

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

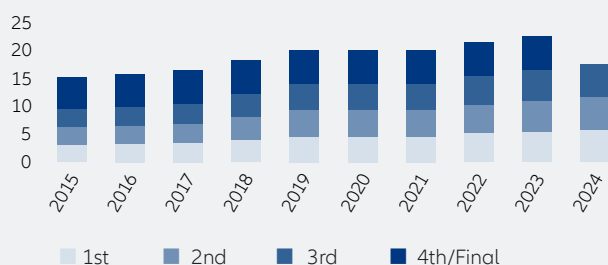
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 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. 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 £665.9m

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

Market Cap £618.4m

Share Price

1430.0p

NAV per Share

1504.5p

Premium/-Discount

-5.0%

Dividend Yield

1.7%

Gearing

6.1%

Fund Manager's Review

January 2025 was an eventful month. President Trump's second term started with a deluge of executive orders ranging from declaring immigration a 'national emergency' and challenging the constitutional birthright to US citizenship, to renaming the Gulf of Mexico the Gulf of America and pulling out of the Paris climate agreement just after huge fires swept through Los Angeles. He also threatened to 'take back' the Panama Canal and eyed acquiring Greenland. Whilst The Republican Party is traditionally the party of conservatism, these are not conservative acts. These are the acts of a leader with a revolutionary approach to conventional norms and the status quo. We should expect the next four years to be dramatic, if nothing else.

After a US stock market frenzy in the second half of 2024, January was a more sober month. The release of a Chinese Artificial Intelligence (AI) model by DeepSeek, which was seemingly developed using a fraction of the computing resource and at a fraction of the cost of comparable US-developed AI models, unnerved those who expect untrammelled investments in AI infrastructure to continue. Bulls point out that technology deflation is the norm and lower prices drive massive increases in usage. This is certainly a reasonable possibility. However, we believe that there are legitimate concerns around the profitability of AI developers which may result in a large cyclical downturn at some point. Shares in Nvidia fell heavily in the month, which was a significant positive contributor to Brunner's relative performance given we don't currently own shares.

Whilst US markets were more sober, Europe staged a strong recovery. As previously noted, the valuation gap between US and European markets had reached historical extremes and this partially closed during the month. In pound sterling, the MSCI Europe index was up 9% in the month vs just 3.6% for the US S&P 500 index. The global IT sector was actually down for the month, whilst sectors such as healthcare, financials and industrials all fared strongly.

“ here are legitimate concerns around the profitability of AI developers which may result in a large cyclical downturn at some point

This more balanced market suited Brunner, which outperformed by 1.2% in the month. The Net Asset Value (NAV) total return for January was 6.16% versus 4.92% from the benchmark index. Positive contributions came from GE Aerospace (which manufactures and services the jet engines that power three quarters of all commercial flights worldwide), Thermo Fisher Scientific (where a recovery in biopharmaceutical spending appears to be underway after a post COVID hiatus) and Partners Group, the Swiss private equity manager. We also saw strong fourth quarter results from payments processor Visa, which continues to grow at a very high level, and US discount broker Charles Schwab which continues to gather assets at an impressive rate whilst seeing an improvement to its net interest margin (the company makes a substantial amount of profit from the interest it receives on the residual cash balances in its clients' investment accounts). Bank of Ireland also bounced after weakness, whilst Intercontinental Hotels continued its strong run. Third party data points to a very favourable environment for hotels in the US and Europe, which, we believe may feed into strong results when the company reports results next month.



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.

Negatives included softness in Itochu, our Japanese trading company, which owns stakes in businesses ranging from Japanese convenience stores to Kwik Fit, the UK tyre retailer. Microsoft was also a detractor. Their fourth quarter results were solid but missed some optimistic estimates. Elevated AI-related investments are also depressing free cash flows, at least in the short term, although we note historically Microsoft's returns on data centre investments for their cloud business have been very strong. Like many investors, we query whether the returns on these huge new AI datacenter projects will be similarly attractive. Time will provide the answer, but at the moment the 'hyperscale' tech companies are in an arms race to build out infrastructure at great expense. The potential trajectory of this huge capital cycle will have ramifications for the entire US market in the coming quarters and years.

Some of our cheaper UK stocks also detracted from performance this quarter. Staffing company SThree saw further weakness after its profit warning last month, whilst automotive distributor Inchcape was hit by news of some very small but unusual contract losses. Both of these names are at the lower end of our quality and growth spectrum but do generate lots of cash. In both instances, we believed there were no structural concerns of the type that would make us reconsider our positions, but we continue to keep an open mind, and are monitoring ongoing developments.

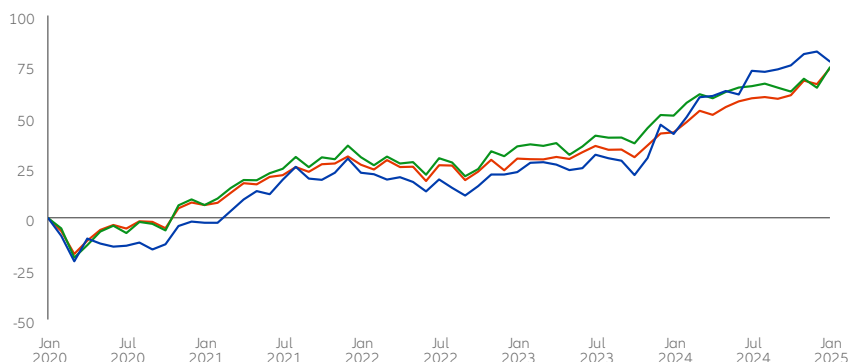
There were no trades during the month.

Julian Bishop & Christian Schneider
14 February 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	1.1	2.6	25.2	44.8	77.3
NAV (debt at fair value)	7.4	6.8	17.1	35.6	76.4
Benchmark	8.3	9.3	22.2	37.7	74.0

Discrete 12 Month Returns to 31 January (%)

	2025	2024	2023	2022	2021
Share Price	25.2	15.3	0.3	25.2	-2.3
NAV (debt at fair value)	17.1	11.2	4.1	22.2	6.5
Benchmark	22.2	10.0	2.4	18.7	6.5

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.01.25. 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	24.8	<div style="width: 24.8%;"></div>
Industrials	23.9	<div style="width: 23.9%;"></div>
Financials	22.6	<div style="width: 22.6%;"></div>
Health Care	12.4	<div style="width: 12.4%;"></div>
Consumer Discretionary	6.6	<div style="width: 6.6%;"></div>
Energy	4.1	<div style="width: 4.1%;"></div>
Consumer Staples	3.3	<div style="width: 3.3%;"></div>
Utilities	2.3	<div style="width: 2.3%;"></div>

Geographic Breakdown* (%)

North America	46.1	<div style="width: 46.1%;"></div>
UK	23.0	<div style="width: 23.0%;"></div>
Europe ex UK	22.8	<div style="width: 22.8%;"></div>
Pacific ex Japan	6.3	<div style="width: 6.3%;"></div>
Japan	1.7	<div style="width: 1.7%;"></div>

Top Twenty Holdings (%)

Microsoft	6.4
Visa - A Shares	4.6
Taiwan Semiconductor	4.0
Alphabet	3.8
InterContinental Hotels Group	3.6
Thermo Fisher Scientific	2.7
UnitedHealth Group	2.7
Partners Group	2.6
General Electric	2.5
Bank of Ireland	2.5
Shell	2.4
American Financial Group	2.4
Charles Schwab	2.4
Auto Trader	2.4
Gallagher	2.3
AMETEK	2.1
Aena	2.0
Accenture	2.0
DNB Bank	2.0
ASML	2.0

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.

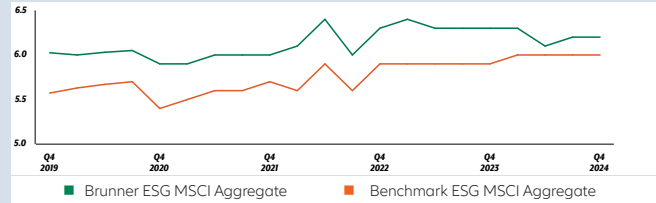
This is no recommendation or solicitation to buy or sell any particular security.

*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

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.



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 31.01.25 unless otherwise stated.

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