

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 48 years. The Trust invests in companies all over the world, seeking out opportunities for growth and reliable dividends wherever they may be.



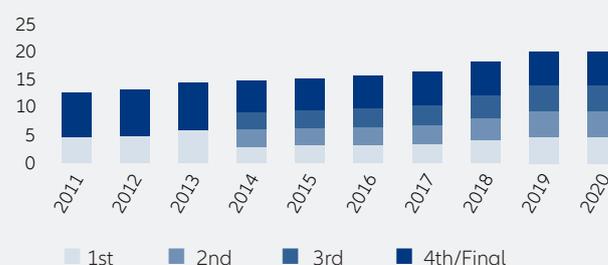
Consideration of Environmental, Social and Governance (ESG) factors is fully integrated into The Brunner Investment Trust's investment process. Visit www.brunner.co.uk/Integrated-ESG/ for more information.

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

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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 dividend
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.

Total Assets £491.4m

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

Market Cap £405.6m

Share Price

950.0p

NAV per Share

1086.0p

Premium/-Discount

-12.5%

Dividend Yield

2.1%

Gearing

6.4%

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 rose over April, as upbeat US economic data lifted optimism over the outlook for the global economy. The International Monetary Fund (IMF) forecast that massive fiscal stimulus and a vaccine-fuelled recovery would drive the strongest global expansion in four decades, with the world economy expected to grow 6% in 2021.

April has been awash with earnings reports, with companies posting their first real results since widespread vaccinations for Covid-19 began. With high expectations baked in for many cyclical stocks, strong additional upside has been reserved for only the most exceptional performers. In contrast, more defensive stocks that had lagged the market in recent months delivered some of the strongest earnings beats.

US inflation jumped to an annual rate of 2.6%, driving speculation that the US Federal Reserve System (the Fed) may start to taper its bond-buying programme. Rising input prices have been a key driver of this inflation. Commodities such as iron ore and copper have reached multi-year highs, as have agricultural products. The oil price has more than doubled from the second quarter of 2020, with Brent crude rising back above 68 USD, a level it last traded at back in 2019.

Portfolio Review

The Trust's equity portfolio underperformed in April, resulting in a NAV total return of 3.5% vs the benchmark's 4.3%.

Tyman made the strongest positive contribution. Shares in the maker of window and door fittings have benefitted from a strong US market

“ **we anticipate that resilient business models that continue to deliver reliable growth will lead the market, even if many have been out of favour in recent months**

recovery, as well as improved execution under the relatively new management team. The company has since reported very strong trading update, lifting profit expectations for the year ahead.

Intuitive Surgical, the robotic surgery company, posted impressive results that saw procedures globally grow 16%, with earnings per share comfortably beating consensus. Economic reopening has contributed to a rapid recovery for elective surgery in Intuitive's domestic US market. Having pulled their guidance last year, management reinstated their ambition for 22-26% procedure growth. The company continues to have a huge business growth runway ahead of it.

Bright Horizons made the weakest contribution to the portfolio. Shares in the provider of childcare weakened ahead of Q1 results as investors feared fewer parents returning to the workplace will translate into softer long-term growth. Since then, reported numbers have shown year on year revenue growth of -23% but we remain of the view that this is temporary owing to the consistently long-nature of Bright Horizons' waiting lists.

Having rallied hard in March, **Munich Re** also dampened performance. The reinsurance company is one of few stocks yet to reach its pre pandemic peak, due to concerns that COVID-19-related losses may be higher than expected. However, renewal rates and premiums both appear resilient, with management pre-announcing higher than expected net profits and lifting full year net profit expectations.

Significant Transactions

We sold our position in **ITV**, the broadcasting and production house, reinvesting the proceeds into **RELX**, a provider of business to business



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.

data and analytics. ITV has 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 has dominant market positions within the legal, academic and insurance markets, with the potential to benefit from a recovery in exhibitions and transaction-related revenues. The company's defensive qualities are out of favour with the stock market right now, resulting in a de-rating.

Market Outlook

After two quarters of outperformance versus their quality and growth counterparts, value stocks took a breather in April. Many cyclical stocks had already fully priced in the narrative of an economic recovery. Earnings season is forcing investors to square these expectations with financial fundamentals. Beyond this, the persistence of COVID-19 and an inflationary backdrop, are further extending equity investors' focus.

The Fed's decision to leave monetary policy unchanged has concentrated minds on when and how monetary policy may tighten. Inflation may remain temporarily high in the coming months thanks to base effects, rising commodity prices and supply bottlenecks. Our focus is on assessing the potential impact on businesses, distinguishing between those which can and cannot pass rising costs on to customers.

After a very substantial re-rating, equity markets have now largely priced in the near-term economic recovery. We are more focused on 2022 and beyond. Earnings disappointments are likely to be punished much more severely as the world slowly returns to normal. Against this backdrop we anticipate that resilient business models that continue to deliver reliable growth will lead the market, even if many have been out of favour in recent months. One such example is the healthcare industry, which has been instrumental in helping society manage and reduce the threat of COVID-19, yet has underperformed of late due its defensive characteristics. The underappreciated dominance of certain leading companies creates scope for meaningful long-term upside.

Matthew Tillett
18 May 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 or down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	11.7	25.4	21.4	31.8	98.1
NAV (debt at fair value)	11.6	26.5	37.1	37.4	97.3
Benchmark	10.1	23.4	31.9	36.6	85.1

Discrete 12 Month Returns to 30 April (%)

	2021	2020	2019	2018	2017
Share Price	21.4	4.2	4.1	16.4	29.1
NAV (debt at fair value)	37.1	-5.7	6.3	10.9	29.5
Benchmark	31.9	-5.3	9.4	7.7	25.7

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.04.21. Copyright 2020 © 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* (%)

Industrials	21.5	<div style="width: 21.5%;"></div>
Health Care	21.0	<div style="width: 21.0%;"></div>
Financials	17.1	<div style="width: 17.1%;"></div>
Technology	13.0	<div style="width: 13.0%;"></div>
Consumer Goods	11.4	<div style="width: 11.4%;"></div>
Consumer Services	4.9	<div style="width: 4.9%;"></div>
Utilities	4.5	<div style="width: 4.5%;"></div>
Basic Materials	4.0	<div style="width: 4.0%;"></div>
Oil & Gas	2.6	<div style="width: 2.6%;"></div>

Geographic Breakdown* (%)

North America	46.3	<div style="width: 46.3%;"></div>
Europe ex UK	26.7	<div style="width: 26.7%;"></div>
UK	19.8	<div style="width: 19.8%;"></div>
Pacific ex Japan	4.6	<div style="width: 4.6%;"></div>
Japan	2.7	<div style="width: 2.7%;"></div>

Top Twenty Holdings (%)

Microsoft	4.5
UnitedHealth Group	4.0
Accenture	3.0
Agilent Technologies	2.9
Taiwan Semiconductor	2.9
Cooper Cos	2.9
Visa - A Shares	2.7
Roche	2.6
Muenchener Rueckver	2.6
Estée Lauder	2.5
AbbVie	2.4
Schneider Electric	2.3
AIA Group	2.2
Microchip Technology	2.2
Partners Group	2.1
AMETEK	2.0
Itochu	2.0
Ecolab	1.8
Adidas	1.8
Novo Nordisk	1.7

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.

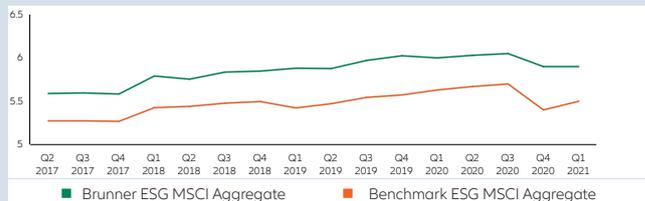
This is no recommendation or solicitation to buy or sell any particular security.

*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	0.64%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	March
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 (30.11.2020). 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.



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All data source Allianz Global Investors as at 30.04.21 unless otherwise stated.

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