

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™



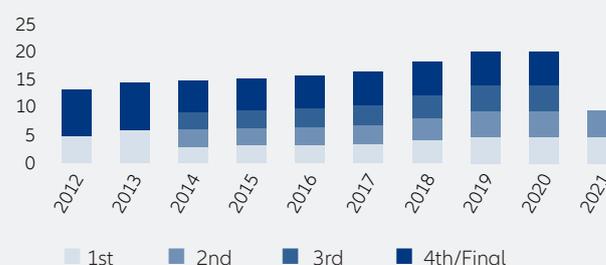
Consideration of Environmental, Social and Governance (ESG) factors is fully integrated into The Brunner Investment Trust's investment process. Visit www.brunner.co.uk/Integrated-ESG/ for more information.

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
06.08.2021	16.09.2021	4.70p	2nd Quarterly
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

Past performance is not a reliable indicator of future results.

Total Assets £512.6m

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

Market Cap £439.7m

Share Price

1030.0p

NAV per Share

1131.5p

Premium/-Discount

-9.0%

Dividend Yield

2.0%

Gearing

6.8%

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 July. Increasing coronavirus cases owing to the more contagious Delta variant dampened sentiment on the global economic recovery. However, stocks were supported by the US Federal Reserve's comments that interest rates are unlikely to rise in the short-term and the European Central Bank's tolerance for higher inflation.

At a sector level, Healthcare and Technology were some of the strongest performers. Growth stocks outperformed thanks to lower bond yields and a pullback amongst more cyclical "value" stocks on concerns that the spread of the Delta variant would slow the pace of economic recovery.

One area of the growth universe that did not perform was China. A severe clampdown on the Chinese private education sector capped off a period of unprecedented regulatory tightening, which has also encompassed technology names. The MSCI China Index, which is dominated by large internet stocks, fell by more than 12%. This experience is a harsh reminder for investors of the political risks that exist in certain parts of the world.

In commodity markets, Brent crude oil continued to grind higher, reaching USD76 per barrel, although it has subsequently pulled back. Copper was also firmer, with industrial metals prices supported by robust demand and ongoing supply shortages. The dollar ended July virtually unchanged, with both sterling and the euro broadly flat.

Portfolio Review

The Trust's equity portfolio outperformed its benchmark in July, delivering a NAV total return of 1.78% vs the benchmark's 0.70%.

“ Growth stocks outperformed thanks to lower bond yields and a pullback amongst more cyclical "value" stocks

Partners Group made the biggest positive contribution to returns. In an update, the private equity house reported total assets under management of USD 119 billion, thanks to asset growth of 9% in H1, 2021. Combined with stronger fundraising guidance and performance fees, this has lifted earnings expectations for the year. Given the shares' strong run and valuation premium relative to history, we have reduced the Trust's weighting to the stock.

Accenture also boosted performance. In June, the management and digital consultancy posted strong Q2 results raising guidance for the year ahead. Quarterly revenues grew 21% year on year, while full year estimates were raised from 7.5% to 10.5%. Management is reporting elevated demand driven by investment from clients across both the front and back end of their operations.

Microchip made the weakest contribution to returns. Shares in the maker of microcontrollers were volatile in the run up to quarterly results, given the high expectations priced in. However, the company has since reported guidance-beating revenue growth of 20%, and net income of 17%. Demand continues to be at record levels, limited only by capacity.

Charles Schwab, the US brokerage, also weakened the portfolio's performance. A somewhat weaker outlook for interest rates weighed on the shares, which had rallied expectations for higher net interest margins. Schwab's huge scale with over USD 6 trillion in assets under management makes the company well placed to invest in new capabilities whilst continuing to drive down costs for clients.

Significant Transactions

We initiated a position in **MarketAxess**, a provider of electronic trading software for the fixed income markets. Unlike equity trading, the majority



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 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.

of bond transactions still take place over the phone. The company provides a service which increases price transparency, improves efficiency and reduces costs. MarketAxess has established a dominant market position and is already a highly profitable company with electronic trading in fixed income markets continuing to take market share.

Market Outlook

When COVID-19 first brought about global lockdowns, people quickly began looking forward to the day things returned to "normal". It is increasingly apparent that there will be no one single day which returns us to life as it was in 2019. Governments and societies around the world are taking different approaches, with varying levels of tolerance for COVID, whilst learning to mitigate outbreaks. Meanwhile the extent of vaccination varies enormously.

In a recent meeting with an industrial company that has a footprint all around the world, the CEO remarked that the geographic spread and retreat of COVID across his business has happened in reverse. Starting initially in Asia, it then spread to Europe and finally the US. But the impact has lessened first in US, where both vaccination rates and general tolerance for COVID levels are relatively high, resulting in a much faster economic rebound. This is now starting to happen in parts of Europe, but Asia remains some way behind, due ongoing restrictions and low vaccination rates.

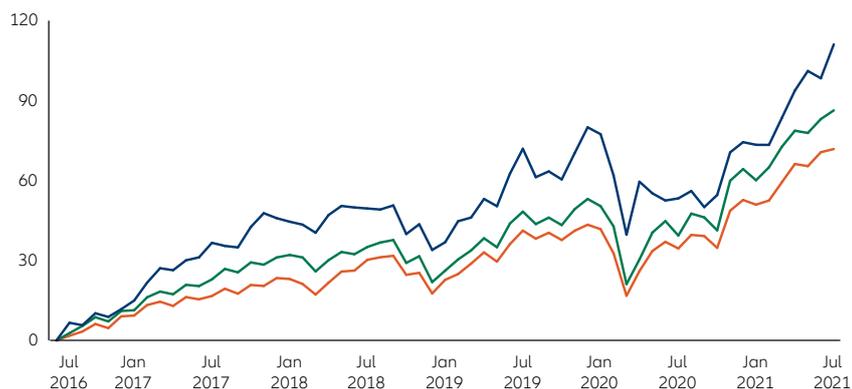
This implies an uneven global economic recovery. In the US, where most of the economy is already back to normal, much of the recovery from COVID may have already happened. However other parts of the world still have significant recovery potential which may take another 12-18 months to come through fully. Meanwhile COVID restrictions and other Government policies continue to exacerbate bottlenecks in the supply chain, labour shortages and input cost inflation. At a company level, all of this means we should anticipate a higher level of operating volatility for a while yet. Thankfully our focus on business model quality – pricing power, strength of management, balance sheet strength – means we believe the Trust's portfolio holdings should be able to handle these challenges better than most.

Matthew Tillet
19 August 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	8.9	21.7	37.7	41.2	111.1
NAV (debt at fair value)	4.7	16.8	34.2	38.5	87.0
Benchmark	3.4	13.8	27.8	31.9	71.8

Discrete 12 Month Returns to 31 July (%)

	2021	2020	2019	2018	2017
Share Price	37.7	-10.8	15.0	9.4	36.6
NAV (debt at fair value)	34.2	-6.0	9.8	9.9	22.9
Benchmark	27.8	-4.7	8.4	11.6	16.7

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.07.21. 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	21.5	<div style="width: 21.5%;"></div>
Industrials	20.9	<div style="width: 20.9%;"></div>
Financials	15.4	<div style="width: 15.4%;"></div>
Information Technology	13.8	<div style="width: 13.8%;"></div>
Consumer Discretionary	13.1	<div style="width: 13.1%;"></div>
Utilities	4.0	<div style="width: 4.0%;"></div>
Consumer Staples	3.9	<div style="width: 3.9%;"></div>
Materials	3.2	<div style="width: 3.2%;"></div>
Energy	2.6	<div style="width: 2.6%;"></div>
Real Estate	1.6	<div style="width: 1.6%;"></div>

Geographic Breakdown* (%)

North America	45.5	<div style="width: 45.5%;"></div>
Europe ex UK	27.7	<div style="width: 27.7%;"></div>
UK	20.2	<div style="width: 20.2%;"></div>
Pacific ex Japan	4.2	<div style="width: 4.2%;"></div>
Japan	2.5	<div style="width: 2.5%;"></div>

Top Twenty Holdings (%)

Microsoft	4.9
UnitedHealth Group	4.0
Agilent Technologies	3.0
Accenture	3.0
Roche	2.9
Cooper Cos	2.8
Taiwan Semiconductor	2.8
Visa - A Shares	2.7
Estée Lauder	2.4
AbbVie	2.4
Schneider Electric	2.3
Muenchener Rueckver	2.3
Novo Nordisk	2.1
Microchip Technology	2.0
AIA Group	2.0
Adidas	2.0
AMETEK	1.9
Partners Group	1.9
St James's Place	1.9
Itochu	1.8

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.

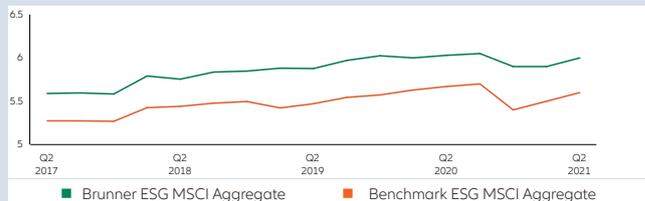
This is no recommendation or solicitation to buy or sell any particular security.

*Excludes Cash

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 31.07.21 unless otherwise stated.

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