

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

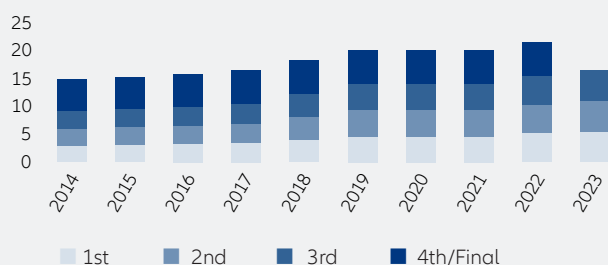
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 51 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
27.10.2023	12.12.2023	5.55p	3rd Interim
04.08.2023	15.09.2023	5.55p	2nd Interim
16.06.2023	25.07.2023	5.55p	1st Interim
24.02.2023	04.04.2023	6.05p	Final

Past performance is not a reliable indicator of future results.

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 Managers	Julian Bishop and Christian Schneider
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2022). 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.



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 £551.2m

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

Market Cap £454.7m

Share Price

1065.0p

NAV per Share

1253.7p

Premium/-Discount

-15.1%

Dividend Yield

2.1%

Gearing

6.1%

Fund Manager's Review

November is the final month in The Brunner Investment Trust's financial year. We were delighted it was a good month on both an absolute and relative basis, with the trust's NAV total return being 5.5% vs 4.5% for the benchmark. For the year we finished up 8.6% (NAV total return with debt at fair value), also firmly ahead of benchmark's +5.5%. Brunner has now delivered outperformance for the past five consecutive financial years; a very unusual accomplishment given the wide variety of market conditions over the period. We attribute this to sound execution of our 'all-weather' investment approach which seeks to balance the characteristics of quality, value and growth within the portfolio. There are clearly trade-offs and compromises required to balance these factors. Ultimately, we are trying to optimise the quantity, trajectory and riskiness of the cash flows that our underlying holdings collectively generate. This approach has allowed us to provide a rare consistency.

Markets were generally strong around the world in November. Mounting evidence that inflation may be coming under control caused bond yields to fall, providing less competition for equities from other asset classes and lowering the discount rate which is used to calculate the present value of an equity's predicted future cash flows. This theoretically boosts the value of a company's future profits. In the simplest terms, this is what defines a company's value, and therefore the price of its shares. The mathematics of this is most beneficial for higher quality and growth companies, where predicted profits are skewed towards the more distant future. Therefore, our current bias to quality helped our performance this month.

Positive contributors included Partners Group, the Swiss private equity company, Charles Schwab, the US discount brokerage and S&P Global, the US credit ratings agency and equity index provider. All were perceived to benefit from more moderate interest rates or higher market levels. Industrials stocks also performed well; Assa Abloy and Atlas Copco in Sweden, Schneider Electric in France and Microchip Technology in the US all responded positively to the notion that lower interest rates should stimulate economic activity. On the negative side, United Health,

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TotalEnergies and Munich Re all retreated from high levels.

During the month we added a new position to the trust. AENA stands for 'Aeropuertos Espanoles y Navegacion Aerea', which translates to 'Spanish Airports and Air Navigation'. Unusually for Brunner, it is a state controlled company; something we generally prefer to avoid. However, we believed the merits of the investment case were so compelling for the portfolio we decided to make an exception on this occasion.

AENA owns 46 airports across the Spanish mainland and Islands; every commercial airport in Spain, to all intents and purposes. To prevent abuse of this *de facto* monopolist position, the profit they are permitted to make on the aeronautical side of the business (for example, the fees they charge to airlines) is determined by a regulatory formula based on the value



**Christian Schneider,
Co-Lead Portfolio Manager**

Christian Schneider joined the Global Equity Fund Management Team as a portfolio manager in April 2000 and managed a US Equity strategy until 2002. Christian graduated with a Master's degree in Economics from the University of Giessen and is a CFA charter holder.



**Julian Bishop,
Co-Lead Portfolio Manager**

Julian Bishop joined Allianz Global Investors in November 2022. Julian has more than 25 years fund management experience. He joined AllianzGI from Tesco Pension Investment Ltd where he was an Equity Fund Manager managing a multi-billion pounds global equities portfolio. Julian graduated from Queens' College, Cambridge University in 1995 and has an MA (Hons) Cantab in Geography. He is an Associate of the CFA Society of the UK.

of their assets. This profitability is not particularly attractive in itself but provides a reliable income stream under most circumstances.

The part of the business we found more interesting is its commercial side, which accounts for roughly 60% of profit and is entirely unregulated, meaning profitability is uncapped. AENA acts as a landlord, renting out space to duty free retailers, restaurants, car hire firms etc. at its airports. This is particularly valuable real estate, serving a captive audience of free-spending travellers who tend to be in an above average income demographic. We believe there are three long term drivers. Firstly, we expect passenger numbers at AENA's airports to grow over time. Secondly, we expect spend per passenger to grow due to a combination of inflation, growth in consumer spending power and an improvement in the standard of the retail offer. Thirdly, we expect AENA to be able to increase the rent they charge their tenants, which is largely a function of their sales.

In the meantime, the company generates lots of cash which it mostly returns to shareholders. All in all, we are excited to have it in the portfolio.

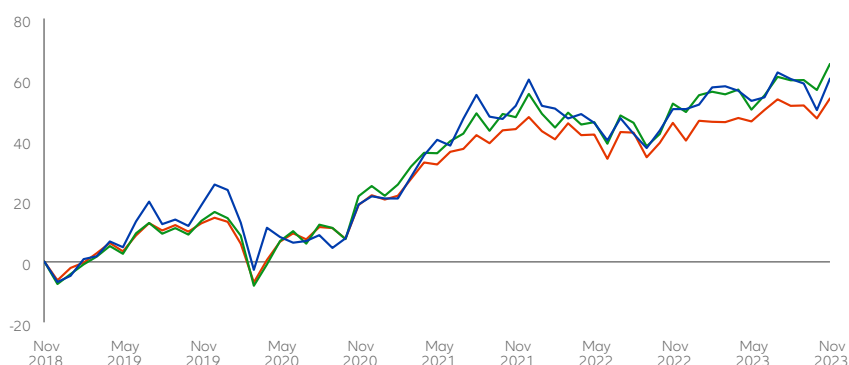
We also added to our existing positions in life sciences company Thermo Fisher and semiconductor capital equipment firm ASML. These purchases were funded by a reduction to Danish pharmaceutical giant Novo Nordisk, where the frenzy of excitement around its weight loss drug 'Wegovy' has propelled the stock to a level where we find our enthusiasm waning in terms of our portfolio holding. We also reduced our holding in Munich Re, the German reinsurance company (ie an insurer of insurers), which has performed similarly well. As such, both stocks are no longer amongst our largest, highest conviction holdings.

**Julian Bishop & Christian Schneider
19 December 2023**

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	0.1	4.8	6.7	34.9	60.2
NAV (debt at fair value)	3.4	10.0	8.6	35.8	65.1
Benchmark	1.6	5.2	5.5	29.6	53.7

Discrete 12 Month Returns to 30 November (%)

	2023	2022	2021	2020	2019
Share Price	6.7	-0.7	27.3	0.2	18.6
NAV (debt at fair value)	8.6	3.0	21.4	7.1	13.4
Benchmark	5.5	1.4	21.1	5.3	12.6

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 30.11.23. Copyright 2023 © 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.

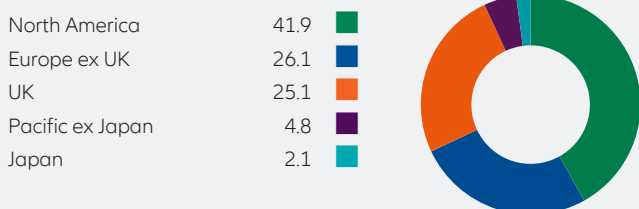
Past performance does not predict future returns. Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested. This investment trust charges 70% of its annual management fee to the capital account and 30% 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	24.5	<div style="width: 24.5%;"></div>
Financials	21.1	<div style="width: 21.1%;"></div>
Information Technology	19.9	<div style="width: 19.9%;"></div>
Health Care	14.3	<div style="width: 14.3%;"></div>
Consumer Discretionary	7.2	<div style="width: 7.2%;"></div>
Energy	5.1	<div style="width: 5.1%;"></div>
Consumer Staples	3.9	<div style="width: 3.9%;"></div>
Utilities	2.6	<div style="width: 2.6%;"></div>
Materials	0.9	<div style="width: 0.9%;"></div>
Real Estate	0.5	<div style="width: 0.5%;"></div>

Geographic Breakdown* (%)



Top Twenty Holdings (%)

Microsoft	6.7
UnitedHealth Group	4.4
Visa - A Shares	3.9
Microchip Technology	2.9
Shell	2.7
Schneider Electric	2.6
Partners Group	2.6
Thermo Fisher Scientific	2.6
Schwab (Charles)	2.5
Gallagher	2.4
Taiwan Semiconductor	2.4
TotalEnergies	2.3
Muenchener Rueckver	2.3
AMETEK	2.2
InterContinental Hotels Group	2.2
Itochu	2.1
ASML	2.0
Accenture	2.0
DNB Bank	1.9
Atlas Copco	1.9

Total number of holdings 60

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.

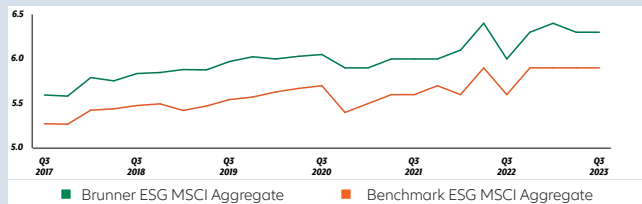
This is no recommendation or solicitation to buy or sell any particular security.

*Excludes Cash

Environmental, Social and Governance (ESG)

AllianzGI has a dedicated ESG research team working with the portfolio managers to incorporate 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.

Board of Directors

Carolan Dobson (Chair)
Amanda Aldridge (Chair of the Audit Committee)
Elizabeth Field
Andrew Hutton (Senior Independent Director)
Jim Sharp

Glossary

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.

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 30.11.23 unless otherwise stated.

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