The Brunner Investment Trust PLC

Global investment solution rich in family history

Allianz Global Investors

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

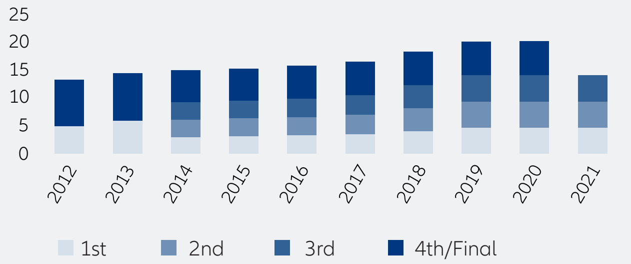
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
29.10.2021	10.12.2021	4.70p	3rd Quarterly
06.08.2021	16.09.2021	4.70p	2nd Quarterly
18.06.2021	22.07.2021	4.70p	1st Quarterly
26.02.2021	01.04.2021	6.05p	Final

Past performance is not a reliable indicator of future results.

INTEGRATED ESG iESG

aic DIVIDEND HERO

Morningstar Rating™ ★★★

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.

Total Assets £511.3m **Shares in Issue** 42,692,727 (Ordinary 25p) **Market Cap** £439.7m

Share Price	NAV per Share	Premium/-Discount	Dividend Yield	Gearing
1030.0p	1133.5p	-9.1%	2.0%	7.3%

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.

All data source DataStream and Allianz Global Investors as at 30.09.21 unless otherwise stated.

Fund Manager's Review

Global equity markets retreated over September. US Federal Reserve Chair Jay Powell's dovish comments, meaning the bank is unlikely to take strong action, at Jackson Hole initially provided some support but sentiment later deteriorated as growth and inflation concerns gained the upper hand, bringing the prospect of higher interest rates closer into view. Additionally, markets were shaken by fears that Evergrande, a sprawling Chinese real estate developer, would default on its debt.

Almost all sectors declined over the month, with energy stocks a rare bright spot. As economies around the world reopen, a combination of supply bottlenecks and high consumption from the previous cold winter and low storage levels has driven natural gas prices to record highs. Expectations of a slowing Chinese economy and a rise in global bond yields respectively, saw the Materials and Technology sectors take some of the largest hits.

The Trust's equity portfolio underperformed its benchmark in September, delivering a NAV total return of -3.87% vs the benchmark's -1.88%.

TotalEnergies made the largest positive contribution to performance. The recent rise in oil and gas prices has provided a boost to the French energy giant's oil and gas assets, whilst strong free cash flows will continue to finance the company's gradual pivot towards renewables, consistent with the company's long-term business model. The company plans to invest up to USD7.5bn p.a. targeting 100 gigawatts of renewable capacity by 2030. **SThree** also boosted returns. Shares in the specialist recruitment company have recovered strongly, hitting new all-time highs as the company reported expectations for full year profits to be well ahead of guidance.

> **"With time, these bottlenecks and supply constraints should work themselves out, reducing current inflationary pressures**

SThree has benefited from its shift into high growth end markets such as technology and life sciences.

Estée Lauder detracted from returns. Rising bond yields have seen investors shift out of higher valued stocks with strong growth profiles. At the same time, China accounts for an increasing part of Estée Lauder's revenues, where there are rising concerns relating to Covid-19, excessive consumption rules and China's financial stability. Having taken some profit over the year we are comfortable with our current position. **Agilent** also weakened performance. Like Estée Lauder, shares in the provider of bio-analytical measurement solutions had reached a loftier multiple and rising bond yields have seen this reverse, albeit only to July levels. Given Agilent's very strong results and subsequent share price rise only last month, the move likely also reflects some profit taking.

We exited our position in **Enel**. The Italian utilities company has been a strong performer since we purchased it three years ago. However, competition in renewables has increased whilst commodity input costs are rising, pressuring future returns. We also see heightened regulatory risks on the horizon. The overall risk-return profile is no longer sufficiently compelling for us.

We reduced our position in**Stock Spirits Group**, using the proceeds to initiate a new position in **Homeserve**. The company provides household repair insurance with a dominant market position in the UK and US markets. It is also the owner of home labour comparison site Checkatrade. The shares have de-rated due to weaker UK performance. However, this has stabilised, whilst the US expansion is now the major profit driver for the group.

Market Outlook

The sharp "growth"-"value" rotation which began at the end of 2020 was characterised by share price rallies in stocks whose earnings had been devastated by the pandemic, such as aerospace, travel and leisure. By June, the Delta variant and earnings consistency of pandemic winners had largely reversed this. The present rotation is driven less by expectations of recovery and growth, but a combination of constricted energy supply, inflation fears and rising bond yields.

Central bankers continue to reassure investors that the current bout of inflationary pressures is transitory. The pandemic has created huge disruption across global supply chains, the effects of which are being felt now as economies around the world reopen. With time, these bottlenecks and supply constraints should work themselves out, reducing current inflationary pressures.

However, the pandemic has exposed vulnerabilities in global supply chains. Rising energy costs reflect in part, an historic underinvestment into new sources of supply. Resolving these – by reshoring labour, building out domestic manufacturing or increasing renewable capacity – will increase the likelihood of some higher costs and therefore prices longer-term.

In China, valuations have de-rated, but risks related to financial stability and regulation have risen. As stock pickers, we don't make allocations on a sector or country basis, instead examining each opportunity case by case. Some companies with exposure to China have harnessed superior growth thanks to – among other things – its rapidly growing middle class, digital infrastructure, and ecommerce. Our task is to assess these growth prospects, the risk profiles, and the extent to which this is reflected in share prices.

The coming months are likely to see elevated levels of volatility as investors seek to price in a shifting and uncertain global economic outlook. Over the long-term, we believe holding a balanced portfolio of companies with diversified revenue sources, on reasonable valuations and strong recurring cash flows is the best means of delivering outperformance. While challenging, it is important to remember that periods of turbulence create opportunities for bottom-up active managers as valuations and fundamentals diverge.

Matthew Tillett
18 October 2021

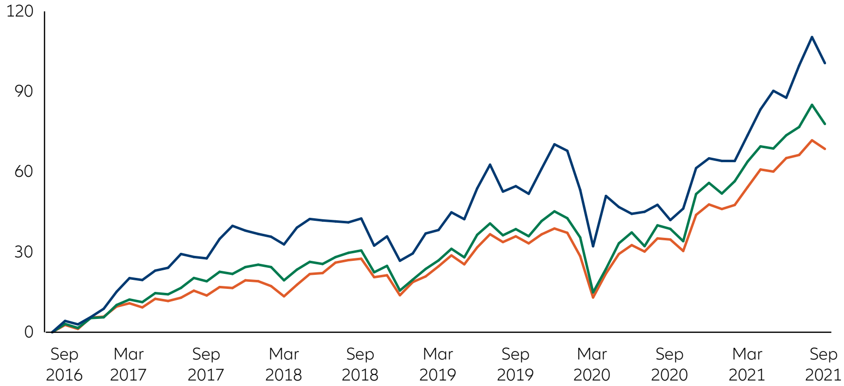
This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.

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 managers Marcus Morris-Eyton and Christian Schneider. 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.

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 an down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	6.9	15.5	41.3	40.8	100.6
NAV (debt at fair value)	2.4	9.0	28.8	36.7	78.5
Benchmark	2.1	9.3	25.2	32.2	68.6

Discrete 12 Month Returns to 30 September (%)

	2021	2020	2019	2018	2017
Share Price	41.3	-8.2	8.5	11.7	27.6
NAV (debt at fair value)	28.8	0.1	6.1	9.7	19.1
Benchmark	25.2	-0.9	6.6	12.1	13.7

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.09.21. 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.

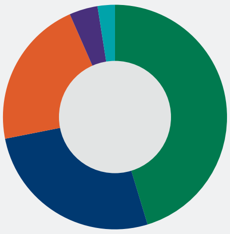
Portfolio Breakdown

Sector Breakdown* (%)

Health Care	21.0
Industrials	20.5
Financials	17.4
Information Technology	14.1
Consumer Discretionary	12.8
Consumer Staples	3.8
Energy	3.4
Materials	2.9
Utilities	2.6
Real Estate	1.5

Geographic Breakdown* (%)

North America	45.3
Europe ex UK	26.6
UK	21.5
Pacific ex Japan	4.1
Japan	2.5



Top Twenty Holdings (%)

Microsoft	5.0
UnitedHealth Group	3.9
Accenture	3.1
Roche	2.9
Cooper Cos	2.9
Taiwan Semiconductor	2.8
Agilent Technologies	2.6
Muenchener Rueckver	2.6
Visa - A Shares	2.6
Schneider Electric	2.4
AbbVie	2.3
Estée Lauder	2.3
Microchip Technology	2.3
Novo Nordisk	2.2
AIA Group	2.0
Itochu	1.8
AMETEK	1.8
Royal Dutch Shell - B Shares	1.8
St James's Place	1.8
Adidas	1.8

Total number of holdings 66

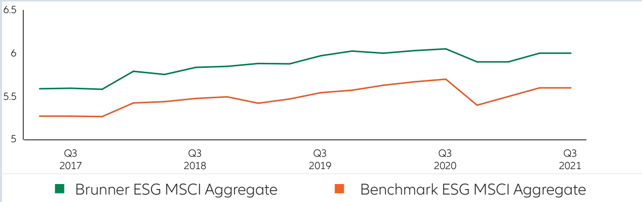
The data shown is not constant over time and the allocation may change in the future. Totals may not sum to 100.0% due to rounding. This is no recommendation or solicitation to buy or sell any particular security.

*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 Fee	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, which include the annual management fee, 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.