The Brunner Investment Trust PLC

Global investment solution rich in family history

Allianz Global Investors

Aim

The Trust aims to provide growth in capital value and dividends over the long term by investing in global and UK securities. The benchmark against which performance is measured is 70% FTSE World ex-UK Index and 30% FTSE All-Share Index.

History

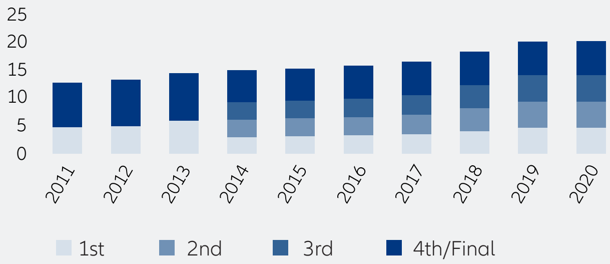
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private and institutional investors.

Trust Benefits

Brunner aims to provide its shareholders with growing dividends and capital growth by investing in a portfolio of global equities. It is an independent company listed on the London Stock Exchange and, although past performance is no guide to the future, has paid increasingly higher dividends to its shareholders year on year for the last 48 years. The Trust invests in companies all over the world, seeking out opportunities for growth and reliable dividends wherever they may be.

Ten Year Dividend History

Dividend Record in Pence per Share
To Year End 30 November



Last Four Dividend Payments per Share

Record Date	Pay Date	Dividend	Type
26.02.2021	01.04.2021	6.05p	Final
30.10.2020	10.12.2020	4.67p	3rd Quarterly
07.08.2020	16.09.2020	4.67p	2nd Quarterly
19.06.2020	23.07.2020	4.67p	1st Quarterly

Past performance is not a reliable indicator of future results.

aic DIVIDEND HERO

Morningstar Rating™ ★★★

A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

Total Assets £453.1m **Shares in Issue** 42,692,727 (Ordinary 25p) **Market Cap** £362.9m

Share Price	NAV per Share	Premium/-Discount	Dividend Yield	Gearing
850.0p	996.8p	-14.7%	2.4%	6.1%

Share Price is the price of a single ordinary share, as determined by the stock market. The share price above is the mid-market price at market close.

Net Asset Value (NAV) per Share is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities.

The NAV figure above is based on the fair/market value cum income of the company's long term debt and preference shares (known as debt at fair value). This allows for the valuation of long-term debt and preference shares at fair value or current market price, rather than at final repayment value (known as debt at par).

Premium/Discount. Since investment company shares are traded on a stock market, the share price that you get may be higher or lower than the NAV. The difference is known as a premium or discount.

Dividend Yield is calculated using the latest full year dividend divided by the current share price.

Gearing is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.

All data source DataStream and Allianz Global Investors as at 28.02.21 unless otherwise stated.

Fund Manager's Review

Market Review

Global equity markets continued to digest the prospect of economic reopening and recovery. The Covid-19 vaccine rollouts, a possible 1.9 trillion USD stimulus package and the potential for a surge in pent up demand lifted expectations for growth and inflation. Cyclical sectors such as energy, housing and banks performed well. In contrast, more defensive areas, such as Consumer Staples and Utilities, retreated.

Oil prices continued to rise, supported by tighter global supplies and hopes for a cyclical recovery in fuel consumption. Industrial metals prices reached multi-year highs, with copper breaching 9,000 USD a tonne, its highest level since 2011. The pound sterling strengthened as markets became more optimistic on the recovery of the UK economy, underpinned by a rapid vaccine rollout.

Portfolio Review

The Trust's equity portfolio outperformed over the month, resulting in a NAV total return of 3.0% vs the benchmark's 1.0%.

Estée Lauder made the largest positive contribution, following strong Q2 sales numbers. The company invested heavily in online well before 2020 and these channels continue to be more profitable than traditional outlets. We expect that economic recovery should drive up headline numbers, particularly given Estée Lauder's strong presence in travel hubs.

Microchip Technology continued to capitalise on the surge in demand for microchips, as well as supply constraints related to the pandemic. In a recent conversation with management, the CEO reported that order

> "We regard short term macro and equity market volatility as a potential opportunity to exploit attractive long-term valuation anomalies

visibility is at an all-time high, suggesting near term revenue growth should remain strong.

Roche was the largest negative contributor. Full year sales modestly missed expectations, thanks to covid-19 headwinds and a larger than expected impact from biosimilar competition. Guidance for next year looks conservative and Roche's pipeline in oncology and neuroscience remain promising.

Iberdrola was also weak, as investors rotated into more cyclical areas of the market. Iberdrola has a healthy pipeline of projects that will drive growth in the business in the years come. The company is a clear beneficiary of the secular shift towards renewables.

Significant Transactions

Fleetcor is a business to business payments technology company. The digitalisation of corporate payments is a long-term structural trend as businesses seek to improve efficiency, offer more flexibility to their employees and reduce fraud. Fleetcor does have exposure to some cyclical industries which negatively impacted earnings during 2020. A historically low valuation combined with the prospect of a reopening of the global economy provided an opportunity to initiate the position at an attractive price.

We exited our holding in **Citigroup** to fund the purchase of Fleetcor. The shares have rallied strongly as the economic outlook has improved. However, our preference in the financial sector is for companies with recurring revenue, structural growth opportunities and a lower exposure to interest rates.

Matthew Tillett, Portfolio Manager

The Brunner Investment Trust is managed by Matthew Tillett. Having been deputy manager of Brunner since 2016, Matthew Tillett took over as the lead manager in May 2020 and is supported by portfolio manager Marcus Morris-Eyton. Matthew joined AllianzGI in 2006. He graduated from Bristol University with a first class degree in Economics and Economic History. He also holds a masters (with distinction) in International Political Economy from the London School of Economics. Matthew holds the IMC designation and is a CFA® charterholder.

Market Outlook

Towards the end of February inflation expectations and bond yields began to surge from what had been very depressed levels. Within the stock market this has benefitted the cyclical and interest rate sensitive companies that languished throughout much of 2020. The possibility of a very rapid economic recovery driven by pent up demand has led to fears that the global economy could soon be running hot, which could force central banks to rein in monetary stimulus and possibly even raise interest rates. This has caused valuations to derate amongst higher growth companies, as well as bond proxies such as consumer staples and utilities.

There have been several such episodes over the past decade since the end of the global financial crisis. In each case, economic growth strong enough to cause a sustained rise in inflation ultimately failed to materialise. There is perhaps more of a case for it this time given the extent of potential pent up demand that is about to be unleashed. However, it is important to remember that this is still primarily a cyclical – and therefore temporary – driver of economic activity. There remain powerful structural forces such as demographics, digitalisation and high levels of debt that will continue to exert deflationary pressure onto the global economy.

For these reasons, we believe it is unwise to express a strong macroeconomic view into the Trust's equity portfolio, which consists of a wide range of companies across many different industries, some of which will benefit from a cyclical recovery and others which are more defensive. We regard short term macro and equity market volatility as a potential opportunity to exploit attractive long-term valuation anomalies.

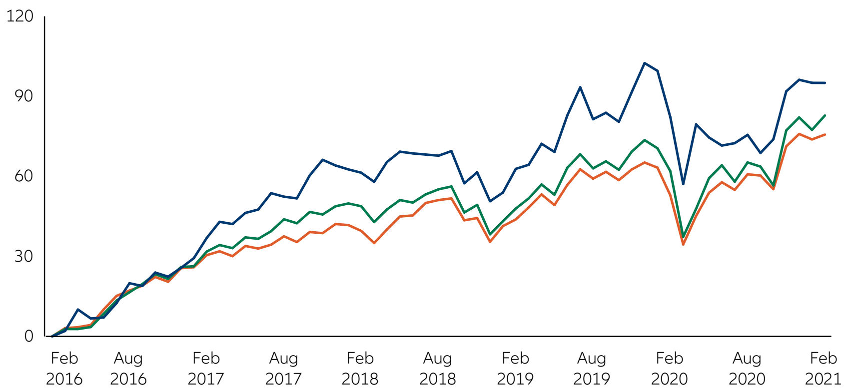
Companies with outstanding track records that are being unfairly punished for a lack of cyclical exposure (for example within healthcare and consumer staples), are now presenting attractive opportunities to initiate or increase positions. Equally, there are steady compounders more closely tied to economic cycles trading at valuations that provide a margin of safety and substantial upside potential in even a gradual reopening of the global economy. In the event of further volatility this disciplined, active approach should continue to serve the Trust well.

Matthew Tillett
15 March 2021

This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.

Performance Track Record

Five Year Performance (%)



Share Price ■ NAV (debt at fair value)

Benchmark: Effective 22 March 2017 the benchmark weightings changed to 70% FTSE World ex-UK Index; 30% FTSE All-Share Index

Risk & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

The Trust seeks to enhance returns for its shareholders through gearing which can boost the Trust's returns when investments perform well, though losses can be magnified when investments lose value. You should be aware that this Trust may be subject to sudden and large falls in value and you could suffer substantial capital loss.

Changes in rates of exchange may cause the value of investments and the income from them to go up an down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	1.6	11.1	7.1	20.9	95.0
NAV (debt at fair value)	3.2	11.8	15.5	25.8	87.2
Benchmark	2.6	9.2	14.9	25.9	75.7

Discrete 12 Month Returns to 28 February (%)

	2021	2020	2019	2018	2017
Share Price	7.1	11.9	0.9	17.9	36.9
NAV (debt at fair value)	15.5	9.5	-0.6	12.9	31.8
Benchmark	14.9	6.3	3.1	7.0	30.5

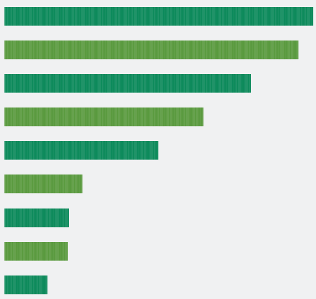
Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 28.02.21. DataStream shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested. This investment trust charges 70% of its annual management fee to the capital account and 30% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result.

Portfolio Breakdown

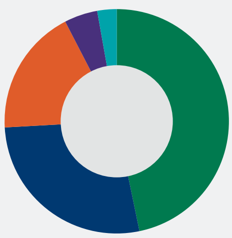
Sector Breakdown* (%)

Industrials	21.2
Health Care	20.2
Financials	17.0
Technology	13.7
Consumer Goods	10.6
Consumer Services	5.4
Basic Materials	4.5
Utilities	4.4
Oil & Gas	3.0



Geographic Breakdown* (%)

North America	46.8
Europe ex UK	27.4
UK	18.3
Pacific ex Japan	4.8
Japan	2.8



Top Twenty Holdings (%)

Microsoft	4.4
UnitedHealth Group	3.6
Taiwan Semiconductor	3.4
Cooper Cos	2.9
Agilent Technologies	2.9
Roche	2.8
Muenchener Rueckver	2.8
Accenture	2.8
Visa - A Shares	2.6
Estée Lauder	2.5
AbbVie	2.5
Microchip Technology	2.4
AIA Group	2.4
Schneider Electric	2.3
Ecolab	2.2
Itochu	2.0
Enel	1.9
Partners Group	1.9
AMETEK	1.8
Adidas	1.8

Total number of holdings 62

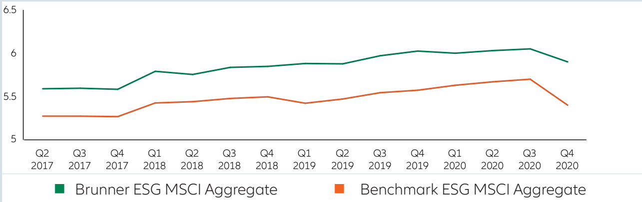
The data shown is not constant over time and the allocation may change in the future. Totals may not sum to 100.0% due to rounding. This is no recommendation or solicitation to buy or sell any particular security.

*Excludes Cash

Environmental, Social and Governance (ESG)

AllianzGI has a dedicated ESG research team working with the portfolio managers to integrate ESG factors into investment decisions. The board supports AllianzGI's view that there is value in working with companies in the portfolio on environmental, social, governance and business conduct issues.

AllianzGI uses third party research provided by MSCI to help identify ESG factors that can impact the businesses of the companies in the portfolio. The chart below shows that the Brunner portfolio's ESG ratings compare well against the benchmark's ESG ratings over a three year period.



The chart above shows the rating of the Brunner portfolio on ESG risks and combined ESG risk measurements compared to the rating of the Benchmark (70% FTSE World ex-UK Index; 30% FTSE All-Share Index) scored on a scale of 1-10 (where 10 is high) on a quarterly basis.

Key Information

Launch Date	December 1927
AIC Sector	Global
Benchmark	70% FTSE World ex-UK Index; 30% FTSE All-Share Index
Annual Management Charge	0.45%
Performance Fee	No
Ongoing Charges[1]	0.67%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	30 March 2021
NAV Frequency	Daily
Dividends	March/April, June/July, September, December
Price Information	Financial Times, The Daily Telegraph, www.brunner.co.uk
Company Secretary	Kirsten Salt
Investment Manager	Matthew Tillett
Codes	RIC: BUT.L
	SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2019). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses incurred in the running of the company but excluding financing costs.

Board of Directors

Carolan Dobson (Chairman)
Amanda Aldridge (Chair of the Audit Committee)
Andrew Hutton
Peter Maynard (Senior Independent Director)
Jim Sharp

How to invest

You can buy shares in the Trust through:

- A third party provider - see 'How to Invest' on our website, where you will find links to a range of these platforms, many of which allow you to hold the shares within an ISA, Junior ISA, SIPP and/or savings scheme.
- A stockbroker.
- A financial adviser.

Contact us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

0800 389 4696

www.brunner.co.uk

E-mail: investment-trusts@allianzgi.com

You will find much more information about The Brunner Investment Trust on our website.

Please note that we can only offer information and are unable to provide investment advice. You should contact your financial adviser before making any investment decision.