

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

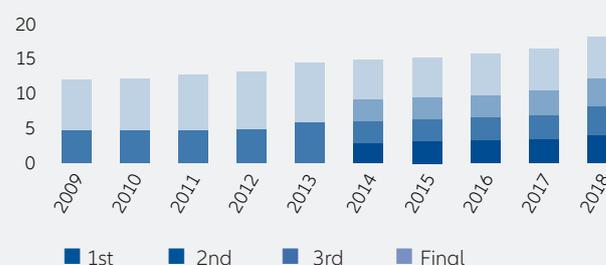
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 46 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 £376.5m

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

Market Cap £318.1m

Share Price

745.0p

Source: Lipper

NAV per Share

821.2p

Premium/-Discount

-9.3%

Dividend Yield

2.4%

Gearing

8.6%

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

Global equities advanced in February, although more moderately than during January's recovery. Markets were reassured by more dovish tones from central banks, as well as promising US/China trade talks.

Corporate earnings were mixed. Although companies tended to beat estimates, many also lowered their future guidance, citing a slower global economy and higher tariffs. At a sector level, markets moved further from their defensive positioning; Information Technology and Industrials performed strongest, while Real Estate and Telecom Services weakened.

Economic data continues to indicate that trade tensions are slowing global growth. In the US, Q4 Gross Domestic Product (GDP) expanded 2.6% on an annualised basis, a considerable slowdown from Q3. China's official manufacturing Purchasing Manager Index (PMI) fell for its third consecutive month. Europe's manufacturing PMI moved into contraction, falling to its lowest level in six years.

Speculation that Brexit would be delayed along with a lower probability of no-deal departure caused the British pound to advance against all major currencies. Sterling touched a five-month high against the US dollar and neared a two-year high against the euro.

Oil prices advanced over February with Brent crude rising back above 65 USD a barrel. Gold also rose modestly.

Portfolio Review

The Trust's NAV rose by 3.3% against a benchmark return of 1.8%. Stock selection in Consumer Goods and Financials has helped drive this

“ Sterling touched a five-month high against the US dollar and neared a two-year high against the euro.

outperformance, as has the Trust's overweight position in Industrials.

Estée Lauder made the largest positive contribution. The manufacturer of cosmetic products posted strong Q2 results which beat cautious estimates. However, the company has reiterated its cautious forward guidance citing a moderation in sales and higher expected costs associated with Brexit.

Visa also outperformed. The payments company released another set of consistent results. Cross-border transactions have softened as a result of the stronger US dollar, but in the context of stronger overall spend, these appear manageable.

Microsoft, the largest position in the Trust, also made a strong positive contribution.

Although it was a positive month overall, there were a couple of negative stock specific impacts worth highlighting. **UnitedHealth Group** suffered as US Democrats called for greater state medical provision in the run up to 2020's presidential election. The sell-off in this integrated health care provider thus reflects profit-taking given the company's success in recent years.

Booking Holdings also detracted from returns. Strong delivery on this quarter was combined, as is usually the case from this conservative management team, with weaker guidance for the next. There is legitimate



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.

cause for short-term concern given weaker booking trends in Europe, Booking's largest profit driver.

Market Outlook

After February, global equity markets have recovered strongly from Q4's downturn. This has largely been driven by more accommodative monetary policy and the promise of US-China trade reconciliations. Whether it can be sustained further will depend on the extent to which stronger economic and company performance can follow.

The prospect of fewer rate hikes has been welcomed by equity markets. However, economic fundamentals continue to weaken, with softer manufacturing PMI data across the US, UK, Eurozone and China. Brazil and India make for notable exceptions. Investors will be watching the Fed's meeting on March 19-20 closely, to see just how supportive the monetary policy respite will be.

Markets will also be focusing on two key political events. US/China trade talks appear to be making "substantial progress", enabling President Trump to hold off placing an additional 200 billion USD tariff on Chinese goods. However, economic disputes between the two nations may outlast the immediate benefit of any deal. Similarly, at the time of writing, it is still not clear what the UK's relationship with the European Union will look like on 30 March. Even after that, the euro-zone faces further unease in May with European Parliament elections and Spain's third general election in four years.

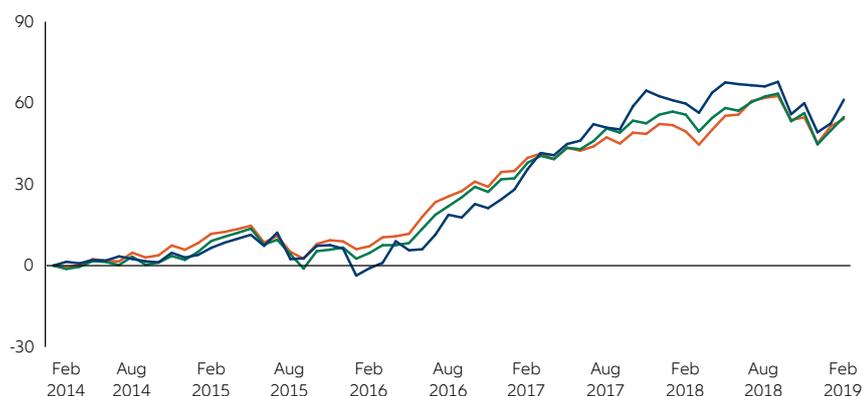
Decisions at a macro level are likely to provide some short-term volatility over the coming weeks, as investors gauge how much support they provide to equities. However, these potential headwinds can present opportunities to invest in quality companies that generate structural growth. Without a substantial improvement in fundamentals, monetary policy support will not change our slowdown scenario for 2019. Our longer-term thesis – that such stocks should outperform through the cycle and generate superior returns for clients - remains unchanged.

Lucy Macdonald
11 March 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	0.8	-2.9	0.9	62.8	61.2
NAV (debt at fair value)	-0.9	-4.6	-0.6	47.9	54.8
Benchmark	-0.4	-4.8	3.1	43.9	54.1

Discrete 12 Month Returns to 28 February (%)

	2019	2018	2017	2016	2015
Share Price	0.9	17.9	36.9	-7.1	6.6
NAV (debt at fair value)	-0.6	12.9	31.8	-4.1	9.1
Benchmark	3.1	7.0	30.5	-4.1	11.8

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 28.02.19. 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	23.6	
Industrials	19.7	
Health Care	13.8	
Technology	12.5	
Consumer Goods	7.8	
Consumer Services	7.0	
Oil & Gas	6.4	
Basic Materials	5.7	
Utilities	2.4	
Telecommunications	1.1	

Geographic Breakdown* (%)

North America	43.2	
UK	27.6	
Europe ex UK	21.3	
Pacific ex Japan	5.8	
Japan	2.1	

Top Twenty Holdings (%)

Microsoft	4.0
UnitedHealth Group	3.3
Royal Dutch Shell - B Shares	2.9
Agilent Technologies	2.4
Roche	2.4
Cooper Cos	2.4
Accenture	2.4
Visa - A Shares	2.3
BP	2.3
Muenchener Rueckver	2.3
Taiwan Semiconductor	2.2
Ecolab	2.2
Estée Lauder	2.0
GlaxoSmithKline	2.0
AbbVie	1.9
Apple	1.8
Microchip Technology	1.7
Amadeus IT Group	1.7
Amphenol	1.7
Adidas	1.7

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

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:

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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 28.02.19 unless otherwise stated.

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