

# 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.

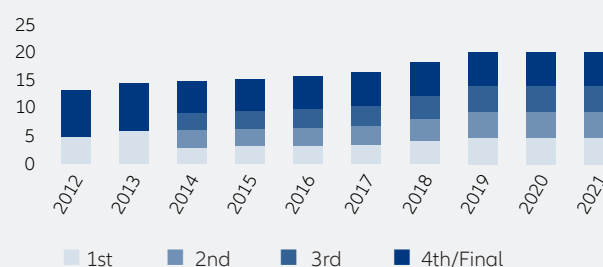
## Trust Benefits

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
25.02.2022	01.04.2022	6.05p	Final
29.10.2021	10.12.2021	4.70p	3rd Interim
06.08.2021	16.09.2021	4.70p	2nd Interim
18.06.2021	22.07.2021	4.70p	1st 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](http://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** £523.6m

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

**Market Cap** £433.3m

Share Price

**1015.0p**

NAV per Share

**1167.3p**

Premium/-Discount

**-13.0%**

Dividend Yield

**2.0%**

Gearing

**6.9%**

**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

In March, global equities started on a weak footing as investors were unnerved by the impact of the ongoing conflict between Russia and Ukraine, including a further surge on oil prices. However, sentiment improved in the second half of the month when oil prices came off their highs, Russia did not default on its debt, and there were tentative signs of progress in negotiations between Russia and Ukraine.

At a sector level, energy and materials continued to rally on continued strength in commodity prices. Defensive sectors such as utilities and health care stocks were resilient, whilst cyclical areas were weaker as the market digested the economic implications of the conflict.

Commodity prices rose as sanctions against Russia exacerbated supply disruptions. Oil rallied further. Brent crude briefly touched a 14-year high, although prices later retreated as the United Arab Emirates encouraged fellow OPEC (Organization of the Petroleum Exporting Countries) members to increase production and the US announced it would release oil from its emergency reserves. Other commodities where Russia had been a key producer, such as nickel, zinc, and aluminium, climbed, as did fertiliser prices, adding to the upward pressure on food prices. Portfolio Review

The Trust's equity portfolio underperformed its benchmark in March with NAV total returns equalling 3.4% compared to the benchmark's 3.8%.

**Homeserve**, the provider of emergency home repair services in the US and Europe, made the largest positive contribution to performance, following

“ we will remain focused on the longer term, whilst seeking to use shorter term volatility to our advantage

the news that the company had become the subject of a possible takeover. This development highlights the attractive fundamentals and valuation of Homeserve's assets that underpin our investment case.

**United Health Group** also boosted performance. The defensive qualities of the company, less direct exposure to inflationary pressures and a reasonable valuation have supported the shares during the recent volatile period.

**Yum China**, the operator of the Yum! brands in China, made the largest negative contribution to returns. The company has been impacted by renewed lockdowns in China as well as the disagreement between US and Chinese regulators regarding disclosure rules for US listed Chinese firms. We believe both are short term issues, whilst in terms of our portfolio investment case, the compelling long-term fundamentals of Yum China remain intact.

**Estee Lauder** also weakened returns. Along with some other high growth consumer stocks, Estee Lauder shares fell back during the month, in part due to a general de-rating of higher growth stocks and also due to concerns that Chinese demand would be impacted due to renewed lockdowns. As with Yum China, the longer term fundamentals for the company remain positive for our investment case.

### Market Outlook

Over a month has passed since Russian armed forces first invaded Ukraine. While the initial shock of the invasion has now passed, each day brings new stories of human suffering and courageous defiance. As the



### Matthew Tillett, Portfolio Manager

The Brunner Investment Trust is managed by Matthew Tillett, 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.

conflict becomes more and more drawn out, the clearest outcome at this stage is the unified response from Europe, the United States and other NATO-aligned countries.

Financial markets are similarly moving beyond the immediate impact. Sanctions on Russia have made the country all but uninvestable, and large multinationals which previously had a presence in the region are clarifying how their operations look without it. As nations seek to make alternative arrangements, some of the sharpest price rises in commodities like oil have pulled back, albeit modestly. Investors are now being forced to consider the conflict's long-term implications.

Inflation was already front of mind before the conflict erupted. Further supply chain disruption will sustain price rises which are beginning to have knock on economic effects. As real wages are squeezed, and disposable income is reoriented to essentials like food and heating, the result will likely be slower economic growth. Offsetting this, the substantial transfers from the government to the consumer sector during the pandemic has left consumer balance sheets in reasonable shape. Labour markets also remain tight with wages rising, especially for the lower paid. This may serve to offset the pressure for a while, but eventually the consumer will feel the impact.

The conflict is also likely to engender new trends, as well as accelerating existing ones. Germany's pledge to increase defence spending may mark a sea change in attitudes towards the defence industry, both among the general public as well as the investment industry. And if the energy transition, along with food, commodity and technology security were already relevant themes in an increasingly deglobalised world, the conflict has made them only more so.

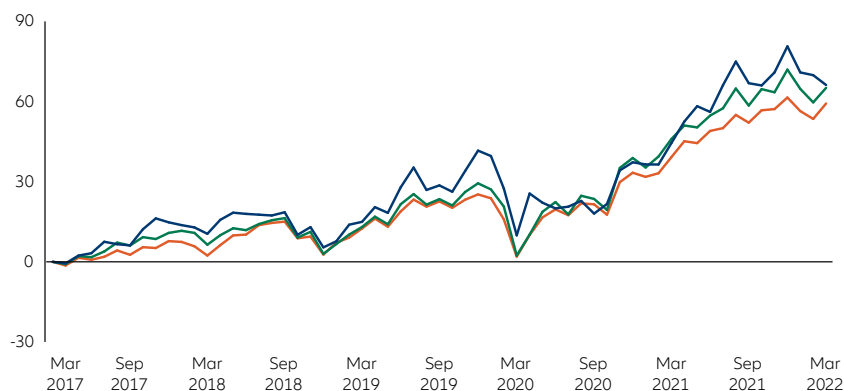
We expect markets to remain volatile, both in absolute and relative terms, as investors grapple with the short and long term changes taking place. As ever, we will remain focused on the longer term, whilst seeking to use shorter term volatility to our advantage, as we steer the Trust's portfolio through this uncertain geopolitical and economic period.

**Matthew Tillett**  
25 April 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	-8.0	-0.4	15.0	44.6	66.2
NAV (debt at fair value)	-4.0	4.2	13.5	46.6	65.7
Benchmark	-1.4	4.7	14.4	41.6	59.3

### Discrete 12 Month Returns to 31 March (%)

	2022	2021	2020	2019	2018
Share Price	15.0	31.4	-4.4	4.1	10.5
NAV (debt at fair value)	13.5	42.6	-9.4	6.2	6.4
Benchmark	14.4	36.5	-9.4	9.9	2.3

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.03.22. 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\* (%)

Sector	Percentage (%)
Industrials	20.3
Financials	19.7
Health Care	18.4
Information Technology	14.3
Consumer Discretionary	13.4
Energy	4.0
Consumer Staples	3.1
Utilities	3.0
Materials	2.9
Real Estate	0.9

### Geographic Breakdown\* (%)

Region	Percentage (%)
North America	44.6
Europe ex UK	25.9
UK	22.9
Pacific ex Japan	3.9
Japan	2.8

### Top Twenty Holdings (%)

Microsoft	5.1
UnitedHealth Group	4.5
Visa - A Shares	3.5
Adidas	3.2
Roche	2.8
Taiwan Semiconductor	2.6
Muenchener Rueckver	2.5
Schneider Electric	2.4
Shell	2.2
Microchip Technology	2.2
Cooper Cos	2.2
Novo Nordisk	2.1
Itochu	2.1
Accenture	2.1
AMETEK	1.9
Partners Group	1.9
AbbVie	1.9
AIA Group	1.8
National Grid	1.8
Schwab (Charles)	1.8

Total number of holdings 62

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.

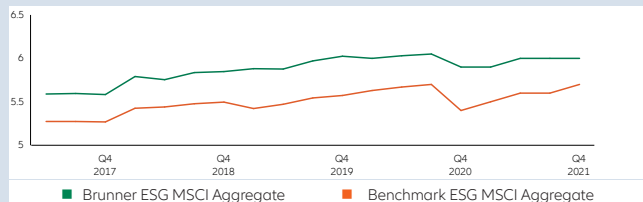
This is no recommendation or solicitation to buy or sell any particular security.

\*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 Fee	0.45%
Performance Fee	No
Ongoing Charges <sup>1</sup>	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, <a href="http://www.brunner.co.uk">www.brunner.co.uk</a>
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 (30.11.2021). 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

Carolann 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](http://www.brunner.co.uk)

E-mail: [investment-trusts@allianzgi.com](mailto: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 31.03.22 unless otherwise stated.**

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