

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

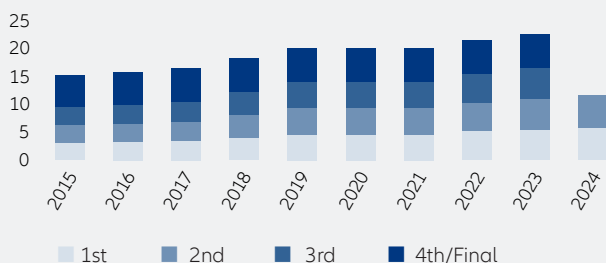
The Brunner Investment Trust PLC was formed from the Brunner family's interest in the sale of Brunner Mond & Co, the largest of the four companies which came to form Imperial Chemical Industries (ICI) in 1926. Today, Brunner shares are available for everyone to buy and are widely held by both private 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 |
|-------------|------------|----------|-------------|
| 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 |
| 27.10.2023 | 12.12.2023 | 5.55p | 3rd Interim |

Past performance is not a reliable indicator of future results.

Key Information

| | |
|------------------------------|--|
| Launch Date | December 1927 |
| AIC Sector | Global |
| Benchmark | 70% FTSE World ex-UK Index; 30% FTSE All-Share Index |
| Annual Management Fee | 0.45% |
| Performance Fee | No |
| Ongoing Charges ¹ | 0.64% |
| Year End | 30 November |
| Annual Report | Annual published in February, Half-yearly published in July |
| AGM | March |
| NAV Frequency | Daily |
| Dividends | March/April, June/July, September, December |
| Price Information | Financial Times, The Daily Telegraph, www.brunner.co.uk |
| Company Secretary | Kirsten Salt Kelly Nice |
| Investment Managers | Julian Bishop and Christian Schneider |
| Codes | RIC: BUT.L SEDOL: 0149000 |

1. Source: AIC, as at the Trust's Financial Year End (30.11.2023). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses, which include the annual management fee, incurred in the running of the company but excluding financing costs.

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 £623.3m

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

Market Cap £599.8m

Share Price

1405.0p

NAV per Share

1421.8p

Premium/-Discount

-1.2%

Dividend Yield

1.7%

Gearing

6.4%

Fund Manager's Review

Dear Fellow Shareholder,

July was a month of change in leadership, in both politics and equity markets. In the UK, the Labour party won a commanding parliamentary majority in the general election. This result was widely expected and had limited impact on financial markets. In France, an alliance of left-wing parties won the greatest number of seats in the National Assembly, preventing control passing to the far-right National Rally party. This relatively benign outcome provided some reassurance for markets, which had been roiled by President Macron's decision to call a snap election in early June. In the USA, President Biden announced he would not contest the forthcoming Presidential election, with Kamala Harris selected as the Democratic Party's candidate. Commentators now expect a much closer contest in November's election.

Equity markets also saw a change in leadership. In the USA, there was a sharp shift away from the largest technology companies, the so-called "Magnificent 7", towards the rest of the market, and particularly mid-sized and smaller companies. The Russell 2000 Index of smaller companies produced a double-digit return in the month, far ahead of the overall market's performance, and significantly better than the decline seen in the technology-heavy Nasdaq composite Index. Despite the sell-off in the Nasdaq Index in July, the average "Magnificent 7" company has still done twice as well as the broader market so far this year.

The UK stock market does not have the same technology exposure, but there was also a change of leadership and strong outperformance from medium sized companies, which tend to be more cyclical and domestically oriented. There was optimism that the UK was moving ever closer to its first interest rate cut this cycle, which could support the economy, and indeed at the start of August the Bank of England cut interest rates by 0.25% to 5%. There may also have been some relief that the UK now looks set for a period of political stability, at least compared to many other developed nations.

“ We are pleased to note that the discount that the trust trades at to NAV has narrowed substantially in recent months and now sits around 1%; towards the very lower end of the peer group

The Brunner Investment Trust underperformed its benchmark during the month, in the wake of weak market reactions to first half financial results reported by a number of our companies. The Net Asset Value (NAV) total return was 0.42% compared to 0.97% from the benchmark. We see little reason for concern, and continue to believe in the long-term prospects for these companies. The largest detractors to July's performance – Microsoft, Charles Schwab, ASML, TSMC, and InterContinental Hotels – are all very high-quality businesses, with clear competitive advantages and long runways for future growth.

We've written in recent months about some of the apparent euphoria around Artificial Intelligence (AI) and companies perceived to be AI winners. This has been most clearly apparent with Nvidia, the leading designer of GPU chips used for AI calculations, whose share price has increased more than 130% so far this year. Despite apparent widespread adoption of AI by many companies in a range of applications – from replacing call centre staff to improving the productivity of software developers to image generation – some technology commentators are beginning to wonder where all the revenue is to justify the spend on AI equipment. There are perhaps echos of the 'build it and they will come' mentality of the late 1990s, or the UK Railway Mania of the 1840s, when



**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.

investors sunk vast sums into a revolutionary technology that – in the short term at least – failed to live up to investors' hopes. We remain open minded.

In recent months we have reduced the Trust's exposure to some companies that have been caught up by the AI wave, and where we feel valuations have moved to more elevated levels. While we still believe the long-term prospects for these businesses are sound, we expect lower future returns from the current elevated levels: in July this included a partial sale of our position in Schneider Electric (a French industrial technology firm).

Away from AI, another significant focus for the market this year has been on weight-loss drugs, most notably GLP-1s. The remarkable efficacy of these drugs has led to very strong share price performances for their manufacturers, which include our holding Novo Nordisk, whose share price increased more than 40% in the first half of the year. We have become more nervous about both the valuations of these firms and the long-term impact of increasing competition, both from other firms who are now trying to enter the space, and from firms likely to produce generic versions of GLP-1s when key patents expire. In July we significantly reduced our position in Novo Nordisk in response.

Offsetting these partial sales, we increased our investments in two existing holdings: Align Technology (the market leader in invisible orthodontic treatments) and Assa Abloy (a global leader in locks and entry systems). In both cases we took advantage of market weakness to increase our investments.

We are pleased to note that the discount that the Trust trades at to NAV has narrowed substantially in recent months and now sits around 1%; towards the very lower end of the peer group. We interpret this as a vote of confidence in the Brunner approach and we are grateful to all our fellow shareholders for their ongoing support.

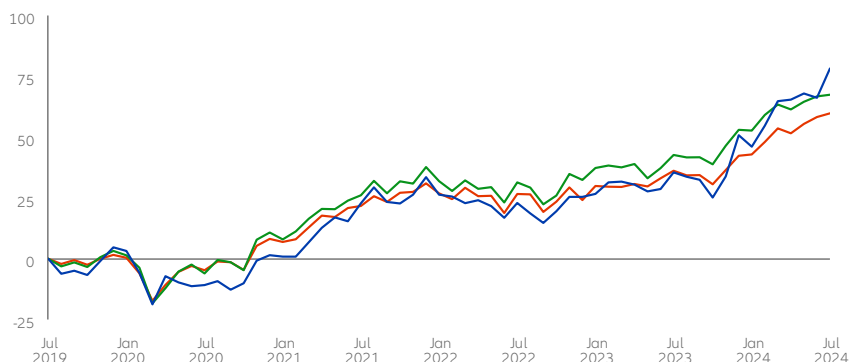
Yours sincerely,

**Julian Bishop, Christian Schneider and James Ashworth
12 August 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 | 7.7 | 22.0 | 31.5 | 45.1 | 78.2 |
| NAV (debt at fair value) | 3.7 | 9.7 | 17.4 | 32.8 | 67.4 |
| Benchmark | 5.4 | 11.8 | 17.3 | 31.3 | 59.8 |

Discrete 12 Month Returns to 31 July (%)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------|------|------|------|------|-------|
| Share Price | 31.5 | 10.2 | 0.1 | 37.7 | -10.8 |
| NAV (debt at fair value) | 17.4 | 8.6 | 4.2 | 34.2 | -6.0 |
| Benchmark | 17.3 | 7.5 | 4.0 | 27.8 | -4.7 |

Source: Thomson Reuters Refinitiv DataStream, percentage growth, mid to mid, total return to 31.07.24. Copyright 2024 © DataStream, a Thomson Reuters company. All rights reserved. DataStream shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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

Portfolio Breakdown

Sector Breakdown* (%)

| | | |
|------------------------|------|-----------------------------------|
| Industrials | 23.9 | <div style="width: 23.9%;"></div> |
| Information Technology | 22.0 | <div style="width: 22.0%;"></div> |
| Financials | 21.3 | <div style="width: 21.3%;"></div> |
| Health Care | 14.5 | <div style="width: 14.5%;"></div> |
| Consumer Discretionary | 6.7 | <div style="width: 6.7%;"></div> |
| Energy | 4.7 | <div style="width: 4.7%;"></div> |
| Consumer Staples | 3.7 | <div style="width: 3.7%;"></div> |
| Utilities | 2.4 | <div style="width: 2.4%;"></div> |
| Materials | 0.8 | <div style="width: 0.8%;"></div> |

Geographic Breakdown* (%)

| | | |
|------------------|------|-----------------------------------|
| North America | 45.1 | <div style="width: 45.1%;"></div> |
| Europe ex UK | 24.6 | <div style="width: 24.6%;"></div> |
| UK | 23.2 | <div style="width: 23.2%;"></div> |
| Pacific ex Japan | 5.1 | <div style="width: 5.1%;"></div> |
| Japan | 2.2 | <div style="width: 2.2%;"></div> |

Top Twenty Holdings (%)

| | |
|-------------------------------|-----|
| Microsoft | 6.5 |
| UnitedHealth Group | 4.0 |
| Visa - A Shares | 3.6 |
| Taiwan Semiconductor | 3.5 |
| Thermo Fisher Scientific | 2.8 |
| Shell | 2.7 |
| Microchip Technology | 2.7 |
| Bank of Ireland | 2.6 |
| InterContinental Hotels Group | 2.5 |
| ASML | 2.4 |
| Gallagher | 2.4 |
| Partners Group | 2.3 |
| Itochu | 2.2 |
| AMETEK | 2.1 |
| American Financial Group | 2.1 |
| General Electric | 2.1 |
| Charles Schwab | 2.1 |
| TotalEnergies | 2.0 |
| Alphabet - A shares | 2.0 |
| Unilever | 2.0 |

Total number of holdings 59

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

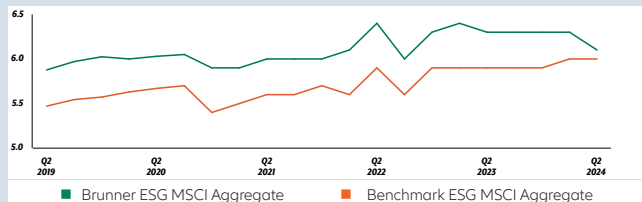
This is no recommendation or solicitation to buy or sell any particular security.

*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

Carolyn Dobson (Chair)
Amanda Aldridge (Chair of the Audit Committee)
Elizabeth Field
Andrew Hutton (Senior Independent Director)
Jim Sharp

Glossary

Share Price is the price of a single ordinary share, as determined by the stock market. The share price above is the mid-market price at market close.

Net Asset Value (NAV) per Share is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities.

The NAV figure above is based on the fair/market value cum income of the company's long term debt and preference shares (known as debt at fair value). This allows for the valuation of long-term debt and preference shares at fair value or current market price, rather than at final repayment value (known as debt at par).

Premium/Discount. Since investment company shares are traded on a stock market, the share price that you get may be higher or lower than the NAV. The difference is known as a premium or discount.

Dividend Yield is calculated using the latest full year dividend divided by the current share price.

Gearing is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.

How to invest

You can buy shares in the Trust through:

- A third party provider - see 'How to Invest' on our website, where you will find links to a range of these platforms, many of which allow you to hold the shares within an ISA, Junior ISA, SIPP and/or savings scheme.
- A stockbroker.
- A financial adviser.

Contact us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

0800 389 4696

www.brunner.co.uk

E-mail: investment-trusts@allianzgi.com

You will find much more information about The Brunner Investment Trust on our website.

Please note that we can only offer information and are unable to provide investment advice. You should contact your financial adviser before making any investment decision.



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 31.07.24 unless otherwise stated.

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