

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

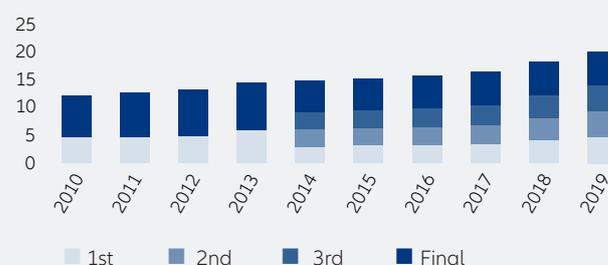
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private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

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
01.11.2019	12.12.2019	4.66p	3rd Quarterly
09.08.2019	19.09.2019	4.66p	2nd Quarterly
21.06.2019	25.07.2019	4.66p	1st Quarterly
01.03.2019	05.04.2019	6.00p	Final

Past performance is not a reliable indicator of future results.



Bronze

Morningstar Rating™



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 £406.9m

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

Market Cap £347.5m

Share Price

814.0p

NAV per Share

879.9p

Premium/-Discount

-7.5%

Dividend Yield

2.5%

Gearing

8.4%

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

The modest correction that started in January accelerated during February, becoming a more pronounced sell off as the economic disruption from attempts to contain the coronavirus began to impact global supply chains, travel and demand patterns. The MSCI All Country World Index fell 8.2%, the worst monthly return for global equities since May 2012. Developed Markets underperformed Emerging Markets as the focus turned to the impact of the virus on Japan, Europe and the US. By sector, Energy performed worst in response to the large fall in the oil price. Telecoms, and (rather counterintuitively) Semiconductors provided the most defensive areas of the market.

Economic growth indicators, having had a short period of stabilisation, returned to the path of downward revisions experienced last year. Chinese economic activity has been severely negatively impacted by the extensive action taken by the Chinese government to contain the virus. Growth expectations for the region have been downgraded, as have the profits of companies producing, operating or selling in affected areas. Given the importance of China as circa 16% of world gross domestic product (GDP), this has also had an impact on global GDP forecasts.

As markets sold off, demand for safe-haven assets increased, driving government bond yields to new lows.

Portfolio Review

Although the Trust's NAV fell by 5.0% in February, it was ahead of the benchmark return of -6.4% as the portfolio held up relatively well in the selloff, mostly due to positive stock selection. Following a period of

“ Generating good performance will require active investment and avoidance of risk

fund outperformance in rising markets, this was a brutal test of portfolio resilience with a solid result. While the portfolio is active and concentrated, it is also constructed to withstand market volatility by avoidance of directional bias, diversification of factor risk and disciplined management of momentum. The good stock selection was particularly pronounced in the health care (notably Abbvie, Roche, Cooper), technology (TSMC, Microsoft) and Utilities (Iberdrola) sectors. The only sector with negative stock selection was financials, where Munich Re and Ashmore were weaker than average following strong performance last year.

Abbvie (ABBV) was the best overall contributor to performance in the month. The combination of attractive valuation and improving sentiment towards the recent Allergan acquisition benefited the stock.

Taiwan Semiconductor Manufacturing Company (TSMC) was again one of the strongest contributors as the positive impact of Q4 results supported the stock. Longer term, the company expects 5G to be a multi-year catalyst across all its clients. There is a strong demand for TSMC's products and it has a relatively low factory count in China. We have trimmed our position in the stock.

Iberdrola (IBE) was a positive contributor as the 2019 result surpassed expectations. Iberdrola has installed 5.5GW of capacity in 2019 with 9GW under construction and will by far exceed its 2022 capacity targets.

Munich Re (MUV2) was a negative contributor during February as profits were taken in the stock following a very strong performance since mid-2019. The company released full year figures at the end of February, delivering a 7.5% rise in operating profit translating into a 6% rise in dividend and confirming its 2020 profit outlook.

Ashmore (ASHM) was also a relative underperformer during the



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.

month as the Emerging Market exposure was derated.

On the last Friday of the month, as the market correction reached panic mode, we added to overall gearing and topped up some of our favoured holdings at the more attractive valuations on offer.

Outlook

We had already been expecting global monetary policy to remain loose this year but the sharp economic shock provided by the coronavirus has raised the probability of further accommodation. At the same time, the outlook for economic growth and corporate earnings has returned to the path of downgrades seen last year.

Our view is that we are experiencing a temporary sharp supply and demand pause for the global economy rather than a complete derailment, but conviction around the timing of a return to more normal trading patterns is low. There are early signs in China of a resumption of production but elsewhere the impact of containment is currently at an early stage. Prolonged absence of cashflow when companies are highly indebted is a source of potential risk, from which our bias towards low leverage in stock selection should provide protection. While we assess the emerging macro and micro datapoints, we will continue to take advantage of any buying opportunities in good quality stocks.

While the overall economic background lacks certainty short term, there are long-term structural trends which offer more visibility for investors: The shift towards digitalisation is one we have discussed previously, and have exposure to in the portfolio, in names like Microsoft or Atlas Copco. A second structural shift is related to developing of a low carbon economy which is reflected through our ownership of renewable energy companies Enel and Iberdrola. Thirdly, and of particular importance to the Brunner portfolio, is the search for yield in the increasingly low interest rate environment.

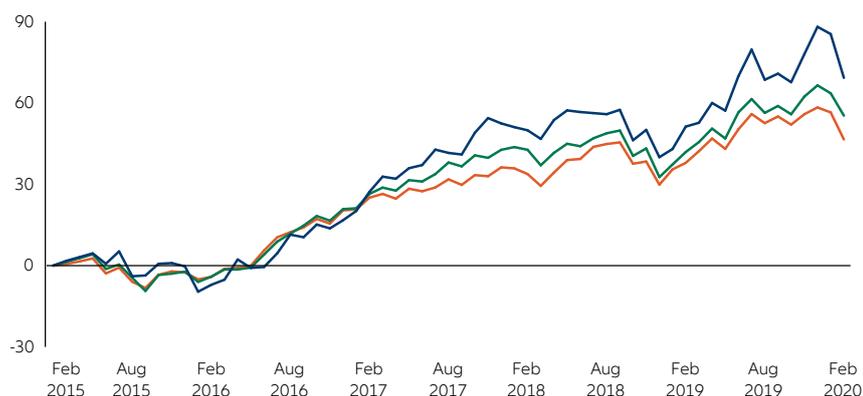
Overall therefore, the outlook for equity returns in 2020 remains modest. The liquidity environment remains supportive while economic activity is mixed. Global equity valuations are at the high end of historic ranges, but remain attractive relative to other assets with yields above most bond markets. Generating good performance will require active investment and avoidance of risk.

Lucy Macdonald
11 March 2020

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	-4.9	0.4	11.9	33.1	69.3
NAV (debt at fair value)	-4.3	-0.6	9.5	22.9	55.4
Benchmark	-6.0	-3.9	6.3	17.2	46.6

Discrete 12 Month Returns to 29 February (%)

	2020	2019	2018	2017	2016
Share Price	11.9	0.9	17.9	36.9	-7.1
NAV (debt at fair value)	9.5	-0.6	12.9	31.8	-4.1
Benchmark	6.3	3.1	7.0	30.5	-4.1

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 29.02.20. 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* (%)

Financials	21.5	<div style="width: 21.5%;"></div>
Industrials	20.4	<div style="width: 20.4%;"></div>
Health Care	17.3	<div style="width: 17.3%;"></div>
Technology	11.3	<div style="width: 11.3%;"></div>
Consumer Goods	9.7	<div style="width: 9.7%;"></div>
Consumer Services	8.2	<div style="width: 8.2%;"></div>
Basic Materials	5.1	<div style="width: 5.1%;"></div>
Utilities	3.2	<div style="width: 3.2%;"></div>
Oil & Gas	2.5	<div style="width: 2.5%;"></div>
Telecommunications	0.8	<div style="width: 0.8%;"></div>

Geographic Breakdown* (%)

North America	44.9	<div style="width: 44.9%;"></div>
Europe ex UK	24.4	<div style="width: 24.4%;"></div>
UK	22.5	<div style="width: 22.5%;"></div>
Pacific ex Japan	5.5	<div style="width: 5.5%;"></div>
Japan	2.8	<div style="width: 2.8%;"></div>

Top Twenty Holdings (%)

Microsoft	4.9
Cooper Cos	3.4
UnitedHealth Group	3.3
Roche	3.3
Muenchener Rueckver	3.0
Visa - A Shares	2.7
Accenture	2.5
Royal Dutch Shell - B Shares	2.5
Taiwan Semiconductor	2.5
AbbVie	2.4
Agilent Technologies	2.3
Ecolab	2.3
Estée Lauder	2.1
AIA Group	2.0
Schneider Electric	2.0
GlaxoSmithKline	1.9
Itochu	1.9
Adidas	1.8
Bright Horizons	1.8
Microchip Technologies	1.8

Total number of holdings 65

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.

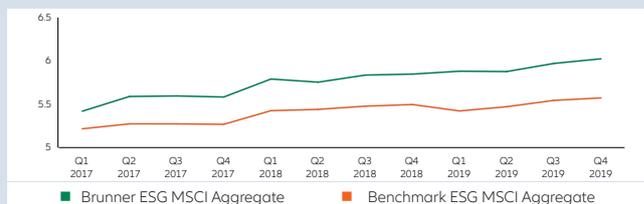
This is no recommendation or solicitation to buy or sell any particular security.

*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 over

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	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 (30.11.2019). 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
Ian Barlow (Chairman of the Audit Committee)
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 29.02.20 unless otherwise stated.

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