

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

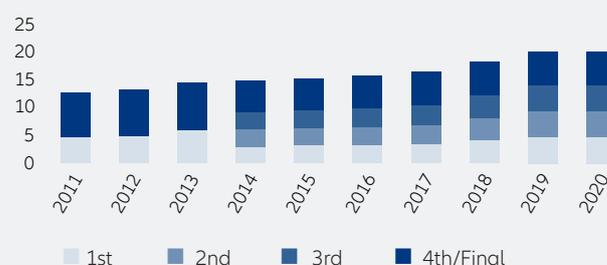
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
26.02.2021	01.04.2021	6.05p	Final
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.



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 £474.2m

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

Market Cap £384.2m

Share Price

900.0p

NAV per Share

1046.2p

Premium/-Discount

-14.0%

Dividend Yield

2.2%

Gearing

6.6%

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 US provided the biggest boost to global equities in March following strong economic data releases and Congress's approval of President Biden's fiscal stimulus programme. Within the stock market, the rotation away from more highly valued growth stocks into more lowly valued cyclical stocks continued.

The shorter term trajectory of economic recovery remains mixed. Countries most advanced with their vaccine roll outs, such as the US and the UK, are benefiting as economies prepare for a phased reopening. In contrast, regions such as continental Europe and parts of emerging markets are seeing lower rates of vaccination and still stubbornly high COVID-19 infection rates, which is continuing to impact the services sector.

Rising input prices remains a common theme globally. Many management teams we talk to identify this as a major issue for 2021. In part this is due to supply chain bottlenecks but is also a function of much higher raw material prices compared to a year ago. Oil prices, for example, recovered to nearly \$70 per barrel during March, although they subsequently retreated as demand fears resurfaced.

Portfolio Review

The Trust's equity portfolio outperformed over the month, resulting in a NAV total return of 4.7% vs the benchmark's 4.5%.

UnitedHealth Group made the largest contribution to performance. Shares in the medical insurer and care operator have recovered following fears about a Democrat-controlled senate. Revenue growth has continued

“ it is more important than ever to remain focused on underlying business quality

to be strong despite COVID-19 and in public forums the company has told investors to expect annual earnings-per-share growth of 13% to 16% over the long term.

Accenture also boosted returns. The digital consultancy posted strong Q2 results and guided for higher full year earnings. Accenture continues to see strong demand for its services, with customers investing both in client engagement and modernising their operations. Historically, clients have opted for one or the other, but COVID-19 has accelerated both.

Adidas made the weakest contribution to performance, having been embroiled in a Chinese boycott of Western clothing companies for refusing to use Xinjiang cotton – allegedly produced using Uighur slave labour. While Adidas's policy on this is not recent, the removal of its app and sponsored celebrities quitting contracts has dented sentiment.

TSMC also eroded returns. The maker of semiconductors is at the centre of a global chip supply shortage. The pandemic led to a surge in demand, catching the supply chain off guard. Intel also announced plans to make a major foundry investment which could ultimately end up competing with TSMC at the leading edge, however TSMC's technological lead is considerable and likely to prove persistent.

Significant Transactions

We increased the position in the online trading platform IG Group. The company serves sophisticated retail and professional customers and has an impressive track record of profitable growth. The shares had de-rated due to a recent acquisition in the US.

Market Outlook

Global equity markets continue to run with the reflation and recovery narrative. Led by the US, strong Gross Domestic Product (GDP) and



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.

Purchasing Managers' Index (PMI) numbers are boosting earnings expectations across the board, as more cyclical service sectors catching up with their manufacturing counterparts. Already some commentators have moved on to the question of when monetary policy must inevitably tighten and bring the party to an end.

The advanced state of this discourse should in and of itself give investors reason to pause. Sustained inflation has variously failed to manifest in the years since the 2008 financial crisis, most recently since the election of Donald Trump in 2016. There is likely to be an increase in inflation this year as the global economy laps the very weak 2020 period, however whether it is sustained beyond this is an open question.

Much of the supply side economic capacity remains in place, ready to service demand as and when it returns. Meanwhile digitalisation continues to disrupt old industries, passing on value to consumers often via lower prices. Demographic shifts are reshaping global populations. In developing countries, a new middle class is emerging, whilst in the developed world ageing populations are leading to shifts in spending patterns, for example towards healthcare. At the same time, government debt is growing substantially, acting as a drag on growth and interest rate rises.

On the other hand, fiscal policy looks set to remain much more supportive than it was in the 2010s, potentially with inflationary consequences. Globalised supply chains are also less deflationary as China and other large emerging markets see labour costs increase. The trend may be exacerbated by geo-political tensions and decisions by major corporations to re-shore their supply chains.

Against this backdrop, it is more important than ever to remain focused on underlying business quality. The Trust's portfolio of high-quality companies, with strong pricing power and resilient business models, will be able to thrive in both inflationary and deflationary environments. Rather than trying to time the swings in stock market sentiment, we prefer to take advantage of such volatility, increasing or initiating new positions in stocks which meet our key long-term investment criteria.

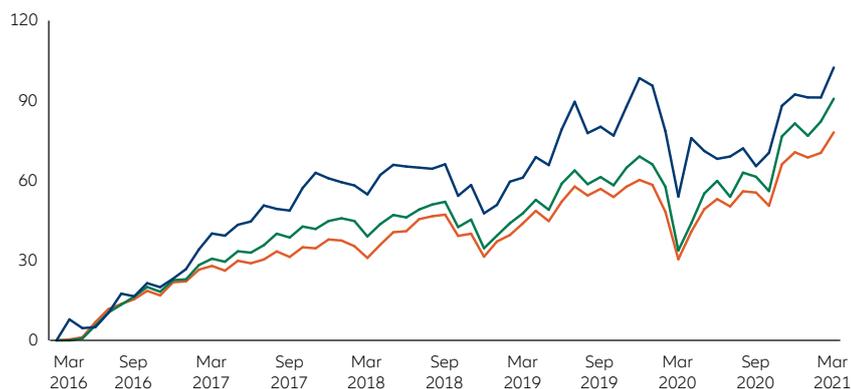
Matthew Tillett

15 April 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	5.3	22.4	31.4	30.8	102.4
NAV (debt at fair value)	5.1	18.2	42.6	37.2	90.7
Benchmark	4.4	14.5	36.5	36.0	78.1

Discrete 12 Month Returns to 31 March (%)

	2021	2020	2019	2018	2017
Share Price	31.4	-4.4	4.1	10.5	40.1
NAV (debt at fair value)	42.6	-9.4	6.2	6.4	30.7
Benchmark	36.5	-9.4	9.9	2.3	27.9

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.03.21. 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* (%)

Sector	Percentage (%)
Industrials	21.9
Health Care	20.3
Financials	17.1
Technology	13.2
Consumer Goods	10.8
Consumer Services	5.4
Utilities	4.4
Basic Materials	4.1
Oil & Gas	2.8

Geographic Breakdown* (%)

Region	Percentage (%)
North America	46.2
Europe ex UK	27.0
UK	19.3
Pacific ex Japan	4.7
Japan	2.8

Top Twenty Holdings (%)

Microsoft	4.4
UnitedHealth Group	3.9
Taiwan Semiconductor	3.1
Accenture	2.9
Agilent Technologies	2.9
Muenchener Rueckver	2.8
Cooper Cos	2.8
Roche	2.7
Visa - A Shares	2.6
Estée Lauder	2.4
AbbVie	2.4
Microchip Technology	2.4
Schneider Electric	2.3
AIA Group	2.2
Itochu	2.1
Ecolab	2.0
Partners Group	2.0
AMETEK	1.9
Adidas	1.8
Tyman	1.8

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.

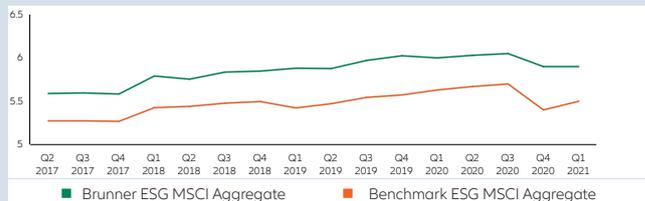
This is no recommendation or solicitation to buy or sell any particular security.

*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.



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 31.03.21 unless otherwise stated.

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