

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

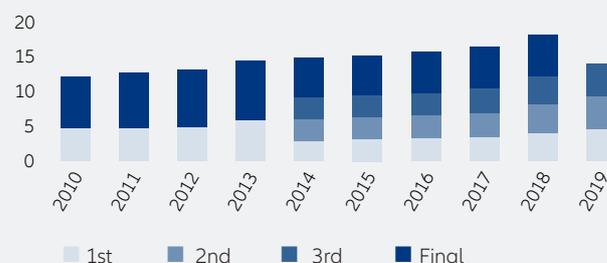
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
01.11.2019	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 £427.1m

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

Market Cap £368.0m

Share Price

862.0p

NAV per Share

925.8p

Premium/-Discount

-6.9%

Dividend Yield

2.2%

Gearing

9.3%

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 over November, boosted by as-yet unfounded optimism over a "phase one" trade deal between the US and China. Markets also took comfort in third quarter corporate earnings which beat expectations, and resilient economic data. However, sentiment soured slightly towards the month end amid fears that China would retaliate after US president Donald Trump signed into law a bill backing Hong Kong's anti-government demonstrators.

Economic data allayed concerns over a meaningful slowdown in the US economy. There were also glimmers of light in the euro zone, where Germany narrowly avoided falling into a technical recession in the third quarter. However, Chinese data remained weak.

At a sector level, many of October's themes continued into November. Technology and Health Care stocks made the largest gains, while rising bond yields undermined sectors considered to be bond proxies, such as Real Estate and Utilities. Corporate activity also picked up, with deals including the planned acquisition of Tiffany by LVMH for 16.6 billion USD and TD Ameritrade by Charles Schwab for 26 billion USD.

The British pound continued to strengthen ahead of December's UK general election, bolstered by the ruling Conservative Party's lead in opinion polls. Stronger-than-forecast economic data also boosted the US dollar. In contrast, both the euro and the yen weakened over November.

Oil prices advanced modestly, with Brent crude ending November at around USD 64 a barrel.

Portfolio Review

“ generating respectable capital appreciation will depend on actively identifying undervalued growth

The Trust's NAV with debt at fair value returned 4.17% against a benchmark return of 2.53%, after fees. Strong stock selection continues to be the portfolio's main driver of returns, particularly in the Industrials, Financials and Health Care sectors.

Charles Schwab has made the largest positive contribution to performance. The combination of October's market rotation into stocks on lower valuations, combined with resilient revenue and earnings growth, has seen shares in the US-based provider of financial services rebound sharply. The recently announced acquisition of rival TD Ameritrade has boosted the stock further.

UnitedHealth Group has also performed well. Having struggled due to concerns about US Democratic Presidential candidate proposals for universal healthcare, shares in the integrated healthcare provider benefitted strongly from the market rotation. This was further compounded by positive results which enabled management to reiterate long-term growth guidance.

Weakness in the portfolio has largely come from stock selection in the Consumer Services and Consumer Goods sectors. **Booking Holdings** has made the largest negative contribution. The online travel company continues to benefit from secular growth in online travel, reporting in-line Q3 results and actual room night bookings substantially above expectations. However, this was a deceleration from the previous quarter, as travel markets globally softened in line with economic conditions.

Compass Group also weakened returns following results. While revenue growth at the catering provider was stronger than expected, European sales were weaker than expected, reflecting macro weakness in its 'Business & Industry' end market. The resulting restructuring will come at a



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.

cost, but has enabled the company to leave 2020 guidance unchanged. Compass has higher structural organic growth relative to other Consumer Staples, and is relatively defensive.

Significant Transactions

We have initiated new positions in **Stock Spirits Group** and **Yum China**.

Stock Spirits Group is a maker of alcoholic beverages with key markets in Poland and the Czech Republic. The company is benefitting from drinkers moving to more 'premium' brands as established competitors face significant pressure. The shares also have a dividend yield of around 3.7%.

Yum China is the region's largest operator of convenience restaurants. Its experienced management, modern supply chain and strong margins have delivered consistently strong cash returns and store count is expected to triple by 2030, alongside a rapidly expanding digital platform.

Outlook

After deteriorating for almost two years, global economic data is picking up. Yet a rebound still leaves industrial output in contraction, particularly in a Europe heavily reliant on the German automotive sector. A meaningful recovery will require political will, particularly around an elusive US-China trade deal. In Europe, Brexit remains an unknown quantity disincentivising investment. In the UK, post-election clarity of any sort may prove beneficial.

Markets have repeatedly demonstrated their willingness to accept accommodative monetary policy as a substitute for economic growth and geopolitical stability. However, this does not come without a price. As well as aggravating structural imbalances, prematurely exhausting orthodox policy options could have serious consequences in the event of a downturn. The policy stance of Central Banks in 2020 will continue to be key.

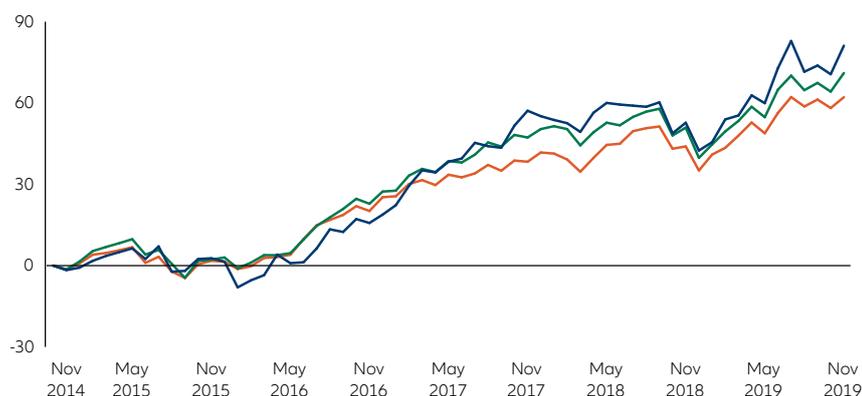
Wholesale gains across equity markets would therefore require a confirmed US-China trade deal, a turnaround in global trade and genuine growth in corporate profits and capital expenditure. In their absence, generating respectable capital appreciation will depend on actively identifying undervalued growth. Against a background of uncertainty for growth, Quality will also become more important, as will taking advantage of greater volatility. As long-term investors, our investment philosophy and active approach should ensure we are well-positioned to benefit as superior fundamentals assert themselves.

Lucy Macdonald
12 December 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	5.6	13.3	18.6	56.5	81.1
NAV (debt at fair value)	3.9	10.6	13.4	39.4	71.2
Benchmark	2.2	8.9	12.6	34.9	62.1

Discrete 12 Month Returns to 30 November (%)

	2019	2018	2017	2016	2015
Share Price	18.6	-2.8	35.8	12.7	2.7
NAV (debt at fair value)	13.4	2.5	19.9	20.1	2.3
Benchmark	12.6	4.1	15.1	18.0	1.8

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.11.19. 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	23.3	<div style="width: 23.3%;"></div>
Industrials	22.5	<div style="width: 22.5%;"></div>
Health Care	15.5	<div style="width: 15.5%;"></div>
Technology	11.8	<div style="width: 11.8%;"></div>
Consumer Goods	8.9	<div style="width: 8.9%;"></div>
Consumer Services	6.6	<div style="width: 6.6%;"></div>
Basic Materials	5.0	<div style="width: 5.0%;"></div>
Oil & Gas	3.1	<div style="width: 3.1%;"></div>
Utilities	2.6	<div style="width: 2.6%;"></div>
Telecommunications	0.7	<div style="width: 0.7%;"></div>

Geographic Breakdown* (%)

North America	44.0	<div style="width: 44.0%;"></div>
UK	24.7	<div style="width: 24.7%;"></div>
Europe ex UK	23.3	<div style="width: 23.3%;"></div>
Pacific ex Japan	5.4	<div style="width: 5.4%;"></div>
Japan	2.6	<div style="width: 2.6%;"></div>

Top Twenty Holdings (%)

Microsoft	4.9
UnitedHealth Group	3.4
Muenchener Rueckver	3.2
Roche	3.0
Taiwan Semiconductor	2.8
Accenture	2.7
Visa - A Shares	2.6
Cooper Cos	2.4
Royal Dutch Shell - B Shares	2.4
Estée Lauder	2.3
Agilent Technologies	2.3
Ecolab	2.2
GlaxoSmithKline	2.0
Adidas	2.0
AIA Group	1.9
AbbVie	1.9
Schneider Electric	1.8
AMETEK	1.8
Microchip Technologies	1.7
Itochu	1.7

Total number of holdings 67

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

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 30.11.19 unless otherwise stated.

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