Allianz Global Investors

The Brunner Investment Trust PLC

A GLOBAL EQUITY INVESTMENT TRUST

Half-Yearly Financial Report, 31 May 2024

aic DIVIDEND HERO

The Brunner Investment Trust PLC

A GLOBAL EQUITY INVESTMENT TRUST

Capital growth and dividends
The Brunner Investment Trust PLC ('Brunner') aims to provide growth in capital value and dividends for investors over the long term through investing in a portfolio of global and UK equities.

Benchmark
For the year under review the benchmark against which the portfolio is measured was a composite of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.

'All-weather' portfolio
The company provides a balanced solution for investors looking for a global and UK portfolio of equities and a quarterly dividend.

Association of Investment Companies
Brunner is a member of the Association of Investment Companies (AIC) and the company's shares are recognised by the AIC as suitable for retail investors. AIC Category: Global.

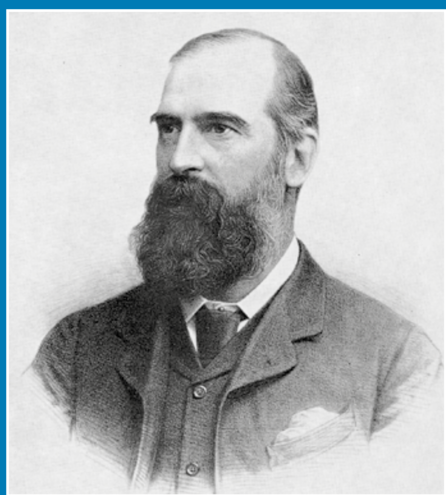
Independence
Brunner has an independent board of directors and no employees. Like many other investment companies, it outsources investment management and administration to an investment management company – Allianz Global Investors – and other third parties to provide shareholders with an efficient, competitive, cost-effective way to gain wide equity investment exposure through a single investment vehicle.

A family investment from the beginning...

Like many long-established investment trusts, Brunner's name reflects its history rather than its investment strategy. Johannes Brunner was born in Canton Zürich and migrated to Lancashire in 1832. His son, Sir John Brunner, Bart, was one of the most successful industrialists of the nineteenth century, and in politics an influential radical Liberal MP until well into the twentieth century. In 1873 he and the scientist Ludwig Mond founded Brunner, Mond and Co, the largest of the four companies which came together to form ICI in 1926. The following year the Brunner family chose to sell its ICI shares and establish a broad, long-term investment vehicle – so in 1927, The Brunner Investment Trust was formed.

John Brunner was a passionate campaigner, including for welfare reforms and free trade, and used his wealth for philanthropic purposes. Jim Sharp, a director of the company, is connected to the Brunner family by marriage and continues the link between board and family.

Brunner, Mond & Co. factory, worker cottages and Co-operative Society



Sir John Brunner

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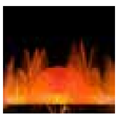

The photograph of fountains in Barcelona on the cover of this report is inspired by the Arms of the Brunner family. The family originated from Switzerland and 'Brunnen' is German for fountain.

Half Year Results

As at 31 May 2024

4 of the 'Magnificent 7' technology giants – Alphabet, Apple, Meta and NVIDIA – are headquartered in the San Francisco Bay area.

Net asset value total return Debt at fair value[2]

+12.8%

31.05.23
+1.6%

Net asset value total return Debt at par[2]

+13.0%

31.05.23
+1.1%

Benchmark total return index[4]

+13.9%

31.05.23
+0.3%

Net assets per ordinary share[1] Debt at fair value[2]

1,407.5p

30.11.23 1,258.6p
+11.8%

Net assets per ordinary share[1] Debt at Par[2]

1,386.2p

30.11.23 1,237.2p
+12.0%

Share price total return[2 5]

+26.0%

31.05.24 1,330.0p
30.11.23 1,065.0p

Earnings per ordinary share

17.1p

2023 15.7p
+8.9%

Dividend per ordinary share[3]

11.8p

2023 11.1p
+6.3%

Discount – average in the period[2]

7.6%

2023
10.6%

Consumer price index

+2.0%

2024 133.9
2023 131.3

All figures are UK GAAP unless they are stated to be Alternative Performance Measures. (Glossary page 28).

[1] All references to NAV in our commentary and the Strategic Report are to NAV with debt at fair value since this is the measure that the board considers best reflects the value to shareholders. However, NAV with debt at par value is reported above and in the Performance – half-year review on page 8. [2] Alternative Performance Measures (APM). See Glossary on page 28. [3] The dividend per ordinary share includes the proposed final dividend of 6.05p. [4] The Benchmark Index of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index. [5] Share price total return is based on the movement in share price including dividends reinvested.

Chair's Statement

Half-yearly report

As I mentioned in my Chair's Statement in the Annual Report, 2024 was going to be the year that 64 countries plus the European Union were going to hold elections and that associated news was likely to be rampant. So far news has proved to be even more volatile than expected. The most surprising and significant outcome was the initial success of the far right in the first round of the unexpected French parliamentary election, who were then quickly surpassed by the Nouveau Front Populaire, an alliance of left-wing parties ranging from communists to centre left, in the second round. It is difficult to see how France can continue to play a leading and unifying force in driving Europe with such a fractured parliament and since Germany has its own political divergences in its parliament, who will? On the other side of the Atlantic there is a potential President with a criminal conviction and an incumbent where there are doubts about his physical competencies. At a time of wars with horrific civilian casualties, it is unclear which power block will be able to lead the world out of these.

Whilst politics can be extremely polarising and emotive, the extent to which any election result will influence the fortunes of an individual business does vary. Generally, election results do not have immediate and significant impact on a country's domestic economy. When they do, the lesson of the brief Truss/Kwarteng era was that markets have shown they can, and will, constrain movements towards unsound economic policies.

Geopolitical tensions dominate headlines and ongoing conflicts show little sign of reaching conclusions. Defence spending is generally high and rising in the west, and national service and conscription has started to re-appear on some national political agendas as nations brace for the potential of any spread to a wider stage.

Performance

For the six months under review, global markets provided strong returns. Our composite benchmark (70% FTSE World Index Ex UK and 30% FTSE All-Share Index with net dividends reinvested), generated a return of 13.9%. Our fund returned 12.8% on a similar basis with debt at fair value.

At our year end, our discount was disappointingly wide at 15.4%, which seemed inappropriate considering the excellent investment performance and I am pleased to note that at the end of the period under review it had narrowed to 5.5% therefore producing a share price total return of 26.0%.

Top-down vs. bottom-up – a question of approach

Shareholders may well recognise these terms and may even feel they are overused. However, in the Portfolio Managers' Report, there is a detailed look at this and how it influences the manager's approach – in short it is much easier to predict the future behaviour and potential performance of an individual company than it is an entire economy or geographic region. For this reason, our managers concentrate staunchly on building the company's portfolio from the ground up, finding companies that meet Brunner's strict

> I am pleased to note that at the end of the period under review the discount had narrowed to 5.5% producing a share price total return of 26.0%.

investment policy and crafting these into a carefully risk-controlled portfolio for the benefit of all our shareholders.

As we have noted before, aversion to too much risk (some risk is of course both necessary and helpful in investment terms) as well as a strong element of our investment philosophy and process being not overpaying, means that we may sometimes fail to participate fully in some of the astronomical rises that can occur, particularly in the technology sector, but we remain comfortable with the lower volatility that this approach generally yields over the longer term, viewing it as a more prudent approach we feel is well aligned with the values of the majority of our shareholders.

Of course, both the board and the investment manager closely monitor macroeconomic factors and geopolitics and consider and debate the potential impact on portfolio companies, but we would not necessarily expect any wholesale rework of the portfolio based on such factors. The company specific factors that influenced our performance over the period are examined in detail in the Investment Manager's Review on pages 11 to 18.

Earnings

We are pleased to report continuing recovery in dividend payments amongst portfolio companies through the period. Earnings increased by 8.9% to 17.1p per ordinary share in the six months to 31 May 2024 (2023: 15.7p). Brunner continues to have strong revenue reserves, equivalent to 1.3 x last year's pay-out, which exist to support dividend payments in years (such as during the pandemic) when earnings were constrained. This is a primary advantage of investment trusts in general. The board intends to continue both prudently accumulating such reserves and utilising them as necessary to maintain a growing dividend. The board has no current plans to pay dividends out of capital and foresees no need to do so in the foreseeable future.

Dividends

In June, the board declared a first interim dividend of 5.90p per ordinary share which is payable on 25 July 2024. The board also stated in that declaration that it anticipates second and third interim dividends at a similar level and an unchanged final dividend for 2024 of 6.05p for the year ending 30 November 2024. Brunner's revenue reserves of 29.6p per share (as at 30 November 2023), comfortably cover a full year's dividend payment, allowing the board to forecast this year's dividend with confidence. This would represent a full year's dividend of 23.75p per ordinary share, an increase of 4.6% over the dividend for the year ended 30 November 2023. The board therefore declares a second interim dividend of 5.90p per ordinary share payable on 12 September 2024 to shareholders on the register at the close of business on 2 August 2024. The ex-dividend date is 1 August 2024. A Dividend Reinvestment Plan (DRIP) is available for this dividend and the last date for the DRIP election is 16 August 2024.

The board remains aware of current pressures in the cost of living and the concern this may be causing shareholders – this remains a key consideration when discussing and deciding on the appropriate dividend level.

At the end of the 2023 financial year, the trust proudly reached 52 years of consecutive dividend increases, keeping us in the leading pack of the Association of Investment Companies (AIC) 'Dividend Heroes' list. We see 2024 as firmly continuing this tradition in the interests of our shareholders.

Discount and shareholder demand

Over the period we saw good demand for the trust's shares, on the back of our strong and steady long-term performance.

Sales (direct interaction with professional investors), marketing and PR (indirectly raising the profile of Brunner to both private and professional investors) efforts continue and we believe that the overall makeup of the company's share register is one of appropriate stability and diversity of investor type.

"At the end of the 2023 financial year, the trust proudly reached 52 years of consecutive dividend increases, keeping us in the leading pack of the Association of Investment Companies 'Dividend Heroes' list.

“

Your board remains very confident that the Brunner investment philosophy is well suited to the increasing numbers of investors we see joining the share register.

Your board remains very confident that the Brunner investment philosophy is well suited to the increasing numbers of investors we see joining the share register, either as private self-directed investors through the investment platforms or underlying clients of the wealth management firms.

Material events and transactions

In the six months ended 31 May 2024 there were no share buy backs, or share issuances, and no related party transactions, nor have there been any since the period end.

Principal Risks

Market conditions and emerging risks continue to stress test the business models of all companies. As a result, the board stays in close contact with the manager regarding any developments.

The principal risks facing the company are set out on in a table on pages 17 to 19 of the Annual Report for the year ended 30 November 2023, together with commentary on the board's approach to mitigating the risks, under the following headings: Investment and Portfolio Risks; Business and Strategic Risks; Operational Risks; and Emerging Risks. These continue to be the principal risks facing the company.

The board oversees a detailed review of the principal risks by the audit committee at least twice a year to ensure the risk assessment is current and relevant, adjusting mitigating factors and procedures as appropriate.

Going concern

The directors have considered the company's investment objective and capital structure both in general terms and in the context of the current macro-economic background. Having noted that the portfolio, which is constructed by the portfolio manager on a bottom up basis, consists mainly of securities which are readily realisable, the directors have also continued to consider the risks and consequences of such external factors on the operational aspects of the company and have concluded that the company has the ability to continue in operation and meet its objectives in the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Responsibility Statement

The directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 102 as set out in Notes 3 and 4, and the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and
- This report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7 R of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks for the remaining six months of the financial year; and
- This report includes a fair review of the information concerning related party transactions as required by the Disclosure and Transparency Rule 4.2.8 R. Note 17 of the company's 2023 Annual Report gives details of related party transactions and transactions with the AIFM. The basis for these has not changed during the six months under review.

The half-yearly financial report was approved by the board on 12 July 2024 and the above responsibility statement was signed on its behalf by the Chair.

Cost disclosure

Our own industry, investment trusts, has not been having the easiest start to 2024. Shareholders may be aware of the ongoing debate around cost disclosure for investment trusts. Whilst it is too nuanced a subject to debate properly in a paragraph in this report, we continue to monitor the situation and are supportive of various efforts to remove confusing disclosures, whilst ensuring investors have access to the pertinent data to be able to make

If you did not have chance to see the managers present at the AGM, they appear in multiple webinars and interviews on behalf of Brunner and you can see and/or listen to some of those updates on Brunner's website.

informed investment decisions. What is of little doubt is that poorly executed disclosure regimes seem to have put a considerable dampener on the investment trust sector in general. As an important part of the UK investment landscape, we feel this needs to be addressed with urgency by the relevant regulatory authorities. We support the lobbying of the new Government by the Association of Investment Companies.

AGM

It was a pleasure to once again see so many shareholders at this year's Annual General Meeting. In terms of the business of the meeting, as announced after the meeting, all resolutions were passed on a show of hands.

Co-lead Portfolio Managers Julian Bishop and Christian Schneider presented an investment update to shareholders. If you did not have chance to see the managers present at the AGM, they appear in multiple webinars and interviews on behalf of Brunner and you can see and/or listen to some of those updates on Brunner's website. Julian and Christian have also written the Portfolio Managers' Report starting on page 11 and we would encourage shareholders to read this update.

Outlook

There have been positive indicators such as inflation starting to ease and the world economy continues to grow modestly but global political uncertainty is high and has the potential to cause economic upset. As noted by our investment managers in their report, the best service we can perform for shareholders is to concentrate less on the noise of the news and predictions and instead focus on the more contained stories of the companies they uncover as potential investments for the Brunner portfolio. After the mono-dimensional markets of the past few years it is interesting to see such different types of equity investments leading this year. On the one hand, markets are being led by companies which are creating scarcely believable technologies. On the other, traditional banks – a business model which dates back centuries – are having a very strong performance. This wider market breadth is reassuring and suits Brunner's balanced approach.

There continue to be some great growth stories amongst companies in all geographies. There are many more than the most cited Magnificent 7 technology companies and the managers highlight them on page 11 in their report.

Brunner continues to aim to provide investors with a well-diversified portfolio of global equities with the aim of steady long-term growth in capital, as well as a rising income.

Carolan Dobson
Chair

Performance – half-year review

Revenue

Six months ended 31 May	2024	2023	% change
Income available for ordinary dividend	£7,305,000	£6,689,000	+9.2
Earnings per ordinary share	17.1p	15.7p	+8.9
Dividends per ordinary share	11.8p	11.1p	+6.3
Consumer price index	133.9	131.3	+2.0

Assets

	31 May 2024	30 November 2023	Capital return % change	Total return[1] % change
Net asset value per ordinary share with debt at fair value	1,407.5p	1,258.6p	+11.8	+12.8
Net asset value per ordinary share with debt at par	1,386.2p	1,237.2p	+12.0	+13.0
Share price	1,330.0p	1,065.0p	+24.9	+26.0
Total net assets with debt at fair value[2]	£600,912,000	£537,308,000	+11.8	
Total net assets with debt at par	£591,799,000	£528,210,000	+12.0	

Net Asset Value with debt at fair value[3] relative to benchmark[4]

	Capital return	Total return[1]
Change in net asset value	11.8%	12.8%
Change in benchmark	12.4%	13.9%
Percentage point performance against benchmark	**-0.6**	**-1.1**

A Glossary of Alternative Performance Measures (APMs) can be found on page 28.

1 Total return is based on the capital net asset value, including dividends reinvested. (APM).

2 Total net assets with debt at fair value. (APM).

3 The board prefers to measure performance using net asset value with debt at fair value in line with industry practice, as demonstrated in the Chair's statement on page 4. (APM).

4 For the financial year under review the benchmark was 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.

Investment Manager's Review

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New holding American Financial Group is headquartered in Cincinnati, Ohio.

Around 75% of all flights that take off worldwide are powered by engines manufactured by new holding GE. The GE90 engine pictured powers the twin-engine Boeing 777 aircraft.

PHOTO © GE

Portfolio Managers' Report

Julian Bishop Christian Schneider

Market Review

Global equity markets were very strong in the six months to the end of May 2024. The FTSE World Index was up over 14% in Sterling, which strengthened slightly over the period. The UK FTSE All Share Index was up a similar amount. Together, Brunner's benchmark was up just under 14% over the period.

Returns varied considerably by sector. Leading the pack were Technology, Financials and Industrials – three areas which account for about two thirds of Brunner's portfolio. Lower quality, more indebted sectors like Telecoms and Real Estate lagged considerably. Brunner has negligible exposure here.

The Technology sector continues to garner the headlines. The US listed 'Magnificent 7' – Microsoft, Amazon, Nvidia, Tesla, Alphabet, Meta and Apple – now collectively account for about 1/3 of the entire S&P benchmark of the top 500 US companies, a level of concentration unprecedented in modern times. The Magnificent 7, of course, is an eye-catching journalistic term; in reality, all seven are very different and saw varying returns over the period. Nvidia, which produces graphics processing units (GPUs) used in artificial intelligence (AI) applications, was up an extraordinary 130%, propelling it close to a $3 trillion market capitalisation – an amount only ever equalled by Apple and Microsoft. Tesla, meanwhile, was down over 20% as the competitive realities of the brutal automotive industry were felt. In 2022 Tesla's margins were 17%. In their last quarter, they were just 5.5%.

The comparatively staid Financials sector was the second-best performing area of the market over the period. Traditional banks and insurers provided most of the return as interest rates remained high, credit losses remained low, and as they re-rated from low levels.

The strong performance of banks, particularly, is worth commenting upon. By and large, banks have been a poor investment for many years. Many had their equity wiped out during the financial crisis and have spent the subsequent years strengthening their balance sheets to levels commensurate with modern regulatory requirements, which demand they are sufficiently capitalised to withstand most conceivable future adverse events. This has been enormously costly, heavily limiting, until recently, material dividend payments.

In recent times those factors have reversed. Although most Western economies are not exactly flourishing, most avoided outright recession and bank loan losses have remained well controlled – testament to the far more sensible lending standards imposed since the 2007-8 financial crisis. Interest rates have risen considerably, allowing banks to charge more for loans and gain more income for money on deposit with central banks. Observant depositors will have noticed that equivalent increases have not been applied to their current accounts. In industry parlance, the 'net interest margin' has increased, with positive ramifications for profitability.

Industrial companies also enjoyed a strong first half. The fiscal stimulus associated with the US Inflation Reduction Act is substantial. After many years offshoring industrial capacity, countries and companies are also reshoring or nearshoring production to offset geopolitical supply-chain risks. The construction of semiconductor foundries in Arizona is a case in point; hitherto they have virtually all been in the Far East. AI is also very capital intensive. AI data centres are huge and very energy hungry. A single AI data centre can easily consume 50 megawatts of electricity, the same as a small town. Electrification was already a longstanding industrial theme associated with decarbonisation. Technology has added another element to this longstanding trend.

After the mono-dimensional markets of the past few years it is interesting to see such different types of equity investments leading this year. On the one hand, markets are being led by companies which are creating scarcely believable technologies. On the other, traditional banks – a business model which dates to the Medicis – are having a field day. This wider market breadth is reassuring and suits Brunner's balanced approach.

Portfolio Review

Over the six months to the end of May 2024, the net asset value (NAV) of the Brunner Investment Trust with debt at fair value was up 12.8% vs the benchmark which was up 13.9%. The Trust's share price was much stronger, up over 25%. This reflects a sharp narrowing of the discount to NAV at which the shares trade, from an unusually high level of 16% at the end of November to under 6% at the end of May. The share price of an investment trust is an outcome of supply and demand for the shares and the price relative to NAV (the 'discount' or, more rarely, 'premium') can therefore vary. NAV refers to the value of the trust's equity holdings less the fair value of the trust's modest debt load, with some adjustments for income and expenses.

An analysis of our contribution to performance by sector shows that we benefitted from our overweight positions in Industrials and Financials. As discussed above, both these sectors enjoyed a strong first half. We also benefitted from our underweight in Consumer Staples. After a couple of years of unusually strong growth driven by inflation related price increases, growth has decelerated sharply.

We discussed Nvidia earlier. At a $3 trillion market value it has become a large part of the global benchmark. Not owning it cost us 1.6% of relative performance over the first half of the year. However, not owning Nvidia was largely offset by several investments in the related semiconductor and industrial area. Top of the list was **Taiwan Semiconductor Manufacturing Company** (TSMC) which has emerged from a multi decade competitive battle as the only 'foundry' able to make the most complex logic chips sold and used by companies such as Nvidia and Apple, who don't manufacture the chips they design themselves. TSMC have recently noted a reacceleration in growth, driven by orders from Nvidia et al and a cyclical recovery elsewhere, sending shares up over 50%.

TSMC itself relies on machines produced by **ASML**, the Dutch semiconductor capital equipment company specialising in the most advanced lithography tools where shares were up 39%. Both these companies have, effectively, 100% market share at the upper end of their markets and benefit from structural growth enjoyed by the semiconductor industry.

Two other positive contributors benefitted from the same theme. **Amphenol** make electrical connectors which are used across a wide variety of end markets, including data centres. Similarly, **Schneider Electric** make a wide range of components used in all manner of electrical systems. Like Amphenol, their current growth rates are being boosted by the construction of AI infrastructure.

Other positive contributors include two new holdings to the trust during the period – **Bank of Ireland** and **GE Aerospace**. The investment cases for each are discussed in more detail in the 'Purchases' section. **Intercontinental Hotels** also performed well. This is another relatively recent purchase, acquired in the first half of 2023. This asset light business owns few hotels, but generates reliable fee streams lending its brands, management capability, systems and loyalty program to hotel owners under long term contracts. We believe it is amongst the best businesses listed in the UK.

Negative detractors aside from Nvidia include **UnitedHealth Group**, the US health insurer, which has faced some margin pressure as patients have returned to hospital after COVID for elective surgeries, increasing claims rates and 'medical loss ratios'. Given this is an industry-wide issue, and as UnitedHealth's insurance policies are repriced annually, this is nothing more than a short-term concern.

IT consultant **Accenture** also fared poorly as revenue growth slowed after a strong period, and investor focus switched to perceived AI winners. **Adobe** saw its P/E multiple contract as some questioned the resilience of its software used by designers to new entrants powered by AI. We worked with Grassroots Research, a division of Allianz Global Investors which uses market research and investigative journalism, to uncover trends in the competitive environment. Tellingly, not even one of the graphic designers who use Adobe's 'Creative Suite' interviewed intended to cancel their subscription to what has become the de facto industry standard.

Within the financials sector, insurance broker **AJ Gallagher**, payment network Visa and private equity firm **Partners Group** all saw modest gains in absolute terms, but they were insufficient to keep up with the market. In each case, there is nothing of importance to mention, but these examples do serve to highlight how difficult it has been for anything untouched by AI fever to keep up with the bull market. More damaging was our small investment in UK lender **Close Brothers**, which we discuss later in the 'Significant Transactions' section.

Significant Transactions

In recent years, annual turnover on the Brunner portfolio has ranged between 15% and 20%. This implies an average holding period of 5 to 7 years for our investments.

We often say that our ideal holding period is forever. However, there are three primary reasons why we may make changes:

1. We were wrong;
2. The investment becomes overvalued;
3. We find something new we would rather own.

Purchases

Founded by Thomas Edison in 1892, **General Electric** (GE) wis notorious in corporate history. As recently as 2005 it was the largest company in the world by market capitalisation. CEO Jack Welch and his successor Jeff Immelt were feted darlings of the business community before the conglomerate's undercapitalised finance business crumbled in the aftermath of the global financial crisis.

Since then, the business has been almost entirely dismantled, leaving GE as a standalone aircraft engine business trading as GE Aerospace.

A modern jet engine is amongst the most sophisticated devices ever made. The latest variants contain over a million parts and operate at the limits of physics and material science. Additionally, there is the obvious importance of absolute safety and near total reliability.

Reflective of their exceptional competitive position and what we believe are near total barriers to entry, about 75% of all flights that take off worldwide are powered with a GE engine 'under wing'. GE make their money by servicing the engines under long term agreements with the owners. This provides a highly visible, very profitable recurring income stream for the 20 year plus life of the engine. Growth should come with regular price increases plus ongoing expansion in the global aircraft fleet.

As one of the largest banks in a country particularly hard hit by the global financial crisis and subsequent sovereign debt crisis, it is perhaps unsurprising that shares in **Bank of Ireland** fell 99% during this period. The bank was saved from full insolvency by a distressed equity raise that increased the number of shares outstanding by a factor of twenty, diluting existing shareholders an equivalent amount.

Crises often induce lasting change. In a banking context, Scandinavia provides a helpful historical precedent. In the early '90s, Sweden, Norway and Finland saw a similar boom and bust. The insolvency of the entire banking sector and the socialisation of those costs resulted in a wholesale change in regulatory attitudes to risk. The result has been that Scandinavian banks are now widely seen as setting the benchmark for financial strength and prudence.

We believe a similar process has taken place in Ireland. Debt levels across the entire economy are much reduced. Lending standards have greatly improved. The Bank of Ireland et al have recapitalised their balance sheets at great expense. This cost has forced the industry to consolidate, resulting in a more concentrated market where the survivors stand a greater chance of generating a decent return.

With the recapitalisation process now complete, dividend payments and share repurchases have now restarted in earnest. At the time of purchase, we estimated that the bank could return over 40% of our initial investment to shareholders over just a three-year period, assuming interest rate and credit conditions remain benign.

UK-listed **Inchcape** is an unusual company. They market and distribute cars and parts on behalf of companies like Toyota, Subaru and Jaguar Land Rover in smaller markets such as Chile, Singapore and Australia. They are, by some distance, the leader in what is a highly fragmented market where we believe scale is becoming more important. It is a business with attractive financial characteristics, including good levels of profitability and free cash flow generation. They are well positioned to add new automotive brands and geographies to their stable via contract wins and small, bolt-on acquisitions.

Inchcape is a smaller company with a generous dividend which typifies the exceptional value currently on offer in parts of the UK market. As an aside, we note that two of our other smaller UK holdings – homebuilder

We added Bank of Ireland to the portfolio during the period under review.

PHOTO © BANK OF IRELAND

Redrow and industrial **Tyman** – have recently been subject to takeover bids, suggesting corporate buyers also detect attractive opportunities.

Roper Technologies is a US-listed industrial technology company focused on mission critical, industry specific software for a wide range of verticals including education, utilities and insurance.

Most of its revenues are recurring in nature and customer retention is extremely high. We are impressed by management's relentless 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.

Alphabet is the parent company of Google, 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 and recently paid its maiden dividend. We believe the company will continue to grow, albeit not at the pace seen in the past. The multiple is very reasonable, particularly in the context of its net cash balance sheet. Looking forward, a combination of cash returns, growth and a stable valuation should lead to a solid outcome for investors.

Towards the end of the first half, we took a position in **American Financial Group** (AFG). AFG is a family-run speciality property and casualty 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 peers 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, helped by AFG having significant excess capital; the dividend yield in 2023 was 6.4% based on the share price at time of purchase.

Sales

We sold our shares in wealth manager **St James's Place** in December. This has been a disappointing holding. Although the company's model has clear financial appeal (recurring fees, sticky assets, low capital requirements and a solid record of growth) the company's opaque charging structure has come under increased scrutiny. Growth has also slowed dramatically. We are therefore

Shares in Dutch semiconductor specialist ASML were up 39% in the period.

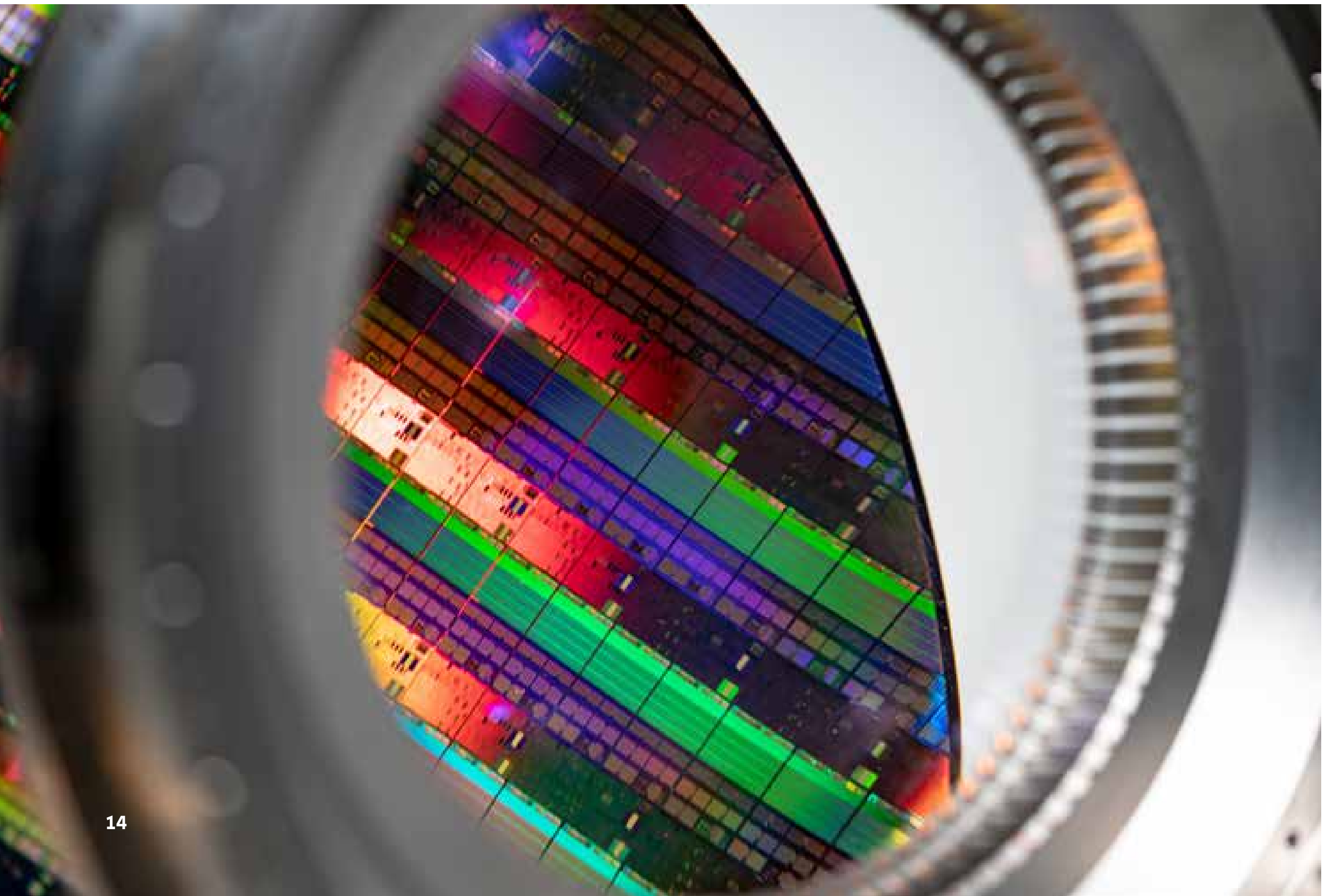


PHOTO © ASML

> We cannot foresee a world in which the semiconductor industry does not continue to grow.

happier with our holdings in Charles Schwab and Partners Group, both of whom are also 'asset gatherers'.

We sold our small position in the specialist UK lender, **Close Brothers**, which has also been a costly holding. The company was impacted by a Financial Conduct Authority (FCA) review into historic motor finance commission arrangements. Whilst there is wide range of potential outcomes from this review, the worst-case scenario for Close could require a capital raise and significantly reduce the equity value. The investment case had therefore become an uncomfortably binary situation, so we decided to sell. Soon afterwards, the company took a large provision and cut its dividend in recognition of the meaningful risk to its capital position.

ANZ Group is one of the largest banks in Australia and New Zealand. We sold our small, residual position to purchase Bank of Ireland, which we believe represents superior quality and value on several key metrics. As global investors we are well placed to take advantage of regional differences such as this as we see fit.

Rentokil's acquisition of Terminix in the US appeared strategically sound, bringing together the no 2 and 3 players in the pest control market. However, there is growing evidence that the acquired target has structural growth challenges which may prove difficult to correct. Share losses to their largest competitor have continued and were sufficiently concerning for us to sell our small position.

We sold **Intuit**, a high-quality US software company, where the valuation means we can no longer see a route to a good return in the next several years. The company has also become an increasingly 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 due to investors.

Market Outlook

In meetings with clients, we often say we are micro-economists, not macro-economists. Micro-economics refers to the economics of the firm and industry structure whilst macro-economics refers to factors like GDP, inflation and interest rates. Why are we more interested in the former than the latter?

Generally, it relates to predictability. Economies are hugely complex, adaptive systems which, like the weather, are inherently chaotic and random. Serious meteorologists don't even bother to forecast the weather more than a couple of weeks ahead, yet the financial industry is full of commentators who think nothing of making confident predictions of the economic environment months or even years ahead. They are often wrong but rarely uncertain. As a species who appreciate clarity about the future they provide us with something we desire but cannot have.

In our opinion, business is slightly different. While there is still randomness and shocks, we are sometimes able to identify and understand the dynamics that deliver lasting returns for certain companies or sectors. In some cases, competition is revolutionary (think of the impact of combustion engines on horse breeders) but often it is evolutionary. Things improve. Good ideas float. Bad ones sink.

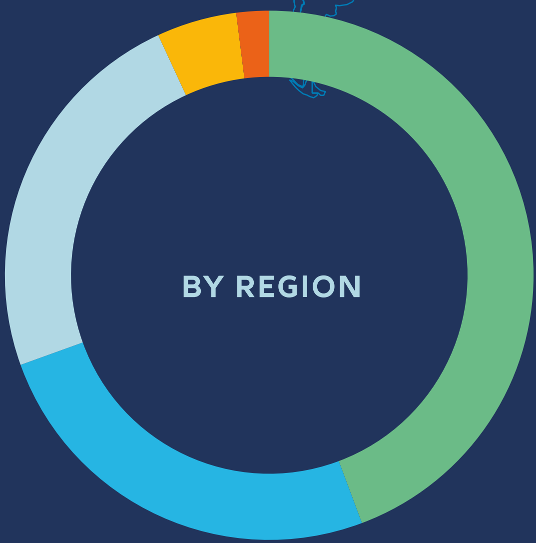
Biologists distinguish between two types of evolution – contingent and convergent. Contingent evolution is random. The asteroid that hit Yucatan and wiped out the dinosaurs was a contingent event. If the offending asteroid's billion-year journey through space was on an infinitesimally different trajectory it would have missed the earth, the dinosaurs' reign would have continued uninterrupted, mammals would've remained a minor class and none of us would exist.

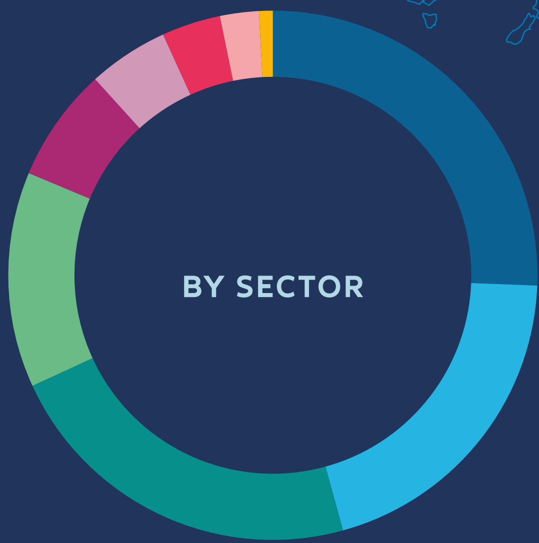
In contrast, convergent evolution refers to what was bound to happen. Throughout different branches of the evolutionary tree, eyes and wings have repeatedly and separately developed. Sleep, interestingly, too. Seeing, flying and restoration are all too useful not to have inevitably emerged through a long, natural process of trial and error.

Recessions, like asteroids, are random. Most people have wondered how different the world would've been if Wuhan's patient zero had stayed in bed that day. As they didn't, that single contingent event diverted the course of history. By comparison, the way some industries develop is often convergent. As an example, we cannot foresee a world in which the semiconductor industry does not continue to grow; processing power and data transmission is simply too useful for it not to. This brings an element of long-term predictability that is very different from the random machinations of the short-term economic cycle.

Distribution of Invested Funds

as at 31 May 2024





Region	% Held
North America	44.3
United Kingdom	25.2
Continental Europe	23.6
Pacific Basin	4.9
Japan	2.0

Sector	% Held
Industrials	25.6
Financials	20.1
Technology	22.4
Health Care	13.2
Consumer Discretionary	7.0
Energy	4.9
Consumer Staples	3.6
Utilities	2.4
Basic Materials	0.8

Portfolio Breakdown

as at 31 May 2024

Name	Sector	Value (£'000s)	% of Invested Funds
Microsoft	*Software & Computer Services*	40,479	6.56
Visa	*Industrial Support Services*	23,123	3.75
United Health	*Health Care Providers*	21,826	3.54
Taiwan Semiconductor	*Technology Hardware & Equipment*	20,181	3.27
Microchip Technology	*Technology Hardware & Equipment*	18,529	3.00
Schneider Electric	*Electronic & Electrical Equipment*	17,683	2.87
Shell	*Oil, Gas & Coal*	16,620	2.69
Thermo Fisher Scientific	*Medical Equipment & Services*	16,148	2.62
Bank of Ireland Group	*Banks*	15,630	2.53
ASML Holding	*Technology Hardware & Equipment*	15,620	2.53
Intercontinental Hotels	*Travel & Leisure*	15,532	2.52
Charles Schwab	*Investment Banking & Brokerage*	14,723	2.39
Partners Group	*Investment Banking & Brokerage*	14,241	2.31
TotalEnergies	*Oil, Gas & Coal*	13,678	2.22
Arthur J. Gallagher & Co.	*Non-Life Insurance*	13,379	2.17
AMETEK	*Electronic & Electrical Equipment*	13,196	2.14
General Electric	*Aerospace & Defence*	12,798	2.07
Alphabet	*Software & Computer Services*	12,737	2.06
Itochu	*General Industrials*	12,561	2.04
American Financial Group	*Non-Life Insurance*	12,549	2.03
AENA	*Industrial Transportation*	11,594	1.88
Unilever	*Personal Care, Drug & Grocery*	11,227	1.82
DNB Bank	*Banks*	10,883	1.76
Atlas Copco	*Industrial Engineering*	10,650	1.73
Admiral Group	*Non-Life Insurance*	10,042	1.63
Roper Technologies	*Software & Computer Services*	9,753	1.58
Accenture	*Industrial Support Services*	9,427	1.53
The Cooper Companies	*Medical Equipment & Services*	9,334	1.51
Redrow	*Household Goods & Home Construction*	9,163	1.49
Roche Holdings	*Pharmaceuticals & Biotechnology*	8,530	1.38
SSE	*Electricity*	8,458	1.37
Baltic Classifieds	*Software & Computer Services*	8,336	1.35
Assa Abloy	*Construction & Materials*	7,523	1.22

Name	Sector	Value (£'000s)	% of Invested Funds
Amphenol	*Technology Hardware & Equipment*	7,497	1.22
S&P Global	*Finance & Credit Services*	7,312	1.19
CME Group	*Investment Banking & Brokerage*	7,269	1.18
Nestle	*Food Producers*	7,264	1.18
Corpay	*Industrial Support Services*	7,152	1.16
SThree	*Industrial Support Services*	7,055	1.14
IG Group	*Investment Banking & Brokerage*	6,881	1.12
Inchcape	*Industrial Support Services*	6,766	1.10
Tyman	*Construction & Materials*	6,766	1.10
Munich Re	*Non-Life Insurance*	6,661	1.08
RELX	*Media*	6,576	1.07
Novo Nordisk	*Pharmaceuticals & Biotechnology*	6,305	1.01
Iberdrola	*Electricity*	6,140	1.00
Haleon	*Pharmaceuticals & Biotechnology*	6,094	0.99
DCC	*Industrial Support Services*	5,975	0.97
Brambles	*General Industrials*	5,654	0.92
GSK	*Pharmaceuticals & Biotechnology*	5,298	0.85
Rio Tinto	*Industrial Metals & Mining*	5,201	0.84
Adobe	*Software & Computer Services*	5,172	0.84
LVMH Moet Hennessy Louis Vuitton	*Personal Goods*	5,025	0.81
AIA	*Life Insurance*	4,456	0.72
Jumbo	*Leisure Goods*	4,037	0.65
AbbVie	*Pharmaceuticals & Biotechnology*	4,020	0.65
Align Technology	*Medical Equipment & Services*	3,838	0.62
Diageo	*Beverages*	3,682	0.60
Estée Lauder	*Personal Goods*	2,634	0.43
Total Invested Funds		**616,883**	**100.00**

Financial Statements

20 Income Statement
21 Balance Sheet
22 Statement of Changes in Equity
23 Cash Flow Statement
24 Notes to the Financial Statements

Taiwan Semiconductor Manufacturing Company was a notable performer in the semiconductor and industrial area.

Income Statement

		For the six months ended 31 May 2024			For the six months ended 31 May 2023		
		Revenue £'000s	Capital £'000s	Total Return £'000s	Revenue £'000s	Capital £'000s	Total Return £'000s
	Notes			*2*			*2*
Gains on investments held at fair value through profit or loss		-	62,736	62,736	-	409	409
Losses on foreign currencies		-	(87)	(87)	-	(191)	(191)
Income from investments		9,170	-	9,170	8,678	-	8,678
Investment management fee		(402)	(938)	(1,340)	(354)	(827)	(1,181)
Administration expenses		(492)	(2)	(494)	(426)	(1)	(427)
Profit (loss) before finance costs and taxation		**8,276**	**61,709**	**69,985**	**7,898**	**(610)**	**7,288**
Finance costs: interest payable and similar charges		(216)	(473)	(689)	(194)	(426)	(620)
Profit (loss) on ordinary activities before taxation		**8,060**	**61,236**	**69,296**	**7,704**	**(1,036)**	**6,668**
Taxation		(755)	-	(755)	(1,015)	-	(1,015)
Profit (loss) after taxation attributable to ordinary shareholders		**7,305**	**61,236**	**68,541**	**6,689**	**(1,036)**	**5,653**
Earnings (losses) per ordinary share (basic and diluted)	*1*	**17.11p**	**143.44p**	**160.55p**	**15.67p**	**(2.43p)**	**13.24p**

Balance Sheet

	Notes	As at 31 May 2024 £'000s	As at 31 May 2023 £'000s	As at 30 November 2023 £'000s
Investments held at fair value through profit or loss	*3*	616,883	523,038	553,377
Net current assets (liabilities)		**22**	**26**	**(66)**
Total assets less current liabilities		**616,905**	**523,064**	**553,311**
Creditors: amounts falling due after more than one year		(25,106)	(25,096)	(25,101)
Total net assets		**591,799**	**497,968**	**528,210**
Called up share capital		10,673	10,673	10,673
Capital redemption reserve		5,327	5,327	5,327
Capital reserve		555,867	464,215	494,631
Revenue reserve		19,932	17,753	17,579
Equity shareholders' funds		**591,799**	**497,968**	**528,210**
Net asset value per ordinary share		**1,386.2p**	**1,166.4p**	**1,237.2p**

The net asset values are based on 42,692,727 ordinary shares in issue at 31 May 2024, 31 May 2023 and 30 November 2023.

Statement of Changes in Equity

	Notes	Called up Share Capital £'000's	Capital Redemption Reserve £'000's	Capital Reserve £'000's	Revenue Reserve £'000's	Total £'000's
Six months ended 31 May 2023						
Net assets as at 1 December 2022		10,673	5,327	465,251	15,846	497,097
Revenue profit		-	-	-	6,689	6,689
Dividends on ordinary shares	*4*	-	-	-	(4,782)	(4,782)
Capital loss		-	-	(1,036)	-	(1,036)
Net assets as at 31 May 2023		**10,673**	**5,327**	**464,215**	**17,753**	**497,968**
Six months ended 31 May 2024						
Net assets as at 1 December 2023		10,673	5,327	494,631	17,579	528,210
Revenue profit		-	-	-	7,305	7,305
Dividends on ordinary shares	*4*	-	-	-	(4,952)	(4,952)
Capital profit		-	-	61,236	-	61,236
Net assets as at 31 May 2024		**10,673**	**5,327**	**555,867**	**19,932**	**591,799**

Cash Flow Statement

	Six months ended 31 May 2024 £000's	Six months ended 31 May 2023 £000's
Operating activities		
Profit before finance costs and taxation	69,985	7,288
Less: Gains on investments held at fair value through profit or loss	(62,736)	(409)
Add: Losses on foreign currency	87	191
Less: Overseas tax suffered	(755)	(1,015)
Increase in other receivables	(1,727)	(413)
Increase (decrease) in other payables	188	(33)
Purchase of fixed asset investments held at fair value through profit or loss	(67,254)	(57,797)
Sales of fixed asset investments held at fair value through profit or loss	66,484	58,971
Net cash inflow from operating activities	**4,272**	**6,783**
Financing activities		
Interest paid	(668)	(516)
Dividend paid on cumulative preference stock	(11)	(11)
Dividends paid on ordinary shares	(4,952)	(4,782)
Net cash outflow from financing activities	**(5,631)**	**(5,309)**
(Decrease) increase in cash and cash equivalents	**(1,359)**	**1,474**
Cash and cash equivalents at the start of the period	9,865	7,919
Effect of foreign exchange rates	(87)	(191)
Cash and cash equivalents at the end of the period	8,419	9,202
Comprising:		
Cash at bank	8,419	9,202

Notes to the Financial Statements

Note 1

The returns per ordinary share have been calculated using a weighted average number of shares in issue of 42,692,727 (31 May 2023: 42,692,727 shares).

Note 2

The total column of this statement is the profit and loss account of the company.

All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the period.

Purchases for the half year ended 31 May 2024 were £67,254,000 (31 May 2023: £57,797,000) and sales for the half year ended 31 May 2024 were £66,484,000 (31 May 2023: £57,997,000).

Included in the cost of investments are transaction costs on purchases which amounted to £162,000 (31 May 2023: £159,000) and transaction costs on sales which amounted to £15,000 (31 May 2023: £16,000).

Note 3

Investments are designated as held at fair value through profit or loss in accordance with FRS 102 sections 11 and 12. Investments are initially recognised at fair value, which is determined to be their cost. Subsequently, investments are revalued at fair value which is the bid market price for listed investments.

FRS 102 sets out three fair value levels.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly

Level 3: Inputs are unobservable (i.e., for which market data are unavailable) for the asset or liability

As at 31 May 2024, the financial assets at fair value through profit and loss of £616,883,000 (30 November 2023: £553,377,000) are categorised as follows:

	Six months ended 31 May 2024 £'000s	Year ended 30 November 2023 £'000s
Level 1	616,883	553,377
Level 2	-	-
Level 3	-	-
	616,883	**553,377**

Note 4

In accordance with section 32 FRS 102 'Events After the end of the Reporting Period', dividends declared after the end of the reporting period shall not be recognised as a liability.

Dividends paid on ordinary shares in respect of earnings for each period are as follows:

	Six months ended 31 May 2024 £'000s	Six months ended 31 May 2023 £'000s	Year ended 30 November 2023 £'000s
Final dividend 6.05p paid 4 April 2024 (2023: 6.05p)	2,583	2,583	2,583
First interim dividend 5.55p paid 25 July 2023 (2022: 5.15p)	-	-	2,369
Second interim dividend 5.55p paid 15 September 2023 (2022: 5.15p)	-	-	2,369
Third interim dividend 5.55p paid 12 December 2023 (2022: 5.15p)	2,369	2,199	2,199
	4,952	**4,782**	**9,520**

Dividends declared after the period end are not recognised as a liability under section 32 FRS 102 'Events after the end of the reporting period'. Details of these dividends are set out below.

	Six months ended 31 May 2024 £'000s	Six months ended 31 May 2023 £'000s	Year ended 30 November 2023 £'000s
First interim dividend 5.90p payable 25 July 2024 (2023: 5.55p)	2,519	2,369	-
Second interim dividend 5.90p payable 12 September 2024 (2023: 5.55p)	2,519	2,369	-
Third interim dividend 5.55p	-	-	2,369
Final dividend 6.05p	-	-	2,583
	5,038	**4,738**	**4,952**

The final and interim dividends above are based on the number of shares in issue at the period end. However, the dividend payable will be based upon the number of shares in issue on the record date and will reflect any purchase or cancellation of shares by the company settled subsequent to the period end.

Note 5

The directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements, as the assets of the company consist mainly of securities which are readily realisable and accordingly, that the company has adequate financial resources to continue in operational existence for the foreseeable future.

Note 6

The half-yearly report has neither been audited nor reviewed by the company's auditors. The financial information for the year ended 30 November 2023 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under either section 498(2) or (3) of the Companies Act 2006.

Investor Information

27 Investor Information (unaudited)

28 Glossary

New holding Inchcape, the car marketing and distribution company, is headquartered in London.

Investor Information (unaudited)

Directors

Carolan Dobson *BSc Chartered FCSI* (Chair)
Amanda Aldridge *BSc FCA*
Elizabeth Field *MA*
Andrew Hutton *MA, CFA*
Jim Sharp *MA*

Managers

Allianz Global Investors UK Limited
199 Bishopsgate
London EC2M 3TY
Telephone: +44 (0)20 3246 7000
Represented by Julian Bishop and Christian Schneider (Fund Managers)

Head of Investment Trusts

Stephanie Carbonneil
Email: stephanie.carbonneil@allianzgi.com

Secretary and Registered Office

Kirsten Salt ACG
199 Bishopsgate
London EC2M 3TY
Telephone: +44 (0)20 3246 7513
Email: kirsten.salt@allianzgi.com
Registered Number: 226323

Registrars

Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL. Telephone: 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday.
Email: shareholderenquiries@linkgroup.co.uk.
Website: https://www.linkgroup.eu/.

Financial Calendar

Year end 30 November.
Full year results announced and Annual Report posted to shareholders in February.
Annual General Meeting held in March/April.
Half year results announced and half-yearly Financial Report posted to shareholders in July.

Ordinary Dividends

It is anticipated that dividends will be paid as follows:

1st interim	June/July
2nd interim	September
3rd interim	December
Final	March/April

Preference Dividends

Payable half-yearly 30 June and 31 December.

Website

Further information about The Brunner Investment Trust PLC, including monthly factsheets, daily share price and performance, is available on the company's website: brunner.co.uk.

How to Invest

Information is available from Allianz Global Investors either via Investor Services on 0800 389 4696 or on the company's website: brunner.co.uk.

A list of other providers can be found on the company's website: brunner.co.uk/about-us/how-to-invest

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., shareholders should contact the registrars on 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Changes of name and address must be notified to the registrars in writing. Any general enquiries about the company should be directed to the Company Secretary, The Brunner Investment Trust PLC, 199 Bishopsgate, London EC2M 3TY. Telephone: 020 3246 7513.

Association of Investment Companies (AIC)

The company is a member of the AIC, the trade body of the investment trust industry, which provides a range of literature including fact sheets and a monthly statistical service. Copies of these publications can be obtained from the AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY, or at theaic.co.uk.

AIC Category: Global.

Net Asset Value

The net asset value of the ordinary shares is calculated and announced daily and the top ten holdings are announced monthly. They are published on the London Stock Exchange Regulatory News Service. They are also available from the Allianz Global Investors, via Investor Services on 0800 389 4696, or on the company's website: brunner.co.uk

Glossary

UK GAAP performance measures

Net Asset Value is the value of total assets less all liabilities. The Net Asset Value, or NAV, per ordinary share is calculated by dividing this amount by the total number of ordinary shares in issue. The debt in the company used in the calculation is measured at par value, that is, the net proceeds on issue plus accrued finance costs to date. As at 31 May 2024, the NAV with debt at par value was £591,799,000 (30 November 2023: £528,210,000) and the NAV per share was 1,386.2p (30 November 2023: 1,237.2p).

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period. For the period ended 31 May 2024 earnings per ordinary share was 17.1p (2023: 15.7p), calculated by taking the profit after tax of £7,305,000 (2023: £6,689,000), divided by the weighted average shares in issue of 42,692,727 (2023: 42,692,727).

Alternative Performance Measures (APMs)

Net Asset Value, debt at fair value is the value of total assets less all liabilities, with the company's debt measured at the fair value at the time of calculation. The Net Asset Value, or NAV, per ordinary share with debt at fair value is calculated by dividing this amount by the total number of ordinary shares in issue. As at 31 May 2024, the NAV with debt at fair value was £600,912,000 (30 November 2023: £537,308,000) and the NAV per share with debt at fair value was 1,407.5p (30 November 2023: 1,258.6p).

Net Asset Value per ordinary share, total return represents the theoretical return on NAV per ordinary share, assuming that dividends paid to shareholders were reinvested at the NAV per ordinary share at the close of business on the day the shares were quoted ex dividend.

Share Price Total Return the theoretical return to a shareholder, on a closing market price basis, assuming that all dividends received were reinvested, without transaction costs, into the ordinary shares of the company at the close of business on the day the shares were quoted ex dividend (see page 3). The share price as at 31 May 2024 was 1,330.0p, an increase of 265p from the price of 1,065.0p as at 30 November 2023. The increase in share price of 265p plus the dividends declared for the period of 11.8p are divided by the opening share price of 1,065.0p to arrive at the share price total return for the period ended 31 May 2024 of +26.0% (2023: +2.3%).

Benchmark Total Return is the return on the benchmark, on a closing market price basis, assuming that all dividends received were reinvested into the shares of the underlying companies at the time their shares were quoted ex dividend (see page 3).

Discount or Premium is the amount by which the stock market price per ordinary share is lower (discount) or higher (premium) than the Net Asset Value, or NAV, with either debt at par or debt at market value, per ordinary share. The discount/premium is normally expressed as a percentage of the NAV per ordinary share (see page 3).

Ongoing Charges are operating expenses incurred in the running of the company, whether charged to revenue or capital, but excluding financing costs. These are expressed as a percentage of the average net asset value during the year and this is calculated in accordance with guidance issued by the Association of Investment Companies.

Yield represents dividends declared in the past year as a percentage of share price.

Gearing is the amount of debt as a percentage of the net assets.

The Brunner Investment Trust PLC
199 Bishopsgate
London
EC2M 3TY

+44 (0)203 246 7000

www.brunner.co.uk