

The Brunner Investment Trust PLC

An 'all-weather' global equity portfolio



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.

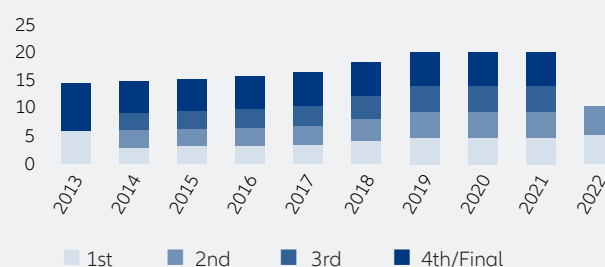
Trust Benefits

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 50 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
05.08.2022	15.09.2022	5.15p	2nd Interim
17.06.2022	21.07.2022	5.15p	1st Interim
25.02.2022	01.04.2022	6.05p	Final
29.10.2021	10.12.2021	4.70p	3rd Interim

Past performance is not a reliable indicator of future results.

Consideration of Environmental, Social and Governance (ESG) factors is fully integrated into The Brunner Investment Trust's investment process. Visit www.brunner.co.uk/en-gb/about-us/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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Total Assets £485.1m

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

Market Cap £409.9m

Share Price

960.0p

NAV per Share

1085.7p

Premium/-Discount

-11.6%

Dividend Yield

2.2%

Gearing

8.1%

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 slumped over June on concerns that central banks appear increasingly willing to allow a period of macro-economic weakness to bring inflation under control. US stocks were particularly weak as the Federal Reserve (Fed) adopted a more aggressive policy stance. In contrast, Chinese shares defied the downturn, rallying strongly as they were boosted by signs that the crackdown on China's internet companies may be easing and by the partial lifting of lockdowns in key cities.

At a sector level, the prospect of weaker economic growth led to weakness in the Energy, Materials and Financials sectors. All sectors delivered negative returns, although more defensive areas of the market held up better. Consumer Staples and Health Care in particular saw the strongest performance.

Commodity prices weakened, undermined by fears that slowing growth would lower demand. Having initially rallied, oil prices subsequently fell back with Brent crude closing the month around 110 USD a barrel. Industrial metals prices also slid. Copper fell to its lowest level since early-2021. Wheat prices also eased back to levels last seen prior to Russia's invasion of Ukraine.

Portfolio Review

In June, the Trust's equity portfolio outperformed its benchmark. Net Asset Value total return was -4.9%, which compares to the benchmark's -5.6%.

Unitedhealth Group made the largest positive contribution to performance. Shares in the US-based provider of health insurance,

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consulting and services have proved resilient all year due to their highly defensive characteristics. Fears of a recession have only increased this appeal. News that Unitedhealth has agreed to purchase EMIS, a UK health-tech company, underscores our view that this highly cash generative business can use current market weakness to its advantage.

Yum China also boosted returns. While the fast food retailer has been hit by lockdown restrictions in China, their easing is allowing Yum to reopen stores across the country. Full year company guidance remains modest, at 5% revenue growth but in its recent results, Yum confirmed its plan to open around 1000 new stores is on schedule. The stock may continue to see margin pressure in the near-term but over longer horizons, our investment case remains intact

Microchip made the weakest contribution to performance. Shares in the maker of microcontrollers continue to be buffeted by shifting sentiment to the technology sector as a whole. However, recent results showed that order backlogs of over 12 months continue to make up more than 50% of demand, and this continues to rise. This business model resilience underpins our investment thesis.

Booking Holdings also weakened returns. The online travel agent sits at the intersection of leisure travel and technology and its shares have suffered as a result, now trading near 2020 "pre-vaccine" levels. Yet the business is predicting 59% revenue growth in 2022 and delivering net margins of around 20%. Given the strength of returning demand for travel post pandemic, business fundamentals appear to be well placed to weather shorter-term macroeconomic headwinds.



Matthew Tillett, Portfolio Manager

The Brunner Investment Trust was managed up until 26 July by Matthew Tillett. 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. Management of the portfolio has passed to Christian Schneider, supported by Marcus Morris-Eyton. Both managers have supported Matthew on the portfolio since 2020.

Market Outlook

Since January, global equity markets have been under pressure due to fears that high and rising rates of inflation will push central banks into tightening monetary policy aggressively. This fear has existed alongside a fairly robust economy, with historically low unemployment levels and generally strong corporate earnings. This combination has allowed central banks to project a central scenario in which higher interest rates deliver an economic "soft landing".

In recent weeks, economic data, as well as some corporate reporting, have started to show some signs of weakness. Companies are having to pay more for energy, raw materials, wages, as well debt servicing, whilst employees are facing a cost-of-living crisis. There are some signs that this is starting to reduce demand, for example in the retail sector, with other areas likely to follow in the weeks and months to come. The optimistic view sees this as a shallow downturn, with price pressures soon to ease off, followed by a return to an easier monetary policy environment. Pessimists meanwhile see it as the beginning of a longer downturn characterised by stagflation – persistently high inflation and rising unemployment.

Taking a firm view on the shorter term direction of the global economy requires a level of forecasting that we do not claim to have. This reflects the enormous potential for unpredictable events, both to the downside (such as continuing high inflation) but also to the upside (for example, a cessation of conflict in Ukraine). Instead, we continue to be guided by our search for companies with long-term profitability that should outperform in a range of market environments.

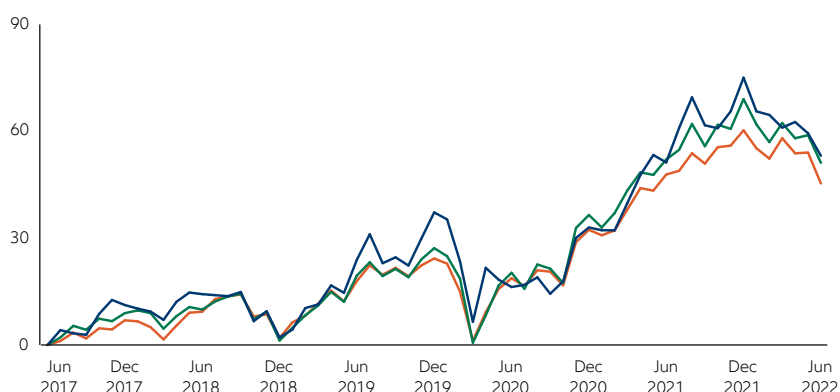
In a market which is increasingly short term focussed and sentiment driven, share price reactions to earnings releases are likely to continue to be volatile. Yet as the earnings multiples have declined over the course of the year, valuations across parts of the portfolio have become increasingly attractive. We are also seeing a growing number of previously un-investable stocks (due to their elevated valuations) reach an attractive range. Judiciously increasing our positions in the former, while selectively buying the latter remains the key to ensuring the portfolio is well-positioned for the future, whichever way the economic data falls.

Matthew Tillett
20 July 2022

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	-4.9	-12.5	1.2	23.6	53.1
NAV (debt at fair value)	-6.9	-10.6	-0.6	27.0	51.7
Benchmark	-8.0	-9.3	-1.7	23.2	45.3

Discrete 12 Month Returns to 30 June (%)

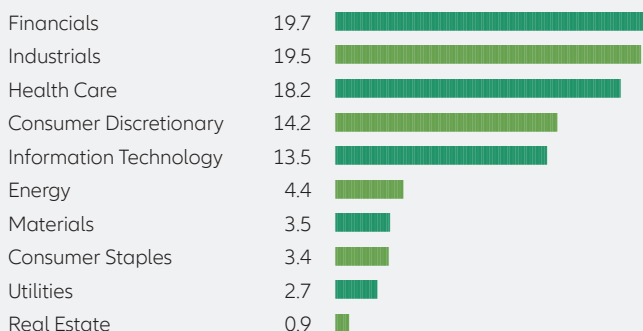
	2022	2021	2020	2019	2018
Share Price	1.2	30.1	-6.2	8.4	14.3
NAV (debt at fair value)	-0.6	26.9	0.6	8.7	9.9
Benchmark	-1.7	24.6	0.6	7.9	9.3

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 30.06.22. Copyright 2022 © 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	4.9
UnitedHealth Group	4.9
Visa - A Shares	3.6
Adidas	2.7
Roche	2.7
Muenchener Rueckver	2.6
Taiwan Semiconductor	2.4
Shell	2.3
AIA Group	2.2
TotalEnergies	2.1
Novo Nordisk	2.1
Unilever	2.0
Accenture	2.0
Microchip Technology	2.0
Schneider Electric	2.0
Itochu	1.9
HomeServe	1.9
Cooper Cos	1.9
Estée Lauder	1.9
YumChina	1.9

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.

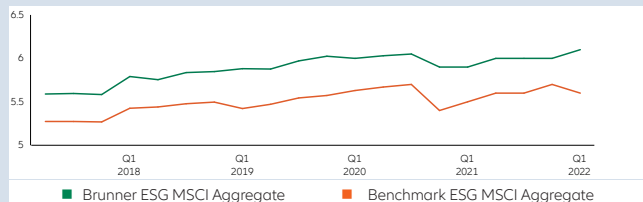
This is no recommendation or solicitation to buy or sell any particular security.

*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 five 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 Fee	0.45%
Performance Fee	No
Ongoing Charges ¹	0.63%
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 Tillet (until 26 July 2022) Christian Schneider and Marcus Morris-Eyton (from 26 July 2022)
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2021). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses, which include the annual management fee, 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.



Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been or will be made or concluded shall prevail.

All data source Allianz Global Investors as at 30.06.22 unless otherwise stated.

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