

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

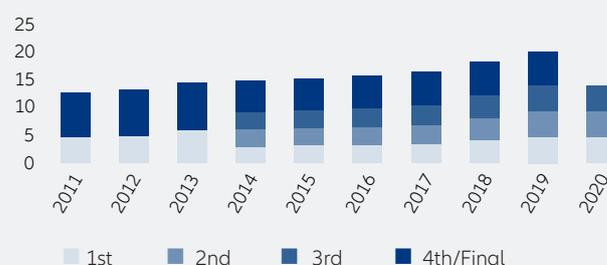
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 £396.9m

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

Market Cap £325.7m

Share Price

763.0p

NAV per Share

856.8p

Premium/-Discount

-11.0%

Dividend Yield

2.6%

Gearing

7.0%

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 initially strengthened, boosted by rising optimism that the US Congress would agree on a new support package. However, sentiment deteriorated sharply towards the month-end as a sharp rise in Covid-19 cases in Europe led to the re-imposition of lockdown measures in several European countries. New infections also surged in the US, with the upcoming presidential election also causing uncertainty. Asian and emerging equities outpaced developed market stocks, helped by solid gains from China. The British pound strengthened, boosted by speculation that the UK and EU were nearing agreement on their future trading arrangement.

Portfolio Review

The Trust slightly underperformed its benchmark over the month with a NAV total return of -3.3% against the -3.2% of the benchmark. Stock selection in the Financials and Utilities sectors made the largest negative contribution to returns, partially offset by a stronger performance in Consumer Services and Consumer Goods.

Tyman, the manufacturer of window and door components, made the largest positive contribution following a positive unscheduled trading update. The company stated Q3 trading was better than expected and H2 revenues are likely to be only slightly behind 2019. Tyman is benefiting from the rapid recovery in housing and construction in the US and UK markets. Despite the upward move, the shares remain attractively valued.

TSMC also boosted returns. The Taiwanese semiconductor manufacturer released Q3 results which beat revenue and margin expectations thanks

“ a gridlocked congress is unlikely to pass legislation radical enough to erode earnings in profitable sectors like Health Care and Technology

to sustained high demand. Management also gave strong guidance for Q4 as sales of the 5G iPhone are expected to drive full year revenue growth of over 30% year on year. Longer-term, TSMC is scheduled to start production of its 3nm chips in 2021, further cementing its technological leadership versus peers.

Fresenius, the German healthcare group, saw its shares fall as European lockdowns were re-imposed. However, the company's Q3 results were solid, with sales above consensus and a robust outlook thanks to resilience in its core dialysis division. Fresenius's valuation is very attractive considering the stability and predictability of the company's earnings stream.

Visa also detracted from performance. Weak results from its payments peer MasterCard, combined with rising Covid-19 cases dented the shares. However, solid Visa results at the end of the month outlined key differences between the two and provided a boost for the shares. Whereas MasterCard suffered due to cross border transactions, Visa has captured more spending through debit and online channels.

Market Outlook

At the time of writing, the US pharmaceutical giant Pfizer had just announced a Covid-19 vaccination with 90% effectiveness. This is a very significant development for financial markets and the reaction has been instant. Companies whose business models have been most heavily impacted by Covid-19 have seen sharp share price recoveries. Conversely, stocks which have benefitted from the pandemic are weakening.

This stark polarisation within the equity market and the potential for such a divergence in performance has been a key focus in the Trust's portfolio



Matthew Tillet, Portfolio Manager

The Brunner Investment Trust is managed by Matthew Tillet. Having been deputy manager of Brunner since 2016, Matthew Tillet 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.

positioning in recent months. Our goal has been to ensure that portfolio holdings benefitting from the pandemic have sustainable long-term investment cases which can underpin their valuations once the virus eases. Similarly, we have initiated or increased positions in companies that have been impacted by the pandemic, but where we believe this to be temporary and where we see a compelling long-term investment case.

Recent earnings reports have gone some way to validating this strategy. In the "stay at home" camp, portfolio holdings such as Microsoft, TSMC and Intuit have all reported strong revenue and earnings growth. Undoubtedly part of this is due to Covid-19 accelerating the uptake of their products and services. Certainly there could be a temporary hiatus in activity if the economy and society return to normal quickly, but ultimately these trends are structural in nature with a long runway of future demand still to come.

On the other hand, outside of the most exposed areas such as airlines and hospitality (where the trust has little exposure), well managed companies that have invested behind their businesses have found ways to adapt to the pandemic. Strong recent trading updates from Redrow, LVMH and Estée Lauder have demonstrated this point, with the shares responding positively.

Away from Covid-19, the all but certain election of Joe Biden as US President has provided a separate boost for equity markets. A Biden administration is expected to deliver more geopolitical stability than that of its predecessor, particularly with respect to global trade. At the same time, a gridlocked congress is unlikely to pass legislation radical enough to erode earnings in profitable sectors like Health Care and Technology.

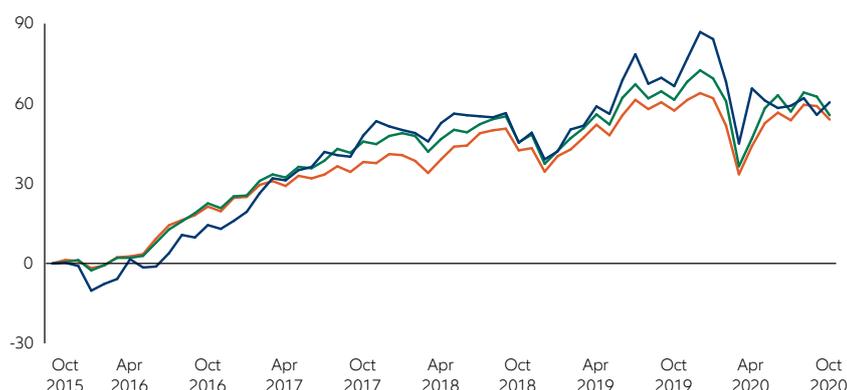
The freshness of the Pfizer vaccine news also gives scope for disappointment. Testing still needs to be completed and it will take time to roll out in meaningful numbers. However, it does offer a much needed psychological boost both for financial markets and society as a whole. Whichever way events play out, we are likely to see continued volatility within the stock market. In this context, the Trust's actively managed and balanced portfolio of high-quality companies should continue to deliver sustainable long-term growth in capital and income.

Matthew Tillet
11 November 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	0.8	-3.1	-3.6	8.4	60.5
NAV (debt at fair value)	-0.4	5.8	-4.2	0.8	40.5
Benchmark	0.2	6.9	-2.1	11.5	54.0

Discrete 12 Month Returns to 31 October (%)

	2020	2019	2018	2017	2016
Share Price	-3.6	14.6	-1.9	29.4	14.4
NAV (debt at fair value)	-4.2	7.6	-2.2	16.5	19.6
Benchmark	-2.1	10.5	3.2	13.8	21.3

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.10.20. 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* (%)

Industrials	21.1	
Health Care	20.7	
Financials	16.4	
Technology	13.3	
Consumer Goods	10.9	
Consumer Services	5.4	
Utilities	4.9	
Basic Materials	4.3	
Oil & Gas	2.4	
Telecommunications	0.6	

Geographic Breakdown* (%)

North America	48.3	
Europe ex UK	26.4	
UK	17.2	
Pacific ex Japan	5.2	
Japan	2.8	

Top Twenty Holdings (%)

Microsoft	4.8
UnitedHealth Group	4.0
Roche	3.4
Taiwan Semiconductor	3.1
Cooper Cos	3.0
Agilent Technologies	2.9
Accenture	2.9
Visa - A Shares	2.8
Muenchener Rueckver	2.7
AbbVie	2.4
Ecolab	2.4
Estée Lauder	2.3
Schneider Electric	2.3
AIA Group	2.2
Microchip Technologies	2.1
Enel	2.0
Itochu	2.0
Adidas	1.9
AMETEK	1.9
Partners Group	1.7

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.

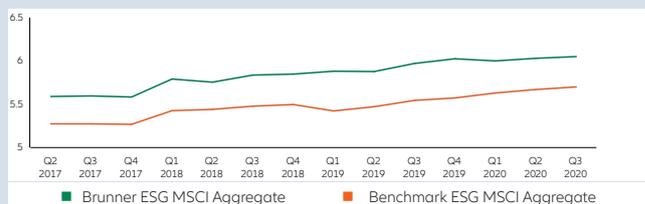
This is no recommendation or solicitation to buy or sell any particular security.

*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	0.67%
Year End	30 November
Annual Financial Report	Final published in February, Half-yearly published in July
AGM	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 31.10.20 unless otherwise stated.

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