

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.

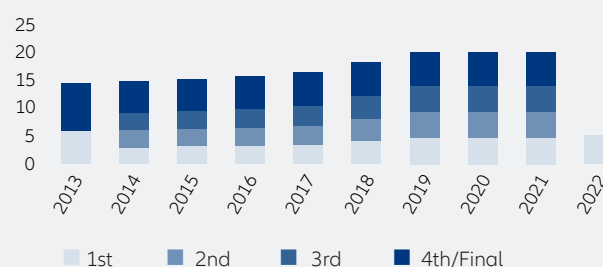
Trust Benefits

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
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
06.08.2021	16.09.2021	4.70p	2nd 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 £513.6m

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

Market Cap £429.1m

Share Price

1005.0p

NAV per Share

1149.8p

Premium/-Discount

-12.6%

Dividend Yield

2.0%

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

Global equities ended May broadly flat, but it was a volatile month, characterised by growing concerns over the outlook for global growth as central banks continued to tighten monetary policy in response to high inflation. At a sector level, energy stocks were strong, helped by buoyant oil and gas prices. Consumer-related sectors lagged on worries over higher cost inflation as well as an expected economic slowdown.

In the commodity markets, oil prices ended the month near a two-month high of USD 120 a barrel as OPEC (Organization of the Petroleum Exporting Countries) appeared to be reluctant to further accelerate production, whilst demand continued its steady recovery from the pandemic. Wheat prices also moved higher as Russia said it would only allow Ukrainian stores to be shipped following the lifting of Western sanctions. Elsewhere gains in many raw materials were limited by concerns over slowing growth in China.

Portfolio Review

In May, the Trust's equity portfolio outperformed its benchmark. NAV total return was 0.5%, which compares to the benchmark's 0.1%.

Totalenergies made the largest positive contribution to returns. The integrated energy company continues to benefit from the tightness in oil and gas markets, which is seeing profit forecasts be revised upwards. The company is also well positioned longer term due a significant exposure to natural gas where long-run demand trends are more predictable.

Homeserve rallied further as the bid approach by Brookfield Asset Management was confirmed and recommended by the Board at

“ **Often the best long term investment opportunities occur in times of market stress, characterised by heightened volatility amidst periods of indiscriminate selling** ”

£12 per share, which represents a fair (although not a knockout) price for the company. Absent a (possible) counteroffer, given the Board's recommendation, this takeover is likely to be approved by shareholders later this year.

Roche made the worst active contribution to performance. An unexpected late stage pipeline failure for one of the company's high profile drugs caused some weakness in the shares. Whilst disappointing, Roche still has a strong pipeline and remains one of the world leaders in its therapeutic specialisms.

Bright Horizons also weakened returns. The provider of childcare services has faced several pandemic-driven headwinds. A review of the investment case last year determined that the long term growth drivers were still in place, however the shorter term recovery from the pandemic has been slower and more uneven than expected, causing the shares to lag.

Significant Transactions

In May, we initiated new positions in SSP Group and Align Technology.

SSP Group is a world leading travel catering business serving customers predominantly in airports and train stations. After two very difficult years in which the company incurred significant losses, as well as two rights issues, SSP is now well placed to capitalise on the recovery in passenger transportation. Furthermore, ongoing investment during the downturn should drive growth in market share. The shares are lowly valued due to macroeconomic concerns, however we expect the recovery and growth in revenue and earnings to occur even against a weaker economic backdrop.

Align Technology designs and manufactures Invisalign clear aligners,



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.

as well as advanced 3D digital scanners for orthodontists and dentists. Invisalign is the leading brand that is well underpinned by superior technology in this high growth market. The investment opportunity arose following a 65% decline in the share price driven by a slowdown in sales in China, as well the general de-rating of high growth companies. Align is a highly profitable company with a long runway for growth. It is an excellent example of a quality growth company that has suffered amidst the sell off this year, as the valuation has moved from a very high level to something much more reasonable.

Market Outlook

Global markets continue to be unsettled. If 2021's gains were driven by a "fear of missing out" (FOMO), in 2022 there is an increasing feeling that there is nowhere to hide. As inflation prints continue to come in higher than expected, bond yields are trending upwards and central banks are forced to keep raising short term interest rates. This is causing valuations to decline across the board, but particularly for high growth companies.

At the same time, investors are discounting the inevitable macroeconomic slowdown as tighter monetary policy eventually causes the economic cycle to turn down. This is pressuring cyclical stocks, especially in the consumer and industrial sectors. Even defensive companies, which have to date held up relatively well, may come under pressure as valuations de-rate across the market.

In these market conditions, it is critical to retain a focus on the long term. This is especially important when other investors' time horizons are becoming shorter. Often the best long term investment opportunities occur in times of market stress, characterised by heightened volatility amidst periods of indiscriminate selling. Already we are seeing such opportunities emerge.

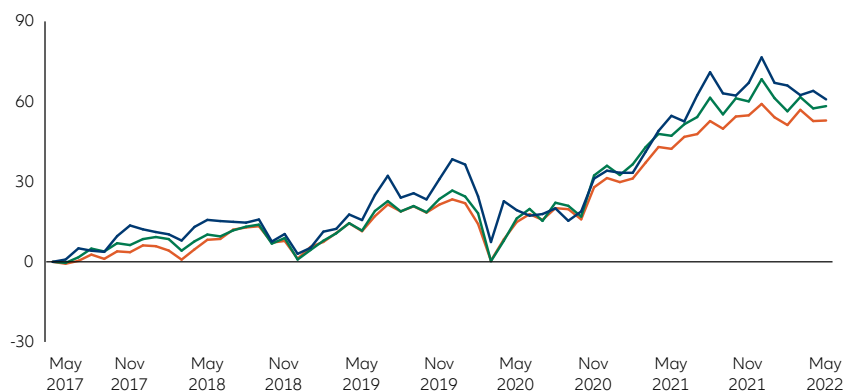
For example, long term growth is now available at a much more attractive price. High quality growth companies, such as Align mentioned above, as well as Adobe which was added earlier in the year, have increased the growth potential of the Trust's portfolio. This is great news for long-term oriented shareholders. Of course, we cannot forecast when the de-rating of growth stocks will end, but at some point it will, and if our fundamental analysis is right these investments should serve the Trust very well over the long term.

Matthew Tillett
16 June 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	-3.1	-3.7	4.0	39.1	60.8
NAV (debt at fair value)	1.2	-1.1	7.5	42.2	58.9
Benchmark	1.1	-1.3	7.5	37.2	52.9

Discrete 12 Month Returns to 31 May (%)

	2022	2021	2020	2019	2018
Share Price	4.0	29.6	3.2	-0.1	15.7
NAV (debt at fair value)	7.5	27.1	4.1	1.3	10.2
Benchmark	7.5	23.8	3.1	3.0	8.2

Source: Thomson Reuters DataStream, percentage growth, mid to mid, total return to 31.05.22. 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	20.1
Financials	19.4
Health Care	17.3
Information Technology	14.0
Consumer Discretionary	13.8
Energy	4.6
Materials	3.6
Consumer Staples	3.3
Utilities	2.9
Real Estate	1.0

Geographic Breakdown* (%)

Region	Percentage (%)
North America	43.2
Europe ex UK	25.4
UK	24.7
Pacific ex Japan	4.1
Japan	2.7

Top Twenty Holdings (%)

Microsoft	4.8
UnitedHealth Group	4.3
Visa - A Shares	3.5
Adidas	2.8
Roche	2.5
Taiwan Semiconductor	2.5
Muenchener Rueckver	2.5
Shell	2.4
Microchip Technology	2.3
TotalEnergies	2.2
Schneider Electric	2.1
Novo Nordisk	2.1
Accenture	2.0
Unilever	2.0
Cooper Cos	2.0
AIA Group	1.9
Partners Group	1.9
Itochu	1.9
AMETEK	1.9
National Grid	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.

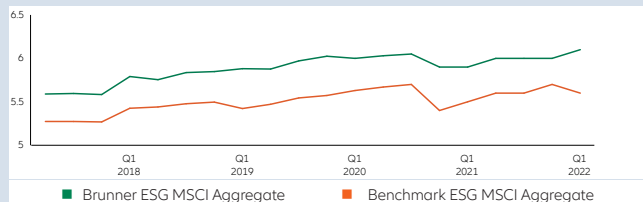
This is no recommendation or solicitation to buy or sell any particular security.

*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 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 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

Carolán 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 31.05.22 unless otherwise stated.

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