planned retirement date to provide additional continuity on the board through the ongoing pandemic. We thank Peter for his service and counsel and wish him well for the future after his retirement later in the year.

Marketing

Promoting Brunner to as wide an audience as possible remains a priority and the board supports the manager in sales and marketing efforts to further that aim. The trust's balanced nature means it is a long-term holding that can, in our view, form the cornerstone of an investor's diversified portfolio. Attracting more investors, particularly individual investors, generally has the effect of improving liquidity of the trust's shares and stabilising the share register. We were pleased that during the recent exit of a large institutional shareholder which was completed in the middle of the financial year, most shares were absorbed by demand from the investment platforms and many smaller wealth managers. This demand, helped by our marketing efforts, meant we were able to manage that exit without the need for share buybacks which would have decreased the size of the trust and increased the total expense ratio. Maintaining the size of the trust and the liquidity of the shares is an important investment consideration.

Outlook

There is considerable concern that we may be at a turning point in global stock markets. There has been over a decade of falling interest rates which at their low reached a level where many central banks charged an investor for holding money with them. This is unsustainable unless economies never grow again and as we are now seeing positive global economic growth, and some sharp and possibly sustained rises in inflation, central banks are starting to indicate increasing interest rates and a wind down or reversal of their quantitative easing programmes. This is a big change in the background for markets and it remains to be seen how peacefully such a change can be implemented. The way modern stock markets are structured, with short term activity dominating trading, and geared strategies – which can be focused on quite narrow areas – offer the prospect of sharp, volatile stock market price movements often unrelated to underlying company profit fundamentals. This will provide opportunities for the patient, thoughtful investor but it is likely to be bumpy.

In addition, geopolitical tensions with China and Russia may continue to have a significant impact on market sentiment and particularly on supply chains and energy prices.

For Brunner, we expect to continue to follow the same balanced strategy and approach, investing in well-run companies with high-quality business models but only at a fair price. Brunner remains a long-term balanced equity investment, aiming to provide investors with steady growth in capital as well as a rising income stream.

It is difficult to know whether stock markets will be higher or lower this time next year, but the board have confidence that many of the companies in our portfolio will continue to make good business progress.

Annual General Meeting

We are hoping that the Annual General Meeting this year, which is to be held at 10.30 a.m. on Wednesday 30 March 2022, can be an open meeting at which shareholders can receive a presentation from the managers before the formal business takes place. We would be delighted to meet with all those shareholders who are able to attend, however, the continuing impact of the COVID-19 pandemic remains uncertain and there is still a risk of further variants bringing about the need for restrictions to be re-introduced. To keep this event as inclusive as possible we would encourage shareholders who wish to attend to take precautions such as wearing face coverings for the protection of others from the spread of viruses. We intend to have only light refreshments before the meeting and will provide a status update on the AGM arrangements on the website www.brunner.co.uk in the week before the meeting is due to take place.

Shareholders can send any questions to be answered at the AGM by the board and manager care of the company secretary at investment-trusts@allianzgi.com or in writing to the registered office (further details are available on page 60) and we will publish questions and answers on the website after the meeting. We encourage all shareholders to exercise their votes in advance of the meeting by completing and returning the form of proxy.

Carolan Dobson
Chairman
15 February 2022

Performance – Review of the Year

Review of the Year

Revenue

Year ended 30 November	2021	2020	% change
Income available for ordinary dividend	£8,689,051	£6,815,742	+27.5
Earnings per ordinary share	20.4p	16.0p	+27.5
Dividends per ordinary share	20.15p	20.06p	+0.4
Consumer price index	114.5	108.9	+5.1

Assets

As at 30 November	2021	2020	Capital return % change	Total return[1] % change
Net asset value per ordinary share with debt at fair value	1,165.4p	975.5p	+19.5	21.5%
Net asset value per ordinary share with debt at par	1,176.9p	988.7p	+19.0	21.1%
Share price	1,050.0p	842.0p	+24.7	27.1%
Total net assets with debt at fair value[2]	£497,525,622	£416,485,984	+19.5	-
Total net assets with debt at par	£502,452,284	£422,099,372	+19.0	-
Ongoing charges[3]	0.63%	0.64%	-	-

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

	Capital return	Total return[1]
Change in net asset value	+19.5%	+21.5%
Change in benchmark	+18.1%	+21.1%
Percentage point performance against benchmark	**+1.4**	**+0.4**

A Glossary of Alternative Performance Measures (APMs) can be found on page 111.

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 111. (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.

Strategic Report

Accenture, the world's largest consulting firm, is headquartered in Dublin, Ireland. The company was a notable contributor to performance during the year.

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:

- ESG and climate change
- the investment strategy in some overseas markets
- yields and the distribution policy
- the relaunch of the website
- marketing activity and the company's key messages
- gearing.

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 balanced solution 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.

Information on Revenue and Invested Funds in the year is summarised on page 61.

Brunner has an independent board of non-executive directors and 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 Group 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 further information monthly to the market, 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 63 stocks at 30 November 2021 (62 stocks in 2020). 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.*

Section 172 Report:

Engagement with Key Stakeholders

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

Through the global COVID-19 pandemic, beginning in the Spring of 2020, and with new variants of the virus, continuing into 2022, our interactions have often been virtual and not in person, but we have taken this as an opportunity to engage in new and effective ways with many of our stakeholders. 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. Last year we gave a comprehensive list of the company's stakeholders; in this report we have selected some specific events and activities to illustrate how this engagement has taken place. Set out below are some examples of the ways in which Brunner has interacted with key stakeholders to demonstrate how the board and its agents have considered stakeholders in pursuit of the success of the company and the promotion of that success for the long-term:

Stakeholders and how they are taken into account	Board's oversight and the activity in the year	Outcome for stakeholders and the long-term success of the company
Shareholders are identified as the primary stakeholders as the investors in the company. The company's objective is to provide growth in capital value and dividends for investors over the long term and the company's strategy is to provide shareholders with the desired returns by diversifying to take into account risk appetite.	Participation in investor conferences and webinars, together with the pre-AGM presentation and podcasts on the website informs shareholders of the investment management activity and performance of the company. We saw a large institutional investor seeking an exit by the gradual disposal of shares beginning in the first quarter of 2021. Strong sales and marketing efforts focused on smaller wealth management firms who could take up some of this position, and helped to maintain liquidity in the company's shares. The board considered whether to buy back shares to help narrow the discount of the share price to the net asset value and decided that there were other mechanisms to do this, including raising the profile of the trust with potential new retail investors to ensure there was a buoyant market for the company's shares. The increasing use of formats to engage investors such as audio (podcasts), video and the Turtl platform to distribute information to shareholders and the wider investment community.	One full year of performance by the investment team led by Matthew Tillett has received recognition from shareholders, journalists and industry commentators. The investment team with three distinctive skillsets (Income, Growth, ESG) has a rising profile in the investment trust arena. The company's rating and liquidity in the company's shares have improved over the year as shown in the KPI reporting on page 15. Not reducing the shares in issue by buying them back and holding them in treasury maintained the liquidity of the shares and means that the company remains large enough to absorb costs and other expenses. Ongoing charges are a KPI, as shown on page 15. The discount, one of the company's KPIs, which widened to 18.9% in 2021, has now, with the exit of a large shareholder, reduced to closer to 10% as at the year end, as shown on page 15.

Stakeholders and how they are taken into account	Board's oversight and the activity in the year	Outcome for stakeholders and the long-term success of the company
Readers of communications including shareholders and other investors, look for information about the company on the website and online media coverage.	The website has been enhanced and has been moved to sit under AllianzGI's architecture. The user experience on the website has also been improved as part of this project.	As well as benefiting from an enhanced cybersecurity environment, the new structure will provide a more modern access with continual enhancements and improvements.
Public Relations and media – the company continues to work with public relations advisers to ensure information about the company, its strategies and performance can reach a wide audience to update shareholders and potential investors through press articles and online media coverage.	There is an Integrated PR programme and Matthew Tillett, the lead investment manager, provides interviews, presentations and records podcasts to inform and educate. We work with a third party, Lansons Communications, and the campaign work is aligned with AllianzGI's marketing activity.	PR activity (generating exposure in consumer finance titles and the national press) is crucial for the platform market. Reports to the board show there is a direct correlation between press articles appearing and spikes of interest and purchases of the company's shares. We have had feedback that people want bite-sized, shorter presentations and so we are now making the majority of content for engagement short form, with longer form content accessible for those that want to delve deeper.
Service providers – as well as the management company, the board has appointed a depositary, a custodian and a registrar to provide specialist services. The board and these stakeholders need to be assured of good governance and controls in the company.	In addition to regular contact and assurance testing that sound and effective controls are in place from all of these service providers, there is a rolling programme of due diligence visits to suppliers of third party services by the AllianzGI's investment trust team to ensure that the company is getting good quality services with robust and fit for purpose internal controls. AllianzGI's investment trust team and supporting operations also receive detailed due diligence assessments by suppliers, for example in April 2021 looking at NAVs and the pricing process and in January 2022 on general controls, by HSBC, the company's depositary and custodian.	Assurances from service providers on their internal controls are given formally to the company twice yearly but day-to-day contact with the investment trust team ensures that issues are quickly identified and acted upon and that remedial action can take place. There were no issues arising during this year.

Stakeholders and how they are taken into account	Board's oversight and the activity in the year	Outcome for stakeholders and the long-term success of the company
Potential new investors are an important stakeholder group and getting key information to the investment market so that investors both current and prospective can make informed investment choices is a significant activity for the board. Research platforms and distribution partnerships are employed to reach a wider audience of investors.	The marketing team also works on events and campaigns with other research and marketing companies, including Edison and, this year, Kepler. Additional resources were allocated by the board during the year for publishing research and event participation. 'Direct to consumer', for self-directed investment, is primarily driven by platforms. Platforms essentially give convenient access to the majority of the investment universe for investors. The board has encouraged activity to increase recognition by those operating the platforms through influencers (including through PR, video recordings with Asset TV and the company's digital marketing strategy). 'Influencing' activity involves sponsored content, advertising and client events, targeting the platforms themselves alongside the key research platforms.	The board sees analysis of the impact of marketing and research at every meeting. Marketing and advertising campaigns are scrutinised by the board at its meetings for accuracy of message and the expenditure is assessed for its value. Analysis is in the form of detailed investor group feedback and in considering the metrics of key activity over the year: in particular the board can see how the daily traffic on the website and investment through platforms 'spikes' after publications and events throughout the year.

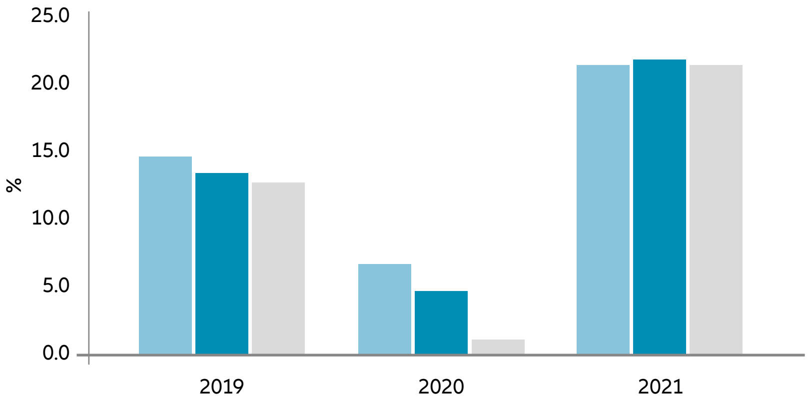
Key Performance Indicators

The board uses the following Key Performance Indicators (KPIs) to monitor and evaluate the performance of the company in executing its strategy.

Performance against the Benchmark Index

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

	Debt at par	Debt at fair value	Benchmark	Percentage point relative return	Percentage point relative return
2021	+21.1%	+21.5%	+21.1%	0.0	+0.4
2020	+6.7%	+6.2%	+5.3%	+1.4	+0.9
2019	+14.4%	+13.2%	+12.6%	+1.8	+0.6

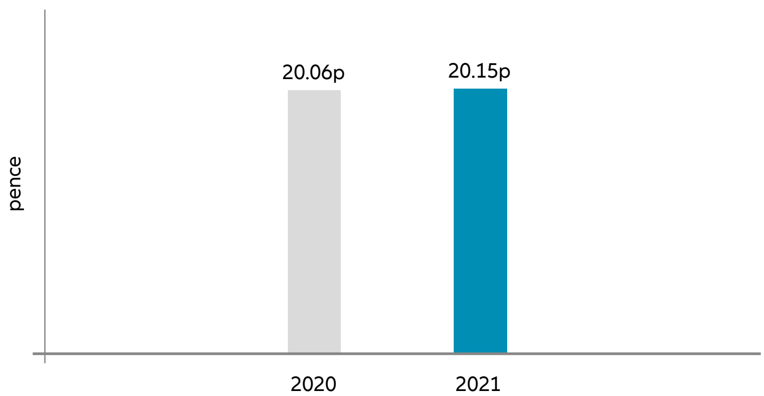


Source: AllianzGI/Thomson Reuters DataStream. Benchmark: 70% FTSE World Ex UK Index and 30% FTSE All-Share Index. Alternative Performance Measure (APM). See Glossary on page 111.

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 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. Capital returns are shown on page 8 and in the Chairman's Statement. Three years of performance data allows us to compare returns to those pre-pandemic.

Dividends

Annual dividend

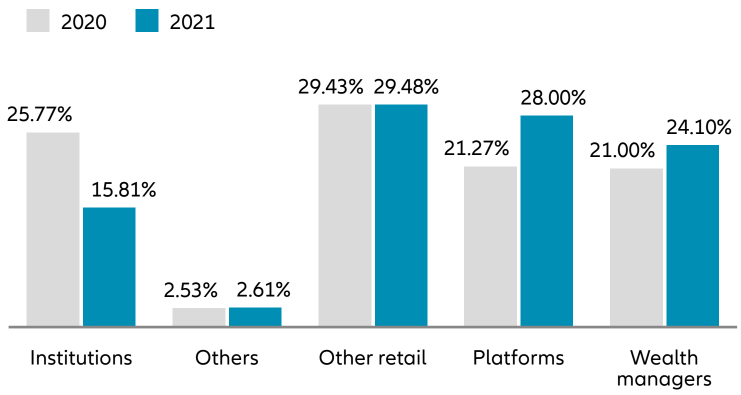


Includes the proposed final dividend.

The board aims to pay an increased 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 56, and in the graph on pages 4 and 5, which show that dividends have risen in every year since 1972.

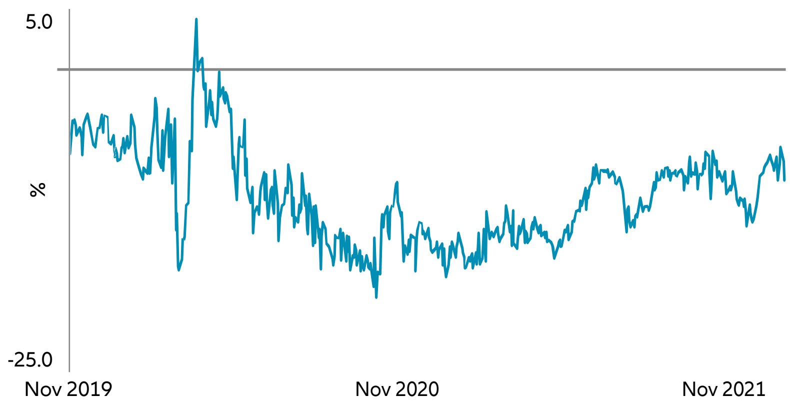
Share Ownership

Percentage of issued capital held by wealth managers and investment platforms



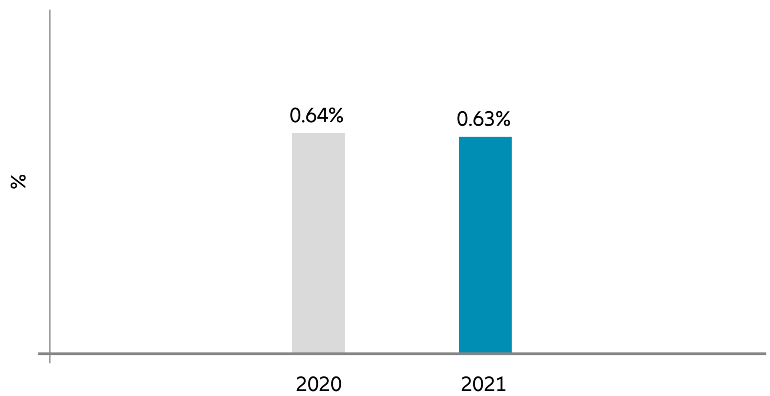
The marketing programme targets both professional and retail investors and aims to create ongoing and sustained demand for Brunner shares. A successful marketing strategy stands to benefit all of the company's shareholders by increasing liquidity. We look at the growth of share holdings of clients of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

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 in normal markets of keeping in step with comparable trusts in the sector. The board gives the manager authority in certain circumstances to buyback and either cancel the shares or hold them in treasury, which would be likely to result in a temporary narrowing of the discount.

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 charge is calculated in accordance with the AIC's recommended methodology (See Glossary on page 111). This figure does not include costs incurred from trading activities, as these are capitalised within the investment valuation (Note 8 on page 94) which amount to a further 0.05% of net assets (2020 - 0.07%). Ongoing charges are published by the AIC.

Risk Report

As reported to shareholders in the half-yearly report in 2021 the COVID pandemic continues to cast a worldwide shadow and companies have needed to continue to consider the impact on their operations. The board has maintained its close contact with the manager and other third party service providers to understand their responses to the pandemic and in particular actions taken to mitigate the effects of the pandemic on the company and its business.

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 73.

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.

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 red or amber ratings.

Portfolio Risk

Principal Risks identified	Controls and mitigation
– 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.	– 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. – Extreme market volatility due to the combination of the pandemic and the economic downturn have caused increased uncertainty in relation to portfolio earnings and dividends which cannot be mitigated by factors within the board's control.

Business Risk

Principal Risks identified	Controls and mitigation
– 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.	– 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	Controls and mitigation
– Risk of inadequate procedures for the identification, evaluation and management of risks at outsourced providers including AllianzGI and its outsourced administration provider, State Street Bank & Trust Company, HSBC Bank plc (Depositary and Custodian) and Link Group (Registrar).	– AllianzGI carries out regular monitoring of outsourced administration functions, which includes compliance visits and risk reviews where necessary. Results of these reviews are monitored by the board. During the pandemic the board has been obtaining additional assurances on business resilience and cyber security. – 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	Controls and mitigation
– The board also considers the impact from emerging risks, the most significant of which is the continuing impact of the COVID-19 pandemic which could cause further market volatility and economic contraction, particularly if lockdowns and travel restrictions were to occur again. – Cyber Security Risks are also considered to be emerging risks and are discussed more fully on the next page.	– The controls and mitigation of portfolio and business risk will continue to operate, however, there remains a risk that the level of volatility and economic downturn caused by the pandemic may be such that the level of portfolio earnings and dividends cannot be mitigated by factors within the board's control. – The board maintains close relations with its advisers (auditors, lawyers and manager) and will make preparations for mitigation of emerging 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

The risk of cyber attacks continues to be monitored closely under the changed working conditions of the global pandemic and the company's suppliers provide specific assurances and regular updates on information security processes. This 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.

Going Concern

The directors have considered the company's investment objective and capital structure both in general terms and in the context of the ongoing COVID-19 pandemic. Having noted that the portfolio, which is constructed by the portfolio manager on a bottom up basis, consists mainly of securities which are readily realisable. The directors have also continued to consider the risks and consequences of the COVID-19 pandemic on the operational aspects of the company. As a result the directors have concluded that the company has the ability to continue in operation and meet its objectives in the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

The company held some short term debt as a current liability as at 30 November 2021, in the form of a Revolving Credit Facility (RCF), which is renewable within one year. While the company is in a net liability position as at 30 November 2021, if an obligation arose investments could be sold to raise cash.

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;
- As an investment company Brunner is able to put aside revenue reserves in years of good income to cover a smooth payment of growing dividends in years when there are challenges to portfolio revenues;
- The financial position of the company, including the impact of foreseeable market movements on future earnings and 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;
- In the current environment the board is reviewing earnings prospects, gearing and debt covenants on a continuous basis with the managers; 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.

The future

As we show in our page on the history of the trust on the inside cover of this document, the longevity of the trust and its importance to our investors continues to be a focus. The future attractiveness of Brunner as an investment proposition with relevance to a wide variety of investors is something we debate and evaluate continuously. We have to consider the investment environment and wider economic considerations, such as increasing inflationary pressures, and take soundings on the prospects for our markets, the returns on assets, economic growth and numerous other factors. Taking all this into account the board continues to believe that there is a place for Brunner in the range of options available to the investor and that the company remains viable for the five year period here under review.

Environmental, Social and Governance Issues

The board considers 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 ESG 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.

iESG

Integrated ESG Strategy

Whilst AllianzGI has considered ESG factors in its research for many years, Brunner's portfolio is now an Integrated ESG Strategy, an accreditation which is given to portfolios that meet strict ESG guidelines and procedures. There is a comprehensive review of ESG risks, with clear explanations given by the portfolio managers, prior to any purchase. The Integrated ESG accreditation is approved and monitored by the ESG team, which is independent from the portfolio managers.

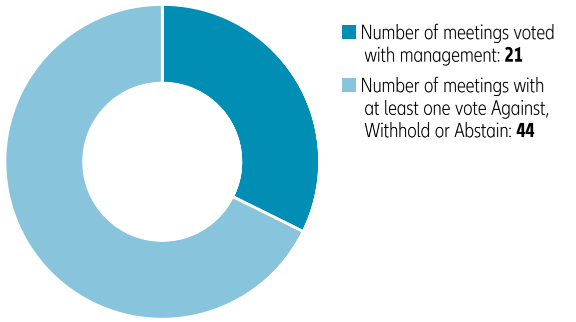
As the Chairman comments in her review starting on page 4, the board's view is that this non-constrained approach to ESG Integration is ideal for proper stewardship. Well-informed portfolio managers can directly engage with the management teams of companies that stand to benefit most from that engagement. Active engagement by the manager with the direct involvement of investment professionals spans all aspects of company performance, improves practices and enhances company research.

More information about integrated ESG is in the Investment Manager's Review on page 37, and in the ESG Focus case study on page 46.

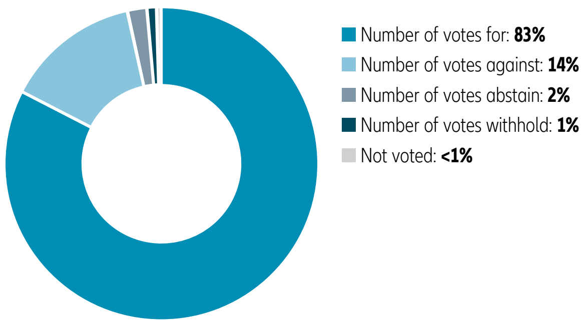
Active proxy voting engagement for clients is seen as a core element of fiduciary responsibilities and the manager provides total voting coverage. This active, global approach to the exercise of voting rights is aimed at improving governance standards across all portfolios managed by AllianzGI.

Proxy voting 1 December 2020 to 30 November 2021

Company meeting voting record



Vote distribution



In the year there were 67 shareholder meetings for companies in the portfolio and the manager voted on the company's behalf at 65 of these. This represents a total of 1,082 resolutions and the company voted on 94% of these. Source: AllianzGI.

Sustainability

The investment manager talks about the importance of sustainability in the assessment of the quality of portfolio companies in his Investment Philosophy explanation on page 36.

Company Engagement

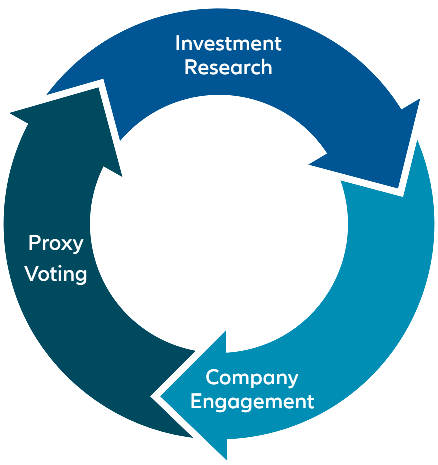
The manager conducts regular meetings with companies which:

- 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; and
- provide an organic link to Proxy Voting decisions.

ESG Reporting

The board receives information on ESG scores for the portfolio and this is published in the company's monthly factsheets. This is also included on page 32.

A summary of the many engagements with portfolio companies on E,S and G matters is set out on page 31.



Engagement success is part of delivering investment performance

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

Brunner's ESG Policy and web links

The company's website provides more information:

https://www.brunner.co.uk/Integrated-ESG/

A summary of the board's policy on ESG can be found with the company's details on the Association of Investment Companies' website, where there is also more information on ESG for investors:

https://www.theaic.co.uk/esg-and-investment-companies

The Strategy for 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. I give my view in the Chairman's Statement on page 4 and the investment manager discusses his view of the outlook for the company's portfolio in his review on page 22.

By order of the board

Carolan Dobson
Chairman
15 February 2022

Investment Manager's Review

Atlanta, Georgia's Fleetcor Technologies, a specialist in business payments technology, was a new addition to the portfolio.

Investment Manager's Review

Market review

In a similar vein to the previous year, the trust's 2021 fiscal year was dominated by COVID-19. November and December 2020 saw the announcement of encouraging vaccine trial results that showed high levels of efficacy in combating the virus. Although the first months of 2021 saw widespread lockdowns across most of the world and, sadly, an elevated death toll, there was nevertheless an increasingly optimistic mood that the vaccine rollout would soon bring the world back to normal.

By mid-year, the US and European economies had fully reopened, with some ongoing restrictions on cross border travel. However, new challenges had emerged. Resurgent demand for goods coincided with disruption to global supply chains in China and other parts of Asia, which were still under much stricter COVID-19 restrictions and lockdowns. This situation led to spiralling inflation for certain items that were suddenly in short supply, such as shipping containers, which saw a several fold increase in price. There was also a chronic shortage of semi-conductor chips as the industry struggled to ramp up capacity quickly enough to meet demand. This was impacting industries where semi-conductors are a critical component of the final product, such as the automotive and electronics companies.

Somewhat surprisingly, inflationary pressures were also emerging in the labour market. Throughout 2020, most commentators had been worrying about the opposite – the risk of mass unemployment once government support schemes ended. Yet many companies were struggling to find staff and often found themselves having to offer big pay increases just to keep their existing workers. This pressure was felt most acutely in lower skilled, low pay industries. For the UK economy, this problem was compounded by Brexit related staff shortages in industries such as road haulage and construction due to a shrinkage in the supply of EU workers.

Towards the end of the year, there was a surge in energy prices, in particular natural gas, which reached all time highs in several parts of the world, driven by an unusual confluence of events – low storage levels, unusually low wind speeds, lack of supply and cold weather, amongst others. Aside from adding to the inflationary pressures, the event highlighted how dependent much of the world still is on traditional fossil fuel based energy sources.

As a result of these pressures, reported inflation rates began to increase considerably, reaching 6.8% in the US, 5.1% in the UK and 4.9% in the Eurozone, with the debate raging as to whether this would be merely a transitory phenomenon or something that will linger into 2022 and beyond.

As the year drew to a close, concerns grew over the emergence of the more infectious Omicron strain of COVID-19. Some Governments reintroduced restrictions on travelling and socialising. Thankfully the early evidence suggested that Omicron was considerably less deadly than previous dominant strains, especially for vaccinated people.

2021 has certainly highlighted the stark differences and trade offs between countries' handling of COVID-19. In Europe and the US, where vaccination rollouts have proceeded more rapidly, governments have been prepared to tolerate a higher prevalence of the virus, opting to live with and manage it rather than try to eliminate it. This has allowed a more rapid reopening of the economy and society, albeit with a higher overall death toll. In contrast, in Asia and Australasia where many governments have taken a zero Covid approach, economies and societies remain under much tighter restrictions, although health outcomes have been less severe.

For stock markets, 2021 was another year of strong gains, led once again by the US market, where the main S&P 500 Index returned 25% for the year. European markets also posted healthy returns, with the FTSE All-Share returning 17%. The weakest regions were the emerging markets, in particular China where concerns over the indebted construction sector and a regulatory crack down on the technology sector led to sharp falls in the stock market.

Similar to previous years, the highly accommodative monetary and, increasingly, fiscal policy stance of central banks and governments in Europe and the US continued to provide a strong tailwind for equity markets. Interest rates started the year close to historic lows, and although they did rise somewhat during the year, the overall environment remained supportive of riskier assets such as equities. In addition, fiscal transfers from

We increased our position in the UK / US regulated utility National Grid. The company has performed well over the year as the market has begun to appreciate the role that the company can play in energy transition.

furlough and other employment support schemes have backstopped consumers' finances, leaving most in better financial shape than before the pandemic. Aside from facilitating a rapid recovery in consumer spending, many consumers also began to participate much more actively in the stock market.

For the corporate sector, 2021 was a year of strong earnings growth as many companies saw trading recover to pre-pandemic levels of activity. At the same time, ongoing restrictions on travel combined with greater use of digital technologies allowed costs to be kept under control, although towards the end of the year the inflationary pressures had begun to impact many businesses.

Within the stock market, the main contributor to the gains came from the largest companies within the technology sector. Interestingly, the more speculative end of the technology sector, having performed well in the early part of the year subsequently saw sharp share price declines towards the end of the year as investors reappraised some of the frothiest valuations in the sector. Cyclical stocks fared well in the early part of the year, although many gave back some of these gains towards the end of the year. The energy sector was particularly strong, as the recovery in oil and gas prices drove earnings forecasts higher. Rising interest rates was a boon for the banks sector, which also performed well over the year. In contrast, economically defensive sectors with low and stable growth such as consumer staples, telecoms and utilities were the weakest performers.

Portfolio review

The Trust's equity portfolio delivered a modest outperformance of the benchmark over the year. As mentioned in the Chairman's statement, the NAV total return was also slightly ahead of the benchmark, returning 21.5% versus 21.1% for the benchmark. The portfolio once again showed its resilience over the year, with the largest active positions driving much of the performance and few major stock specific negatives. A key detractor to relative performance came from large stocks that we do not own, some of which are discussed below.

In last year's report we highlighted some of the important longer term structural themes underpinning the Trust's portfolio holdings and broader positioning. In our experience, stock markets often underestimate – and therefore misprice – longer term, secular trends, whilst frequently overreacting in the

Technology and science recruitment specialist SThree made a strong contribution to performance.

short term, creating opportunities for us to capitalise on. Even though 2021 was a year in which shorter term factors such as COVID-19 and the machinations of monetary and fiscal policy dominated the headlines, many of the portfolio's core holdings continued to benefit from longer term structural drivers. Where there have been shorter term set backs but our long term conviction remains, we have increased positions.

Healthcare is the portfolio's largest absolute and relative sector weighting. The combination of favourable demographic drivers and barriers to entry stemming from regulation, technology and economies of scale mean we can find many high quality companies with attractive long term growth potential. However, this overweight position was not helpful for the portfolio's relative performance during 2021 as the sector's defensiveness led it to underperform the broader market. Nevertheless, our stock selection was strong, more than offsetting this drag.

The largest single stock contributor over the year was **Novo Nordisk**, the global leader in diabetes treatment and prevention. Diabetes is unfortunately on the rise all around the world and Novo is at the forefront of advancing the quality and efficacy of treatment options for the disease. The shares performed particularly well as newly launched products Wegovy and Rybelsus showed an encouraging uptick in sales growth rates. Novo has amongst the highest margins in the pharmaceutical industries and the company has committed to ploughing much of its excess profits back into research and development in order to further entrench its lead in this important therapeutic area.

Demographic trends are also a key long-term driver for many financial companies, particularly those providing savings and investments services to increasingly aged populations in countries such as the US and the UK where individuals are increasingly expected to take on more of the responsibility and risk for their retirement plans. Large established

Contribution to Investment Performance Relative to the Benchmark

	Positive contribution	Performance impact %	Negative contribution	Performance impact %
Overweight (holding larger than benchmark weight)	Novo Nordisk	0.7	Bright Horizons Family Solutions	-0.7
	Microsoft	0.7	Visa	-0.6
	Partners Group	0.7	Adidas	-0.6
	Intuit	0.7	Munich Re	-0.6
	Accenture	0.7	Iberdrola	-0.5
	SThree	0.6	Enel	-0.5
	Stock Spirits	0.5		
	UnitedHealth	0.5		
	St James's Place	0.5		
	Charles Schwab	0.5		
Underweight (zero holding or weight lower than benchmark weight)			Alphabet	-0.6
			Nvidia	-0.6
			Tesla	-0.5
			Apple	-0.5

providers operating at scale with efficient technology platforms are major beneficiaries of these trends.

In the US, **Charles Schwab** has continued to expand its dominance in the retail broking industry. The company was founded over 50 years ago with the simple mission to provide an improving service at an ever lower cost, as opposed to simply maximising profits from its existing client base. As technology has permeated through the industry, Schwab has adapted, adding new product lines and services. Today the company has built a client base with almost $8 trillion in assets under management, a prodigious platform across which fixed costs can be effectively spread. The shares were a strong performer during 2021 benefiting from the strength in financial markets, but also the rise in interest rates to which the business model has significant exposure.

UK wealth management company **St James's Place** also performed well during the year. St James's Place's business model benefits from higher asset prices since the company charges fees on client's portfolio values. But the company's outperformance is about more than just this factor alone. Over many years – including 2021 – St James's Place has grown assets under management faster than almost all the competition. It is a scalable platform that can accommodate rapid growth in advisers, whilst also being able to efficiently serve the mass market segment. Despite the strong share price performance, valuation remains compelling with an attractive and growing dividend.

Digitalisation continues to be a powerful theme driving change across almost all industries. The portfolio has a number of positions in the technology sector, but also holds companies in other industries which are similarly benefiting from the digital economy. We find the stock market to be narrowly focussed – too much so in our view – on the technology sector, with ever increasing valuation premiums being applied to shorter term growth.

Tesla, the maker of electric vehicles and related technologies, is the poster child for this phenomenon. Not owning the stock has been a meaningful driver of relative underperformance. The shares returned over 100% over the period, surpassing the $1trn mark, greater than the world's nine largest car manufacturers combined, despite producing less than 1% of global car volumes. Similarly, Nvidia, the developer of 3D graphics processors returned almost 150% and, like Tesla, multiple expansion has been a key driver of this. We do not doubt that both companies have bright future prospects, but valuations are clearly discounting a very positive future already. These, and other such shares, are heavily traded by retail investors with share prices exhibiting extreme volatility to short term newsflow.

Such speculative behaviour and frothy valuations have sparked comparisons with the dot.com bubble era when bulls cited new technology and explosive growth potential to justify extreme valuations. Our view is more balanced. Whilst there are clearly some excesses, we do not see this as a market wide phenomenon. What we observe is a market that is becoming increasingly myopic, leading to large disparities in valuation, and therefore opportunities for long term active investors.

An excellent example of this is **Visa**, the global payments company. Visa is exceptionally well positioned for the long-term shift from cash to digital and the growth of eCommerce. The company acts as a clearing house for transactions, allowing a fragmented pool of buyers and sellers to transact with each other for a relatively low cost. It is one of the most profitable and scalable companies in the world with a long runway of growth ahead of it. During 2021, a slower than hoped for recovery in cross-border travel has slowed the pace of recovery in Visa's business to pre-pandemic levels. There have also been some concerns than new methods of payments such as buy-now-pay-later and blockchain might disrupt Visa and Mastercard's duopoloy, but we can find scant evidence to support this. The shares performed poorly during the year, falling in absolute terms and de-rating to one of the lowest valuations in a long time. We took this opportunity to add to the position.

Elsewhere in the technology sector, **Microsoft**, the portfolio's largest holding, continues to go from strength to strength. The shares gained over 50% thanks to a series of strong results which exceeded expectations across most metrics and divisions. The company is benefiting from a sustained uptick in demand for hardware, whilst the Productivity division, which encompasses Microsoft 365 and LinkedIn, is seeing increased demand from corporate clients for IT services and recruitment. Yet far and away the biggest driver continues to be Microsoft Cloud which grew at over 40% over the year and still has many years of strong growth ahead.

Microsoft, the portfolio's largest holding, continues to go from strength to strength. The shares gained over 50% thanks to a series of strong results which exceeded expectations across most metrics and divisions.

Technology consultancy **Accenture** and specialist recruitment company **SThree** also made strong contributions to performance. Both companies are benefiting from digitalisation. The pandemic was a boon for Accenture as its large corporate clients looked to accelerate the digitalisation of their businesses, however growth has continued apace into 2021. Similarly, SThree has built a valuable business providing specialist high value contract staff into technology and science based roles. In both cases, after sizeable valuation re-ratings, we have reduced the portfolio's weightings.

Amongst the negative contributors, the lingering effects of the pandemic continued to weigh on both **Adidas** and **Bright Horizons**. Lockdown related supply chain restrictions in Vietnam have severely hampered the ability of Adidas to produce its products, whilst also resulting in higher costs. In addition, the important Chinese market was weak as Adidas, along with other western consumer brands, found itself caught up in the Chinese boycott of companies refusing to use Uighur labour. The historical experience tells us that these events tend to be short-lived and soon forgotten as the Chinese consumer's thirst for high quality western brands returns. Adidas has attractive long-term growth prospects on a very reasonable valuation after this year's underperformance. We have added to the portfolio's position.

Bright Horizons is a provider of childcare centres and has suffered as the pace of recovery has been lumpy and overall slower than expected. The company benefits from the longer term trend towards more flexible working and it has, through its partnership with large employers, pioneered the concept of employers taking a more active role in the provision of childcare for employees. However, with the pandemic having shifted working patterns, it still remains somewhat unclear where this will settle and to what extent Bright Horizons will need to adapt. We continue to see a compelling long term case, but also recognise that the uncertainty has risen.

The portfolio's holdings in the utility sector delivered a mixed performance. We reduced **Iberdrola** and **Enel** early in the year in order to finance a larger position in the UK / US regulated utility **National Grid**. This proved well timed as National Grid has performed well over the year as the stock market has begun to appreciate the role that the company can play in facilitating the energy transition, and the growth potential that this offers. In contrast both Iberdrola and Enel were weak performers, de-rating as investor sentiment soured towards the European integrated utilities, in part driven by regulatory intervention in Spain and increased competition on the horizon for renewable developments. We share some of the concerns and took the decision to sell the rest of Enel later in the year.

Reinsurance company **Munich Re** was another detractor to performance. 2021 has been another year of elevated catastrophe losses and the sector has been out of favour as a result. However we expect this to feed through into higher pricing and improved profitability for Munich Re in the years to come. Munich Re is a well-managed and soundly financed company with a long track record of handling the insurance cycle effectively.

Significant transactions

During the year, we sought to take advantage of the volatility within the stock market to add new positions in high quality companies at discounted valuations. We also exited a number of holdings where our confidence in the longer term investment cases had deteriorated.

The portfolio does not have a significant weighting to the banks sector, but amongst those that we do hold we have been actively seeking out the better quality companies that are capable of delivering high and rising return on equity over time. This rationale drove our purchase of **Paragon Bank**, a specialist UK banking franchise operating primarily in the UK residential buy to let market. The end market is seeing a gradual shift away from amateur landlords towards professionals. Paragon's penetration of this segment has delivered strong growth in recent years. It is a relatively niche market in which lenders require dedicated and more costly manual underwriting expertise, resulting in sustainably higher profitability for the industry leaders such as Paragon.

The sale of both **Citigroup** and **Lloyds Bank** were predicated largely on their inability to meaningfully sustain earnings growth beyond the short term uptick from economic recovery. Both banks rallied strongly on the expectation of rising rates which, while positive, is a factor that is entirely out of the companies' control. Although they are strong dividend contributors, the same is true for Paragon which offers a more visible growth trajectory.

Elsewhere in financials, we initiated a position in **MarketAxess**, a leading provider of electronic trading software for the fixed income markets. Unlike equity trading which is now almost entirely digital, the majority of

Company Engagement Activities

Our investment process does not end with purchases of shares. We believe that we have an important duty to engage with the boards and executive management teams of the companies in the portfolio. This is not purely about holding management to account, but also about influencing company strategy and promoting effective governance, to help improve long term performance. In particular, we focus on the sustainability of the business model and factors such as the environmental impact of the business, social policies and capital management. The table shows the number of our engagements with businesses last year, and breaks this down into different categories and by sector.

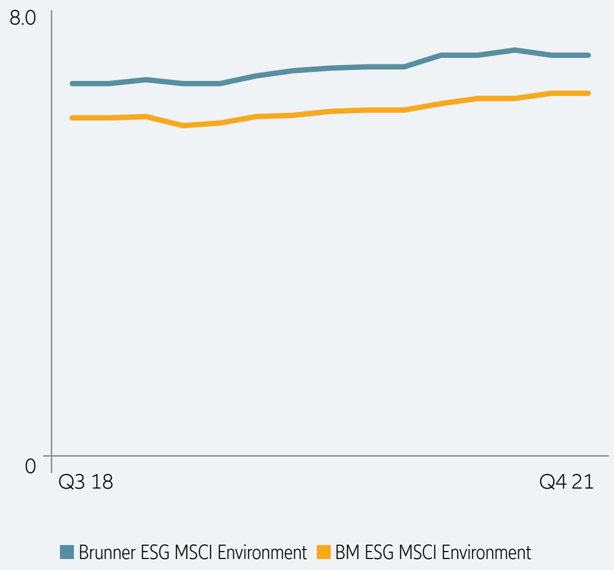
	Consumer Staples	Consumer Discretionary	Energy	Financials	Health	Industrials	Real Estate	Technology	Telecoms	Utilities
Business Model		2			2	1				
Capital Management				1						
Audit & Accounting		2		1		1				
Corporate Governance	1	5	4	4	2	3	1	1		
Environmental Risks / Impacts	1	2	5							
Social Risks / Impacts	1	1		1						
Business Conduct & Culture										3
Transparency & Disclosure			1			1				

Several issues may be covered in each meeting.

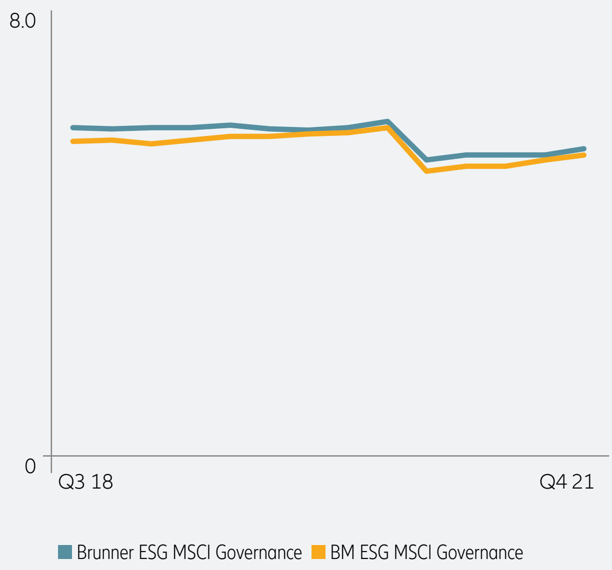
Environmental, Social and Governance performance

AllianzGI does considerable proprietary work in ESG analysis and at the moment also uses 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 July 2018 to 31 December 2021.

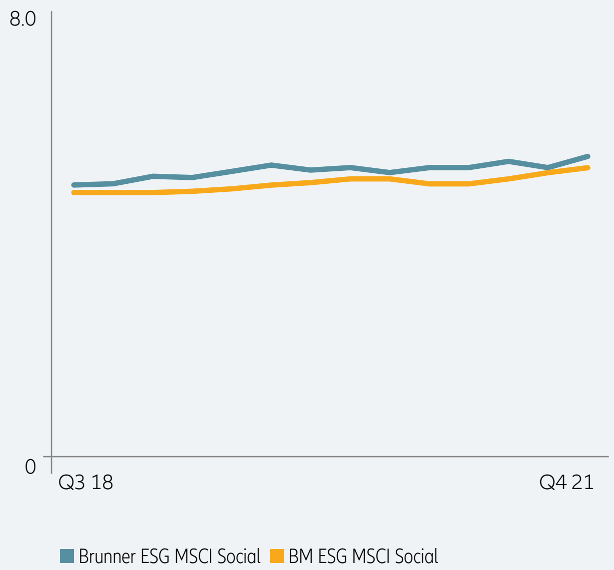
Environmental performance v benchmark



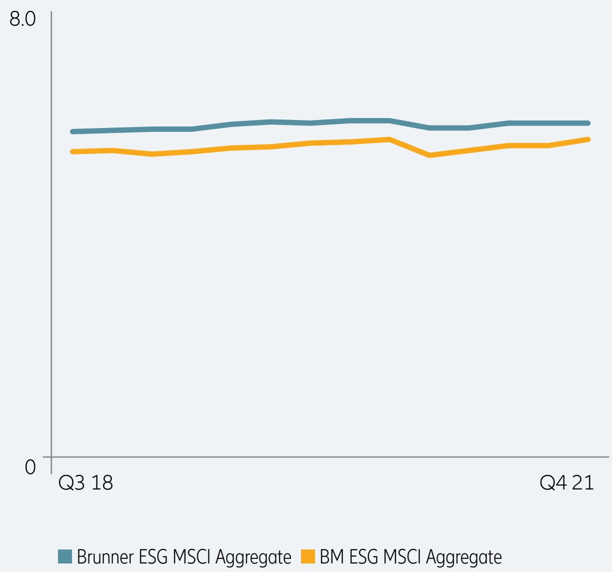
Governance performance v benchmark



Social performance v benchmark



ESG performance v benchmark



Source: MSCI/AllianzGI.

bond transactions still take place over the phone. MarketAxess's platform increases price transparency, improves efficiency and reduces costs. It already occupies a dominant position yet continues to have a multibillion runway for expansion as the shift to electronic trading continues. At the time of purchase, the shares had become notably less expensive which provided us with an attractive entry opportunity. We also added **Fleetcor Technologies**, a business to business payments technology company, that is benefiting from the digitalisation of corporate payments, a long term structural trend that has many years to run. The company's exposure to some cyclical end markets impacted by the pandemic had depressed the valuation, creating an attractive entry price.

We sold our position in **ITV**, the broadcasting and production house, reinvesting the proceeds into **RELX**, a provider of business to business data and analytics. ITV had rallied over 100% from its lows in March last year thanks to an improved outlook for advertising and the continued strength of its content unit. However, the pandemic has accelerated the structural disruption of viewing habits, calling into question the longer-term investment case. RELX by contrast offers stable growth through its dominant market positions within the legal, academic and insurance markets, with additional upside potential from a recovery in exhibitions and transaction-related revenues. At the time of purchase, the company's defensive qualities were out of favour with the stock market, resulting in the shares de-rating to an attractive long-term valuation.

The consumer sector has also thrown up opportunities over the past twelve months. In June, we initiated positions in **Baltic Classifieds** and **Jumbo**. Baltic is an online marketplace platform with dominant positions in automotive and residential in the Baltic countries, somewhat similar to that occupied by Rightmove and Autotrader in the UK. The niche geographies in which it operates significantly lowers the threat posed by larger US players given cultural barriers and the smaller market size relative to western Europe. At the same time, currently low price points means Baltic has a long run way of growth ahead. The shares were purchased as part of the company's IPO.

Jumbo is a discount retailer listed in Greece. The company's key markets are Greece, Cyprus, Bulgaria and Romania, where it has achieved a steady growth over more than two decades. Jumbo's competitive advantage derives from buying scale which allows the company to offer a flexible and wide range of products, whilst continually offering the lowest price. A key growth driver going forward will be Romania, a relatively immature market where Jumbo is opening new stores. These characteristics are combined with a compelling valuation, rock solid balance sheet and attractive dividend.

We initiated a new position in **Homeserve**, an emergency home repair and insurance business. Through its long term partnerships with utility companies, Homseserve has built up a leading market position in a number of geographies, in particular the US and the UK. The shares had de-rated due to weaker performance in its native UK market, however this is now

New Positions in the Portfolio and Complete Sales

First half to 31 May 2021

New positions	Complete sales
RELX	ITV
Fleetcor Technologies	China Mobile
	Citigroup

Second half to 30 November 2021

New positions	Complete sales
Baltic Classifieds	Enel
Homeserve	Lloyds
MarketAxess	Stock Spirits
Jumbo	
Paragon	

stabilising, whilst the US expansion will continue to be the main driver of profit growth in the coming years.

Towards the end of the year we sold our holding in **Stock Spirits Group**, the branded eastern European spirits business, following the agreed takeover bid for the company by private equity. This has been a successful investment over the past three years through a combination of capital gains and sizeable dividend payments. The takeover price was a fair one, which recognised the strength of the company's local brands and longer term growth potential.

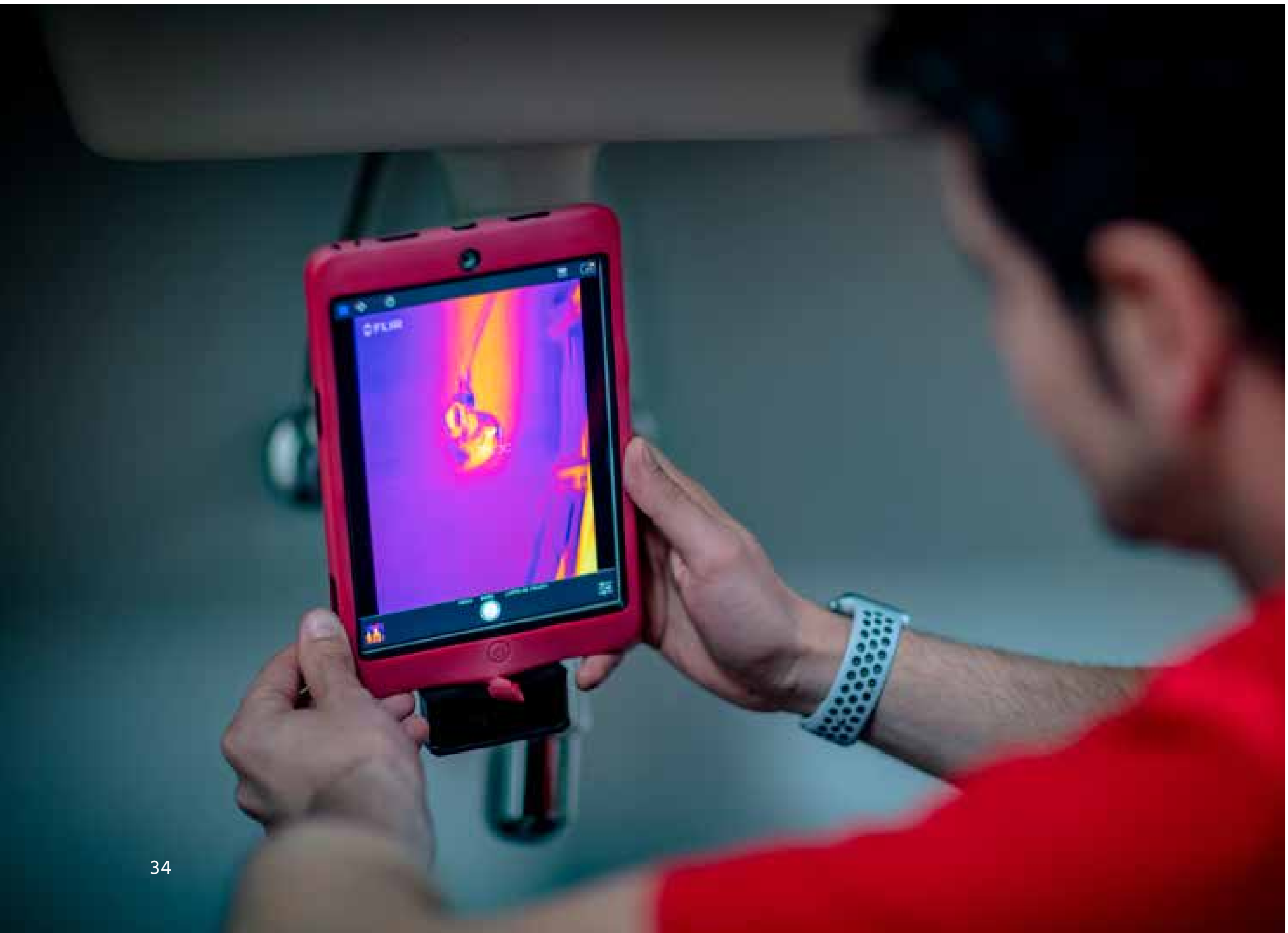
Finally, the holding in **China Mobile** was sold following a reappraisal of the investment case. The company was also added to the US Office of Foreign Asset Control sanction list, which was the catalyst to sell the remaining holding.

Economic and market outlook

The last 24 months have been an extraordinary period for the global economy and financial markets. Lockdowns and the subsequent curtailment of economic activity around the world were followed by a rapid but highly uneven recovery, combined with unprecedented levels of monetary and fiscal policy intervention. Many of the distortions that this has created - mismatches between supply and demand, price collapses followed by spikes, speculative activity, amongst others – continue to this day and need to be kept in mind when considering the outlook for the economy and financial markets.

Looking into 2022 and beyond, there are a number of risk factors on the horizon. Firstly, the unpredictable course of the COVID-19 pandemic continues to affect both the economy and financial markets. The Omicron variant has shown how quickly a new strain can spread through the population causing sudden shifts in government policy. Thankfully, the early signs are that Omicron is significantly less harmful than previous variants. This trend towards greater infectiousness but with less

Emergency home repair and insurance business Homeserve was a new addition to the portfolio.



severe health outcomes is a path that some previous viruses have followed. It is too early to conclude definitively that this is also the case for COVID-19, but the signs are encouraging.

Secondly, 2022 will see both corporates and consumers have to grapple with the full effects of higher inflation. Many companies have been protected during 2021 by hedges and cost saving programmes. As the hedges roll off and demand continues to recover, costs are going to rise for almost all companies, creating a major headwind for corporate earnings. Similarly for the consumer, higher prices for basic necessities such as food and energy will exert a toll on the broader level of consumer demand potentially impacting the wider economy in the process. Perhaps most importantly, if inflation does prove persistent, the world's major central banks may be forced to tighten monetary policy more aggressively than expected, with adverse consequences for risk assets.

Thirdly, geopolitics has become increasingly volatile and unpredictable. Historically, aside from extreme events such as wars and revolutions, geopolitical shifts and disputes have not tended to have much lasting impact on the global economy and financial markets. However, there is no doubt that the geopolitical risks are higher today than they have been for many years. The tensions between China, Russia and the US appear unlikely to resolve themselves anytime soon, with the added risk that Ukraine or Taiwan become embroiled. Perhaps even more concerning is the internal division and discord that exists within the US itself, making it ever harder for the country to exert a credible leadership role internationally.

Finally, there are signs that stock markets themselves are increasingly singing from their own hymn sheet, one of liquidity, speculation and an ever greater focus on the short term. As noted above, we do not see a market wide bubble, but there are clearly pockets of excess, which at the very least should warrant a more cautious and discerning approach. The first few weeks of 2022 have highlighted these risks, with severe share price declines occurring amongst the most speculative and highly valued parts of the market.

Against this backdrop, we will continue to research and deepen our understanding of the businesses we are investing in, whilst remaining resolutely focussed on the longer-term drivers of shareholder value creation. We expect stock markets to remain volatile into 2022 and beyond, but that this will create opportunities for us, as it has done in 2021. The portfolio is broadly diversified geographically, with exposures across many industries, both cyclical and defensive. This balanced approach means we avoid taking huge macro or sector bets, preferring instead to let our stock picking drive the portfolio's returns. Furthermore, we expect that the higher quality business models that we favour will weather the challenges to come better than the average company, whilst our valuation discipline affords us some protection against the extremities of valuation excess.

Investment Philosophy and Stock Selection Process

Long-term focus

As investors driven by fundamentals, our focus is on understanding the long-term. It is only over longer time periods that the fundamental attributes of businesses and industries truly reveal themselves, for better or for worse. We invest in high quality companies with proven profitable business models that can grow over time. We believe the stock market is often inefficient in valuing such companies. Through detailed research and analysis, we seek to capture these inefficiencies and deliver superior long-term investment returns.

Balanced, diversified portfolio

Drawing on the full resource of AllianzGI's global investment platform, we look across all industries and geographies to select the most attractive investment ideas for the Trust's portfolio. We believe in building a balanced portfolio that is diversified across industries and geographies, whilst avoiding extreme biases that can lead to unpredictable and volatile outcomes. In this way the portfolio can be relied upon to deliver a steady and consistent capital and income return.

Research intensive, focus on cash flow

AllianzGI's research platform combines a large global team of equity and credit portfolio managers and research analysts, environmental, social and governance specialists and our own Grassroots* market research organisation to provide our fund managers with in-depth analysis of businesses and industries as well as insights into structural and cyclical trends. Our research particularly focuses on the analysis of sustainable company cash flows, which typically provides the truest measure of corporate performance. (*GrassrootsSM is a division of AllianzGI)

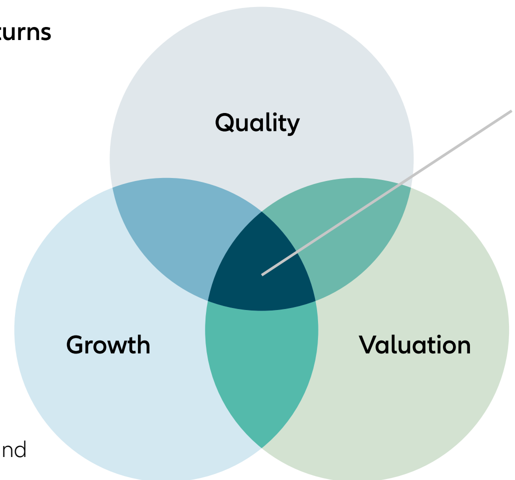
Stock selection – focus on Quality, Growth and Valuation

Our stock selection process blends together assessments of business quality, long-term growth potential and valuation, resulting in a holistic view of a company, the risk factors and, ultimately, the drivers of shareholder value.

Quality is about understanding the intrinsic attributes of a business model. High quality companies are those with long-term competitive advantages, supported by shareholder friendly management teams and strong

Quality: Stable above average returns

- Long term competitive advantage
- Strong balance sheets
- High barriers to entry
- Management quality
- Stable/improving ROCE/RoE
- Sound on ESG issues



We seek to identify this universe through fundamental research

Secular growth

- Addressable market growth
- Sustainable growth – technology, brand
- Long term, through-cycle approach
- Avoid structural decline

Value, not just "cheap"

- Reverse Discounted Cash Flow
- Enterprise Value vs. Cash returns
- Price/Book vs. Return on Equity
- Dividends – an output not input

balance sheets. In financial terms, such companies tend to be highly profitable, generating substantial surplus cash flow that can be used to fund further growth or shareholder returns. These characteristics are often not immediately obvious from traditional accounting metrics, which is why we focus so closely on cash flow. Quality can vary enormously across and within industries. Fortunately, as global investors with a large investible universe, we can afford to be highly selective in the companies that we invest in.

ESG and sustainability considerations also play an important role in our assessment of business quality. AllianzGI's sustainability research team is fully integrated into the broader investment research platform, allowing us to develop a deep understanding of these complex risk factors. Environmental, Social and Governance (ESG) factors, such as those related to governance or environmental impact, have the potential to impact positively or negatively a business model. As long-term investors, these considerations are critical to our investment process.

To assess long-term **growth** potential, it is important to understand the secular forces that are shaping the economy and society, such as demographics and digitalisation. This provides the context in which to assess broader industry drivers as well as a company's position with the industry. Particular emphasis is placed on differentiating between structural and cyclical growth. Whilst we will invest in cyclical companies, a much greater value is placed on the structural element of growth. This combination of a high quality business model and long-term growth is powerful driver of shareholder value.

Company **valuation** seeks to determine whether there is sufficient upside to warrant investing. We look for companies where the quality and/or long-term growth potential is not yet priced in. We want to anticipate rather than react and are careful not to overpay, for example by identifying companies with "undiscovered" structural growth or those where we believe business quality is improving. We employ a range of valuation tools, such as free cash flow yield versus expected growth and industry or market relative valuation.

Sell discipline

Stocks will be sold from the portfolio for one or more of the following reasons.

- A material change to the investment case, such as a deterioration in the fundamentals or a rise ESG risks, undermining the quality and growth potential of the company.
- A high valuation that can no longer be justified by the fundamentals.
- Superior alternative investment opportunities, or similar opportunities with more attractive risk profiles.

Portfolio construction

The portfolio consists of 60-80 holdings that have been carefully selected on the basis of their own individual merits, whilst taking into consideration the exposure to industries, geographies and other risk factors, thereby ensuring that the overall portfolio remains balanced and diversified. The size of each individual holding reflects the level of conviction, the valuation upside potential versus downside risk factors, and liquidity. At the portfolio level, the objective is to ensure that stock specific risk – the risk which results from our stock selection decisions – is the primary driver of the portfolio's returns. Residual risks such as currency, style, geography or macroeconomic are monitored and managed to ensure that they are not driving the overall portfolio's returns. Ultimately, the aim is to optimise the portfolio to achieve the dual objective of consistent benchmark outperformance combined with an attractive and growing income.

The portfolio is segmented into four different groups. Each has particular characteristics and serves a specific purpose in the portfolio. The four groups are explained below, followed by a detailed portfolio breakdown, providing shareholders with a more complete understanding of the investment rational behind each holding.

- **High Growth**: Rapidly growing companies demonstrating strong underlying profitability, where most or all surplus cash flow is reinvested for growth. The return is expected to come primarily from the long-term growth in intrinsic value.
- **Defensive Growth**: Stable and highly profitable companies which have demonstrated a long track record of high returns on capital with a stable growth profile. The return is expected to come from a combination of long-term growth in intrinsic value, cash returns to shareholders and a valuation re-rating.
- **Cyclical Growth**: Companies delivering high returns on capital and long-term growth but which also exhibit more volatile short term results. The return is expected to come from a combination of long-term growth in intrinsic value, cash returns to shareholders and a valuation re-rating, however shorter term returns may be more variable with the economic cycle.
- **Mature**: Profitable companies that are later in the industry life cycle where growth rates are typically lower. The return is expected to come primarily from shareholder returns and valuation re-rating, with a lesser contribution from intrinsic value growth.

Top 20 Holdings

1 Microsoft

Software & Computer Services
North America
28,485,355
5.3%

Microsoft is one of the world's largest technology companies. 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 divisions of personal computing, cloud and business processing.

2 UnitedHealth

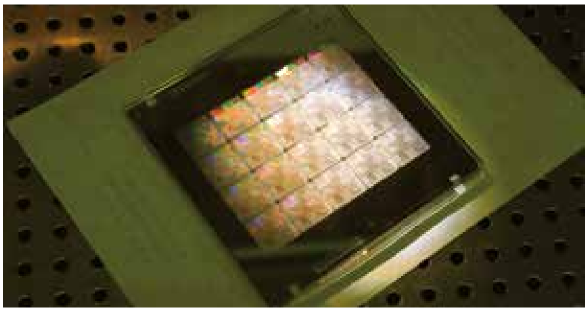
Health Care Providers
North America
22,974,510
4.3%

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

3 Roche Holdings

Pharmaceuticals & Biotechnology
Switzerland
15,968,854
3.0%

Roche operates two segments -- pharmaceuticals and diagnostics -- and sells its products in over 190 countries. Its prescription drugs include cancer therapies MabThera/Rituxan and Avastin, hepatitis drug Pegasys, idiopathic pulmonary fibrosis drug Esbriet, macular degeneration therapy Lucentis, and Tamiflu, which is used to prevent and treat influenza (including pandemic strains).



4 Taiwan Semiconductor

Technology Hardware & Equipment
Taiwan
15,046,865
2.8%

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, TSMC makes chips for semiconductor and systems companies that do not have their own manufacturing facilities (accounting for about 85% of sales). Those companies include AMD, Broadcom, NVIDIA, and QUALCOMM.

 Sector Headquarters Value of holding Percentage of portfolio

5 Visa

Industrial Support Services
North America
15,013,192
2.8%

Visa operates the world's largest consumer payment system, with nearly 2.5 billion credit and other payment cards in use in over 200 countries. The company licenses the Visa name to member institutions which issue and market their own Visa products and participate in the VisaNet payment system. The company also offers debit cards, Internet payment systems, value-storing smart cards and traveller's checks.

6 Accenture

Industrial Support Services
North America
14,049,435
2.6%

Accenture is the world's largest consulting firm, providing management consulting, technology, and business process outsourcing to companies and governments. Corporate clients include more than 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 The Cooper Companies

Medical Equipment & Services
North America
13,654,061
2.6%

CooperVision and CooperSurgical make up the two businesses of The Cooper Companies. These specialise in the production of contact lenses and women's fertility devices, respectively. CooperVision has consistently outperformed, gaining +1% market share annually since 2011. Although much smaller, CooperSurgical uses its scale and distribution capacity to consolidate and corner a relatively fragmented market. The result is two attractively growing businesses with good profitability.

8 Munich Re

Non-Life Insurance
Germany
13,225,377
2.5%

Muenchener Rueckversicherungs-Gesellschaft (known as Munich Re) provides reinsurance, insurance, and asset management services in some 160 countries. Reinsurance coverage (insurance for insurers) includes fire, life, motor, and liability policies on both a facultative (individual risk) and treaty (categorized risk) basis. The company also provides direct insurance including life, health, and property coverage through Germany-based ERGO and other subsidiaries.

9 Schneider Electric

Electronic & Electrical Equipment
France
13,088,382
2.5%

Schneider Electric's electrical distribution, automation and energy management products are used in homes, offices, industrial buildings and infrastructure around the world. As countries aim to reduce their greenhouse gas emissions whilst digitalising ever more products and services, demand for electrification is structurally rising.

10 Estée Lauder

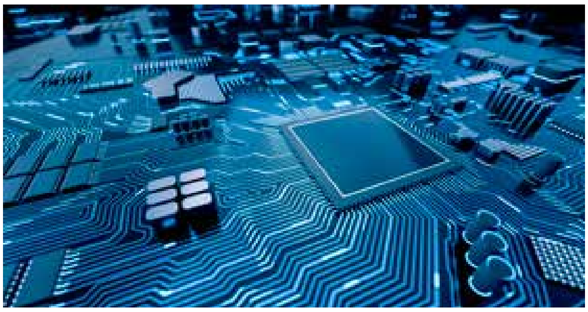
Personal Goods
North America
13,055,028
2.5%

Estée Lauder sells cosmetics, fragrances, and skin and hair care products, with brands including upscale 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.

11 Novo Nordisk

Pharmaceutical & Biotechnology
Denmark
12,909,812
2.4%

Novo Nordisk is a pharmaceutical company specialising in medication for the treatment of diabetes, obesity and related illnesses. With annual revenues of over 14 billion GBP, the company generates around 80% of revenues from treatments related to diabetes. The complexity of Novo's end markets, combined with the essentially sticky nature of its customers and the increasing incidence of obesity-related illness in developed markets, all contribute to the high and steadily rising cash returns of the business.



12 Microchip Technology

Technology Hardware & Equipment
North America
12,755,522
2.4%

Microchip Technology's microcontrollers help to translate analogue inputs into digital codes, and vice versa. The company designs, manufactures, and markets microcontrollers, as well as related mixed-signal and memory products. Its chips can be found in products ranging from electric razors to medical devices. With revenues of over 5 billion in 2020, the company stands to benefit from the increased digital penetration of global hardware.

 Sector Headquarters Value of holding Percentage of portfolio

13 AbbVie

Pharmaceuticals & Biotechnology
North America
£ 12,687,566
2.4%

AbbVie discovers, develops, and commercializes both biopharmaceutical and small molecule drugs, with a focus on autoimmune diseases, hepatitis C, HIV, and other ailments. With the acquisition of Allergan in 2020, AbbVie has acquired a portfolio that includes Botox, as well as treatments for eyes, gastroenterology and the central nervous system.

14 Adidas

Personal Goods
Germany
£ 12,625,185
2.4%

Adidas is a German manufacturer of sports apparel and equipment. Founded in Germany, the company now sells its merchandise in over 160 countries through both its own branded stores and third-party retailers. Under its CEO Kasper Rorsted, the company has invested meaningfully in its online presence, while at the same time focusing on product development and boosting operating efficiencies.

15 AMETEK

Electronic & Electrical Equipment
North America
£ 10,219,343
1.9%

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.

16 Intuit

Software & Computer Services
North America
£ 9,799,786
1.8%

Intuit produces financial and accountancy software for small and medium sized businesses. Its flagship products are QuickBooks, which handles accounting, and TurboTax, designed for consumer tax preparation. The company is benefiting from the steady shift away from in-person accountancy and tax advice to cheaper, online, do-it-yourself services. A recent move to acquire MailChimp – originally a consumer email marketing service – further consolidates Intuit's position as an essential provider of business to small and medium-sized business.

17 Partners Group

Investment Banking & Brokerage
Switzerland
9,737,165
1.8%

Partners Group is a private equity firm based in Switzerland with over 94 billion USD in assets under management. Its asset classes include private equity, infrastructure, real estate and debt. The firm serves 900 institutional investors and is one of the most valuable publicly listed private markets firm in the world.

18 AIA

Life Insurance
Hong Kong
9,550,104
1.8%

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.

19 National Grid

Gas, Water & Multi-Utilities
United Kingdom
9,309,200
1.7%

National Grid is a supplier of vital electricity and gas infrastructure. Its operations are split almost equally in terms of profit between the UK and US, which generated around 1.5 and 1.3 billion GBP of operating income respectively in its most recent fiscal year. At the same time, the structural trend towards a low carbon/electrified economy will require more investment on top. National Grid is also taking clear steps to reduce its own environmental impact.

20 St. James's Place

Investment Banking & Brokerage
United Kingdom
9,291,000
1.7%

St. James's Place is a wealth manager with over 148 billion GBP in assets under management. Its growth is predicated on an increasingly affluent population, as well as the ever greater onus on individuals to save for their retirement. Investments in back-end technology, including an academy through which to educate its advisors are driving internal efficiency gains. The company offers advice across pensions and broader financial planning.

Total value of top twenty holdings: **£273,445,742**   Percentage of portfolio: **51.2%**

Case Studies

MarketAxess

Sector Investment Banking & Brokerage
Headquarters United States
Value of holding 5,733,009
% of portfolio 1.1%

MarketAxess is a financial technology company that operates one of the leading electronic trading platforms for fixed income markets. Originally part of J.P.Morgan, it was spun off as an independent company in 2000. Over the subsequent two decades MarketAxess has gone from strength to strength, delivering double digit growth in revenues and profits in most years. Driving this growth are long term structural trends that are changing the way investors trade in fixed income markets.

Unlike equity markets, which are now almost entirely electronically traded, fixed income markets still rely on an element of voice due to the greater illiquidity and wide range of security types. This is especially true in investment grade and high yield credit, where MarketAxess derives over three quarters of its commission revenues. However, the long-term trend is clear; these markets are gradually shifting over to electronic forms of trading. The relentless march of technology, which MarketAxess is at the forefront of, is continually finding ways to solve the problems of illiquidity and thereby reduce costs for clients. Importantly this transition still has a long way to run, which means MarketAxess has many years of strong growth ahead of it.

As a technology platform, MarketAxess benefits from scale economies and a powerful network effect as more and more counterparties shift onto the platform increasing its overall value for all users. The company is already highly profitable and cash generative, with net profit margins of almost 40%, and a very strong balance sheet. Although near term valuation is elevated, the compounding effect of such strong growth means there is still ample scope for further share price gains in the years to come.

Adidas

Sector Personal Goods
Headquarters Germany
Value of holding 12,625,185
% of portfolio 2.4%

Adidas is the second largest global sportswear brand, after Nike. The company designs, develops and markets footwear, apparel, sports equipment and sports accessories under its well-known brand name. Aside from the pandemic impacted 2020 year, Adidas has delivered impressive and consistent growth over the past decade, benefiting from overall increased consumer spend on sportswear, as well as strong market share gains in the US and Chinese markets. Adidas's scale makes it one of the only companies able to compete with Nike on marketing and sponsorship deals, reinforcing the strength of the brand, and allowing it to continue to sell its products at premium prices.

Adidas is an excellent example of a largescale successful consumer brand that is harnessing the power of digital technology to improve its business model and further entrench its position with its fans and customers. Ecommerce sales for Adidas are increasingly direct to the consumer (DTC) which gives the company greater control over the relationship with the end customer. DTC sales are more likely to be full price with less discounting, enhancing the overall margin profile. Nike offers a clear blueprint on this and Adidas is a fast follower. DTC sales are expected to be 50% of overall sales by 2025 and are expected to account for the majority of Adidas's growth in the years to come.

The shares have been under some pressure during 2021 as the lingering effects of the pandemic have led to a slower than expected recovery in some areas of Adidas's business, with additional supply chain issues for the company to deal with, whilst the important Chinese market has also experienced a slowdown. These factors have depressed Adidas's valuation, but are likely to prove temporary in nature. Adidas is a very well positioned company with excellent prospects for long term growth in both sales and profitability.

Ashmore

Sector Investment Banking & Brokerage
Headquarters United Kingdom
Value of holding 5,434,520
% of portfolio 1.0%

Ashmore is a specialist asset management company. With over three decades of experience in emerging market bonds, Ashmore has built up an impressive and enviable track record across multiple market cycles. A founder led business with a clear long-term focus, the company has always sought to create a culture that attracts the right kind of employee and client. Employee remuneration is closely linked with the firm's overall performance, with long-term share awards making up a key part of remuneration. As a result, the firm's employees are some of the biggest shareholders. Ashmore's long experience in the region has allowed it to build up an extensive institutional client base in both developed markets but also emerging markets themselves.

Ashmore's active value driven investment process has proven itself well suited to emerging market bonds, which tend to exhibit higher volatility than developed markets. This creates a lot of opportunities for Ashmore's investment process to exploit. The company benefits from an experienced and well-resourced investment team, including many local country experts.

In recent years, emerging market bonds have been somewhat out of favour with investors. Years of quantitative easing have pushed developed market interest rates ever lower, leading to strong returns. Today, real yields on emerging market bonds are at some of the most attractive levels ever when compared to developed markets. At the same time, investor allocations towards the asset class are very low and may be set to rise from here, providing a helpful tailwind for Ashmore's business. Ashmore shares are lowly valued, with an attractive yield and bullet proof balance sheet.

ESG Focus

Shell and the Energy Transition

Sector Oil, Gas & Coal
Headquarters United Kingdom
Value of holding £8,675,700
% of portfolio 1.6%

Historically the trust has not had a large exposure to traditional integrated energy. The capital intensive nature of the industry combined with the commodity nature of the product makes it hard to find companies with the quality characteristics that we seek. We do, however, believe that the industry is improving in quality after many years of poor capital allocation. Against this backdrop, asset quality and energy mix are likely to be key determining factors in long term success. As the energy transition progresses in the coming years and decades, energy companies that have effectively positioned themselves for these changes can thrive, whilst those that have not may find themselves increasingly marginalised. Shell's pivot to natural gas – increasingly recognised as an important transition fuel with many years of growth as it displaces coal – combined with its strength in downstream distribution and marketing makes the company well placed for the changes that are coming.

2021 was an eventful year for Shell. The company set out an ambitious long-term strategy "Powering Progress" that would see it reach net zero emissions by 2050 on a scope 3 basis, the full measure that includes the emissions of customers' use of products as well as those generated by the company itself. We scrutinised the plan in detail over several meetings with executive management and the Chairman of the Board. The plan was criticised by some commentators for not containing enough firm targets, such as for renewable generation capacity or the pace of decline in oil output. We believe these criticisms are a misdiagnosis of the problem. Energy companies such as Shell are suppliers of energy, but over 90% of the emissions stem from the use of the energy by their customers. Through its downstream business, Shell is distributing and marketing three times the amount of energy that it actually produces itself. This puts the company in a strong position to work with customers to reduce their overall emissions, for example by adopting new technologies it has developed such as sustainable aviation fuel or nature-based solutions to offset emissions. But these changes will need to be driven by all stakeholders – the end users, host governments, as well the energy suppliers. The suppliers cannot do it on their own because the demand needs to be there in the first place. We believe Shell's strategy is a genuine and pragmatic approach that will enable the company to utilise its vast resources and technological expertise to make a major positive contribution to the energy transition. For these reasons we supported management at the AGM and we will continue to hold the company to account in the years to come.

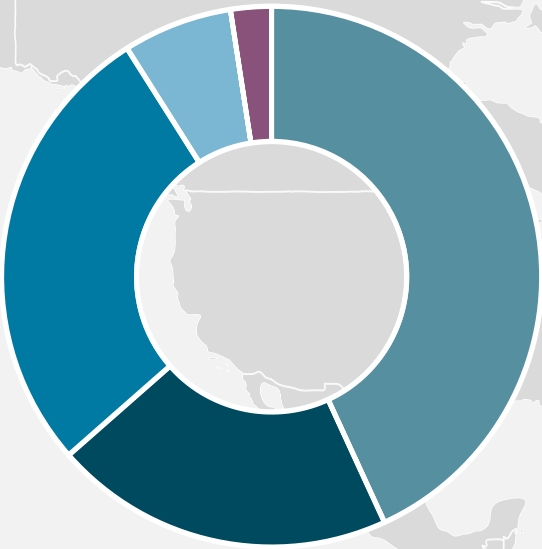
As the urgency of decarbonisation becomes more apparent, the pressure on investors to divest from companies producing traditional fossil fuels has increased. A number of high profile asset management companies made such announcements of intent during 2021. In conjunction with the board, AllianzGI has set out its view on this matter in a recent stewardship principles paper. We believe that active stewardship and engagement is the right approach, whilst divestment may in fact worsen the problem. The reality is that the entire global listed traditional energy sector accounts for just 12% of global fossil fuel reserves, 15% of production and 10% of estimated emissions. Divestment will simply increase the cost of capital and likely force these companies to divest of their own fossil fuel assets. The new owners will be private companies or national oil companies who may not have the same decarbonisation goals, and in any case will not be subject to the same ESG oversight as the publicly listed companies are. Traditional energy companies have a lot to offer in terms of expertise and technology. It will be harder, perhaps even impossible, to achieve the goals of Paris without their help, as the International Energy Agency (IEA) has recently acknowledged.

"The International Energy Agency (IEA) recognises that oil majors have a key role to play in making the energy transition a reality. They have the global reach, large-scale project management capabilities, government relationships and commercial expertise to manage volatility along integrated energy value chains. Moreover, European oil majors are competing successfully in renewable energy auctions in partnership with specialist infrastructure investors and adopting ambitious medium and long-term capacity targets. The best way for investors to ensure that this continues – such that oil majors become key enablers of the global transition to net zero by 2050 – is through concerted engagement, to monitor their business activities and, most importantly, to hold them to account."

Marie-Sybille Connan, AllianzGI Senior Stewardship Analyst

Portfolio Breakdown

at 30 November 2021



North America

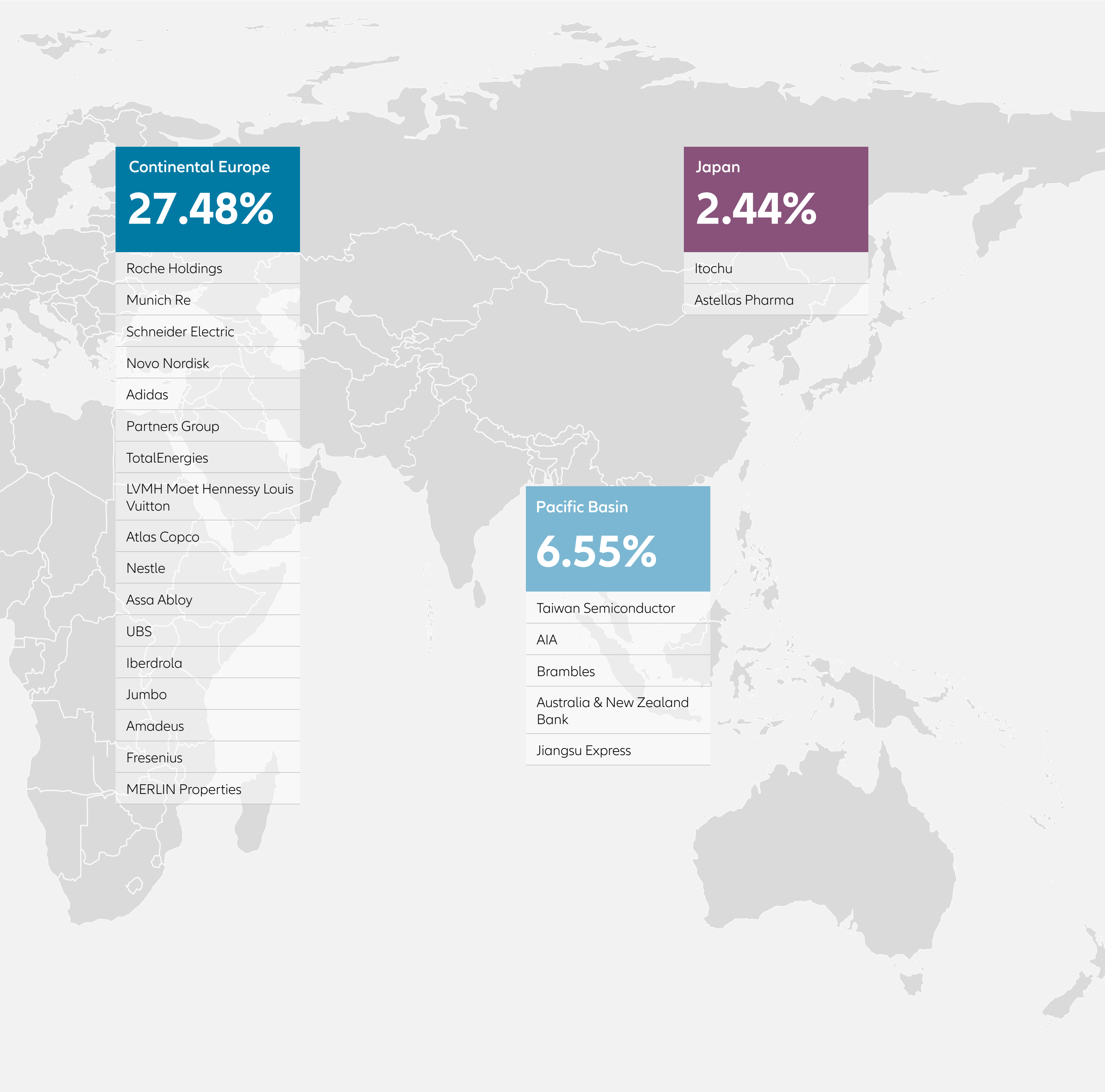
43.14%

- Microsoft
- UnitedHealth
- Visa
- Accenture
- The Cooper Companies
- Estée Lauder
- Microchip Technology
- AbbVie
- AMETEK
- Intuit
- Agilent Technologies
- Charles Schwab
- Amphenol
- CME Group
- Intuitive Surgical
- Booking Holdings
- Yum China Holdings
- Ecolab
- MarketAxcess
- FleetCor Technologies
- International Flavors & Fragrances
- Bright Horizons Family Solutions

United Kingdom

20.39%

- National Grid
- St. James's Place
- Unilever
- Royal Dutch Shell 'B' Shares
- GlaxoSmithKline
- RELX
- Redrow
- HomeServe
- Tyman
- SThree
- DCC
- Ashmore
- Paragon Banking
- IG Group
- Rio Tinto
- Helical
- Baltic Classifieds


Continental Europe
27.48%
Roche Holdings
Munich Re
Schneider Electric
Novo Nordisk
Adidas
Partners Group
TotalEnergies
LVMH Moet Hennessy Louis Vuitton
Atlas Copco
Nestle
Assa Abloy
UBS
Iberdrola
Jumbo
Amadeus
Fresenius
MERLIN Properties
Japan
2.44%
Itochu
Astellas Pharma
Pacific Basin
6.55%
Taiwan Semiconductor
AIA
Brambles
Australia & New Zealand Bank
Jiangsu Express

Name	Sector	Value (£)	% of Invested Funds	Investment Attributes: High Growth	Defensive Growth	Cyclical Growth	Mature
North America Listed Equity Holdings							
Microsoft	*Software & Computer Services*	28,485,355	5.34		●		
UnitedHealth	*Health Care Providers*	22,974,510	4.30		●		
Visa	*Industrial Support Services*	15,013,192	2.81		●		
Accenture	*Industrial Support Services*	14,049,435	2.63		●		
The Cooper Companies	*Medical Equipment & Services*	13,654,061	2.56		●		
Estée Lauder	*Personal Goods*	13,055,028	2.45		●		
Microchip Technology	*Technology Hardware & Equipment*	12,755,522	2.39	●			
AbbVie	*Pharmaceuticals & Biotechnology*	12,687,566	2.38		●		
AMETEK	*Electronic & Electrical Equipment*	10,219,343	1.91	●			
Intuit	*Software & Computer Services*	9,799,786	1.84	●			
Agilent Technologies	*Medical Equipment & Services*	9,110,205	1.71	●			
Charles Schwab	*Investment Banking & Brokerage*	8,614,685	1.61			●	
Amphenol	*Technology Hardware & Equipment*	7,304,309	1.37	●			
CME Group	*Investment Banking & Brokerage*	7,167,318	1.34		●		
Intuitive Surgical	*Medical Equipment & Services*	6,983,686	1.31	●			
Booking Holdings	*Travel & Leisure*	6,352,533	1.19			●	
Yum China Holdings	*Travel & Leisure*	5,918,163	1.11	●			
Ecolab	*Chemicals*	5,856,085	1.10		●		
MarketAxcess	*Investment Banking & Brokerage*	5,733,009	1.07	●			
FleetCor Technologies	*Industrial Support Services*	5,321,271	1.00	●			
International Flavors & Fragrances	*Chemicals*	5,037,756	0.94		●		
Bright Horizons Family Solutions	*Consumer Services*	4,179,933	0.78		●		
		230,272,751	**43.14% of Total Invested Funds**				

Name	Sector	Value (£)	% of Invested Funds	Investment Attributes: High Growth	Defensive Growth	Cyclical Growth	Mature
United Kingdom Listed Equity Holdings							
National Grid	*Gas, Water & Multi-Utilities*	9,309,200	1.74				●
St. James's Place	*Investment Banking & Brokerage*	9,291,000	1.74			●	
Unilever	*Personal Care, Drug & Grocery*	8,682,750	1.63		●		
Royal Dutch Shell 'B' Shares	*Oil, Gas & Coal*	8,675,700	1.62				●
GlaxoSmithKline	*Pharmaceuticals & Biotechnology*	7,625,000	1.43		●		
RELX	*Media*	7,592,000	1.42		●		
Redrow	*Household Goods & Home Construction*	6,801,900	1.27			●	
HomeServe	*Non-Life Insurance*	6,289,500	1.18		●		
Tyman	*Construction & Materials*	6,144,000	1.15			●	
SThree	*Industrial Support Services*	5,590,000	1.05			●	
DCC	*Industrial Support Services*	5,536,000	1.04		●		
Ashmore	*Investment Banking & Brokerage*	5,434,520	1.02			●	
Paragon Banking	*Finance & Credit Services*	5,175,000	0.97			●	
IG Group	*Investment Banking & Brokerage*	5,091,900	0.95			●	
Rio Tinto	*Industrial Metals & Mining*	4,612,000	0.86			●	
Helical	*Real Estate Investment & Services*	3,951,000	0.74			●	
Baltic Classifieds	*Software & Computer Services*	3,088,550	0.58	●			
		108,890,020	**20.39% of Total Invested Funds**				

Name	Sector	Value (£)	% of Invested Funds	Investment Attributes: High Growth	Defensive Growth	Cyclical Growth	Mature
Continental Europe Listed Equity Holdings							
Roche Holdings	*Pharmaceuticals & Biotechnology (Switzerland)*	15,968,854	2.99		●		
Munich Re	*Non-Life Insurance (Germany)*	13,225,377	2.47		●		
Schneider Electric	*Electronic & Electrical Equipment (France)*	13,088,382	2.45			●	
Novo Nordisk	*Pharmaceuticals & Biotechnology (Denmark)*	12,909,812	2.42		●		
Adidas	*Personal Goods (Germany)*	12,625,185	2.35			●	
Partners Group	*Investment Banking & Brokerage (Switzerland)*	9,737,165	1.82			●	
TotalEnergies	*Oil, Gas & Coal (France)*	8,292,177	1.55				●
LVMH Moet Hennessy Louis Vuitton	*Personal Goods (France)*	8,175,788	1.53		●		
Atlas Copco	*Industrial Engineering (Sweden)*	7,881,340	1.48			●	
Nestle	*Food Producers (Switzerland)*	7,710,503	1.44		●		
Assa Abloy	*Construction & Materials (Sweden)*	6,609,947	1.24			●	
UBS	*Investment Banking & Brokerage (Switzerland)*	6,507,779	1.22			●	
Iberdrola	*Electricity (Spain)*	6,045,843	1.13				●
Jumbo	*Leisure Goods (Greece)*	5,270,668	0.99		●		
Amadeus	*Software & Computer Services (Spain)*	4,462,571	0.84			●	
Fresenius	*Health Care Providers (Germany)*	4,193,450	0.79		●		
MERLIN Properties	*Real Estate Investment Trusts (Spain)*	4,100,475	0.77				●
		146,805,316	**27.48% of Total Invested Funds**				
Pacific Basin Listed Equity Holdings							
Taiwan Semiconductor	*Technology Hardware & Equipment (Taiwan)*	15,046,865	2.82			●	
AIA	*Life Insurance (Hong Kong)*	9,550,104	1.79			●	
Brambles	*General Industrials (Australia)*	4,115,567	0.77		●		
Australia & New Zealand Bank	*Banks (Australia)*	3,132,577	0.59				●
Jiangsu Express	*Industrial Transportation (Hong Kong)*	3,100,249	0.58				●
		34,945,362	**6.55% of Total Invested Funds**				
Japan Listed Equity Holdings							
Itochu	*General Industrials*	9,224,989	1.73				●
Astellas Pharma	*Pharmaceuticals & Biotechnology*	3,785,499	0.71		●		
		13,010,488	**2.44% of Total Invested Funds**				
Total Invested Funds		**£533,923,937**	**100.00% of Total Invested Funds**				

Distribution of Invested Funds

at 30 November 2021

Breakdown of Equity Portfolio

Sector	% Held
Health Care	20.60
Industrials	19.84
Financials	17.77
Technology	15.18
Consumer Discretionary	13.09
Energy	3.17
Consumer Staples	3.07
Basic Materials	2.90
Utilities	2.87
Real Estate	1.51

Total Invested Funds - £533,923,937 (2020 - £445,115,537)

	United Kingdom %	North America %	Other Countries %	2021 Total %	Composite Benchmark Sector Weighting*	2020 Total %
Health Care#						
Health Care Providers	-	4.30	0.79	5.09	1.15	4.97
Medical Equipment & Services	-	5.58	-	5.58	2.82	6.91
Pharmaceuticals & Biotechnology	1.43	2.38	6.12	9.93	6.98	9.04
	1.43	**12.26**	**6.91**	**20.60**	**10.95**	**20.92**
Industrials#						
Aerospace & Defence	-	-	-	-	1.28	-
Construction & Materials	1.15	-	1.24	2.39	1.33	2.98
Electronic & Electrical Equipment	-	1.91	2.45	4.36	1.39	4.29
General Industrials	-	-	2.50	2.50	1.95	2.94
Industrial Engineering	-	-	1.48	1.48	1.13	1.45
Industrial Support Services	2.09	6.44	-	8.53	4.07	7.73
Industrial Transportation	-	-	0.58	0.58	2.02	0.80
	3.24	**8.35**	**8.25**	**19.84**	**13.17**	**20.19**

	United Kingdom %	North America %	Other Countries %	2021 Total %	Composite Benchmark Sector Weighting*	2020 Total %
Financials						
Banks	-	-	0.59	0.59	6.50	2.11
Finance & Credit Services	0.97	-	-	0.97	0.74	-
Investment Banking & Brokerage	3.71	4.02	3.04	10.77	3.53	8.35
Life Insurance	-	-	1.79	1.79	1.55	2.21
Mortgage REITs	-	-	-	-	0.02	-
Non-Life Insurance	1.18	-	2.47	3.65	1.52	2.84
	5.86	**4.02**	**7.89**	**17.77**	**13.86**	**15.51**
Technology						
Software & Computer Services	0.58	7.18	0.84	8.60	10.26	6.64
Technology Hardware & Equipment	-	3.76	2.82	6.58	8.75	6.68
	0.58	**10.94**	**3.66**	**15.18**	**19.01**	**13.32**
Consumer Discretionary						
Automobiles & Parts	-	-	-	-	2.34	-
Consumer Services	-	0.78	-	0.78	0.62	1.60
Household Goods & Home Construction	1.27	-	-	1.27	0.75	1.11
Leisure Goods	-	-	0.99	0.99	0.62	-
Media	1.42	-	-	1.42	1.96	0.91
Personal Goods	-	2.45	3.88	6.33	1.27	5.43
Retailers	-	-	-	-	4.81	-
Travel & Leisure	-	2.30	-	2.30	2.06	2.85
	2.69	**5.53**	**4.87**	**13.09**	**14.43**	**11.90**
Energy						
Alternative Energy	-	-	-	-	0.14	-
Oil, Gas & Coal	1.62	-	1.55	3.17	4.44	2.84
	1.62	**-**	**1.55**	**3.17**	**4.58**	**2.84**

	United Kingdom %	North America %	Other Countries %	2021 Total %	Composite Benchmark Sector Weighting*	2020 Total %
Consumer Staples						
Beverages	-	-	-	-	2.11	1.03
Food Producers	-	-	1.44	1.44	1.38	1.37
Personal Care, Drug & Grocery	1.63	-	-	1.63	3.49	1.59
Tobacco	-	-	-	-	1.20	-
	1.63	**-**	**1.44**	**3.07**	**8.18**	**3.99**
Basic Materials						
Chemicals	-	2.04	-	2.04	1.59	3.35
Industrial Materials	-	-	-	-	0.13	-
Industrial Metals & Mining	0.86	-	-	0.86	2.94	1.09
Precious Metals & Mining	-	-	-	-	0.40	-
	0.86	**2.04**	**-**	**2.90**	**5.06**	**4.44**
Utilities						
Electricity	-	-	1.13	1.13	1.52	3.93
Gas, Water & Multi-Utilities	1.74	-	-	1.74	1.18	0.95
Waste & Disposal Services	-	-	-	-	0.17	-
	1.74	**-**	**1.13**	**2.87**	**2.87**	**4.88**
Real Estate#						
Real Estate Investment & Services	0.74	-	-	0.74	0.63	0.74
Real Estate Investment Trusts	-	-	0.77	0.77	2.37	0.76
	0.74	**-**	**0.77**	**1.51**	**3.00**	**1.50**
Telecommunications						
Telecommunications Equipment	-	-	-	-	0.50	-
Telecommunications Service Providers	-	-	-	-	2.25	0.51
	-	**-**	**-**	**-**	**2.75**	**0.51**
Not classified	-	-	-	-	2.14	-
Total	**20.39**	**43.14**	**36.47**	**100.00**	**100.00**	**100.00**

* The classifications and prior year comparatives have been updated, where required, to reflect recent changes in The Industry Classification Benchmark (ICB) standard.

Historical Record

Revenue and Capital	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total income (£000s)	8,165	9,113	9,031	8,735	9,996	11,000	10,968	11,505	9,195	11,487
Earnings per share	13.34p	15.22p	14.71p	14.09p	16.40p	18.40p	19.67p	21.66p	15.96p	20.35p
Dividend per share	13.30p	14.50p	15.00p	15.30p	15.80p	16.50p	18.15p	19.98p	20.06p	20.15p
Total net assets (£000s)*	227,194	268,254	278,363	273,630	318,334	368,014	360,273	403,787	422,099	502,452
Total net assets (£000s)†	208,301	255,769	264,945	262,487	307,707	359,228	361,105	400,207	416,486	497,526
Net asset value per ordinary share*	525.4p	622.6p	646.0p	636.2p	742.8p	862.0p	843.9p	945.8p	988.7p	1,176.9p
Net asset value per ordinary share†	481.7p	593.6p	614.9p	610.3p	718.0p	841.4p	845.8p	937.4p	975.5p	1,165.4p
Share price	413.5p	508.0p	541.0p	540.5p	591.8p	785.0p	745.0p	862.0p	842.0p	1,050.0p
Year end discount %†	14	14	12	11	18	7	12	8	14	10

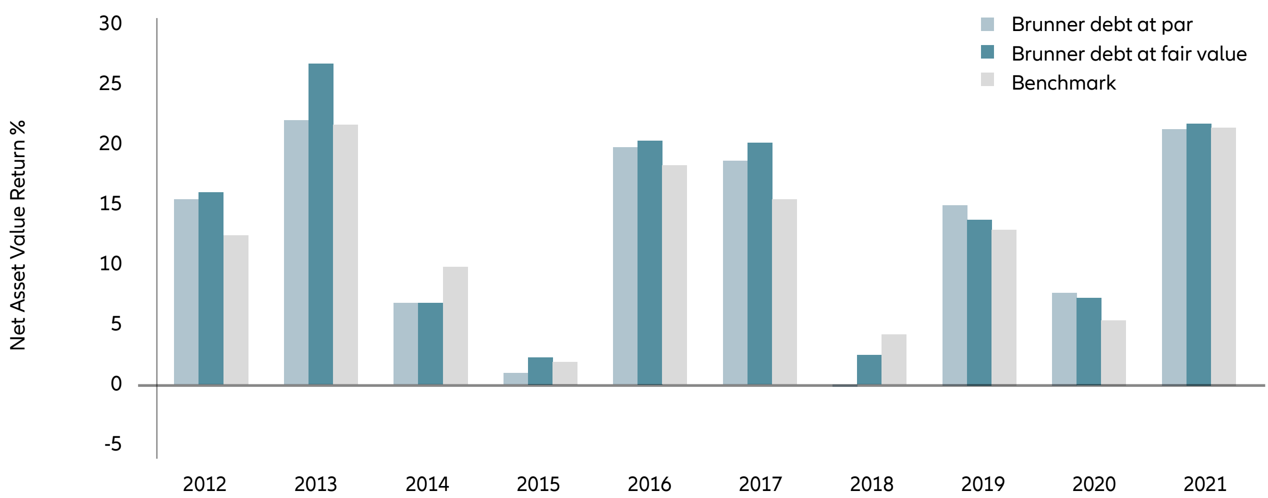
* Debt at par. † Debt at fair value.

Geographical Disposition — % of Investment Funds* at 30 November

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
United Kingdom	50.2	50.5	47.0	42.1	35.0	30.8	26.4	24.7	17.5	20.4
Europe	10.6	13.3	13.6	16.0	20.4	20.8	21.6	23.3	27.9	27.5
Americas	27.3	25.3	30.7	32.5	34.1	37.5	42.7	41.3	43.7	43.1
Japan	2.7	4.0	3.0	3.4	3.7	2.6	2.1	2.6	2.7	2.4
Pacific Basin	9.2	6.9	5.7	6.0	6.8	8.3	7.2	8.1	8.2	6.6
Other Countries	0.0	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, cash equivalents and other receivables

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



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 111.

Governance

New holding Baltic Classifieds is headquartered in Vilnius, Lithuania.

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.

Amanda Aldridge BSc FCA*

Chairman of the Audit Committee, Member of 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 also chairs the audit committee of The Low Carbon Contracts Company and The Electricity Settlements Company. She was formerly a partner at KPMG LLP 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 re-election:
Amanda has evident skills and experience both from her background as a chartered accountant and as an audit committee chair.

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

Andrew Hutton MA, CFA*

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

Joined the board in April 2020. He is owner and director of A.J. Hutton Ltd, an investment advisory practice established in 2007. Andrew started his career in 1979 at J.P. Morgan where, over 18 years, he held investment and business management positions in London, New York, Singapore and Australia. He was subsequently head of investment management at Coutts Group and co-CEO of RBS Asset Management. Andrew has served as Senior Independent Director of Baillie Gifford UK Growth Fund and Chairman of JPMorgan Global Emerging Markets Income Trust.

Experience:
Andrew is an asset management professional with senior management and money management experience.

Reasons for the recommendation for re-election:
Andrew brings to the board a deep understanding of portfolio management.

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 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 Chairman of in the Style Group PLC and YouGarden.com and a non-executive director of James Cropper PLC.

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).

In April 2021 the board announced that steps are being taken by AllianzGI to establish a UK AIFM.

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 2021, AllianzGI had €647 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 2021 had £2.8 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

Matthew Tillett, Lead manager, representing Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY (the manager).

Company Secretary and Registered Office

Kirsten Salt ACG
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 W.S.
Herbert Smith Freehills LLP

Independent Auditors

PricewaterhouseCoopers LLP

Registrars

Link Group
(full details on page 107)

Stockbrokers

J.P. Morgan Cazenove

Directors' Report

The directors present their Report which incorporates the audited financial statements for the year ended 30 November 2021.

Share Capital

Details of the company's share capital are set out in Note 11 on page 96. 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 page 109.

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 Auditors' 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 68.

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 £8,689,051 or 20.35p per share (2020 - £6,815,742, 15.96p per share).

The first two quarterly dividends of 4.70p (£2,006,558) were paid during the company's financial year to 30 November 2021 and the board declared a third quarterly dividend of 4.70p (£2,006,558) per ordinary share which was paid on 10 December 2021. The board recommends a final dividend for the year ended 30 November 2021 of 6.05p (£2,582,910), payable on 1 April, making a total distribution for the year of 20.15p per ordinary share. The next quarterly dividend payment is expected to be made in July 2022.

Invested Funds

The market value of the Company's investments at 30 November 2021 was £533,923,937 (2020 - £445,115,537). Sales of investments during the year resulted in net gains based on historical costs of £82,406,614 (2020 - £21,965,082). 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 84. The revenue and capital split is explained in more detail in the Statement of Accounting Policies on page 88 under 'Investment management fee and administrative expenses' and on page 91 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 11 on page 96.

Listing Rule 9.8.4R

There are no matters requiring disclosure under this Rule.

Voting Rights in the Company's Shares

As at 15 February 2022, 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 Group, 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 15 February, the company was aware of the following interests in the company's share capital greater than 3%: J Maitland (as trustee 14.18%); Sir Hugo Brunner (beneficial 2.32% – as trustee 11.96)%; 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 4,342,688 ordinary shares (10.17%) 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: Rathbones Investment Management Limited (4.98%) and 1607 Capital Partners, LLC (4.98%).

Corporate Governance Statement

The board reports against the AIC Code of Corporate Governance (AIC Code) 2019. 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, one of which preferably has a connection with 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, transition and retirement.

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 58 and 59 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 and its committees were subject to an internally facilitated 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 page 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 and the plans for new recruitment to the board. 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 diverse range of candidates.

The Nomination Committee Report is on page 69.

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 68.

Remuneration Committee
The remuneration committee met once in the year and consists of all the directors. The committee is chaired by Jim Sharp. 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 page 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 Information/Legal Documents section.

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.

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
Amanda Aldridge	6	1	2	1	1	1
Ian Barlow[2]	-	1	-	-	1	1
Andrew Hutton	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.
[2] Retired from the board on 8 December 2020.

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 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.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the financial statements is on page 76 and a statement of going concern is on page 18. The Independent Auditors' Report can be found on page 78.

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 year ended 30 November 2021.

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
14 December 2021

Further information about the relationship with the Depositary is on page 106.

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 9, and in the Investment Manager's Review on page 22.

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 Business

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 69. Peter Maynard has held office for eleven years and will retire at the annual meeting and offer himself for re-election. Peter will retire from the board later in the year after his successor has been appointed. Notwithstanding the length of service of Peter Maynard, the board views him as independent of the manager. Carolan Dobson, Amanda Aldridge, Andrew Hutton and Jim Sharp also retire in accordance with the board policy on the annual re-election of directors and offer themselves for re-election at the AGM. Biographical details of the directors are on page 58 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 2021 are set out in the Directors' Remuneration Report on page 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.

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 30 March 2021 under section 551 of the Companies Act 2006. The current authority will expire on 30 June 2022 and approval is therefore sought for the renewal of this authority, which will last until the conclusion of the annual general meeting in 2023 or 30 June 2023 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 30 March 2022.

Disapplication of Pre-emption Rights

A resolution was passed at the annual general meeting of the company held on 30 March 2021 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 30 June 2022 and approval is therefore sought for the renewal of this authority, which will last until the conclusion of the annual general meeting in 2023 or 30 June 2023 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 30 March 2022.

Accordingly resolution 11 as set out in the notice of meeting on page 109 will be proposed as an ordinary resolution and resolution 12 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 equal to or 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 12, 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 13, 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 £238 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 30 March 2022 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 2023 or the expiry of 15 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, director, 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 9,654,233 shares, representing 22.61% 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 26.60% 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 Report

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

By order of the board
Kirsten Salt
Company Secretary
15 February 2022

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.

The manager also reported to the board on its succession plans for the key individuals, including the members of the portfolio management team.

Performance information is set out on page 8.

AIFM

Details of the current AIFM are on page 106. As the board announced in April 2021, as a result of the UK leaving the UK. AllianzGI has formed a UK management company so that it can continue as a licensed AIFM in the UK. A temporary permission regime is currently in place and AllianzGI is in the process of applying for the licence to operate as an AIFM in the UK. This is expected to take effect during 2022. There will be no increase in the management or administrative expenses of the company with this change.

Manager reappointment

The annual evaluation that took place in December 2021 included a presentation from the portfolio manager and AllianzGI's Head of Investment Trusts. This covered the work done with the board on strategy, including the reporting of the integrated ESG strategy; the dividend strategy; the investment strategy in some overseas markets; the sales and marketing activity, covering the work with investment platforms and wealth managers; and the relaunch of the website. 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 Financial Statements on page 90 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 63. 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
15 February 2022

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 reviewed the succession plan and recommended it 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

Peter Maynard attained 11 years' service in 2021 and will be the next director to retire from the board in accordance with the succession plan. The board had decided to retain all of its directors during 2021 to ensure continuity through times when face to face meetings were difficult. In 2022 steps are being taken to recruit a replacement on the board for Peter and this appointment is expected to be made later in the year.

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 63. 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
15 February 2022

Remuneration Committee Report

I am pleased to present my report as Chairman of the Remuneration Committee.

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 2021.

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 2020. It will next be put to shareholders at the AGM in 2023. 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 is chaired by Jim Sharp.

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	2021 Beneficial	2021 Non-beneficial	2020 Beneficial	2020 Non-beneficial
Carolan Dobson	4,750	-	4,750	-
Amanda Aldridge	4,000	-	4,000	-
Ian Barlow*	61,059	-	61,059	-
Andrew Hutton	6,000	-	6,000	-
Peter Maynard	4,000	-	4,000	-
Jim Sharp	117,043	651,956	114,646	651,956

* Retired 8 December 2020

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 limit the aggregate fees payable to the board of directors to a total of £250,000 per annum.

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 30 March 2021.

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 £26,000 per annum and the Chairman at a rate of £39,000 per annum, with an additional £6,000 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 2019, with the exception of the Senior Independent Director, which has been unchanged for five years.

The fees were reviewed during the year and it was determined that the following fees would apply with effect from 1 December 2021: Chairman £42,000, directors £26,500, with an additional £6,000 (no change) 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:

			2021			2020
	Base salary £	Taxable expenses** £	Total £	Base salary £	Taxable expenses** £	Total £
Carolan Dobson	39,000	226	39,226	39,000	3,935	42,935
Amanda Aldridge	32,000	-	32,000	30,000	-	30,000
Ian Barlow*	330	-	330	28,000	-	28,000
Andrew Hutton #	26,000	-	26,000	16,067	-	16,067
Peter Maynard	28,000	-	28,000	28,000	-	28,000
Jim Sharp	26,000	-	26,000	26,000	-	26,000
Total	**151,330**	**226**	**151,556**	**167,067**	**3,935**	**171,002**

* Retired from the board 8 December 2020
** Taxable travel and subsistence expenses incurred in attending Board and Committee meetings, gross pre-tax amounts
# Appointed to the board 20 April 2020

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

	2021 £	2020 £
Remuneration paid to all directors	151,330	167,067
Distributions paid during the financial year	8,589,776	8,538,545

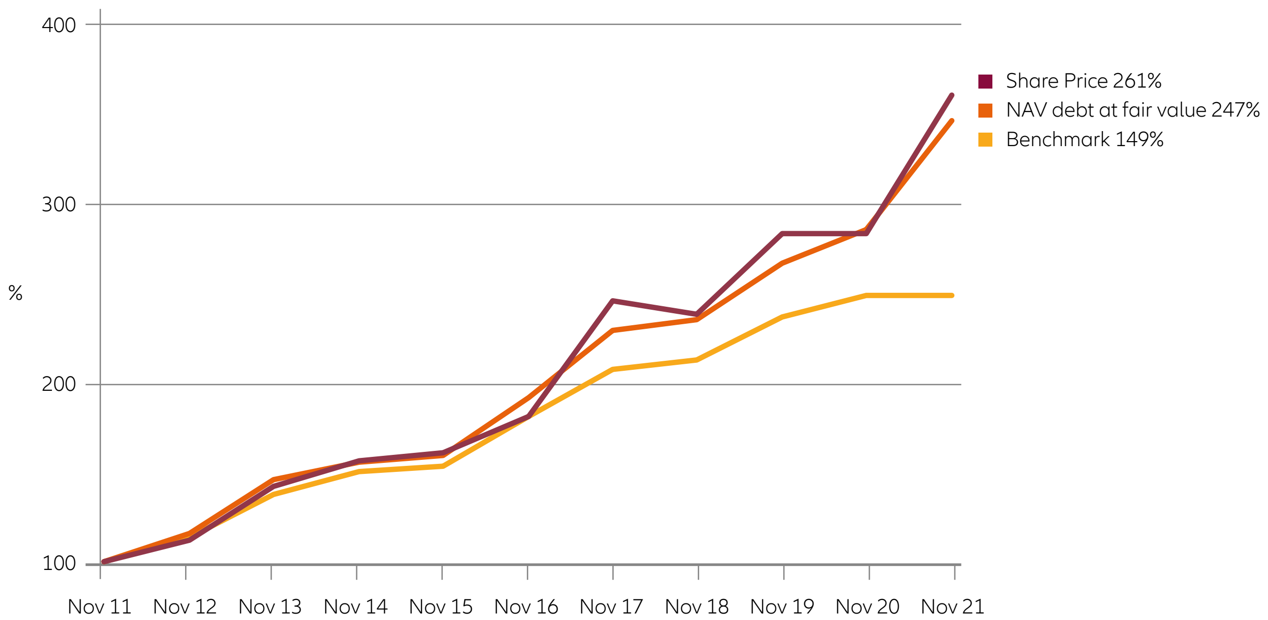
This disclosure is a statutory requirement. The directors, however, do not consider that the comparison of directors' remuneration with distributions to shareholders is a meaningful measure of the company's overall performance.

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 2011 – 30 November 2021



Source: AllianzGI/Thomson Reuters DataStream

Jim Sharp
Remuneration Committee Chairman
15 February 2022

Audit Committee Report

As chair of the audit committee I am delighted to present the committee's report for the year ended 30 November 2021.

Composition

Andrew Hutton and Peter Maynard serve on the committee. The Chairman of the board and Jim Sharp are invited to attend audit committee meetings, as are representatives of the manager.

As you will see from my biography on page 58, I am a Chartered Accountant and until 2017, I was an audit and advisory 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 Report and the half-yearly Financial Report;
- consideration of the nature and scope, independence and effectiveness of the external audit and of the Auditors' findings and recommendations; and
- review of the terms of appointment of the auditors, 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 ended 30 November 2021 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 2021. In the meeting relating to the year end the committee considered the auditors' 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. The Committee has also received reports from the company's service providers on their continuing response to the COVID-19 pandemic and related business continuity updates.

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'. The impact of the pandemic, the economic volatility and rising inflation and the increase in international tensions have all been considered by the board in this review.
- 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. 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 page 9.

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 auditors' 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 2022.

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 Auditors' 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 2020/21.

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 2021.

It is the practice of the committee to meet with the auditor without management present at least once each year.

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 significant issues identified for the review of the financial statements, those identified as presenting the greatest risks, this year, include consideration of the continuing impact of the COVID-19 pandemic in addition to those identified in the audit for the year ended 2020; 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 88 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

Income reports and forecasts are reviewed in detail with the manager at each meeting of the board, including yield information. Changes to the forecast for each portfolio stock from meeting to meeting are also scrutinised.

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

Consideration of the continuing impact of COVID-19

During the year we have continued to review the continuing impact of the COVID-19 pandemic on all aspects of the business, including the impact on global markets, on the portfolio and on income forecasts. We have received regular reporting from our manager and other significant third-party service suppliers on the operational impacts of the pandemic response and appropriate assurance that there has been no significant impact on our operations.

The implications of COVID-19 were considered in our assessment of risk and the results of our Risk Review are in our report on page 16 and our consideration of going concern and viability, the outcome of which is reported on page 18.

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 88, 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's view continues to be 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. No issues of concern relating to the company were raised in the reports.

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.

Amanda Aldridge
Chairman of the Audit Committee
15 February 2022

Statement of Directors' Responsibilities

The directors are responsible for preparing the Statement of Directors' Responsibilities 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 prepared the financial statements 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).

Under company law 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 United Kingdom Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

The directors 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

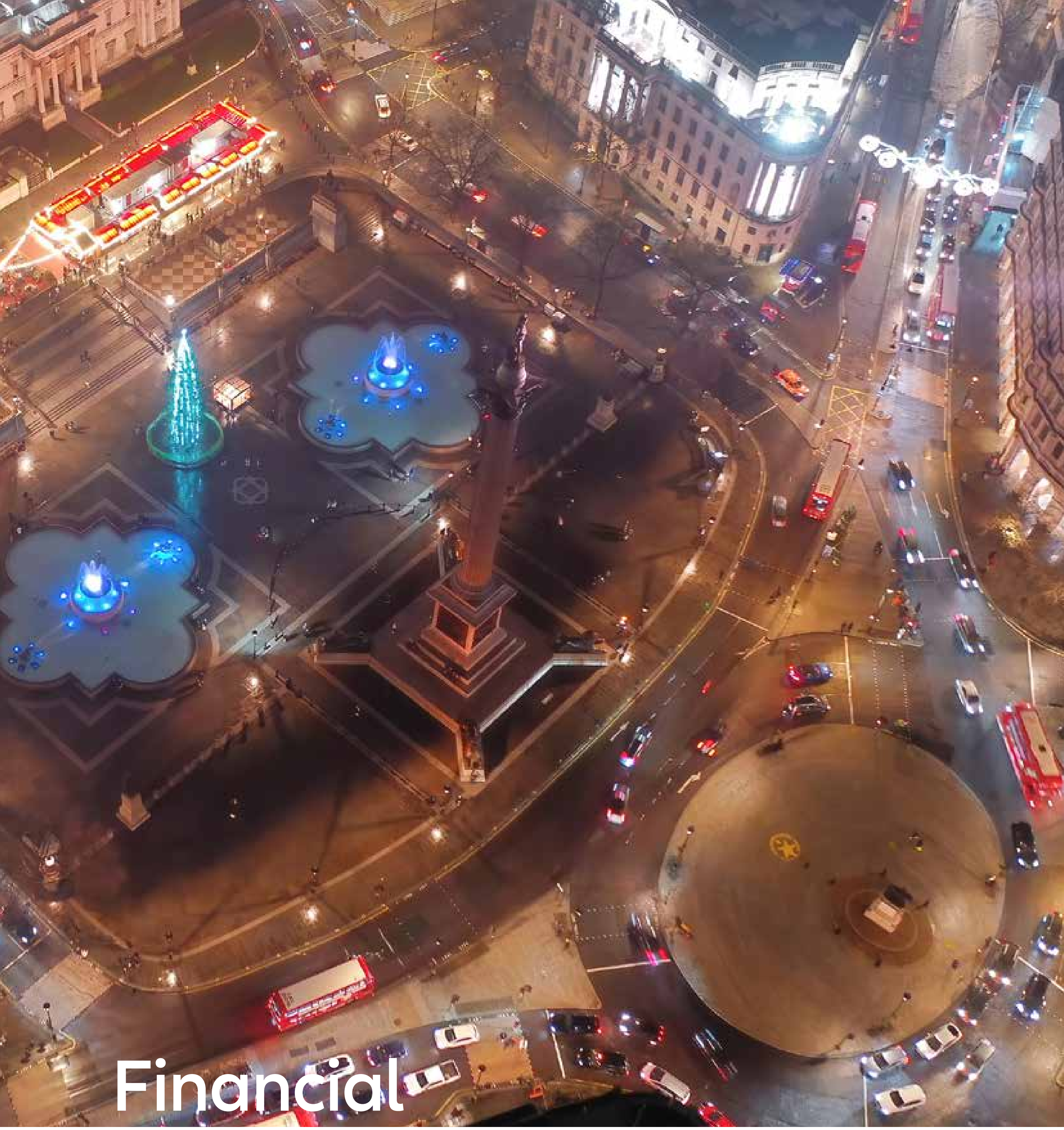
Statement under Disclosure Guidance and Transparency Rule 4.1.12

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 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 15 February 2022 and signed on its behalf by:

Carolan Dobson
Chairman



Financial Statements

Utilities holding National Grid's is headquartered in central London.

Independent auditors' 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 2021 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 Report, which comprise: the Balance Sheet as at 30 November 2021; the Income Statement, Cash Flow Statement and Statement of Changes in Equity for the year then ended; the Statement of Accounting Policies; and the notes to the financial statements.

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.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope

- 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.

Key audit matters

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

Materiality

- Overall materiality: £5,024,523 (2020: £4,220,994) based on 1% of Net Assets.
- Performance materiality: £3,768,392 (2020: £3,165,746).

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.

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.

Considerations of the impact of COVID-19, which was a key audit matter last year, is no longer included because of the reduced uncertainty of the impact of COVID-19 in the current year as markets and economies continue to recover. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments	
Refer to page 73 (Audit Committee Report), page 88 (Statement of Accounting Policies) and page 90 (Notes to the Financial Statements). The investment portfolio at the year-end comprised listed equity investments valued at £534m.	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 which required reporting to those charged with governance.
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 existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No misstatements were identified by our testing which required reporting to those charged with governance.
Accuracy, occurrence and completeness of Income from investments	
Refer to page 73 (Audit Committee Report), page 88 (Statement of Accounting Policies) and page 90 (Notes to the Financial Statements).	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 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 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.
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.	To test for completeness, we tested 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. 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.

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 company materiality	£5,024,523 (2020: £4,220,994).
How we determined it	1% of Net Assets
Rationale for benchmark applied	Entity is focused on net assets as a key indicator.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £3,768,392 (2020: £3,165,746) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £251,226 (2020: £211,050) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

– evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including those presented by COVID-19;
– evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
– reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses and debt repayments, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
– assessing the implication of significant reductions in NAV as a result of market performance on the ongoing ability of the Company to operate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this 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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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.

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.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' 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 its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

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

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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 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 of the Company. Audit procedures performed by the engagement team included:

- 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. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.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 obtained 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 4 years, covering the years ended 30 November 2018 to 30 November 2021.

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
15 February 2022

Income Statement

for the year ended 30 November 2021

	Notes	2021 Revenue £	2021 Capital £	2021 Total Return £	2020 Revenue £	2020 Capital £	2020 Total Return £
Gains on investments held at fair value through profit or loss	8	-	82,406,614	82,406,614	-	21,965,082	21,965,082
Losses on foreign currencies		-	(24,280)	(24,280)	-	(61,350)	(61,350)
Income	1	11,487,165	-	11,487,165	9,194,777	-	9,194,777
Investment management fee	2	(666,745)	(1,555,738)	(2,222,483)	(547,678)	(1,277,916)	(1,825,594)
Administration expenses	3	(723,214)	(1,624)	(724,838)	(664,531)	(1,269)	(665,800)
Profit before finance costs and taxation		**10,097,206**	**80,824,972**	**90,922,178**	**7,982,568**	**20,624,547**	**28,607,115**
Finance costs: interest payable and similar charges	4	(269,638)	(571,335)	(840,973)	(277,709)	(590,008)	(867,717)
Profit on ordinary activities before taxation		**9,827,568**	**80,253,637**	**90,081,205**	**7,704,859**	**20,034,539**	**27,739,398**
Taxation	5	(1,138,517)	-	(1,138,517)	(889,117)	-	(889,117)
Profit after taxation attributable to ordinary shareholders		**8,689,051**	**80,253,637**	**88,942,688**	**6,815,742**	**20,034,539**	**26,850,281**
Earnings per ordinary share (basic and diluted)	7	**20.35p**	**187.98p**	**208.33p**	**15.96p**	**46.93p**	**62.89p**

Dividends distributed and to be distributed in respect of the financial year ended 30 November 2021 total 20.15p (2020 - 20.06p), amounting to £8,602,584 (2020 - £8,564,160). Details are set out in Note 6 on page 93.

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.

Profit after taxation attributable to ordinary shareholders disclosed above represents the company's total comprehensive income.

The Statement of Accounting Policies on pages 88 and 89 and the notes on pages 90 to 104 form an integral part of these Financial Statements.

Balance Sheet

at 30 November 2021

	Notes	2021 £	2021 £	2020 £
Fixed assets				
Investments held at fair value through profit or loss	8		533,923,937	445,115,537
Current assets				
Other receivables	9	2,255,211		2,455,189
Cash and cash equivalents	9	3,694,667		8,961,249
		5,949,878		**11,416,438**
Current liabilities				
Other payables	9	(12,339,748)		(9,359,886)
Net current (liabilities) assets			**(6,389,870)**	**2,056,552**
Total assets less current liabilities			**527,534,067**	**447,172,089**
Creditors: amounts falling due after more than one year	10		(25,081,783)	(25,072,717)
Total net assets			**502,452,284**	**422,099,372**
Capital and reserves				
Called up share capital	11		10,673,181	10,673,181
Capital redemption reserve	12		5,326,819	5,326,819
Capital reserve	12		471,302,177	391,048,540
Revenue reserve	12		15,150,107	15,050,832
Equity shareholders' funds	13		**502,452,284**	**422,099,372**
Net asset value per ordinary share	13		**1,176.9p**	**988.7p**

The financial statements of The Brunner Investment Trust PLC, company number 00226323, were approved and authorised for issue by the Board of Directors on 15 February 2022 and signed on its behalf by:

Carolan Dobson
Chairman

The Statement of Accounting Policies on pages 88 and 89 and the notes on pages 90 to 104 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the year ended 30 November 2021

	Notes	Called up Share Capital £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net assets as at 1 December 2019		10,673,181	5,326,819	371,014,001	16,772,543	403,786,544
Revenue profit		-	-	-	6,815,742	6,815,742
Dividends on ordinary shares	6	-	-	-	(8,538,545)	(8,538,545)
Unclaimed Dividends		-	-	-	1,092	1,092
Capital profit		-	-	20,034,539	-	20,034,539
Net assets as at 30 November 2020		**10,673,181**	**5,326,819**	**391,048,540**	**15,050,832**	**422,099,372**
Net assets as at 1 December 2020		10,673,181	5,326,819	391,048,540	15,050,832	422,099,372
Revenue profit		-	-	-	8,689,051	8,689,051
Dividends on ordinary shares	6	-	-	-	(8,589,776)	(8,589,776)
Capital profit		-	-	80,253,637	-	80,253,637
Net assets as at 30 November 2021		**10,673,181**	**5,326,819**	**471,302,177**	**15,150,107**	**502,452,284**

The Statement of Accounting Policies on pages 88 and 89 and the notes on pages 90 to 104 form an integral part of these Financial Statements.

Cash Flow Statement

for the year ended 30 November 2021

	Notes	2021 £	2020 £
Operating activities			
Profit before finance costs and taxation*		90,922,178	28,607,115
Less: Gains on investments held at fair value through profit or loss		(82,406,614)	(21,965,082)
Less: Overseas tax suffered		(1,138,517)	(889,117)
Add: Losses on foreign currency		24,280	61,350
Purchase of fixed asset investments held at fair value through profit or loss		(70,571,279)	(76,460,406)
Sales of fixed asset investments held at fair value through profit or loss		64,919,529	87,195,302
(Increase) decrease in other receivables		(276,366)	38,030
Increase in other payables		201,037	46,529
Net cash inflow from operating activities		**1,674,248**	**16,633,721**
Financing activities			
Interest paid and similar charges		(804,243)	(878,777)
Proceeds from Revolving Credit Facility		2,500,000	-
Repayment of Revolving Credit Facility		-	(500,000)
Dividend paid on cumulative preference stock		(22,531)	(22,531)
Dividends paid on ordinary shares	6	(8,589,776)	(8,538,545)
Unclaimed dividends over 12 years		-	1,092
Net cash outflow from financing activities		**(6,916,550)**	**(9,938,761)**
(Decrease) increase in cash and cash equivalents		**(5,242,302)**	**6,694,960**
Cash and cash equivalents at the start of the year		8,961,249	2,327,639
Effect of foreign exchange rates		(24,280)	(61,350)
Cash and cash equivalents at the end of the year		3,694,667	8,961,249
Comprising:			
Cash at bank		3,694,667	8,961,249

* Cash inflow from dividends was £10,096,758 (2020 - £7,974,459) and cash inflow from interest was £nil (2020 - £2,139).

The Statement of Accounting Policies on pages 88 and 89 and the notes on pages 90 to 104 form an integral part of these Financial Statements.

Statement of Accounting Policies

for the year ended 30 November 2021

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 60. The principal activity of the company and the nature of its operations are set out in the strategic report on page 9. 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), the requirements of the Companies Act 2006 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 October 2019.

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 page 9.

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.

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 for cancellation and for holding in treasury – 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.

For shares repurchased for holding in treasury, the full cost is charged to the capital reserve.

8 Shares sold (reissued) from treasury – Proceeds received from the sale of shares held in treasury are treated as realised profits in accordance with Section 731 of the Companies Act 2006. Proceeds equivalent to the original cost, calculated by applying a weighted average price, are credited to the capital reserve; proceeds in excess of the original cost are credited to the share premium account.

9 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.

10 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.

11 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. The investment portfolio currently consists of listed investments and therefore no significant estimates have been made in valuing these securities

There are no significant judgements, estimates, and assumptions.

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 2021

1. Income

	2021 £	2020 £
Income from Investments*		
Equity income from UK investments†	3,958,066	2,226,891
Equity income from overseas investments††	7,529,099	6,965,747
	11,487,165	**9,192,638**
Other Income		
Deposit interest	-	2,139
	-	**2,139**
Total income	**11,487,165**	**9,194,777**

* All dividend income is derived from listed investments.
† Includes special dividends of £660,395 (2020 - £nil).
†† Includes special dividends of £450,985 (2020 - £125,977).

2. Investment Management Fee

	2021 Revenue £	2021 Capital £	2021 Total £	2020 Revenue £	2020 Capital £	2020 Total £
Investment management fee	**666,745**	**1,555,738**	**2,222,483**	**547,678**	**1,277,916**	**1,825,594**

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

	2021 £	2020 £
Auditors' remuneration		
for audit services	35,000	32,500
VAT on Auditors' remuneration	7,000	6,500
	42,000	**39,000**
Directors' fees	151,330	167,067
Depositary fees	50,623	40,551
Custody fees	54,350	45,244
Registrars' fees	69,252	54,900
Association of Investment Companies' fees	21,185	21,656
Marketing costs	236,516	156,276
Printing and postage	31,841	47,450
Directors' and officers' liability insurance	8,163	8,655
Professional and advisory fees	10,800	52,131
Other	86,608	79,982
VAT recovered	(39,454)	(48,381)
	723,214	**664,531**

(i) The above expenses include value added tax where applicable.
(ii) Directors' fees are set out in the Directors' Remuneration Report on page 70.
(iii) Custodian handling charges of £1,624 were charged to capital (2020 - £1,269).

4. Finance Costs: Interest Payable and Similar Charges

	2021 Revenue £	2021 Capital £	2021 Total £	2020 Revenue £	2020 Capital £	2020 Total £
On Fixed Rate Interest Loan*	928	2,165	3,093	-	-	-
On 5% Cumulative Preference Stock repayable after more than five years	22,531	-	22,531	22,531	-	22,531
On 2.84% Fixed Rate Notes 2048 repayable after more than five years	215,720	503,346	719,066	215,642	503,165	718,807
On Revolving Credit Facility	28,210	65,824	94,034	37,218	86,843	124,061
On Sterling overdraft	2,249	-	2,249	2,318	-	2,318
	269,638	**571,335**	**840,973**	**277,709**	**590,008**	**867,717**

* The Fixed Rate Interest Loan was repaid on 2 July 2018. Fintrust was placed into liquidation on 25 November 2019 and formally dissolved on 30 June 2021. The company paid its share of any additional expenses borne out of the liquidation process.

5. Taxation

	2021 Revenue £	2021 Capital £	2021 Total £	2020 Revenue £	2020 Capital £	2020 Total £
Overseas taxation	1,138,517	-	1,138,517	889,117	-	889,117
Total tax	1,138,517	-	1,138,517	889,117	-	889,117
Reconciliation of tax charge						
Profit before taxation	9,827,568	80,253,637	90,081,205	7,704,859	20,034,539	27,739,398
Tax on profit at 19.00% (2020 - 19.00%)	1,867,238	15,248,191	17,115,429	1,463,923	3,806,562	5,270,485
Effects of						
Non taxable income	(2,182,594)	-	(2,182,594)	(1,746,601)	-	(1,746,601)
Non taxable capital gains	-	(15,652,644)	(15,652,644)	-	(4,161,709)	(4,161,709)
Disallowable expenses	4,281	309	4,590	4,281	241	4,522
Overseas tax suffered	1,138,517	-	1,138,517	889,117	-	889,117
Excess of allowable expenses over taxable income	311,075	404,144	715,219	278,397	354,906	633,303
Total tax	**1,138,517**	**-**	**1,138,517**	**889,117**	**-**	**889,117**

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 2021, the company had accumulated surplus expenses of £101.4 million (2020 - £97.7 million) and eligible unrelieved foreign tax of nil (2020 - nil).

The company has not recognised a deferred tax asset of £19.3 million (2020 - £18.6 million) in respect of these expenses, based on a prospective corporation tax rate of 19% (2020 - 19%) because there is no reasonable prospect of recovery.

6. Dividends on Ordinary Shares

	2021 £	2020 £
Dividends paid on ordinary shares		
Third interim dividend - 4.67p paid 10 December 2020 (2019 - 4.66p)	1,993,750	1,989,481
Final dividend - 6.05p paid 1 April 2021 (2020 - 6.00p)	2,582,910	2,561,564
First interim dividend - 4.70p paid 22 July 2021 (2020 - 4.67p)	2,006,558	1,993,750
Second interim dividend - 4.70p paid 16 September 2021 (2020 - 4.67p)	2,006,558	1,993,750
	8,589,776	**8,538,545**

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 88 - Statement of Accounting Policies). Details of these dividends are set out below.

	2021 £	2020 £
Third interim dividend - 4.70p paid 10 December 2021 (2020 - 4.67p)	2,006,558	1,993,750
Final proposed dividend - 6.05p payable 1 April 2022 (2021 - 6.05p)	2,582,910	2,582,910
	4,589,468	**4,576,660**

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

	2021 Revenue £	2021 Capital £	2021 Total £	2020 Revenue £	2020 Capital £	2020 Total £
Profit after taxation attributable to ordinary shareholders	8,689,051	80,253,637	88,942,688	6,815,742	20,034,539	26,850,281
Earnings per ordinary share	20.35p	187.98p	208.33p	15.96p	46.93p	62.89p

The earnings per ordinary share is based on a weighted number of shares 42,692,727 (2020 - 42,692,727) ordinary shares in issue.

8. Fixed Asset Investments

	2021 £	2020 £
Opening book cost	269,261,065	271,420,282
Opening investments holding gains	175,854,472	164,148,731
Opening market value	**445,115,537**	**435,569,013**
Additions at cost	70,844,971	74,676,887
Disposals proceeds received	(64,443,185)	(87,095,445)
Gains on investments	82,406,614	21,965,082
Market value of investments held at 30 November	**533,923,937**	**445,115,537**
Closing book cost	300,448,489	269,261,065
Closing investment holding gains	233,475,448	175,854,472
Closing market value	**533,923,937**	**445,115,537**
Gains on investments		
Gains on investment	82,406,614	21,965,082
Gains on investments	**82,406,614**	**21,965,082**

The company received £64,443,185 (2020 - £87,095,445) from investments sold in the year. The book cost of these investments when they were purchased was £39,653,208 (2020 - £76,833,088*).

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.

*Prior year comparative restated due to exclusion of realised gains/losses.

Transaction costs and stamp duty on purchases amounted to £199,265 (2020 - £257,091) and transaction costs on sales amounted to £16,862 (2020 - £26,139).

9. Other Receivables and Other Payables

		2021 £	2020 £
Other receivables			
Sales for future settlement		554,156	1,030,500
Accrued income		1,625,783	1,356,402
Prepayments		75,272	68,287
		2,255,211	**2,455,189**
Cash and cash equivalents			
Current account		3,694,667	8,961,249
		3,694,667	**8,961,249**
Other payables: amounts falling due within one year			
Purchases for future settlement		1,036,675	762,983
Other payables		971,624	770,587
Interest on borrowings (see below)		313,934	313,903
Revolving Credit Facility	10(i)	10,017,515	7,512,413
		12,339,748	**9,359,886**

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

	2021 £	2020 £
Interest on outstanding borrowings consists of:		
5% Cumulative preference stock	11,311	11,280
2.84% Fixed Rate Note 2048	302,623	302,623
	313,934	**313,903**

(i) On 25 June 2021 the company entered into a revolving credit facility agreement of £10m (replacing an existing facility of £10m). The full amount of £10m is currently drawn down. The rate of interest for the revolving credit facility is set each month and is made up of a fixed margin plus SONIA rate. Under this agreement £7.5m was rolled over on 27 December 2021 and £2.5m was rolled over on 19 January 2022, with a maturity date of 25 June 2022. The repayment date of the revolving facility is the last day of its interest period and the termination date is 25 June 2022.

The company pays a commitment fee of 0.25% p.a. on any undrawn amounts.

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

		2021 £	2020 £
5% Cumulative preference stock	(i)	450,000	450,000
2.84% Fixed Rate Note 2048	(ii)	24,631,783	24,622,717
		25,081,783	**25,072,717**

(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 £24,631,783 (2020 - £24,622,717) being the net proceeds of £24,601,800 plus accrued finance costs of £29,983 (2020 - £20,917).

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%.

11. Called up Share Capital

	2021 £	2020 £
Allotted and fully paid		
42,692,727 ordinary shares of 25p each (2020 - 42,692,727)	**10,673,181**	**10,673,181**

The directors are authorised by an ordinary resolution passed on 30 March 2021 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 30 June 2022 and accordingly a renewed authority will be sought at the annual general meeting on 30 March 2022.

During the year nil (2020 - nil) ordinary shares were repurchased by the company. The aggregate purchase price of these shares, amounting to £nil (2020 - £nil) was charged to the capital reserve, within gains on sales of investments (see Note 12).

12. Reserves

	Capital Redemption Reserve £	Capital Reserve: Gains (losses) on sales of Investments £	Capital Reserve: Investment Holding Gains (losses) £	Revenue Reserve £
Balance at 1 December 2020	5,326,819	215,362,249	175,686,291	15,050,832
Gains on realisation of investments	-	119,762,956	-	-
Transfer on disposal of investments	-	(94,977,318)	94,977,318	-
Movement in investment holding losses	-	-	(37,356,342)	-
Losses on foreign currency	-	-	(24,280)	-
Investment management fee	-	(1,555,738)	-	-
Finance costs of borrowings	-	(571,335)	-	-
Other capital expenses	-	(1,624)	-	-
Dividends appropriated in the year	-	-	-	(8,589,776)
Profit retained for the year	-	-	-	8,689,051
Balance at 30 November 2021	**5,326,819**	**238,019,190**	**233,282,987**	**15,150,107**

The Companies Act 2006 sections 830(2), 832, and 833, detail the distribution requirements for an Investment Company. In line with that legislation, 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. Net capital returns may not be distributed by way of a dividend.

The Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants in Scotland (ICAS) in its technical guidance TECH 02/17BL, state 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 have been regarded as realised.

Distributions via dividends can only be made from the revenue reserve, and this reserve is entirely and exclusively distributable by way of dividends (as defined by ICAEW and ICAS technical guidance TECH 02/17BL) at the date of the balance sheet. This distributable reserve balance is at a point in time, and does not reflect what may be able to be distributed at a later date, as this can be affected by several factors.

All paid and payable dividends for the year are charged to the revenue reserve (2020 - same). In accordance with the company's Articles of Association, net capital returns may not be distributed by way of a dividend.

13. 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 2020 to the net asset value, on a total return basis as at 30 November 2021. The net asset value total return with debt at fair value is 21.5% (2020 - 6.2%) and the net asset value total return with debt at par is 21.1% (2020 - 6.7%).

The net asset value per ordinary share is based on 42,692,727 ordinary shares in issue at the year end (2020 - 42,692,727). The method of calculation of the net asset value with debt at fair value is described in Note 15(c) on page 102.

The net asset value per ordinary share was as follows:

	Debt at fair value 2021	Debt at par 2021	Debt at fair value 2020	Debt at par 2020
Net asset value per ordinary share attributable	1,165.40p	1,176.90p	975.50p	988.70p
Effect of dividends reinvested on the respective ex-dividend dates	20.15p	20.15p	20.06p	20.06p
Net asset value total return	**1,185.55p**	**1,197.05p**	**995.56p**	**1,008.76p**
Net asset value attributable	**£497,525,622**	**£502,452,284**	**£416,485,984**	**£422,099,372**

14. Contingent Liabilities, Capital Commitments and Guarantees

At 30 November 2021 there were no contingent liabilities (2020 - £nil).

15. 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 10. 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 begins on page 48.

Market Price Risk Sensitivity

The value of the company's listed equities which were exposed to market price risk as at 30 November 2021 and 2020 was as follows:

	2021 £	2020 £
Listed equity investments held at fair value through profit or loss	**533,923,937**	**445,111,199**

The following illustrates the sensitivity of the return after taxation for the year and the net assets to an increase or decrease of 30% (2020 - 30%) 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 30% 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.

	2021 30% Increase in fair value £	2021 30% Decrease in fair value £	2020 30% Increase in fair value £	2020 30% Decrease in fair value £
Revenue earnings				
Investment management fee	(216,239)	216,239	(180,270)	180,270
Capital earnings				
Gains (losses) on investments at fair value	160,177,181	(160,177,181)	133,533,360	(133,533,360)
Investment management fee	(504,558)	504,558	(420,630)	420,630
Change in net earnings and net assets	**159,456,384**	**(159,456,384)**	**132,932,460**	**(132,932,460)**

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. The board has also committed to using the strong revenue reserve if required.

(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:

	2021 Investments £	2021 Other net Liabilities £	2021 Total Currency Exposure £	2020 Investments £	2020 Other net Liabilities £	2020 Total Currency Exposure £
Pounds Sterling	108,890,020	(33,455,140)	75,434,880	77,940,864	(25,448,644)	52,492,220
Australian Dollar	7,248,144	84,474	7,332,618	7,371,802	42,288	7,414,090
Danish Krone	12,909,812	16,522	12,926,334	5,055,767	(762,982)	4,292,785
Euro	79,479,916	(853,801)	78,626,115	74,325,944	295,145	74,621,089
Hong Kong Dollar	12,650,353	-	12,650,353	15,679,082	-	15,679,082
Japanese Yen	13,010,488	167,900	13,178,388	11,849,648	164,637	12,014,285
Swedish Krona	14,491,287	-	14,491,287	12,019,748	97,571	12,117,319
Swiss Franc	39,924,301	487,828	40,412,129	32,944,032	486,339	33,430,371
Taiwan Dollar	-	936,480	936,480	-	905,301	905,301
US Dollar	245,319,616	1,144,084	246,463,700	207,928,650	1,204,180	209,132,830
Total	**533,923,937**	**(31,471,653)**	**502,452,284**	**445,115,537**	**(23,016,165)**	**422,099,372**

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.

	2021 20% Decrease in sterling against foreign currencies £	2021 20% Increase in sterling against foreign currencies £	2020 20% Decrease in sterling against foreign currencies £	2020 20% Increase in sterling against foreign currencies £
Australian Dollar	1,833,155	(1,222,103)	1,853,522	(1,235,682)
Danish Krone	3,231,584	(2,154,389)	1,073,196	(715,464)
Euro	19,656,529	(13,104,353)	18,655,272	(12,436,848)
Hong Kong Dollar	3,162,588	(2,108,392)	3,919,771	(2,613,180)
Japanese Yen	3,294,597	(2,196,398)	3,003,571	(2,002,381)
Swedish Krona	3,622,822	(2,415,215)	3,029,330	(2,019,553)
Swiss Franc	10,103,032	(6,735,355)	8,357,593	(5,571,729)
Taiwan Dollar	234,120	(156,080)	226,325	(150,883)
US Dollar	61,615,925	(41,077,283)	52,283,207	(34,855,472)
Total	**106,754,352**	**(71,169,568)**	**92,401,787**	**(61,601,192)**

(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.

	2021 Fixed rate interest £	2021 Floating rate interest £	2021 Nil Interest £	2021 Total £	2020 Fixed rate interest £	2020 Floating rate interest £	2020 Nil Interest £	2020 Total £
Financial assets	-	3,694,667	533,923,937	537,618,604	-	8,961,249	445,115,537	454,076,786
Financial Liabilities	(25,081,783)	-	-	(25,081,783)	(25,072,717)	-	-	(25,072,717)
Net financial (liabilities) assets	**(25,081,783)**	**3,694,667**	**533,923,937**	**512,536,821**	**(25,072,717)**	**8,961,249**	**445,115,537**	**429,004,069**
Short term receivables and payables	-	-	-	(10,084,537)	-	-	-	(6,904,697)
Net (liabilities) assets per balance sheet	**(25,081,783)**	**3,694,667**	**533,923,937**	**502,452,284**	**(25,072,717)**	**8,961,249**	**445,115,537**	**422,099,372**

As at 30 November 2021, the interest rates received on cash balances, or paid on bank overdrafts respectively, is approximate to 0.00% and 1.10% per annum (2020 - 0.00% and 1.10% per annum).

The fixed rate interest bearing liabilities bear the following coupon and effective rates as at 30 November 2020 and 30 November 2021.

2021	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%

2020	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 88.

The weighted average effective rate of the company's fixed interest bearing liabilities (excluding the 5% cumulative preference stock) is 2.94% (2020 - 2.94%) and the weighted average period to maturity of these liabilities is 26.5 years (2020 - 27.5 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 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 10 on page 96. 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.

2021	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	82,217	10,000,000	-	-	10,082,217
Other payables	2,008,299	-	-	-	2,008,299
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	15,957,500	18,887,500
	2,456,766	**10,366,250**	**2,930,000**	**41,407,500**	**57,160,516**

2020	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	65,195	7,500,000	-	-	7,565,195
Other payables	1,533,570	-	-	-	1,533,570
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	16,667,500	19,597,500
	1,965,015	**7,866,250**	**2,930,000**	**42,117,500**	**54,878,765**

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 (2020 - £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 2021 (30 November 2020 - 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 A1 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 2021 and 2020 was as follows:

	2021 £	2020 £
Other Receivables:		
Outstanding settlements	554,156	1,030,500
Accrued income	1,625,783	1,356,402
Prepayments	75,272	68,287
	2,255,211	**2,455,189**
Cash and cash equivalents	3,694,667	8,961,249
	5,949,878	**11,416,438**

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 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 2021 the financial assets at fair value through profit and loss of £533,923,937 (2020 - £445,115,537) are categorised as follows:

	2021 £	2020 £
Level 1	533,923,937	445,111,199
Level 2	-	-
Level 3	-	4,338
	533,923,937	**445,115,537**

There were no transfers between levels for financial assets and financial liabilities during the year recorded at fair value as at 30 November 2021 and 30 November 2020.

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

	2021 Book Value £	2021 Fair Value £	2020 Book Value £	2020 Fair Value £
Preference Stock	450,000	945,945	450,000	943,605
Fixed Rate Note	24,631,783	29,062,500	24,622,717	29,742,500
	25,081,783	**30,008,445**	**25,072,717**	**30,686,105**

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

	2021 £	2020 £
Net assets per balance sheet	502,452,284	422,099,372
Add: financial liabilities at book value	25,081,783	25,072,717
Less: financial liabilities at fair value *	(30,008,445)	(30,686,105)
Net assets (debt at fair value)	**497,525,622**	**416,485,984**
Net asset value per ordinary share (debt at fair value)	**1,165.4p**	**975.5p**

* The fair value has been derived from the closing market value as at 30 November 2021 and 30 November 2020.

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 2021 (2020 - 42,692,727).

16. 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:

	2021 £	2020 £
Debt		
Revolving Credit Facility	10,017,515	7,512,413
Creditors: amounts falling due after more than one year	25,081,783	25,072,717
	35,099,298	**32,585,130**
Equity		
Called up share capital	10,673,181	10,673,181
Share premium account and other reserves	491,779,103	411,426,191
	502,452,284	**422,099,372**
Total Capital	**537,551,582**	**454,684,502**
Debt as a percentage of total capital	6.5%	7.2%

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 (2020 - £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.

17. Transactions with the Investment Manager and related parties

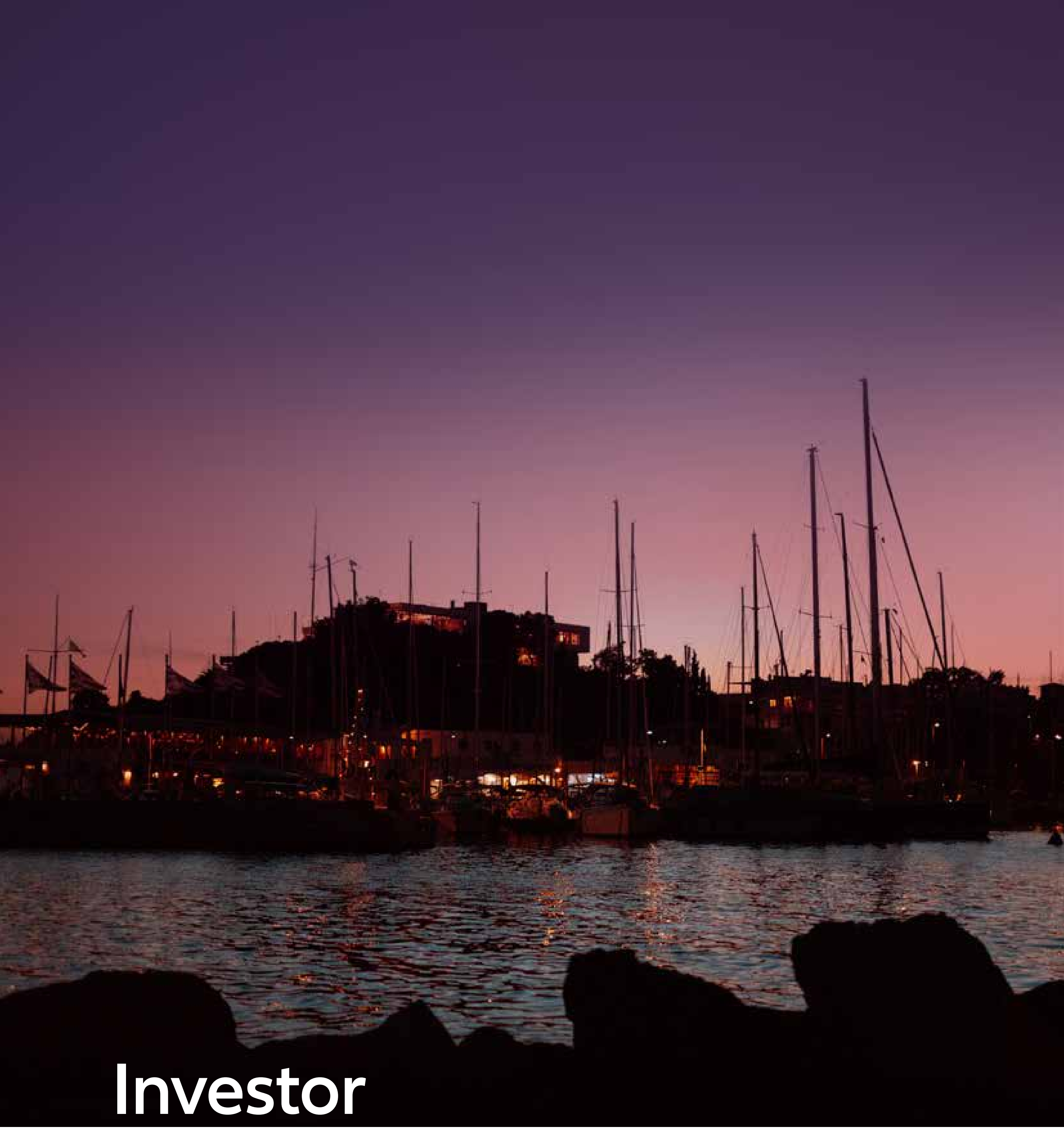
The amounts paid to the investment manager together with details of the investment management contract are disclosed in note 2 on page 90. The existence of an independent board of directors demonstrates that the company is free to pursue its own financial and operating policies and therefore, under FRS102 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 70.

There are no other identifiable related parties at the year end, and as of 15 February 2022.

18. Post Balance Sheet Events

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



Investor Information

New holding Jumbo, a discount retailer, is headquartered in Moschato, Greece.

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 90).

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 2021 (all values in Euro).

Number of employees: 1,675

	All employees	Risk Taker	Board Member	Other Risk Taker	Employees with Control Function	Employees with Comparable Compensation
Fixed remuneration	164,233,442	7,695,609	1,758,427	1,435,262	449,851	4,052,069
Variable remuneration	103,587,135	17,405,428	3,452,759	5,203,209	206,037	8,543,423
Total remuneration	**267,820,577**	**25,101,037**	**5,211,186**	**6,638,471**	**655,888**	**12,595,492**

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 94 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 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 7059.45 at 30 November 2021, compared to 6266.19 at 30 November 2020, an increase of 12.7%.

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 AllianzGI either via Investor Services on 0800 389 4696 or on the company's website: brunner.co.uk.

A list of providers can be found on the company's website: brunner.co.uk/about-us/how-to-invest.

Dividend

The board is recommending a final dividend of 6.05p to be payable on 1 April 2022 to shareholders on the Register of Members at the close of business on 25 February 2022, making a total distribution of 20.15p per share for the year ended 30 November 2021, an increase of 0.4% over last year's distribution. The ex-dividend date is 24 February 2022.

A Dividend Reinvestment Plan (DRIP) is available for this dividend and the relevant Election Date is 11 March 2022.

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 Group. Dividends mandated in this way are paid via Bankers' Automated Clearing Services (BACS).

Registrars

Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. Telephone: 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday.
Email: shareholderenquiries@linkgroup.co.uk.
Website: https://www.linkgroup.eu/.

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. (UK 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 Group 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. (UK 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 Group 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 Group 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 (UK 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 Group, 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-fifth annual general meeting of The Brunner Investment Trust PLC will be held at Trinity House, Trinity Square, Tower Hill, London EC3N 4DH on Wednesday 30 March 2022 at 10.30 a.m. 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 2021 with the Auditors' Report thereon.
2. To declare a final dividend of 6.05p per ordinary share.
3. To re-elect Carolan Dobson as a director.
4. To re-elect Amanda Aldridge as a director.
5. To re-elect Andrew Hutton as a director.
6. To re-elect Peter Maynard as a director.
7. To re-elect Jim Sharp as a director.
8. To approve the Directors' Remuneration Implementation Report.
9. To re-appoint PricewaterhouseCoopers LLP as the Auditor of the company.
10. 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 11 will be proposed as an ordinary resolution and resolutions 12 and 13 will be proposed as special resolutions:.

11. 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 2023 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.

12. 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 11 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 2023, 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.

13. 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 2023 or 30 June 2023 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

By order of the board
Kirsten Salt
Company Secretary
15 February 2022
199 Bishopsgate, London EC2M 3TY

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 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 28 March 2022 (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 15 February 2022, 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 15 February 2022 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.

Glossary

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. As at 30 November 2021, the NAV with debt at par value was £502,452,284 (2020 - £422,099,372) and the NAV per share was 1,176.9p (2020 - 988.7p).

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period. For the year ended 30 November 2021 earnings per ordinary share was 20.35p (2020 - 16.0p), calculated by taking the profit after tax of £8,689,051 (2020 - £6,815,742), divided by the weighted average shares in issue of 42,692,727 (2020 - 42,692,727).

Alternative Performance Measures (APMs)

Net Asset Value, debt at market 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 market value is calculated by dividing this amount by the total number of ordinary shares in issue (see page 98). As at 30 November 2021, the NAV with debt at market value was £497,525,622 (2020 - £416,485,984) and the NAV per share with debt at market value was 1,165.4p (2020 - 975.5p). (Further details can be found in Note 15(c) on page 102).

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 13 on page 98).

Share Price Total Return 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 (see page 3). The share price as at 30 November 2021 was 1,050.0p, an increase of 208.0p from the price of 842.0p as at 30 November 2020. The change in share price of 208.0p plus the dividends declared for the year of 20.15p are divided by the opening share price of 842.0p to arrive at the share price total return for the year ended 30 November 2021 of 27.1% (2020 - 0.0%).

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 (see page 3).

Discount or Premium is the amount by which the stock market price per ordinary share is lower (discount) or higher (premium) than the Net Asset Value, or NAV, with either debt at par or debt at market value, per ordinary share. The discount/premium is normally expressed as a percentage of the NAV per ordinary share (see page 2).

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 13).

	2021 **£**	**2020** **£**
Management fee	2,222,483	1,825,594
Administration expenses	723,214	664,531
Less: non-recurring expenses*	-	(32,641)
Total expenses (A)	**2,945,697**	**2,457,484**
Average net asset value with debt at market value (B)	469,448,313	386,934,442
Ongoing charge (A/B)	**0.63%**	**0.64%**

* 2020 - printing, postage and legal fees that relate to the impact of the pandemic

The ongoing charge differs from the ongoing charge in the Company's KID, which is calculated in accordance with the PRIIPs regulations and includes finance costs.

Yield represents dividends declared in the past year as a percentage of share price.

	2021	**2020**
Dividends declared for the year	20.15p	20.06p
Share price at year end	1050.0p	842.0p
Annual dividend as a percentage of share price	**1.9%**	**2.4%**

Gearing is the amount of debt as a percentage of the net assets (see Note 16 on page 103).

Revenue Reserve per ordinary share of 24.7p (2020 - 24.5p) is the revenue reserve per the balance sheet of £15,150,107 (2020 - £15,050,832) less the third dividend and final proposed dividend in respect of the year (Note 6) of £4,589,468 (2020 - £4,576,660), payable after the year end, divided by the total number of ordinary shares in issue of 42,692,727 (2020 - 42,692,727).

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