

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

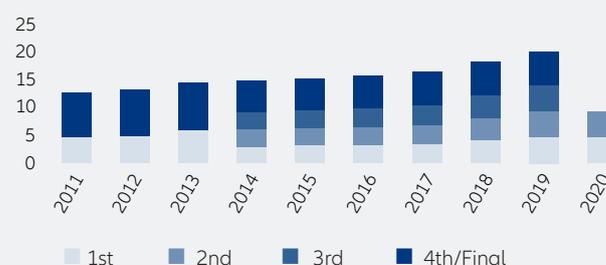
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
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
28.02.2020	03.04.2020	6.00p	4th 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 £413.6m

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

Market Cap £318.1m

Share Price

745.0p

NAV per Share

891.2p

Premium/-Discount

-16.4%

Dividend Yield

2.7%

Gearing

7.5%

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

After recording the strongest August returns since 1986, global equities weakened in September with the MSCI All Countries World Index registering its first monthly decline since March's steep sell-off. Disappointment over the lack of new US fiscal support weighed on sentiment, as did concerns that a surge in COVID-19 cases in Europe would curtail the region's economic recovery. By contrast, China's recovery appeared to pick up speed, despite a moderate appreciation of the US dollar. In a change from recent months, US equities recorded some of the weakest returns, including a dip for the popular technology stocks. Oil prices fell and gold also eased from the record highs it reached in August.

Portfolio Review

The Trust's portfolio outperformed its benchmark over the month with stock selection in Technology and Consumer Services boosting returns. However, the Trust's NAV fell slightly more than the weakening market, with a return of -0.95% vs. the -0.31% return from the benchmark.

The **Cooper Companies** made the largest positive contribution to performance. The maker of contact lenses and surgical instruments reported Q3 results which beat expectations. This was matched by robust guidance, reflecting Cooper's ability to mitigate the effects of the pandemic and resurgent demand for its Silicon Hydrogel lenses.

Bright Horizons has continued its strong run since releasing results in August. Working from home has only highlighted the importance of reliable childcare, while any COVID-related concerns are increasingly offset by evidence children are less likely to transmit the virus. We also

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share the view that any impact from families leaving urban centres in favour of the countryside will be more than offset given the scale of unmet demand.

Munich Re made the largest dent to performance, falling in tandem with a broader sell in off in European financials. The company has been impacted by this year's hurricane season but over time may recover from this with improved pricing, as has happened in past insurance cycles. Munich Re's business model is relatively defensive with a steady long-term growth profile.

Ashmore also detracted from returns. The emerging markets focused asset manager has faced two recent quarters of underperformance and outflows. This is not unusual in times of volatility given the company's somewhat contrarian investment approach. Ashmore is one of the longest standing practitioners in the asset class with a strong track record and a resilient, internally developed and entrepreneurial culture. We expect investors will return to emerging markets. In the meantime, a bullet proof balance sheet and an attractive dividend yield means we are paid to wait.

Market Outlook

During the first phase of the pandemic, stock markets were grappling with the effects of containment policies that caused a major economic contraction, offset to some degree by a huge monetary and fiscal stimulus. This period saw a major outperformance of the "stay at home" stocks, in sectors such as technology, healthcare and other non-cyclical industries. As we head into the winter and autumn months, the big question is "will this trend continue or could there be a major reversal?"



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 Jeremy Kent and 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.

One major change is that most economies are no longer contracting. For sure, gross domestic product (GDP) is still way down on 2019, but in most countries the recovery has begun, as economies have opened up again. At the same time, a second wave of infections has taken hold across Europe and parts of the US, although hospitalisations and deaths remain well below the peak levels earlier in the year. Debate rages as to the reasons behind this. Most Governments appear to be treading cautiously for now, bringing back restrictions where they think it is necessary to do so. In the short term, this is likely to put the brakes on the nascent recovery in business and economic activity. That said, we now know a lot more about the virus and how it spreads. Treatments have improved and there are several vaccines in advanced trials. There are also signs that consumers and businesses are learning to adapt and live with the virus.

Just as this downturn was unlike any other, the recovery is also likely to be unusual. Certain cyclical industries, such as those related to housing, are already recovering quite rapidly, driven by pent up demand, shifts in consumer preferences and switching of spending from other areas like travel and leisure. Several management meetings in recent weeks have confirmed to us that this is happening. On the other hand, other industries such as travel and leisure, remain deeply depressed and will continue to struggle as long as COVID restrictions remain in place. Permanent behavioural change may also suppress the recovery in some areas, such as business travel and certain parts of leisure. Indeed, a number of the changes to the Trust's portfolio in recent weeks and months reflect these considerations.

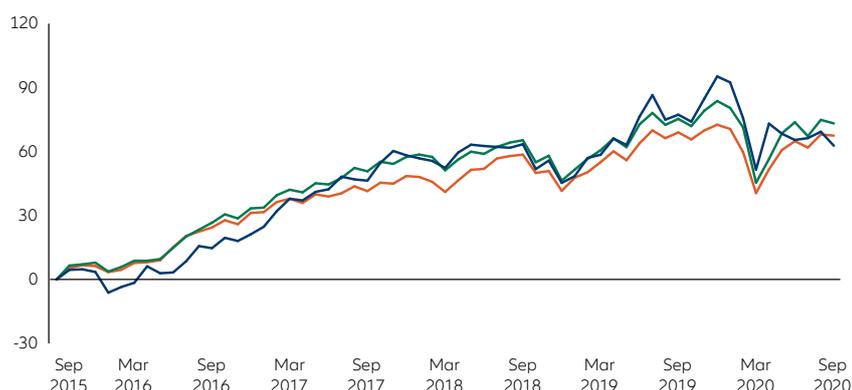
The Trust's portfolio has always sought to maintain a balanced exposure, investing in high quality companies across a range of sectors both defensive and cyclical. This is especially pertinent today. In the face of a highly uncertain and volatile market environment, our balanced approach ensures that stock picking remains the primary driver of long-term returns.

Matthew Tillett
15 October 2020

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	-1.6	7.4	-8.2	11.2	62.7
NAV (debt at fair value)	1.0	20.7	0.1	16.5	75.5
Benchmark	1.6	19.2	-0.9	18.4	67.5

Discrete 12 Month Returns to 30 September (%)

	2020	2019	2018	2017	2016
Share Price	-8.2	8.5	11.7	27.6	14.7
NAV (debt at fair value)	0.1	6.1	9.7	19.1	26.6
Benchmark	-0.9	6.6	12.1	13.7	24.4

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.09.20. 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	21.2
Health Care	21.0
Financials	16.4
Technology	13.0
Consumer Goods	10.9
Consumer Services	5.1
Utilities	4.9
Basic Materials	4.5
Oil & Gas	2.4
Telecommunications	0.6

Geographic Breakdown* (%)

Region	Percentage (%)
North America	47.7
Europe ex UK	27.6
UK	16.6
Pacific ex Japan	5.2
Japan	2.9

Top Twenty Holdings (%)

Microsoft	4.8
UnitedHealth Group	4.0
Roche	3.5
Cooper Cos	3.0
Muenchener Rueckver	3.0
Accenture	3.0
Visa - A Shares	2.9
Taiwan Semiconductor	2.8
Agilent Technologies	2.8
Ecolab	2.5
AbbVie	2.4
Schneider Electric	2.3
Estée Lauder	2.2
AIA Group	2.2
Enel	2.1
Itochu	2.0
Adidas	2.0
Microchip Technologies	1.9
AMETEK	1.8
Unilever	1.8

Total number of holdings 63

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.

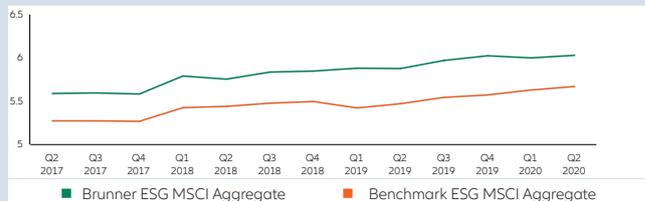
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*Excludes Cash

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	0.67%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	27 May
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 (30.11.2019). 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)
Ian Barlow
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 30.09.20 unless otherwise stated.

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