

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

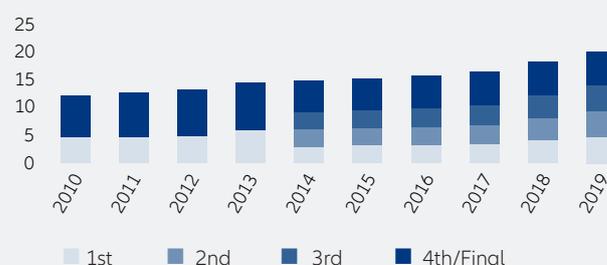
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
28.02.2020	03.04.2020	6.00p	4th Quarterly
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

Past performance is not a reliable indicator of future results.



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 £378.3m

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

Market Cap £342.4m

Share Price

802.0p

NAV per Share

803.4p

Premium/-Discount

-0.2%

Dividend Yield

2.5%

Gearing

7.7%

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 rebounded sharply in April, with the MSCI All Country World Index returning 10.8%. Slowing infection rates in some of the worst hit countries like Spain and Italy boosted investors' risk appetites. However, April also saw the US become the country with the highest rate of daily deaths, while economic data and first-quarter earnings reports started to show the extent of COVID-19's negative impact.

The global economy ground to a standstill as a result of measures taken to limit the spread of COVID-19. Eurozone Gross Domestic Product has contracted 3.8% in Q1, its steepest quarterly decline since records began in 1995. In the US, which only implemented lockdown measures in mid-March, the economy contracted by an annualised 4.8%. In China, which went into lockdown in January and has now mostly eased quarantine restrictions, GDP shrank 6.8%.

At a sector level, Consumer Discretionary stocks gained the most, closely followed by those in the Energy sector, although the latter remains down over 35% year to date. Information Technology stocks also performed well, and the sector is one of the best performers year to date. The relative safe havens of Consumer Staples and Utilities were some of the weakest performing sectors.

It was an extremely volatile month for oil prices. After starting the month on a stronger note, fears of oversupply caused oil prices to fall once more, with the West Texas Intermediate oil price briefly turning negative for the first time in history due to a lack of storage capacity.

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Portfolio Review

The portfolio slightly underperformed its benchmark in April. Not holding **Amazon**, which rallied strongly following very positive results, proved to be one of the largest detractors. In a concentrated portfolio, we have historically avoided the company in favour of Microsoft, which has faster growth in its cloud computing division, lower execution risks in “non-core” activities like grocery, and a dividend. On the positive side, stock selection in Financials and Basic Materials has boosted performance, as has the portfolio's overweight allocation to Health Care. Against this backdrop the Trust's NAV returned 7.6% in April, marginally behind the benchmark return of 7.9%.

Itochu also weakened returns. The Japanese general trading firm revealed that – contrary to its buyback plan – it had not yet repurchased any of its shares despite their substantial decline in line with broader equity markets. This fuelled speculation Itochu was unwilling to return cash to shareholders. However, the company has since reported record full-year profits and said it plans to pay a higher dividend this financial year.

Ecolab has made the largest positive contribution to returns. Shares in the water management and hygiene business had weakened substantially in March, as investors feared the impact of its exposure to hospitality and energy. While these sectors are expected to soften, the remaining food, health care and industrial markets should remain flat or grow. Strong Q1 results further boosted Ecolab's stock, with revenues and earnings both ahead of consensus.

Microchip Technology has also boosted performance. The maker of microcontrollers and integrated circuits announced that it received record bookings for the March 2020 quarter, although management have



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 from Lucy Macdonald as the lead manager in May 2020 and is supported by portfolio managers Jeremy Kent and 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.

indicated that many of these bookings are due to customer stockpiling ahead of COVID-19 supply chain disruptions. As a result, the company is reducing its cost structure with pay cuts to senior staff and non-factory workers. This should enable Microchip to retain full functionality despite softer demand and be well-positioned for a recovery.

Market Outlook

Truly unprecedented levels of government and central bank support have prevented a tidal wave of corporate bankruptcies. These interventions have supported equity and credit markets which have held up remarkably well in the face of what is certain to be a very deep recession. The gradual lifting of lockdown restrictions in Asia, as well as some of the earliest affected countries in Europe, and the corresponding return of economic activity has also been a clear positive signal for equity investors.

Notwithstanding these tentative positive signals, the environment remains one of profound uncertainty. Indeed, in the short term we anticipate economic and corporate news flow to remain very challenging, possibly more so than the current market consensus view. In this context, we maintain our strategy of focusing primarily on companies that are exposed to favourable long-term trends, for example the digitalisation of products and professional services which is driving companies such as **Microsoft** and **Accenture**. COVID-19 has also shone a spotlight on the benefits of owning stocks with superior Environmental, Social and Governance practices, a belief which has long been part of our investment philosophy.

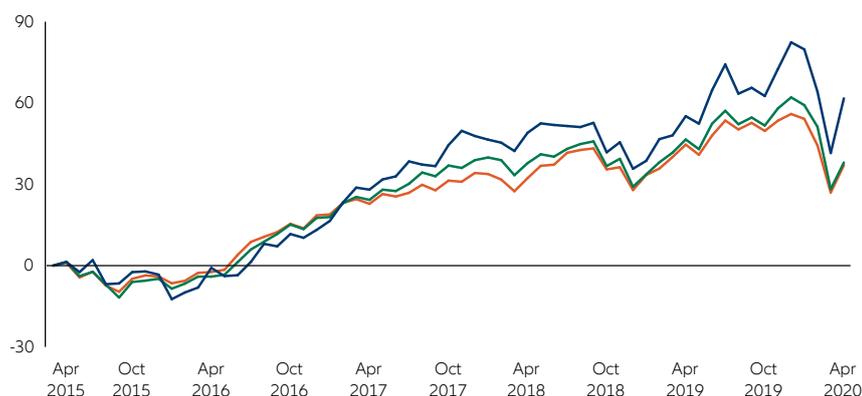
However, it is important to remember that the virus will eventually pass and when it does the economy and society will return to some semblance of normality. Our long-term investment approach means we are primarily interested in understanding what this post COVID-19 world will look like. Some aspects of daily life will return to normal but other things will have changed permanently. Much of our research effort is now focussed on understanding these questions. Getting these judgements right will be critical to many investment decisions in the months to come.

Matthew Tillett
18 May 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	-10.1	-0.5	4.2	26.3	61.7
NAV (debt at fair value)	-13.3	-9.0	-5.7	11.2	38.1
Benchmark	-11.1	-8.5	-5.3	11.6	37.0

Discrete 12 Month Returns to 30 April (%)

	2020	2019	2018	2017	2016
Share Price	4.2	4.1	16.4	29.1	-0.8
NAV (debt at fair value)	-5.7	6.3	10.9	29.5	-4.1
Benchmark	-5.3	9.4	7.7	25.7	-2.3

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.04.20. 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* (%)

Sector	Percentage (%)
Industrials	20.0
Health Care	19.4
Financials	18.0
Technology	11.6
Consumer Goods	10.1
Consumer Services	7.4
Basic Materials	5.7
Utilities	4.8
Oil & Gas	2.1
Telecommunications	0.9

Geographic Breakdown* (%)

Region	Percentage (%)
North America	47.2
Europe ex UK	25.5
UK	18.8
Pacific ex Japan	5.7
Japan	2.9

Top Twenty Holdings (%)

Microsoft	5.2
UnitedHealth Group	4.2
Roche	4.0
Visa - A Shares	2.9
Cooper Cos	2.9
Muenchener Rueckver	2.9
Accenture	2.9
Ecolab	2.7
Agilent Technologies	2.5
AbbVie	2.5
Taiwan Semiconductor	2.3
GlaxoSmithKline	2.2
Estée Lauder	2.2
Enel	2.1
AIA Group	2.1
Royal Dutch Shell - B Shares	2.0
Schneider Electric	2.0
Microchip Technologies	1.9
Itochu	1.8
AMETEK	1.7

Total number of holdings 63

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.

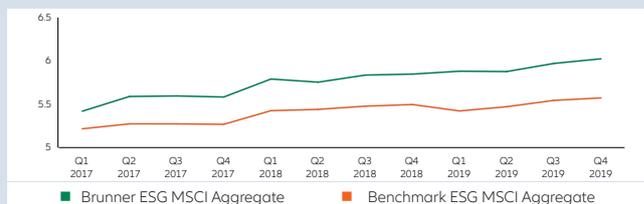
This is no recommendation or solicitation to buy or sell any particular security.

*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	27 May
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 (Chairman of the Audit Committee)
Ian Barlow
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 30.04.20 unless otherwise stated.

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