

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.



Morningstar Rating™



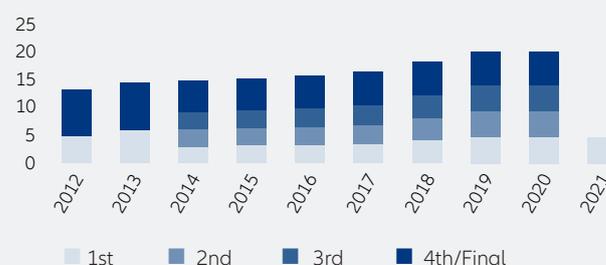
Consideration of Environmental, Social and Governance (ESG) factors is fully integrated into The Brunner Investment Trust's investment process. Visit www.brunner.co.uk/Integrated-ESG/ for more information.

A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

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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
18.06.2021	22.07.2021	4.70p	1st Quarterly
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

Past performance is not a reliable indicator of future results.

Total Assets £502.3m

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

Market Cap £413.3m

Share Price

968.0p

NAV per Share

1110.6p

Premium/-Discount

-12.8%

Dividend Yield

2.1%

Gearing

6.5%

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 closed June with modest gains. Optimism that the economic recovery would remain robust initially drove stocks higher only to reverse some when the Federal Reserve indicated it may raise interest rates sooner than expected. This shift sparked a reversal of the deflation trade, with technology stocks outperforming while cyclical and financial stocks lagged.

US policymakers changed their projections for interest rates to two increases in 2023 – previously they had forecast that rates would remain unchanged until 2024 – and indicated they were “talking about talking about” scaling back the Federal Reserve’s bond-buying programme. The European Central Bank and Bank of England signalled that they were in no rush to taper emergency stimulus measures. In contrast several emerging markets such as Russia and Mexico have begun to increase rates to counter rising inflation.

These developments caused the US dollar to strengthen against most other developed countries’ currencies. Commodities were mixed as oil prices continued to rally with Brent crude topping US\$75 a barrel for the first time since April 2019, whilst other commodities such as copper fell back from their recent highs.

Portfolio Review

The Trust’s equity portfolio remained broadly in line with the benchmark in June, resulting in a NAV total return of 2.93% vs the benchmark’s 3.16%.

Roche made the largest single contribution to performance. The

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pharmaceutical company rallied strongly on news that the US Food and Drug Administration (FDA) approved Biogen’s Alzheimer’s drug Aduhelm. Biogen’s treatment targets brain amyloid levels, a variety of which is also targeted by Roche’s ‘gantenerumab’ medication.

Agilent also boosted returns. The analytical and measurement company reported strong fiscal Q2 earnings which saw revenues grow over 20% with margins firm. Over the longer term we expect much of the COVID-19 boost in biopharma and diagnostics sales may stick whilst the recovery in the Agilent’s chemical and energy businesses has only just begun.

Redrow made the weakest contribution to performance. Shares in the UK housebuilder softened as sentiment towards UK cyclical stocks weakened. However, in a recent trading statement Redrow significantly upgraded short and long-term revenue and profit guidance, the latter being driven by the company’s new Southern division.

After a very strong performance in recent months, building products company Tyman was also weak during June. Although we trimmed the position earlier in the year, we remain committed to this investment case which offers a compelling mix of quality and growth potential.

Significant Transactions

We initiated an initial position in Baltic Classifieds Group via the company’s IPO on the London Stock Exchange. The company operates the leading online marketplaces in Estonia and Lithuania for autos and residential property (the equivalent of AutoTrader and Rightmove in the UK). We are attracted by the niche geographies in which the company operates where it already has a dominant market position, significantly lowering the threat of entry by a larger US technology company.

We also bought a new position in Jumbo, a discount retailer listed in



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.

Greece, with operations across South East Europe including Greece, Cyprus, Bulgaria and Romania. Like other successful discount retailers, Jumbo’s competitive advantage stems from a large cost advantage over smaller local peers, which allows it to sell its products at a substantial discount. It is a highly profitable business model that has grown steadily over the past twenty years, including during some difficult macroeconomic environments.

Both Baltic Classified and Jumbo are mid capitalisation stocks and are therefore amongst the smallest positions in the Trust’s portfolio.

Market Outlook

The last month is a reminder of just how sensitive short-term stock market behaviour is to inflation expectations and the monetary policy environment. Very slight shifts in the tone or direction of travel from policy makers – “talking about talking about” – are enough to drive large rotations within the stock market, from “value” to “growth” or from “cyclicals” to “defensive”.

As long-term investors, we confess to finding this sort of thing somewhat perplexing. Does the intrinsic value of a company – the present value of all future cash flows – really change that much as a result of minor shifts in monetary policy? In most cases, we would suggest the answer is no. Thus, we often find ourselves in the position where parts of the Trust’s portfolio are seeing increases in stock market value, whilst other areas are declining, all while our own estimates of fair value have not really changed at all.

This is where having a genuinely long-term perspective is valuable. Rather than being driven by short-term stock market price action, we instead focus on long-term fundamental drivers that we believe will outlast the ups and downs, the rotations and the shifts in sentiment. And when we have strong conviction, we will even use short-term volatility as an opportunity to build up or reduce positions, all the while keeping an appropriate balance across the portfolio to ensure a steady and predictable long-term return profile.

Matthew Tillett
15 July 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	8.1	13.7	30.1	32.4	108.4
NAV (debt at fair value)	6.4	11.8	26.9	38.8	92.2
Benchmark	7.0	11.7	24.6	35.2	78.5

Discrete 12 Month Returns to 30 June (%)

	2021	2020	2019	2018	2017
Share Price	30.1	-6.2	8.4	14.3	37.8
NAV (debt at fair value)	26.9	0.6	8.7	9.9	25.9
Benchmark	24.6	0.6	7.9	9.3	20.7

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.06.21. Copyright 2021 © 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* (%)

Health Care	21.6	<div style="width: 21.6%;"></div>
Industrials	20.9	<div style="width: 20.9%;"></div>
Financials	16.7	<div style="width: 16.7%;"></div>
Technology	13.3	<div style="width: 13.3%;"></div>
Consumer Goods	11.6	<div style="width: 11.6%;"></div>
Consumer Services	4.9	<div style="width: 4.9%;"></div>
Utilities	4.0	<div style="width: 4.0%;"></div>
Basic Materials	3.8	<div style="width: 3.8%;"></div>
Oil & Gas	2.7	<div style="width: 2.7%;"></div>
Other	0.5	<div style="width: 0.5%;"></div>

Geographic Breakdown* (%)

North America	45.9	<div style="width: 45.9%;"></div>
Europe ex UK	26.9	<div style="width: 26.9%;"></div>
UK	20.2	<div style="width: 20.2%;"></div>
Pacific ex Japan	4.4	<div style="width: 4.4%;"></div>
Japan	2.6	<div style="width: 2.6%;"></div>

Top Twenty Holdings (%)

Microsoft	4.7
UnitedHealth Group	3.9
Agilent Technologies	3.2
Accenture	3.0
Roche	2.9
Taiwan Semiconductor	2.9
Cooper Cos	2.7
Visa - A Shares	2.7
Estée Lauder	2.5
Muenchener Rueckver	2.4
AbbVie	2.4
Schneider Electric	2.2
Microchip Technology	2.2
AIA Group	2.1
Adidas	2.1
Partners Group	2.0
Novo Nordisk	1.9
AMETEK	1.9
Itochu	1.8
St James's Place	1.8

Total number of holdings 64

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.

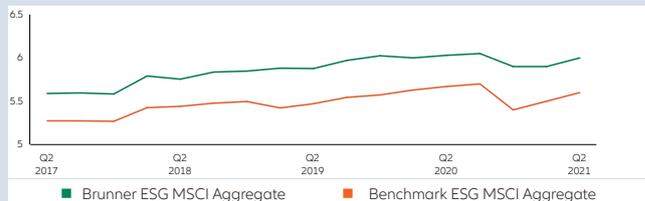
This is no recommendation or solicitation to buy or sell any particular security.

*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.



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All data source Allianz Global Investors as at 30.06.21 unless otherwise stated.

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