

# 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

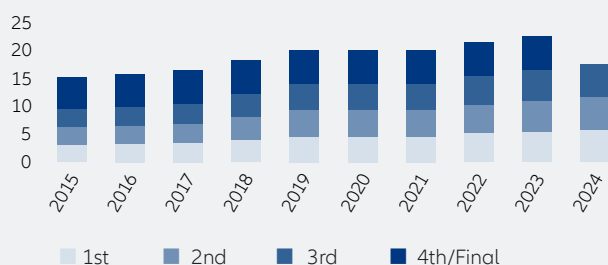
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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
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 Charge <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. The Ongoing Charge does not represent an additional cost that shareholders of the Company must pay. The Company's share price already reflects the market's assessment of its value taking into consideration publicly disclosed information, including operating expenses and other costs which are disclosed in the Accounts. The investment platform or stockbroker used, or the company/person selling you or advising you about this product may charge you other costs. If so, they will provide you with the relevant information about these costs. 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** £627.7m

**Shares in Issue** 43,247,727 (Ordinary 25p)

**Market Cap** £635.7m

Share Price

**1470.0p**

NAV per Share

**1416.9p**

Premium/-Discount

**3.7%**

Dividend Yield

**1.6%**

Gearing

**6.4%**

## Fund Manager's Review

Dear Fellow Shareholder,

The Net Asset Value (NAV) total return for December was -2.63% versus -1.08% from the benchmark index.

The extremes that characterised 2024 reached their zenith in the final month of 2024. Growth hugely outperformed value. Large cap outperformed small cap. The US outperformed Europe. Technology outperformed everything. Eight of the eleven global MSCI industry sectors were in strongly negative territory whilst Information Technology, Telecommunication Services (Alphabet/Google, Meta/Facebook) and Consumer Discretionary (Tesla, Amazon) continued to roar ahead.

This mono-dimensional market did not suit Brunner's balanced approach. Whilst our technology holdings such as Taiwan Semi, Alphabet, Microsoft and ASML fared well, the weight of other names we don't hold, more than offset their contribution. We believe the valuation of some of these stocks defies common sense and is indicative of a frothy, suggestible market. It is telling that the price of the ultimate speculative asset - Bitcoin - has become highly correlated with shares in the most hyped names.

Tragedy struck on 4 December when Brian Thompson, CEO of United Healthcare, a major subsidiary of Brunner holding UnitedHealth, was murdered outside the Hilton Hotel in New York where the company was due to host its investor day. The murder unleashed an unsympathetic torrent of criticism of health insurers on social media.

Health insurers like United Health are at the centre of the US healthcare system. They arrange plans for individuals, employers and, increasingly, government schemes such as Medicare (for the elderly) and Medicaid (for low incomes). Healthcare costs in the US, as in many other countries, are vast and growing due to new treatments, inflation and the ageing of the population.

It is the job of insurers to develop plans that keep these spiralling costs in check. At an epidemiological level there is necessarily a cap on whatever

**“ It is telling that the price of the ultimate speculative asset - Bitcoin - has become highly correlated with shares in the most hyped names**

a healthcare system can spend, no matter how distasteful or upsetting that may be when reduced to individual cases. The vast majority of UnitedHealth's revenues (87%) are spent on medical treatments, with the remainder attributable to operating costs and a small profit margin. UnitedHealth are doing what they and their peers (many of whom, like Bupa in the UK, are not for profit) are designed to do, albeit within the confines of a messy, patchwork system 'no one would design', as CEO Sir Andrew Witty said in a New York Times guest essay<sup>1</sup>.

In the aftermath, we did reduce our position size slightly. This decision reflected some additional considerations, including UnitedHealth's growing reliance on government business (something we prefer to avoid,



**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.

given the pressure they are likely to prove able to exert) and the political noise we expect from the newly proposed Department of Government Efficiency which must necessarily address healthcare given how it forms such a large slice of state expenditure.

Elsewhere, staffing company SThree reduced its profit guidance reflecting a weak employment picture in its core technology and healthcare end markets. This is a cyclical company which supplies skilled contract workers to employers and we are currently in a downcycle. The balance sheet and cash flow are both very strong and the company will likely see profits rocket once a recovery takes place. It's a very sensibly stewarded company and management are commendably planning for the long-term.

Aside from the small reduction in UnitedHealth, we added slightly to our position in Bank of Ireland. At the initial purchase (February 2024), we highlighted that we thought the company could return over forty percent of its market cap in cash over three years. We note that the company has already, in ten months, paid out 12% in dividends in addition to buybacks. Financial assets only have value because of the cash they can ultimately provide to their owners. The rise of Bitcoin etc shows this truism may have been forgotten.

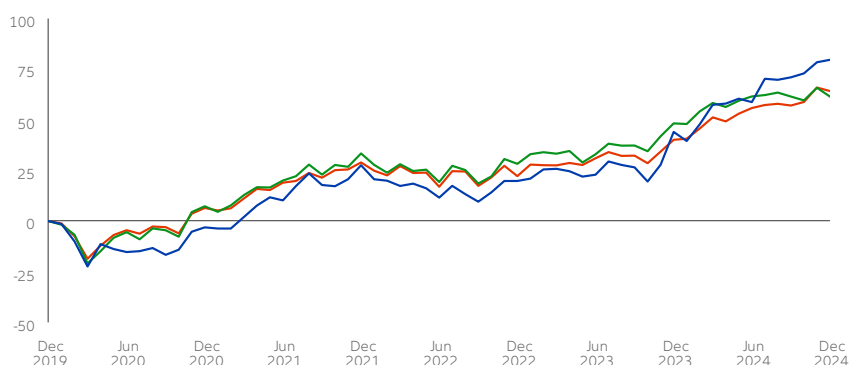
<sup>1</sup> New York Times article <https://www.nytimes.com/2024/12/13/opinion/united-health-care-brian-thompson-luigi-mangione.html>

**Julian Bishop & Christian Schneider  
10 January 2025**

**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	5.1	13.2	24.7	40.8	79.6
NAV (debt at fair value)	1.1	1.1	10.1	22.4	63.2
Benchmark	4.6	5.4	17.2	27.3	64.2

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

	2024	2023	2022	2021	2020
Share Price	24.7	20.2	-6.1	31.6	-3.1
NAV (debt at fair value)	10.1	15.6	-3.8	24.3	7.3
Benchmark	17.2	14.7	-5.2	21.1	6.5

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.12.24. 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\* (%)

Information Technology	25.2	<div style="width: 25.2%;"></div>
Industrials	23.9	<div style="width: 23.9%;"></div>
Financials	22.3	<div style="width: 22.3%;"></div>
Health Care	12.1	<div style="width: 12.1%;"></div>
Consumer Discretionary	6.5	<div style="width: 6.5%;"></div>
Energy	4.1	<div style="width: 4.1%;"></div>
Consumer Staples	3.5	<div style="width: 3.5%;"></div>
Utilities	2.4	<div style="width: 2.4%;"></div>

### Geographic Breakdown\* (%)

North America	45.7	<div style="width: 45.7%;"></div>
UK	23.7	<div style="width: 23.7%;"></div>
Europe ex UK	22.3	<div style="width: 22.3%;"></div>
Pacific ex Japan	6.4	<div style="width: 6.4%;"></div>
Japan	2.0	<div style="width: 2.0%;"></div>

### Top Twenty Holdings (%)

Microsoft	6.8
Visa - A Shares	4.4
Taiwan Semiconductor	4.0
Alphabet	3.7
InterContinental Hotels Group	3.5
UnitedHealth Group	2.6
Auto Trader	2.5
American Financial Group	2.5
Thermo Fisher Scientific	2.5
Partners Group	2.4
Shell	2.4
Bank of Ireland	2.4
Gallagher	2.3
Charles Schwab	2.3
General Electric	2.1
AMETEK	2.1
Aena	2.0
Itochu	2.0
DNB Bank	2.0
Accenture	1.9

Total number of holdings 55

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

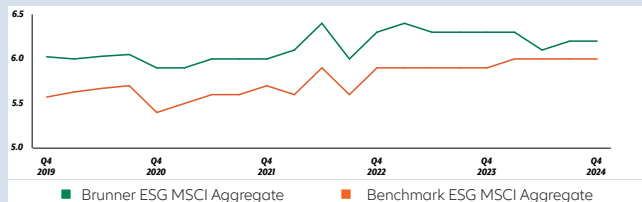
This is no recommendation or solicitation to buy or sell any particular security.

\*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 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](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 31.12.24 unless otherwise stated.**

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