

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

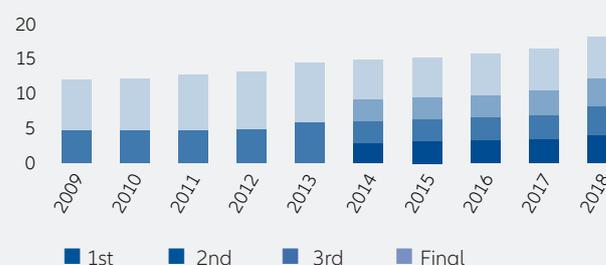
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
01.03.2019	05.04.2019	6.00p	Final
09.11.2018	14.12.2018	4.05p	3rd Quarterly
10.08.2018	21.09.2018	4.05p	2nd Quarterly
22.06.2018	27.07.2018	4.05p	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 £387.9m

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

Market Cap £321.0m

Share Price

752.0p

Source: Lipper

NAV per Share

842.6p

Premium/-Discount

-10.8%

Dividend Yield

2.4%

Gearing

7.9%

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 rose modestly over March. Central banks' dovish statements provided some support, but this was countered by concerns over the outlook for global growth. Notably, March also saw the US yield curve briefly invert. The yield curve reflects assumptions about future growth rates, and an inversion has preceded every US recession since the end of the Second World War.

In March both the US Federal Reserve (Fed) and European Central Bank (ECB) carried out monetary policy U-turns. The Fed signalled that it would refrain from raising rates for the rest of 2019 and has slowed the pace at which it shrinks its balance sheet. The ECB pledged to hold rates until the end of 2020 and reinstated its policy of offering cheap long-term loans to banks.

Sector performance was mixed. Information technology companies delivered solid gains as they continued to recover from the late 2018 sell-off. Higher yielding stocks, such as consumer staples, performed well too, helped by falling bond yields. In contrast, financials stocks were the weakest, retreating amid concerns over banks' profit margins. The industrials sector also retreated, undermined by weakness in Boeing which was forced to ground all of its 737 MAX planes following a second fatal crash.

Oil prices rallied, with Brent crude reaching a peak of just above USD 68 a barrel on worries over the impact of US sanctions on Venezuela and Iran.

Portfolio Review

“ With economic data and corporate earnings growth resolutely mixed, the pattern of lower and more volatile returns is likely to continue.

The Trust's NAV rose by 2.58% in March against a benchmark return of 3.13%. Stock selection in the portfolio continues to be strong, particularly in Health Care where **UnitedHealth Group, Roche and Cooper Companies** all boosted returns. This was offset by our underweight position in the Consumer Goods sector, which rallied in March.

At a single stock level, **Accenture** made the largest contribution to returns in March. The consultancy and outsourcer reported impressive Q2 results, with record new bookings. These were particularly strong in Accenture's consultancy arm, reassuring investors about the company's resilience in the face of a possible slowdown in IT services. Profitability is also high, enabling the company to raise its semi-annual dividend by 10 per cent.

Microsoft, the largest absolute position in the Trust, continued to deliver, making the second largest positive contribution. Last year's strength and a shortage of Intel chips could make for tougher comparisons in the coming quarters, but the longer-term investment case is fully intact.

Sthree was the weakest performing stock in the portfolio. The specialist science, technology, engineering and mathematics (STEM) recruiter actually delivered a robust Q1 trading update, posting a nine per cent rise in total gross profit. However, the stock is being overly punished for its UK exposure, which is an increasingly small part of the business.

Walgreens Boots Alliance also underperformed as investor sentiment weakened in the run up to Q1 results. Despite a rally in its share price towards the end of last year, the chain of pharmacies and US drugstores continues to face pressure from competitors, in particular with online giants like Amazon entering the fray. As a result, we sold the holding at



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.

the end of the month. Since then, Walgreens has cut its full-year earnings outlook and posted the "most difficult quarter" since its merger five years ago.

Significant Transactions

This month we initiated positions in **Bright Horizons, Assa Abloy** and **Intuit**. We sold our holdings in **Ameriprise, Walgreens Boots Alliance, CME** and **Apple**.

Market Outlook

At the end of Q1 2019, global equities have erased almost all the losses made in the preceding three months. However, this recovery has largely been driven by supportive monetary policy and a softening of the US and China trade-war rhetoric. With economic data and corporate earnings growth resolutely mixed, the pattern of lower and more volatile returns is likely to continue.

Growth appears supportive, if softer, for now. While US manufacturing survey data slid to its lowest level since November 2016, its non-manufacturing counterpart beat expectations. Similarly, China's recent fiscal and monetary policy decisions have pushed its official Purchasing Managers Index (PMI) back into growth territory having contracted in each of the three previous months. European data remains bleak, with euro-zone manufacturing data experiencing its steepest contraction since April 2013.

Political affairs also remain conciliatory. Although a possible resolution to US-China trade talks has been buoying markets for some time, delay is preferable to the alternative. In Europe, the UK parliament has opted for similar postponement, voting to extend Article 50 and avoid a "no deal" departure from the European Union.

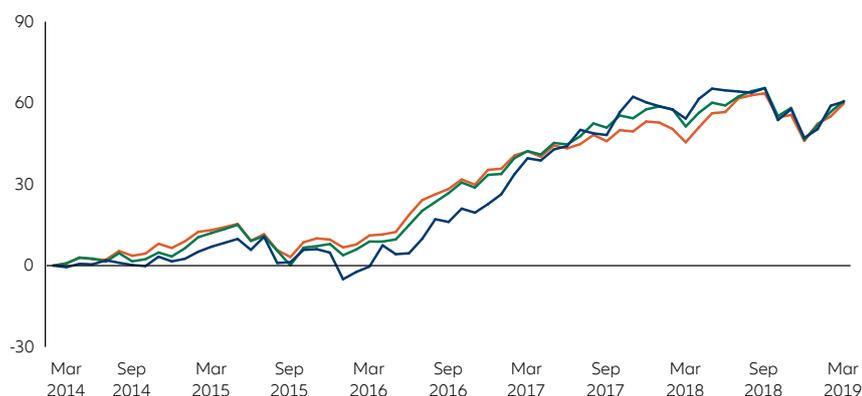
Economic data, monetary policy and geopolitics remain finely balanced. However, March's yield curve inversion suggests longer term confidence is starting to ebb. As a result, quality characteristics are rising in importance for stocks and portfolios alike. A rise in volatility and scrupulous active management should present opportunities to invest in these companies and generate superior returns for clients in the long-term.

Lucy Macdonald
9 April 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	9.1	-3.0	4.1	61.1	60.5
NAV (debt at fair value)	9.7	-2.9	6.2	47.7	60.8
Benchmark	9.5	-2.2	9.9	43.9	59.9

Discrete 12 Month Returns to 31 March (%)

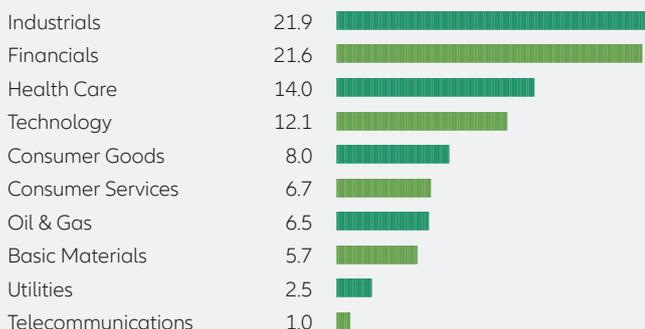
	2019	2018	2017	2016	2015
Share Price	4.1	10.5	40.1	-6.8	7.0
NAV (debt at fair value)	6.2	6.4	30.7	-2.8	12.0
Benchmark	9.9	2.3	27.9	-1.8	13.1

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.03.19. 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* (%)



Geographic Breakdown* (%)



Top Twenty Holdings (%)

Microsoft	4.2
UnitedHealth Group	3.3
Royal Dutch Shell - B Shares	2.9
Accenture	2.5
Agilent Technologies	2.5
Cooper Cos	2.4
Visa - A Shares	2.4
Roche	2.4
Taiwan Semiconductor	2.3
BP	2.3
Muenchener Rueckver	2.3
Ecolab	2.3
Estée Lauder	2.1
AIA Group	2.1
GlaxoSmithKline	2.0
AbbVie	1.9
Amadeus IT Group	1.8
Amphenol	1.7
Adidas	1.7
Compass Group	1.7

Total number of holdings 65

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

Peter Maynard, Ian Barlow (Chairman of the Audit Committee), Carolan Dobson (Chairman), Jim Sharp, Vivian Bazalgette (Senior Independent Director)



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 31.03.19 unless otherwise stated.

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