

# The Brunner Investment Trust PLC

An 'all-weather' global equity portfolio

**Allianz**   
Global Investors

## 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

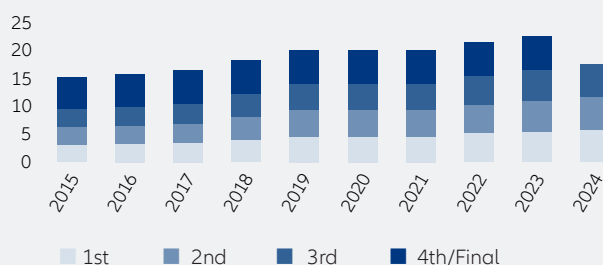
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 52 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
25.10.2024	12.12.2024	5.90p	3rd Interim
02.08.2024	12.09.2024	5.90p	2nd Interim
14.06.2024	25.07.2024	5.90p	1st Interim
01.03.2024	04.04.2024	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 <sup>1</sup>	0.64%
Year End	30 November
Annual Report	Annual 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   Kelly Nice
Investment Managers	Julian Bishop and Christian Schneider
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2023). 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.

This is a marketing communication. Please refer to the Key Information Document (KID) before making any final investment decisions.



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** £618.0m

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

**Market Cap** £599.8m

Share Price

**1405.0p**

NAV per Share

**1409.0p**

Premium/-Discount

**-0.3%**

Dividend Yield

**1.7%**

Gearing

**6.2%**

## Fund Manager's Review

Dear Fellow Shareholder,

The Net Asset Value (NAV) total return for September was -1.20%, versus -0.54% from the benchmark index.

Moribund Chinese markets roared back to life in September as the Politburo announced a series of stimulative measures to rejuvenate the sluggish economy.

China's core problem is debt, property and the reliance of local government spending upon both. Property investment as a percentage of GDP far exceeds that seen in Ireland, for example, prior to the financial crisis. 90% of Chinese households own property, far higher than in the West, and many own multiple apartment units believing them to be an investment. Oversupply has undermined that belief and now property prices and transactions are collapsing, particularly outside the wealthiest cities, leading to a sharp fall in consumer confidence. Local governments have relied upon land sales to property developers to fund infrastructure projects and finance debts. With that source of funding now in abrupt decline, the economy has found itself in peril.

History shows us that property bubbles are rarely, if ever, deflated without economic pain. We are sceptical that the Chinese Communist Party (CCP) will be able to successfully steer a deeply imbalanced economy back to a steadier course. So far they have embarked upon a series of monetary measures – cuts to bank reserve requirements, interest rates - and acts to encourage equity ownership. Fiscal measures, including de facto helicopter money aimed at the consumer, are rumoured. In response to the stimulus measures announced, local stock markets rocketed, enriching a wealthy few. We are not sure this is what the CCP, with its goal of 'common prosperity' had in mind; the CCP relies upon broader economic success for its legitimacy.

**“ we always consider which risks within the portfolio are correlated; we never want to put all our eggs in one basket**

One feature of the Chinese economy is the closed capital account which traps money domestically. Savers therefore have limited choices. They can place money in the bank at unsatisfactory rates of interest or invest in property or the stock market. Fixed asset 'investment', a key driver of Chinese economic growth, has resulted in widespread oversupply and overcapacity in almost all industries, including real estate. This is not supportive of property price or stock market stability.

Any global equity portfolio will have businesses with exposure to China. Within Brunner we have small holdings in mining giant Rio Tinto (China consumes half the world's metals), LVMH (Louis Vuitton Moët Hennessey - Chinese consumers account for about a third of luxury goods sales) and



**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.



**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.

ALA, the Hong Kong based life and health insurer. All three rallied hard in the month. Each is a terrific business with a valuation that somewhat reflects concerns about China, but we do worry that a true bursting of the Chinese property bubble would be painful in each instance – hence our cautious position sizing.

We also had a cluster of good performance in our travel related holdings with General Electric (GE), AENA and Intercontinental Hotels Group (IHG) each contributing. GE makes and maintains the jet engines found 'under wing' in three of every four flights that take off worldwide. AENA owns almost every airport in Spain. IHG is a leading franchise business, lending brands such as Holiday Inn, Crowne Plaza and Six Senses to hotel owners. There is structural growth in the travel industry. Combined with some of the best business models and industry structures we have encountered, we are pleased to back this trend. However, we always consider which risks within the portfolio are correlated; we never want to put all our eggs in one basket.

There were no trades during the month.

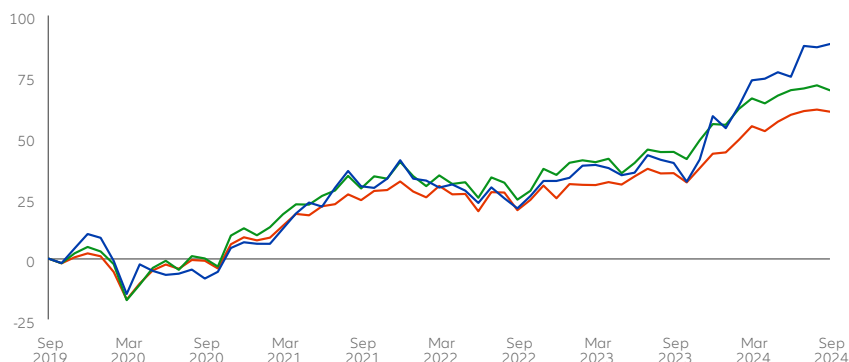
Yours sincerely

**Julian Bishop & Christian Schneider  
17 October 2024**

**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	7.7	8.6	35.1	45.1	88.3
NAV (debt at fair value)	0.0	2.0	17.6	31.3	69.2
Benchmark	0.8	3.9	18.7	29.3	60.4

### Discrete 12 Month Returns to 30 September (%)

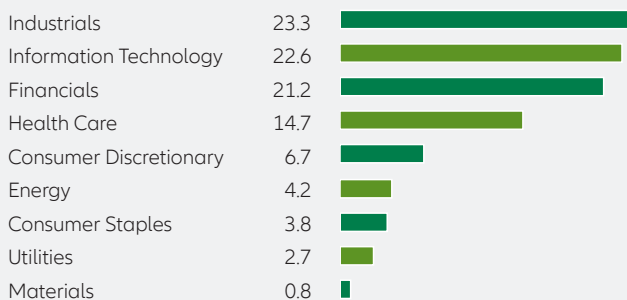
	2024	2023	2022	2021	2020
Share Price	35.1	15.5	-7.0	41.3	-8.2
NAV (debt at fair value)	17.6	15.8	-3.6	28.8	0.1
Benchmark	18.7	12.7	-3.3	25.2	-0.9

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 30.09.24. Copyright 2024 © 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\* (%)



### Geographic Breakdown\* (%)



### Top Twenty Holdings (%)

Microsoft	6.4
UnitedHealth Group	3.9
Visa - A Shares	3.6
Taiwan Semiconductor	3.3
Thermo Fisher Scientific	2.7
InterContinental Hotels Group	2.6
Partners Group	2.5
Bank of Ireland	2.4
Microchip Technology	2.3
Shell	2.3
American Financial Group	2.3
General Electric	2.2
ASML	2.1
Gallagher	2.1
Unilever	2.1
AMETEK	2.0
Aena	2.0
Charles Schwab	2.0
Itochu	2.0
Assa Abloy	1.9

Total number of holdings 59

This is for guidance only and not indicative of future allocation. Totals may not sum to 100.0% due to rounding.

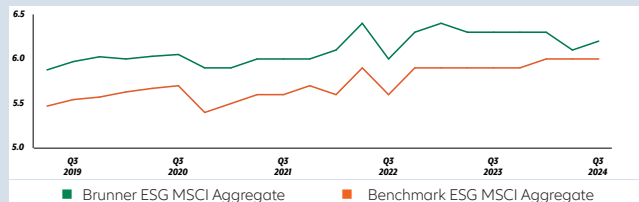
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\*Excludes Cash

## 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 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

Carolyn 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](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.



**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 may not get back the full amount invested.** The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. We assume no obligation to update any forward-looking statement. 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. For further information contact the issuer at the address indicated below.

**All data source Allianz Global Investors as at 30.09.24 unless otherwise stated.**

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