

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

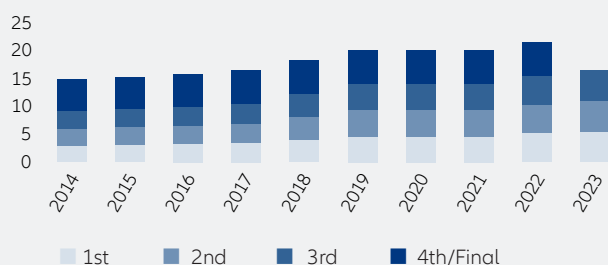
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 51 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
27.10.2023	12.12.2023	5.55p	3rd Interim
04.08.2023	15.09.2023	5.55p	2nd Interim
16.06.2023	25.07.2023	5.55p	1st Interim
24.02.2023	04.04.2023	6.05p	Final

Past performance is not a reliable indicator of future results.

Key Information

Launch Date	December 1927
AIC Sector	Global
Benchmark	70% FTSE World ex-UK Index; 30% FTSE All-Share Index
Annual Management Fee	0.45%
Performance Fee	No
Ongoing Charges ¹	0.63%
Year End	30 November
Annual Financial Report	Final 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
Investment Managers	Julian Bishop and Christian Schneider
Codes	RIC: BUT.L SEDOL: 0149000

1. Source: AIC, as at the Trust's Financial Year End (30.11.2022). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses, which include the annual management fee, incurred in the running of the company but excluding financing costs.



A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

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Total Assets £576.2m

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

Market Cap £512.3m

Share Price

1200.0p

NAV per Share

1309.6p

Premium/-Discount

-8.4%

Dividend Yield

1.9%

Gearing

4.9%

Fund Manager's Review

Brunner enjoyed modest outperformance during the month. Overall, the trust's Net Asset Value (NAV) total return rallied nearly 4.5%, ahead of the 4.3% of the benchmark index. Our industrial holdings, particularly, fared well. Industrial stocks, rightly or wrongly, are regarded as having more sensitivity to prevailing interest rates and responded well to the notion of a more stimulative environment. In aggregate our overweight to this sector, where we find plentiful examples of investments that combine quality, growth and value, was a helpful contributor during the month.

Intercontinental Hotels Group (IHG) was the largest single contributor to performance. IHG is an asset-light hotel company, licensing its brands to hotel owners and sometimes operating hotels for them on their behalf. IHG takes a fee from owners under long term contracts, meaning each hotel provides a sticky, recurring high quality income stream. As new hotels are built or added to its system, the earnings power of the business grows. Hotel room rates also tend to increase with time due to inflation, meaning the income stream each hotel provides tends to rise. As we have mentioned before, sometimes inflation is beneficial for equities. Despite the stimulative impact of lower interest rates and the theoretical benefit they have on the valuation of future cash flows, there are good reasons why lower inflation isn't necessarily beneficial for all businesses.

Other stocks that performed well in the month include Redrow, the UK housebuilder, Tyman, which makes window components used in housing construction and Assa Abloy, which makes locks and entry systems. Certain financials stocks also performed well. Charles Schwab, our largest active detractor from performance in the trust's 2023 financial year (ending 30 November), rebounded strongly. Charles Schwab's business model benefits from interest rates that are not too low, nor too high. The 'just right' scenario now being projected by bond markets is the perfect environment in which they can prosper.

Detractors included defensives (eg United Health) and equities that have clearly benefitted from a strong pricing cycle; insurance broker AJ

“ As we have mentioned before, sometimes inflation is beneficial for equities

Gallaher and reinsurer Munich Re amongst them. Visa also retreated modestly. This is logical, given the payment processors revenues are a small percentage of transaction values. Lower inflation implies lower growth, modestly impacting the nominal outlook.

We sold our shares in wealth manager St James's Place during the



**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.

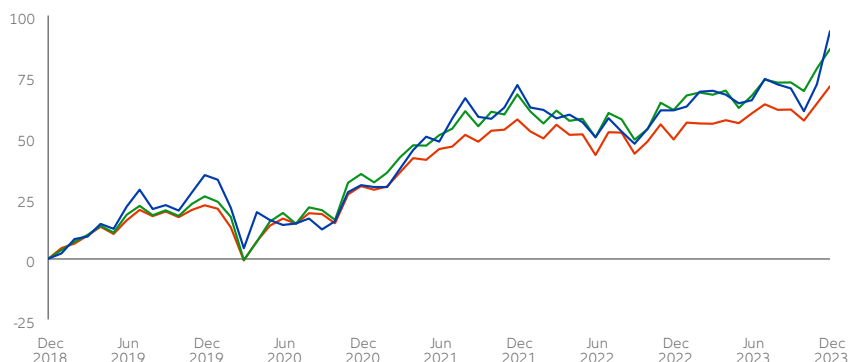
month. This has been a very disappointing holding where we must put our hands up and admit we were wrong. Although the company's model has its financial appeal (recurring fees, sticky assets, a solid record of growth) the company's charging structure has come under increased regulatory scrutiny. We generally avoid names that are subject to external interference of this type and are therefore happier with our holdings in Charles Schwab and Partners Group, both of whom are also asset gatherers. In terms of our revised portfolio investment case, their competitive advantages are superior to that of St James's Place, in our opinion. Whilst we always buy stocks with the intention of holding for the long term, we see little merit in retaining positions where the original investment thesis has drifted or proved incorrect. Sometimes, moving on is the best course of action, even when the decision is regretfully late.

**Julian Bishop & Christian Schneider
11 January 2024**

This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.

Performance Track Record

Five Year Performance (%)



■ Share Price ■ NAV (debt at fair value)
 ■ Benchmark: Effective 22 March 2017 the benchmark weightings changed to 70% FTSE World ex-UK Index; 30% FTSE All-Share Index

Risk & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

The Trust seeks to enhance returns for its shareholders through gearing which can boost the Trust's returns when investments perform well, though losses can be magnified when investments lose value. You should be aware that this Trust may be subject to sudden and large falls in value and you could suffer substantial capital loss.

Changes in rates of exchange may cause the value of investments and the income from them to go up or down.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	13.8	17.2	20.2	48.6	93.5
NAV (debt at fair value)	8.0	11.5	15.6	38.1	86.2
Benchmark	5.9	7.0	14.7	31.6	70.9

Discrete 12 Month Returns to 31 December (%)

	2023	2022	2021	2020	2019
Share Price	20.2	-6.1	31.6	-3.1	34.4
NAV (debt at fair value)	15.6	-3.8	24.3	7.3	25.6
Benchmark	14.7	-5.2	21.1	6.5	21.9

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.12.23. Copyright 2023 © DataStream, a Thomson Reuters company. All rights reserved. DataStream shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Past performance does not predict future returns. Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested. This investment trust charges 70% of its annual management fee to the capital account and 30% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result.

Portfolio Breakdown

Sector Breakdown* (%)

Industrials	25.1	<div style="width: 25.1%;"></div>
Financials	20.2	<div style="width: 20.2%;"></div>
Information Technology	20.0	<div style="width: 20.0%;"></div>
Health Care	14.2	<div style="width: 14.2%;"></div>
Consumer Discretionary	7.7	<div style="width: 7.7%;"></div>
Energy	4.9	<div style="width: 4.9%;"></div>
Consumer Staples	3.8	<div style="width: 3.8%;"></div>
Utilities	2.6	<div style="width: 2.6%;"></div>
Materials	1.0	<div style="width: 1.0%;"></div>
Real Estate	0.5	<div style="width: 0.5%;"></div>

Geographic Breakdown* (%)

North America	41.8	<div style="width: 41.8%;"></div>
Europe ex UK	26.7	<div style="width: 26.7%;"></div>
UK	24.6	<div style="width: 24.6%;"></div>
Pacific ex Japan	4.8	<div style="width: 4.8%;"></div>
Japan	2.1	<div style="width: 2.1%;"></div>

Top Twenty Holdings (%)

Microsoft	6.3
UnitedHealth Group	4.0
Visa - A Shares	3.8
Microchip Technology	3.0
Schwab (Charles)	2.7
Schneider Electric	2.7
Partners Group	2.7
Shell	2.6
Thermo Fisher Scientific	2.6
InterContinental Hotels Group	2.4
Taiwan Semiconductor	2.4
AMETEK	2.2
TotalEnergies	2.2
ASML	2.2
Muenchener Rueckver	2.1
Itochu	2.1
Gallagher	2.1
DNB Bank	2.1
Accenture	2.0
Atlas Copco	2.0

Total number of holdings 59

The data shown is not constant over time and the allocation may change in the future. Totals may not sum to 100.0% due to rounding.

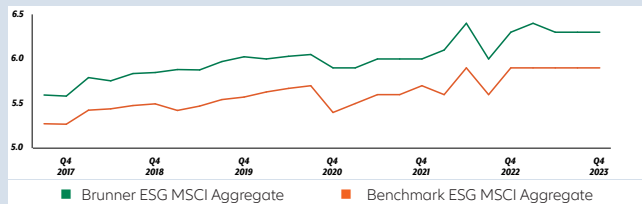
This is no recommendation or solicitation to buy or sell any particular security.

*Excludes Cash

Environmental, Social and Governance (ESG)

AllianzGI has a dedicated ESG research team working with the portfolio managers to incorporate ESG factors into investment decisions. The board supports AllianzGI's view that there is value in working with companies in the portfolio on environmental, social, governance and business conduct issues.

AllianzGI uses third party research provided by MSCI to help identify ESG factors that can impact the businesses of the companies in the portfolio. The chart below shows that the Brunner portfolio's ESG ratings compare well against the benchmark's ESG ratings over a five year period.



The chart above shows the rating of the Brunner portfolio on ESG risks and combined ESG risk measurements compared to the rating of the Benchmark (70% FTSE World ex-UK Index; 30% FTSE All-Share Index) scored on a scale of 1-10 (where 10 is high) on a quarterly basis.

Board of Directors

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.



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All data source Allianz Global Investors as at 31.12.23 unless otherwise stated.

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