

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

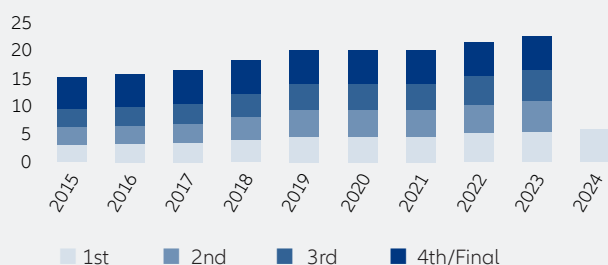
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 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
14.06.2024	25.07.2024	5.90p	1st Interim
01.03.2024	04.04.2024	6.05p	Final
27.10.2023	12.12.2023	5.55p	3rd Interim
04.08.2023	15.09.2023	5.55p	2nd Interim

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	0.64%
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.



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 £617.2m

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

Market Cap £567.8m

Share Price

1330.0p

NAV per Share

1408.2p

Premium/-Discount

-5.5%

Dividend Yield

1.7%

Gearing

5.5%

Fund Manager's Review

Dear Fellow Shareholder,

Brunner has a hybrid benchmark which is 70% global (FTSE World ex UK) and 30% UK (FTSE All Share). We provide a solution for long-term investors who want a portfolio that combines exposure to the UK market alongside companies listed overseas. Crudely generalising, the UK market provides plentiful value and free cash flow whereas global markets, the important US market particularly, provide greater quality and growth. Together, this combination provides useful stylistic diversification in itself.

Both components of the benchmark were up around 2.5% in May. The trust performed similarly, with holdings like recent acquisitions Bank of Ireland and Taiwan Semiconductor positively offsetting the relative drag from not holding the US tech mega-caps Nvidia and Apple. The former performed well after reporting another set of strong results. Apple rebounded after a period of relative weakness, reflecting a substantial moderation in their growth rate since 2021.

Brunner's Net Asset Value (NAV) total return for May was 1.95% compared to 2.55% from the benchmark index.

After a long period of reflection, the trust took three new positions in May; an unusually busy month in the context of our low turnover.

The first new investment is Alphabet, the parent company of Google. This is a company we have long admired. It consistently enjoys over 90% share in sponsored search, their core business. They also make money arranging and placing adverts across their network of third-party websites. Additionally, Alphabet owns and operates YouTube and Google Cloud, where it has emerged as a credible competitor alongside Microsoft and Amazon in the provision of cloud computing services.

Alphabet has become a prodigious generator of free cash flow (one of the key criteria we look for in a company) and has recently paid its maiden dividend. We believe the company will continue to grow, albeit not at the

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pace seen in the past. The multiple is very reasonable, particularly in the context of its debt free balance sheet. Looking forward, a combination of cash returns, growth and a stable valuation should lead to a solid outcome for investors.

Secondly and very differently, we took a position in American Financial Group. AFG is a family-run insurer based in Cincinnati, Ohio. 'Combined' loss ratios which measure both incurred payouts on policies written and the expense of running the business have been superior to most other similar insurers over long timeframes. They have also been within a sufficiently narrow corridor for us to be persuaded that their underwriting prowess and risk management abilities are first rate. Growth has been modest but consistent.

Over time, AFG has divested various businesses to focus solely on specialty property and casualty insurance. This is the part of the industry we like best. They generate dependable returns which are largely uncorrelated to macro-economic factors. Cash returns are high; the dividend yield in 2023 was 6.4% based on the share price at time of purchase.



**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.

The third new holding is Roper Technologies. Roper is a US listed industrial technology company focused on mission critical, industry specific software for a wide range of industries including education, utilities and insurance. A majority of its revenues are recurring in nature and customer retention is extremely high. We are impressed by management's focus on creating a predictable, growing, high quality cash flow stream, with growth in the existing business augmented by sensibly judged acquisitions that add new end markets to its range.

To fund these purchases, we reduced several holdings where multiples had expanded to levels which may reduce future investment returns. This included a full sale of Intuit, a US software company where the valuation means we can no longer see a route to a good return in the next several years. Intuit has also remained a profligate user of stock-based compensation for employees, which we believe represents an under-appreciated and persistent drag on the true free cash flow attributable to shareholders. Roper, by comparison, generates a far higher and cleaner free cash flow stream. Our valuation work always focuses on the cash that will ultimately come to investors.

We also sold our positions in MarketAxess and Rentokil. In both instances the investment case had not evolved as hoped and performance has disappointed. Given the abundance of opportunities available to the global investor, we deemed it best to move on. We are confident our new holdings provide a meaningful improvement to the overall portfolio.

Yours sincerely,

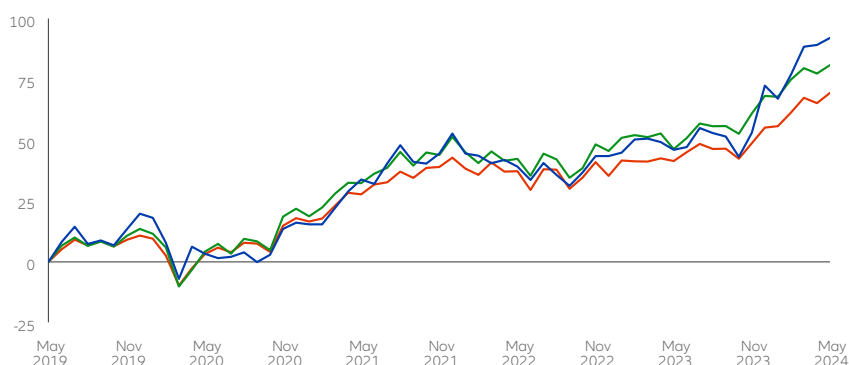
Julian Bishop and Christian Schneider

**Julian Bishop & Christian Schneider
14 June 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	8.6	25.5	31.5	43.6	92.0
NAV (debt at fair value)	3.4	12.3	23.6	36.7	80.8
Benchmark	5.0	13.9	19.8	32.7	69.4

Discrete 12 Month Returns to 31 May (%)

	2024	2023	2022	2021	2020
Share Price	31.5	5.0	4.0	29.6	3.2
NAV (debt at fair value)	23.6	2.8	7.5	27.1	4.1
Benchmark	19.8	3.0	7.5	23.8	3.1

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.05.24. 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* (%)

Industrials	24.4	<div style="width: 24.4%;"></div>
Information Technology	22.4	<div style="width: 22.4%;"></div>
Financials	21.3	<div style="width: 21.3%;"></div>
Health Care	13.2	<div style="width: 13.2%;"></div>
Consumer Discretionary	7.0	<div style="width: 7.0%;"></div>
Energy	4.9	<div style="width: 4.9%;"></div>
Consumer Staples	3.6	<div style="width: 3.6%;"></div>
Utilities	2.4	<div style="width: 2.4%;"></div>
Materials	0.8	<div style="width: 0.8%;"></div>

Geographic Breakdown* (%)

North America	44.2	<div style="width: 44.2%;"></div>
Europe ex UK	26.2	<div style="width: 26.2%;"></div>
UK	22.6	<div style="width: 22.6%;"></div>
Pacific ex Japan	4.9	<div style="width: 4.9%;"></div>
Japan	2.0	<div style="width: 2.0%;"></div>

Top Twenty Holdings (%)

Microsoft	6.5
Visa - A Shares	3.7
UnitedHealth Group	3.5
Taiwan Semiconductor	3.3
Microchip Technology	3.0
Schneider Electric	2.9
Shell	2.7
Thermo Fisher Scientific	2.6
Bank of Ireland	2.5
ASML	2.5
InterContinental Hotels Group	2.5
Charles Schwab	2.4
Partners Group	2.3
TotalEnergies	2.2
Gallagher	2.2
AMETEK	2.1
General Electric	2.1
Alphabet - A shares	2.1
Itochu	2.0
American Financial Group	2.0

Total number of holdings 59

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.

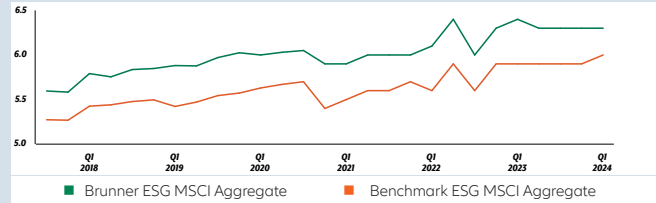
This is no recommendation or solicitation to buy or sell any particular security.

*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

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

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 31.05.24 unless otherwise stated.

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