

The Brunner Investment Trust PLC

Global investment solution rich in family history



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

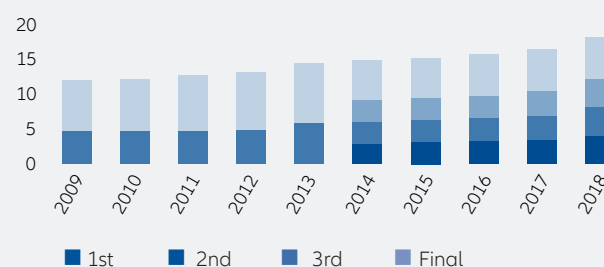
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 47 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
01.03.2019	05.04.2019	6.00p	Final
09.11.2018	14.12.2018	4.05p	3rd Quarterly
10.08.2018	21.09.2018	4.05p	2nd Quarterly
22.06.2018	27.07.2018	4.05p	1st Quarterly

Past performance is not a reliable indicator of future results.



Bronze



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

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Total Assets £401.3m

Shares in Issue 42,692,727 (Ordinary 25p)

Market Cap £336.4m

Share Price

788.0p

Source: Lipper

NAV per Share

871.5p

Premium/-Discount

-9.6%

Dividend Yield

2.3%

Gearing

7.4%

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.

Fund Manager's Review

Market Review

Global equities advanced steadily throughout April. Investor sentiment was lifted by continued central bank dovishness, positive economic data in the US and China, and the recurring promise of thawing trade relations between the two countries. In Europe, rising economic sentiment and a further extension to the Brexit process both provided a boost to equity markets.

Sectoral performance was mixed. After a weak March, Financials rebounded thanks to upbeat earnings, especially from retail-focused banks. Communication Services and Information Technology stocks also delivered strong gains. US Democrat support for universal healthcare continues to weigh on the sector, and has been compounded by a district court ruling the Affordable Care Act unconstitutional. Higher yielding sectors, such as Real Estate and Utilities, also lagged, as did Energy.

The US dollar strengthened over April, while the euro closed flat. Oil prices rallied, with Brent crude rising back above US\$75 a barrel for the first time since October 2016, after the US government said it would eliminate sanctions waivers on Iranian oil imports. The 'risk on' environment caused gold to weaken, with the precious metal falling to its lowest level since December 2018.

Portfolio Review

The Trust's NAV rose by 3.4% against a benchmark return of 3.3%. Stock selection in Technology has been particularly strong, with **Microchip** and **Microsoft** making the largest positive contributions to returns.

“ Having rapidly reversed their Q4 2018 sell-off, global equity markets are now taking a “wait and see” approach.

Microchip shares have performed well in the run-up to its Q4 results. The maker of microcontrollers is reporting lower inventories at the same time as demand improves. Microchip is also optimistic about the longer-term potential of its MSCC acquisition, with cross-selling already underway.

Microsoft also boosted returns thanks to strong results which beat expectations across almost all segments. The technology company's cloud offering, Azure, continues to shine, delivering year on year growth of 75%. Microsoft is benefiting from the growing numbers of Enterprise customers migrating to more sophisticated, higher margin cloud services. Given the strength of its legacy relationships, the company is ideally placed to help enterprise customers make this shift.

Conversely, the portfolio's overweight allocation to Health Care holdings has been a source of weakness. The sector has continued to come under pressure as the US Democrat Bernie Sanders and his 'Medicare for All' proposal gain traction in the run up to 2020 elections.

UnitedHealth Group has come under particular pressure, and in April the stock was our weakest performer. However, in its Q1 results the managed healthcare provider beat and raised full year guidance. This has driven some recovery in the share price and we continue to see universal healthcare in America as an unlikely prospect.

Roche has also detracted from returns, despite solid Q1 numbers. The pharmaceutical company beat expectations thanks to a range of drugs,



Lucy Macdonald, Portfolio Manager

The Brunner Investment Trust is managed by Lucy Macdonald. Lucy is the Chief Investment Officer of Global Equities and a member of the European Management Committee. The Global Equity team is responsible for international mandates from clients around the world.

including those facing biosimilar competition. At the same time, Hemlibra's growth rate beat expectations by over 60 per cent, highlighting the haemophilia drug's potential as a future growth driver for the company.

Market Outlook

President Trump's recent tweets are a timely reminder that US/China trade talks remain a source of volatility until firm agreement is reached. The US leader threatened to impose tariffs of up to 25 per cent on over US\$500 billion of Chinese goods. Markets are wary of additional barriers to growth killing an already stalling recovery.

Further trade uncertainty would also keep monetary policy accommodative. Slowing economic data in the US has persuaded the Federal Reserve to defer rate hikes further, with May's data once again pointing to a stubborn lack of wage inflation despite impressive employment numbers. While the conditions for a rate cut have not yet been met, additional tariffs would certainly raise the barriers for a hike.

This disjunct between weak wage growth and resilient employment is having a clear effect on companies. Analysts continue to revise earnings estimates downwards in all regions. However, we do expect the speed of downgrades to slow from here, as global growth is slowing but not collapsing.

European politics is also resurfacing, with elections to the European Parliament scheduled for May 23. The prospect of a substantial far-right bloc, led by Italy's Matteo Salvini, is now a very real possibility. The fallout from Brexit is likely to weigh heavily on these results, and consequently the entire European political project.

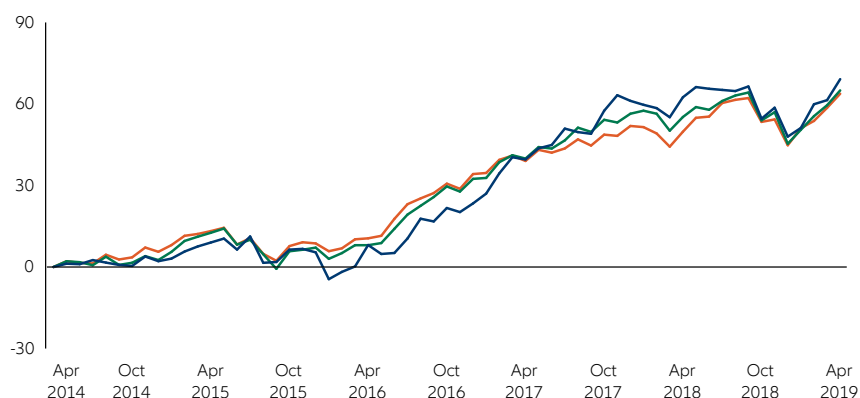
Having rapidly reversed their Q4 2018 sell-off, global equity markets are now taking a “wait and see” approach. As economics and politics contend with each other, we continue to expect a pattern of lower and more volatile returns. In these conditions, implementing our investment process and taking a truly active approach will be key to navigating the months ahead.

Lucy Macdonald
10 May 2019

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 or down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	11.9	9.4	4.1	56.5	69.1
NAV (debt at fair value)	9.6	7.2	6.3	52.7	65.0
Benchmark	8.4	6.8	9.4	48.1	63.8

Discrete 12 Month Returns to 30 April (%)

	2019	2018	2017	2016	2015
Share Price	4.1	16.4	29.1	-0.8	9.0
NAV (debt at fair value)	6.3	10.9	29.5	-4.1	12.6
Benchmark	9.4	7.7	25.7	-2.3	13.2

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.04.19. Copyright 2019 © DataStream, a Thomson Reuters company. All rights reserved. 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.

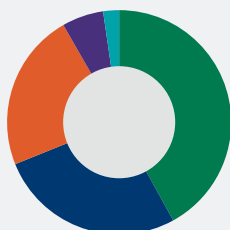
Portfolio Breakdown

Sector Breakdown* (%)

Financials	22.4	<div style="width: 22.4%;"></div>
Industrials	22.2	<div style="width: 22.2%;"></div>
Health Care	13.1	<div style="width: 13.1%;"></div>
Technology	12.7	<div style="width: 12.7%;"></div>
Consumer Goods	8.1	<div style="width: 8.1%;"></div>
Consumer Services	6.7	<div style="width: 6.7%;"></div>
Oil & Gas	6.3	<div style="width: 6.3%;"></div>
Basic Materials	5.2	<div style="width: 5.2%;"></div>
Utilities	2.4	<div style="width: 2.4%;"></div>
Telecommunications	0.9	<div style="width: 0.9%;"></div>

Geographic Breakdown* (%)

North America	42.0	<div style="width: 42.0%;"></div>
UK	26.9	<div style="width: 26.9%;"></div>
Europe ex UK	22.8	<div style="width: 22.8%;"></div>
Pacific ex Japan	6.0	<div style="width: 6.0%;"></div>
Japan	2.3	<div style="width: 2.3%;"></div>



Top Twenty Holdings (%)

Microsoft	4.5
UnitedHealth Group	3.0
Royal Dutch Shell - B Shares	2.8
Accenture	2.6
Visa - A Shares	2.5
Taiwan Semiconductor	2.4
Agilent Technologies	2.3
Muenchener Rueckver	2.3
Cooper Cos	2.3
Ecolab	2.3
BP	2.3
Roche	2.2
Estée Lauder	2.1
AIA Group	2.1
GlaxoSmithKline	2.0
Microchip Technology	1.9
AbbVie	1.8
Amphenol	1.7
Amadeus IT Group	1.7
Adidas	1.7

Total number of holdings 66

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

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	0.66%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	March/April
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	Lucy Macdonald
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2018). 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

Peter Maynard, Ian Barlow (Chairman of the Audit Committee), Carolan Dobson (Chairman), Jim Sharp, Vivian Bazalgette (Senior Independent Director)



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.



Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been or will be made or concluded shall prevail.

All data source Allianz Global Investors as at 30.04.19 unless otherwise stated.

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