The Brunner Investment Trust PLC

Half-Yearly Financial Report, 31 May 2023

Whatever your goals, there's Brunner...

Capital growth and dividends

The Brunner Investment Trust PLC 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 period 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.

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

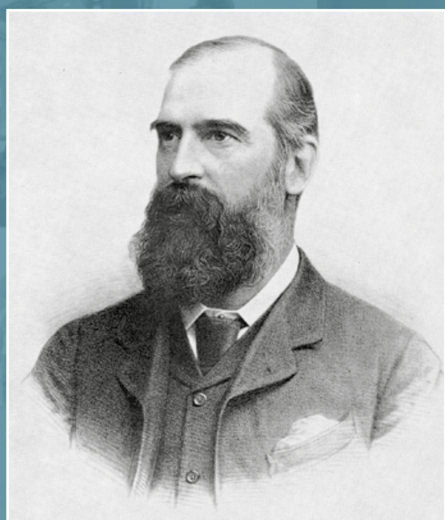
Brunner has an independent board of directors and no employees. Like other investment companies, it outsources investment management and administration to an investment management company – Allianz Global Investors – and other third parties to provide shareholders with an efficient, competitive, cost-effective 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, who joined the board on 1 January 2014, is connected to the Brunner family by marriage and continues the link between the board and the Brunner family.

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



Sir John Brunner

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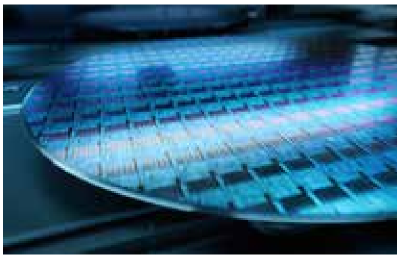
www.brunner.co.uk



Half Year Results

As at 31 May 2023

Net assets per ordinary share[1]
Debt at Fair Value[2]

1,187.0p

30.11.22 **1,178.7p**
+0.7%

Net assets per ordinary share[1]
Debt at Par

1,166.4p

30.11.22 **1,164.4p**
+0.2%

Earnings per ordinary share

+16.3%

31.05.23 **15.7p**
31.05.22 **13.5p**

Dividend per ordinary share
for the period[3]

+7.8%

31.05.23 **11.1p**
31.05.22 **10.3p**

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

1.6%

31.05.22
-0.5%

Net asset value total return
Debt at par[2]

1.1%

31.05.22
-2.0%

Benchmark index total return

0.3%

31.05.22
-1.3%

Share price total return[2]

2.3%

31.05.22
-3.3%

Discount - average in the
period[2]

10.6%

2022 – average over the period
9.2%

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

[1] References to NAV in our Interim Management Report and our Investment Manager's Review 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 also reported above.
[2] Alternative Performance Measures (APM). See Glossary on page **28**.
[3] First interim 5.55p, second interim 5.55p.
[4] The Benchmark Index of 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.
[5] Total returns are calculated with net dividends reinvested.

After a difficult 2022, technology stocks performed strongly. Within the sector, semiconductor stocks rallied, partly on the expectation that the AI revolution will lead to new demand.

Revenue

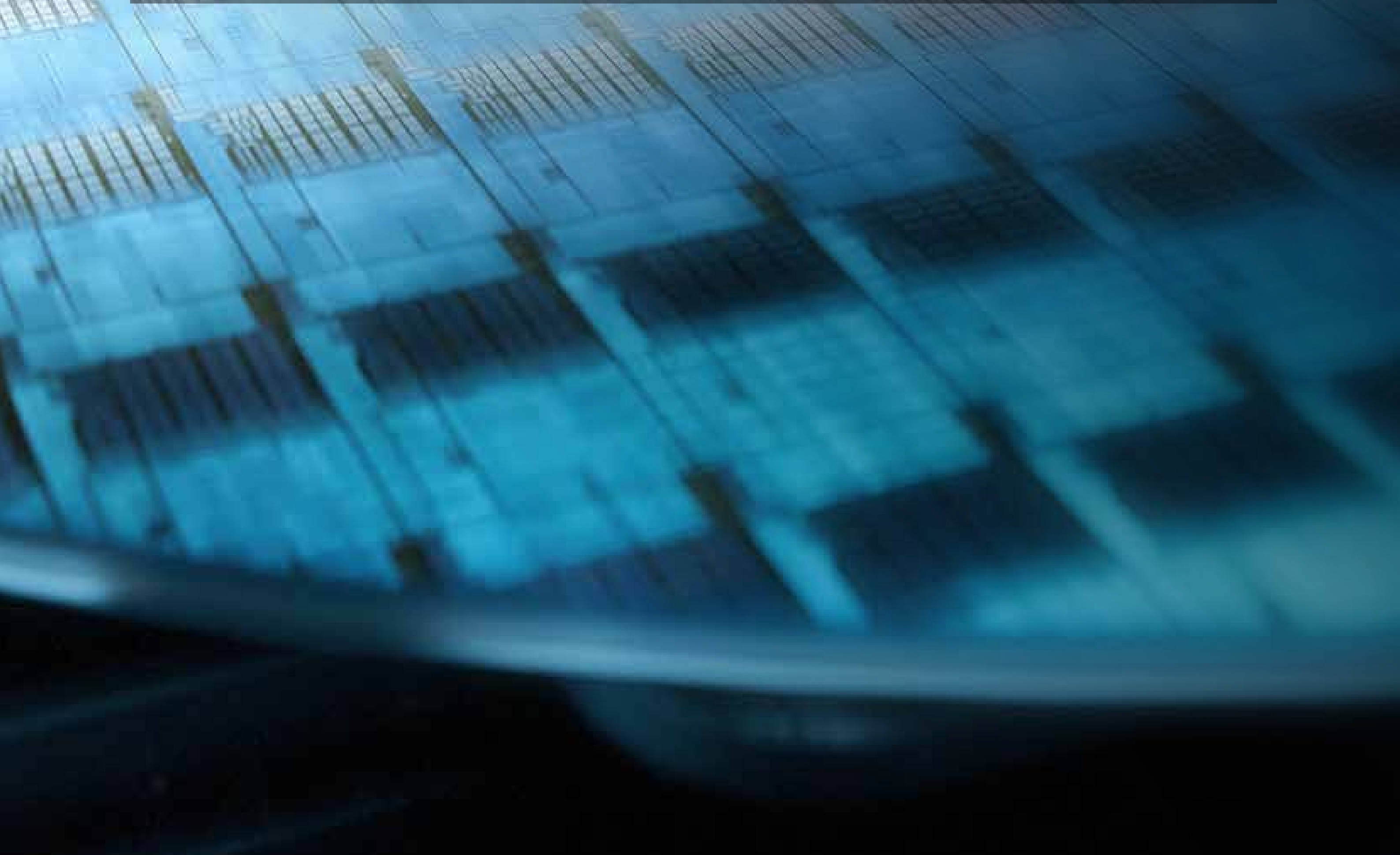
Six months ended 31 May	2023	2022	% change
Available for ordinary dividend	£6,689,000	£5,754,000	+16.2
Earnings per ordinary share	15.7p	13.5p	+16.3
Dividends per ordinary share	11.1p	10.3p	+7.8
Consumer price index	131.3	120.8	+8.7

Assets

	31 May 2023	30 November 2022	% change
Net asset value per ordinary share with debt at fair value	1,187.0p	1,178.7p	+0.7
Net asset value per ordinary share with debt at par	1,166.4p	1,164.4p	+0.2
Ordinary share price	1,032.5p	1,020.0p	+1.2
Total net assets with debt at fair value	£506,762,000	£503,217,000	+0.7
Total net assets with debt at par	£497,968,000	£497,097,000	+0.2

Performance relative to the benchmark

Net Asset Value with debt at fair value relative to benchmark[4]	Capital return	Total return[5]
Change in net asset value	0.7%	1.6%
Change in benchmark	-1.2%	0.3%
Percentage point performance against benchmark	**1.9**	**1.3**



Chair's Statement

Dear Shareholder

Half-yearly report

It has not been possible to open a newspaper or online news site for a large proportion of this year without being bombarded with something on Artificial Intelligence. This has been thrust into the limelight by new advances in 'generative' AI (where the AI algorithm such as ChatGPT can create new text, images, code and so on). I can assure you though that this report was wholly created by human beings! Some of the commentary around AI offers an exciting view of the future, while other views are dystopian in equal measure, often depending on the perspective of the writer. Whilst such hyped episodes can often be short-lived and then fade back into obscurity in the near-term, with this technology we seem to be witnessing, if not a revolution, then a definite inflection point in the implications to the world and our daily lives. Of course, the most powerful applications are not the fumbling attempts of the uninitiated to get ChatGPT to write their next masterpiece, but rather the unseen applications where AI is already seamlessly reducing burdensome tasks and easing processes.

As typifies markets all-to-often, over-exuberance is likely to follow and some young, exciting companies involved directly in AI development as their core activity (the so-called 'pure plays') may see some overblown valuations emerging. Perhaps we will see that emerge as the next stock market bubble. For some time our investment manager has looked at technology differently, finding opportunities fuelled by the digitalisation trend occurring across many industries. The advent of greater usage of AI will simply continue this trend, though maybe with a greater intensity. Of course, key portfolio holding Microsoft is one of the companies right at the forefront of this new era. As our investment manager will highlight in this report, the recent excitement around the potential of AI has already catapulted some of the largest 'mega-cap' tech stocks off their 2022 lows, making them, once again, a hard act to follow in stock performance terms over the past several months.

The war in Ukraine is sometimes seemingly more in the background these days. Nonetheless, it is still a very present factor on the global geopolitical stage, at continuing human cost. Beyond the human cost, it has also heralded an age of global uncertainty and a desire by nations to decouple essential supply lines from far-off or vulnerable nations. Nations are increasingly forming new, closer, strategic alliances and attempting to onshore strategically important manufacturing capability. This latter element is not proving the easiest task to accomplish in some cases, such as semiconductors, and underlines why the incumbent nations and companies may have had the monopoly in the first place.

Inflation remains an issue to the global economy. Whilst we have seen some underlying drivers such as the price of oil decline, core inflation (which strips out some more volatile and seasonal costs such as energy and food) remains stubbornly high. Central banks have been continuing to react incrementally over the period, raising interest rates in an attempt to quell inflation while trying to avoid full blown recession caused by putting the brakes too heavily on a pandemic-bruised economy.

Wage inflation has also been on the rise. This is a scenario that central banks have been keen to avoid as it blunts their ability to slow demand and quell inflation, as one element begets the other in a virtual upward spiral. For a generation of consumers and workers that have lived through multiple decades of benign inflation, falling real wages is proving a hard reality to accept, keeping the upward pressure on nominal wages for now.

As equity investors, inflation is not always a negative factor. Higher interest rates have brought previously extreme valuations of high growth stocks back towards 'normality'. Our investment manager has been able to take selective advantage of that scenario, with some stocks that were previously out of contention due to excessive valuations, now being on their radar. Many higher growth companies are also able to have their pricing keep pace with inflation, meaning as long as their input costs don't rise faster, they should remain in a profitable position.

Finally, we also witnessed stress returning to the financial sector with bank runs causing the downfall of several banks in the US, but Europe was also not immune. Banks around the world have generally had much more onerous capitalisation requirements since the Global Financial Crisis of 2008, but these latest failures underline what can happen regardless given the right circumstances.

Please do take the time to read the investment manager's report on pages 8 to 16 where the investment landscape over the period is examined in more detail.

Performance

Despite a continuing unsettled backdrop for the global economy and markets in general over the reporting period, we are pleased to report a gain in the Net Asset Value (NAV) of 0.7%; this was ahead in relative terms of an overall decline in the composite benchmark index (70% FTSE World Index Ex UK and 30% FTSE All-Share Index) of -1.2%. Amongst other factors, the investment managers' strict focus on valuation has continued to help avoid some of the worst volatility, as well as identifying new opportunities where quality companies have seen their valuations overly punished.

Beyond the capital return, the company remains proud of its income paying heritage and in total return terms with income factored in (net dividends reinvested), the NAV total return was 1.6%, ahead of the more modest 0.3% return of the benchmark.

The attribution of the absolute and relative investment performance of the portfolio is examined in the Investment Manager's report.

Earnings

We are pleased to report continuing recovery in dividend payments amongst portfolio companies through the period. Earnings increased by 16.3% to 15.7p per ordinary share in the six months to 31 May 2023 (2022: 13.5p). Brunner continues to have strong revenue reserves which exist to support dividend payments in years (such as recently during the pandemic) when earnings are 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 should there be further occasions where the dividend is not covered by earnings.

Dividends

In June, the board declared a first interim dividend of 5.55p per ordinary share which is payable on 25 July 2023. 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 2023 of 6.05p for the year ending 30 November 2023. Brunner's very strong revenue reserves of 25.9p per share (as at 30 November 2022), 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 22.7p per ordinary share, an increase of 5.6% over the dividend for the year ended 30 November 2022. The board therefore declares a second interim dividend of 5.55p per ordinary share payable on 15 September 2023 to shareholders on the register at the close of business on 4 August 2023. The last date for the Dividend Reinvestment Plan (DRIP) election is 18 August 2023.

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 2022 financial year, the trust proudly reached 51 years of consecutive dividend increases, keeping us in the leading pack of the Association of Investment Companies (AICs) "Dividend Heroes" list. We see 2023 as firmly continuing this tradition in the interests of our shareholders.

Discount and shareholder demand

Over the period, the discount of the share price to NAV has traded at a level higher than we might consider reasonable considering the performance and the high quality nature of the majority of the portfolio holdings. Notwithstanding the level, the discount has at least shown a lack of any substantial volatility.

Sales (direct interaction with professional investors), marketing and PR (indirectly raising the profile of Brunner to both private and professional investors) efforts continue. Of note during the period was a 'buy' recommendation in the Times influential Tempus column written by Editor Emma Powell.

Your board remains 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 2023 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 2022, 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 and FRS 104 as set out in Notes 3 and 4, and the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and
- The interim management 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
- The interim management report includes a fair review of the information concerning related parties transactions as required by the Disclosure and Transparency Rule 4.2.8 R.

The half-yearly financial report was approved by the board on 17 July 2023 and the above responsibility statement was signed on its behalf by the Chair.

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.

Julian Bishop also became Co-lead Portfolio Manager, alongside Christian Schneider, after the AGM. He introduced himself to shareholders at the meeting and gave part of the investment update alongside Christian. If you have not had chance yet to see Julian in action, he is appearing in more webinars and interviews on behalf of Brunner and you can see and/or listen to some of his updates on Brunner's website. He has also written the Investment Manager's Report with Christian for this interim report, and we would encourage shareholders to read this update from the trust's managers.

Board

At the conclusion of the Annual General Meeting, and as noted in the latest Annual Report, Peter Maynard retired from the board. Following Peter's retirement, Andrew Hutton was appointed as Senior Independent Director. After the AGM, Andrew Hutton also replaced Jim Sharp as Chair of the Remuneration Committee.

The board is continuing its cycle of recruitment as existing directors retire from the board. We welcomed Elizabeth Field to the board on 1 December 2022 and shareholders had the opportunity to meet her at the AGM.

Outlook

Markets continue to demonstrate high levels of short-termism. Whilst there is downside to this in terms of newsflow-driven volatility, the silver lining is mispricing of quality companies based simply on wider sentiment. This is a perfect hunting ground for bottom-up stockpickers. As we have outlined before, this is how the Brunner portfolio is managed – always with caution and prudence, but with an opportunistic eye on such factors.

I encourage shareholders to read the manager's description of a long-term approach to investing in the Investment Manager's Report. Talking about a long term view can sometimes appear trite – something trotted out in marketing material whenever times are hard. However, our manager sees this as a philosophy, a view supported wholeheartedly by the board. Short termism is not helpful, and trading in that way becomes akin to gambling. True long term investing is about something different.

Brunner will continue into the future with an ongoing focus on prudent management – aware of the macro-economic outlook and its potential impact on companies, but ultimately simply ploughing on with the business of crafting a portfolio of a selection of the world's best companies, where we are able to purchase them for shareholders at reasonable valuations. We firmly believe this is the best approach to create long-term wealth generation for our shareholders, whilst sparing them the rollercoaster ride of chasing the in-vogue investment style.

Carolan Dobson
Chair

Investment Manager's Review

Julian Bishop

Christian Schneider

Market Review

Measured in sterling, global equity markets were roughly flat over the six months to the end of May 2023. This headline conceals some modest upward moves in key overseas markets such as the US and Japan that were largely lost once translated back into pounds. Sterling has continued to strengthen after the lows associated with the Truss/Kwarteng mini-budget of last autumn, creating a slight headwind for the valuation of overseas assets.

This flat overall outcome masks a great deal of divergence beneath the surface. In aggregate, growth stocks roared ahead whilst value stocks retreated; a perfect inversion of what we saw in 2022, which was itself a perfect inversion of what was seen in 2021. This inversion was mirrored at the sector level. After a torrid 2022, technology stocks were very strong, whereas the lowly rated financials and energy names that fared well in 2022 resumed their longstanding underperformance.

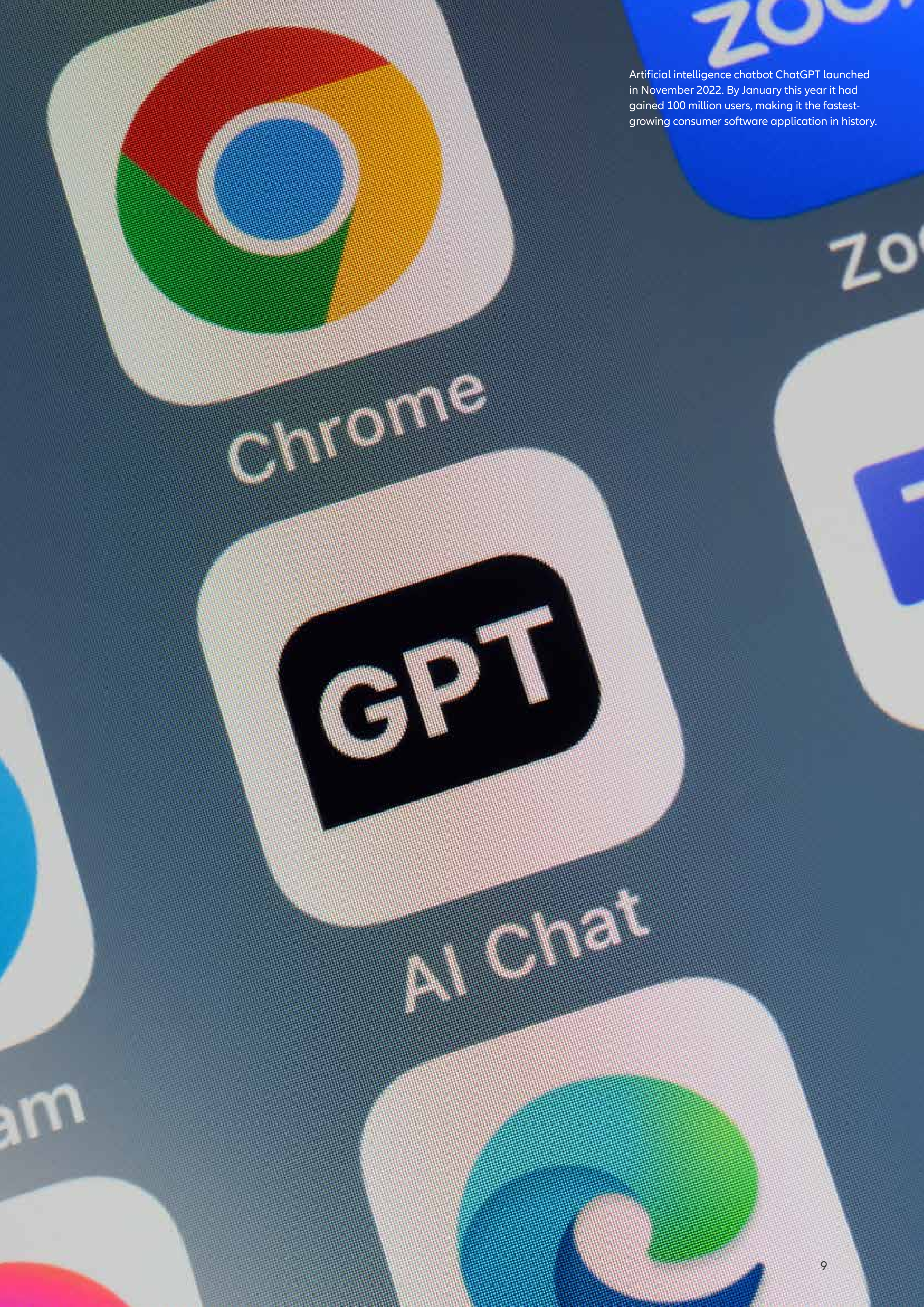
Digging further, the first six months have been a very narrow market with a handful of tech giants – Apple, Microsoft, Amazon, Alphabet (Google) Nvidia and Meta – accounting for virtually all the gains in the S&P 500, for example. It only takes one Microsoft to perform well, with its near $2.5 trillion market cap, approximately the same as the entire FTSE 100, to mask declines in dozens of other, smaller companies. Probabilistically, this has made it a hard market to outperform. We are pleased with our performance in this context.

The resumption of tech outperformance resulted from three primary factors. Firstly, the correction of 2022 bought valuations back to more palatable levels. Secondly, interest rates stabilised (higher interest rates theoretically lower the present value of future profits, on which growth stocks are disproportionately dependent). Thirdly, and perhaps more importantly, was the emergence of a new growth narrative, centred on artificial intelligence (AI).

In late November 2022, an organisation called OpenAI launched an early demo of ChatGPT, a natural language processing tool that provides linguistically fluent and logically sophisticated answers to prompts and questions. This was followed in May by an exceptional set of financial results from Nvidia, the semiconductor company, which dominates the market for the graphic processing units (GPUs) used in artificial intelligence applications; rarely have sales and profit forecasts for a large company been so heavily underestimated. Consequently, shares in Nvidia rallied 24% in a day. Given Nvidia was already a valuable company, this equated to $180bn in additional market capitalisation – more than the value of Unilever, Tesco and Vodafone combined.

Investor, consumer and corporate interest in artificial intelligence applications is very high indeed and we have no doubt that its impact will be enormous. Nevertheless, judging the winners and losers at this early stage is likely to prove difficult. We expect speculation to abound. If history is any guide, fortunes will be made, and lost. We remain happy with our participation via our holdings in Microsoft, Accenture and TSMC, amongst others. Microsoft partially owns OpenAI and hosts many processing intensive AI models in its Azure cloud computing division. They also hope AI can improve the competitiveness of its Bing search engine (which is a distant number two to Google) and act as a useful 'co-pilot' for users of its Office product suite. Accenture will win business deploying AI applications on behalf of its corporate clients. TSMC are a

PHOTO: STOCKCAM



Artificial intelligence chatbot ChatGPT launched in November 2022. By January this year it had gained 100 million users, making it the fastest-growing consumer software application in history.

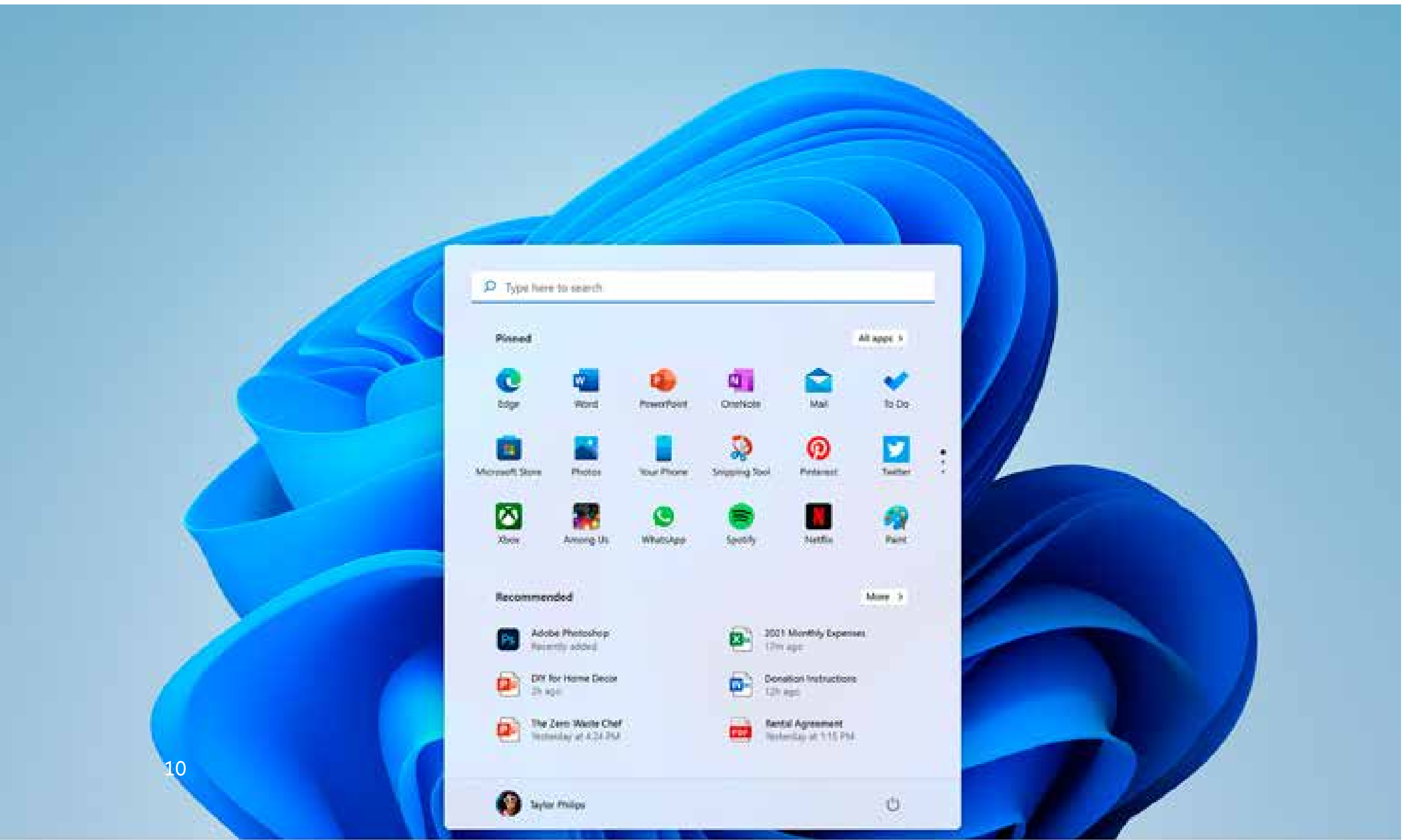
semiconductor 'foundry' that has near 100% share manufacturing the most sophisticated GPUs on behalf of Nvidia et al. In all these instances we believe we are suitably agnostic as to the precise winners in the AI space and that they should flourish no matter how this nascent technology evolves. All three are also extraordinary quality businesses which are reasonably valued and generate plentiful free cash flow; quintessential Brunner holdings.

Events in the financial sector were equally dramatic. It was inevitable that, at some point, a rapid increase in interest rates from unusually low levels would create problems somewhere in the financial system. These emerged in March at Silicon Valley Bank (SVB), an American regional bank based in California, serving corporate clients in the technology industry. During COVID, these clients raised huge amounts of cash from venture capital firms, keen to invest in all things digital, which they deposited at SVB. These tech clients subsequently burned through this cash (as tech start-ups are wont to do), running down their balances. Regretfully, SVB had invested these deposits, with the intention of holding them to maturity, in relatively long dated bonds that had fallen in value due to rising interest rates. Selling them to meet the deposit outflows would result in significant losses, eating into the bank's equity cushion. A poorly communicated effort to raise sufficient equity to cover these losses caused a full blown, digitally-enabled bank run with devastating consequences. This crisis of confidence then spread across the US regional banking sector, with several other banks failing before confidence was restored.

This was a reminder, if ever needed, of the inherent fragility of the fractional banking system. Put simply, not all depositors can have their deposits back at once, as they are mostly lent to others. Banks rely on trust, and when that trust is lost the results can be fatal. In most markets, regulators reinforce trust by insuring deposits up to a certain level (£85,000 in the UK). In the instance of SVB, most deposits belonged to businesses, not individuals and were therefore beyond the insured level ($250,000 in the US); it was therefore rational for these uninsured depositors to panic first.

The appropriate regulatory framework to manage depositor behaviour soon morphs into a quasi-philosophical branch of game theory, where individual acts require judgement about the acts of others. As a solution, some advocate for far higher levels of, even unlimited, deposit insurance, which would negate the incentive for depositors to flee, probably lowering the actual levels of compensation ultimately needed. Others believe this would introduce a form of moral hazard, and that depositors should carefully consider which banks they use. This view implies depositors should be able to

Microsoft was the largest contributor to performance during the period under review.



appraise the solvency risks of their banks. We'd highlight that regulatory submissions from banks to regulators undertaking bank 'stress tests' regularly run to thousands of pages. It is clearly unreasonable for any retail depositor, at least, to do their own due diligence. Regulators will continue to search for an optimal balance.

At Brunner, we are appropriately cautious when it comes to our small investments in banks. We have positions where we believe that the corresponding risks are compensated for by an appropriately higher potential return and in all instances we look for banks we believe to be at the very low end of the risk spectrum. Our largest bank holding is **DNB**, the leading Norwegian bank, which operates within one of the strictest regulatory frameworks in the world. Capital levels (as measured by the amount of equity set aside to deal with losses) are materially higher than virtually any other bank in existence. Another small holding, UK based **Close Brothers**, very intentionally has longer dated deposits than loans (for example, it may borrow money from depositors for two years and lend it to borrowers for one year), essentially eliminating the possibility of a run entirely. We are not naïve about banks and feel that our cautious approach has been vindicated by recent events in the US.

Most other sectors were thankfully less dramatic in the first half of our financial year. Energy stocks came under pressure as oil and gas prices fell from the peaks seen after the invasion of Ukraine. Falling commodity prices generally gave rise to hope that inflation may be peaking. Whilst this is almost certainly true, 'core' inflation (which excludes volatile food and energy prices) remains stubbornly high due to wage inflation. Unemployment in most major markets remains very low, giving workers strong bargaining power. Central banks remain fearful of a classic wage-price spiral and so continue to tighten rates. Their thankless task is, effectively, to induce near recessionary conditions, which they have now achieved on both sides of the Atlantic.

After some of the most Draconian COVID lockdowns seen, China finally re-opened. Compared to other markets, the subsequent economic rebound has been lacklustre, to the disappointment of both domestic Chinese investors and global commodity markets which rely on Chinese demand. Perhaps the explanation lies in the lower level of government handouts to workers in Asia during the lockdowns. Consumers in the West, unable to spend and awash with stimulus payments in lieu of wages, saved a great deal during the lockdowns, unleashing a spending boom once they were lifted. Whilst generous and sensible, paying people for not working is as close to a definition of 'helicopter money' as you are likely

Norwegian bank DNB is our largest bank holding.

to find. The resulting, unprecedented growth in money supply (as measured by M2) in 2021 and 2022 likely contributed to the inflation plaguing Western economies today. The lack of an equivalent programme in China and across much of Asia presumably explains why inflation has not taken hold there as it has across Europe and the US. Reassuringly, M2 in the US is now falling year on year; this is contractionary but necessary to get inflation back to comfortable levels. Until that is achieved, economic growth is likely to be minimal – the intentional outcome of central bank policy.

Markets are constantly on the move as participants collectively reprice their views of the future. Many participants overly obsess with the short term, in our view. We try to stand back and consider how the businesses we invest in will generate cash and create value over the long term – an approach which reflects the truism that equities are long duration assets. Every equity investment gives you a stake in a potentially immortal corporate entity providing cash flows in perpetuity. Company-specific returns on invested capital, barriers to entry, free cash flows, structural growth, long-term relevance and valuation are where we focus most of our attention. We try hard to ignore the irrelevant cacophony that characterises much of the news flow on Wall Street and in The City, obscuring what actually matters.

Portfolio Review

In the first half of our financial year (the six months to the end of May 2023), the Brunner Investment Trust provided a total return of 1.6%, comfortably ahead of the benchmark (30% FTSE All Share/70% FTSE World ex UK).

Attribution analysis shows our underweight positions in Basic Materials, Energy and Consumer Staples all contributed positively to performance. This was partially offset by overweight positions in the Financials and Healthcare sectors. Our modest underweight in the Technology sector also detracted from performance. At a geographical level, our underweights in Japan and the US were unhelpful. As a reminder, we are stock pickers who do not allocate by region or sector. Nevertheless, it can occasionally be illuminating to understand the composition of performance in this way.

Looking at individual stocks, our largest contributor to performance came from **Microsoft**, the trust's largest holding and one which we added to early in the year. Their most recent financial results were very strong. Revenue growth was 10% and earnings per share grew 14% at constant currency. Recent excitement around AI also led to a sharp rerating in the shares. Whilst we are always vigilant about valuation, we are reluctant to sell what we consider a core holding. We note

Danish pharmaceutical company Novo Nordisk was struggling to keep pace with demand for its new obesity drug Wegovy.

that the company has a net cash balance sheet and good free cash flow, permitting one of the only decent dividends amongst mega cap tech names in addition to buybacks. In comparison to other tech names the accounts are also very clean, with relatively little dilution from stock-based compensation – a common and under-analysed accounting abuse amongst many of their software peers.

The second largest contributor to performance was from an altogether more obscure stock. **Jumbo SA** is a Greek listed retailer which operates across Greece, Cyprus and Eastern Europe. Their stores are similar to a small IKEA in layout but focus on family-oriented categories such as toys, stationery and seasonal items, all sold at very keen prices. Recent sales growth and margins have been very strong, leading to upward earnings revisions. The company has a large cash pile on its balance sheet, is enormously cash generative and traded at an exceptionally low starting multiple. Since the start of the financial year, it has paid EUR1.5 in dividends on a starting EUR14 share price – an 11% cash return in just six months, in addition to a 40% increase in the share price.

Other positive contributors include **Novo Nordisk**, the Danish pharmaceutical company with mastery of two important therapeutic areas: diabetes and obesity. The success of its drug for obesity, Wegovy, has been well publicised. At present, the company is struggling to manufacture enough of this enormously complex biological molecule to keep pace with demand. Despite this, sales grew an impressive 25% in the first three months of the year.

Finally, we would highlight a few other names. **Munich Re**, the German reinsurer, is enjoying strong pricing power. **Schneider Electric** is seeing strong demand for electrical components and systems. **TSMC** and **Atlas Copco** rallied on belief that the semiconductor downcycle is coming to an end and that the AI revolution will provide incremental demand.

On the negative side of the ledger is **Charles Schwab**, the US discount savings platform (analogous to Hargreaves Lansdown or AJ Bell in the UK). Much higher short term interest rates have caused clients to reallocate the cash balances in their savings accounts to higher yielding money market funds. Under normal conditions the interest Schwab make on those cash balances is a major contributor to profit, so near term estimates have fallen. We added to the stock on weakness; in the long term we believe Schwab's competitive position to be outstanding.

Another negative contributor was **United Health** (UNH), the US healthcare services provider. The core of United's business is health insurance, where profitability is determined by the spread between its premiums and the level of claims. Healthcare claims have increased as more individuals have elected to have treatment following a hiatus during and after COVID. Seniors, in particular, are now more comfortable returning to a hospital setting to address deferred, non-urgent issues such as hip replacements. These increasing costs are modestly and, we believe, temporarily pressuring UNH's margins.

Many of the other negative relative contributions came from technology stocks we don't own; notably, Nvidia, Apple, Meta, Alphabet and Amazon. This contrasts with last year, when our decision to avoid these names based on valuation and deteriorating fundamentals positively contributed to our relative performance. As mentioned in the Market Review, these stocks alone have driven much of the year to date dollar gain in US markets. We are open minded about these stocks and regularly debate their suitability for Brunner. None pay any dividends of substance yet, but are increasingly in a position to do so. They are indisputably outstanding companies with bright futures and are therefore worthy of consideration. For the time being, though, we are content with our existing technology holdings which tend to be, with the notable exception of Microsoft, further down the size spectrum and, we believe, better value.

Significant Transactions – Purchases

We added several new names to the portfolio during the period, all of which reflect Brunner's balanced approach to quality, growth and value.

AJ Gallagher is a US listed insurance broker which arranges complex insurance contracts for its corporate clients. We consider insurance brokers intrinsically superior businesses to the insurance carriers as they take no underwriting risks, no investment or credit risk, have no exposure to natural catastrophes and require virtually no capital to grow. The market is sufficiently consolidated to prevent onerous price competition and customer retention rates are very high. Margins and returns on invested capital are both outstanding.

As well as being structural winners, insurance brokers are good stocks for tough times. Year to year volatility in profitability is very low and revenues tend to be robust whatever the economic climate; insurance is generally a non-negotiable line item for clients. Revenues tend to be a percentage of the business placed, therefore acting as a partial, useful inflation hedge of sorts. In their maiden results since we took ownership, they reported quarterly revenues growth of 10% with a helpful boost from reinsurance pricing.

Diageo is the world's leading premium spirits company, with a stable of brands of true heritage that includes Tanqueray gin, Don Julio tequila, Johnnie Walker whisky and Guinness. Whilst overall consumption of alcohol in many parts of the world is flat or modestly declining, there is a longstanding trend of spirits taking share from beer and wine. There is also a longstanding trend of premiumisation, with consumers trading up to higher quality, aged products. In emerging markets, where Diageo has strong positions, there is a strong demographic tailwind as well. In India alone, for example, twenty million consumers enter the legal drinking age population every year.

The spirits market grew very strongly in the US during COVID, providing the company with some difficult comparisons that have depressed Diageo's valuation of late. We viewed this as opportunity to buy a terrific company at a very reasonable price. We note that Diageo is Warren Buffet/Berkshire Hathaway's only UK listed holding at present, so we feel we are in good company.

Admiral is the leading UK motor insurer. Its low-cost structure (they are the only FTSE 100 company based in Wales, where wages are lower than the UK average), underwriting prowess and risk offsets with reinsurers make for an unusually profitable company with a long record of share gains. Recent profitability, however, has been under pressure due to elevated claims inflation; motor insurers write business with a reasonably good ability to forecast claims frequency, but the severity of claims has been worse than expected due to the inflationary environment, which has meant unanticipated increases in the cost of second-hand cars, repair bills and legal settlements for bodily injuries.

Whilst Admiral has seen profit pressure, many of its less profitable competitors are now making an outright loss. As a consequence, industry participants must either exit the market or take up prices to restore profitability. According to the ONS, UK motor insurance CPI was up a massive 41% in April, so evidence is emerging that this shorter term thesis is correct. Longer term, we believe we have ownership of a very profitable, growing, cash generative business with a long history of paying large dividends to shareholders.

DNB is the largest bank in Norway. By most observable metrics, it ranks as one of the world's higher quality, less risky banks. We highlight 30% market share in a rational, consolidated market

New purchase Diageo is the world's leading premium spirits company.

PHOTO: MICHELANGELO DE CIA

and a very high core tier one equity ratio of 18%, providing a strong buffer against loan losses and lower overall leverage. Under the 'adverse scenario' in the 2021 EU bank stress test, DNB was one of the best performers in Europe.

Norway is a politically stable, wealthy jurisdiction with low government debt and a large sovereign wealth fund which, combined with a generous social security safety net, is used to smooth the economic cycle. The company's MSCI ESG rating is AAA, placing them in the top 5% of banks worldwide. The company pays a very generous dividend.

Rentokil is predominantly a residential and commercial pest control business. They are the global leader, with number one share positions in over fifty markets. Recently, they acquired a business called Terminix in the US, which has given them leading share in that important market. Profitability in pest control correlates strongly with market share (operatives can cover a smaller, denser area with less travel time) and we believe the financial and strategic logic behind the deal is very sound indeed. Long term, pest control benefits from clear structural drivers; urbanisation, rising food and hygiene standards, increasing reputational risks, climate change and an emerging middle class. All these factors bode well for demand.

London-listed **Intercontinental Hotels Group** (IHG) is one of the world's largest hotel companies with 6,000 hotels open around the world and another 1,800 in the pipeline. It has, in our opinion, an outstanding business model; it takes a franchise or management fee from hotel owners who licence its brands, which include Holiday Inn, Intercontinental, Six Senses etc. This leads to a reliable, high margin fee stream which should grow over time as new hotels open and inflation drives hotel rates higher. The asset-light nature of the business means it generates tremendous amounts of cash, all of which can be returned to shareholders via dividends and buybacks. We also like the 20 year plus nature of their contractual agreements with hotel owners. Each hotel therefore provides IHG with an individual income stream that should grow in line with inflation across the economic cycle. In our eyes, this makes IHG shares a very valuable financial instrument that is under-appreciated by a market that obsesses over small variances in each quarter's financial results.

Collectively we see these as a fine set of businesses, acquired at attractive valuations. All are capable of delivering the consistent, growing free cash flows which underpin long term cash returns to shareholders.

New purchase Rentokil is the global leader in residential and commercial pest control.

Significant Transactions – Sales

These new holdings mean we have had to say goodbye to several holdings. Suffice to say we believe the collective impact of these trades has been a net improvement in the overall quality, value and growth profile of the portfolio. Whilst Brunner has a long-term approach and relatively low turnover, there is still competition for capital.

Sales include Adidas, which has been losing share in the key Chinese and American markets. After a very difficult 2022, the CEO was ousted and replaced with the well-regarded former CEO of Puma. We took the opportunity to exit our position. Ultimately, we think that, outside of Europe, their market position is too fragile for comfort.

We also exited Ecolab and International Flavors and Fragrances (IFF), two American companies focused on cleaning solutions and specialist ingredients respectively. We admire both businesses but believe that our new holdings represent an improvement in the long-term quality, value and growth equation. This, perhaps, is a comment on US vs UK valuations for similar businesses. Generally, we find businesses with similar outlooks are cheaper on this side of the pond, hence our purchase of several similarly high-quality names in the UK such as Diageo, IHG and Rentokil which, incidentally, all conduct the largest portion of their business in the US despite their London listing.

Other sales include Astellas, a Japanese pharmaceutical company, whose key drug XTANDI for prostate cancer is due to lose patent protection in 2027. We are unconvinced that the pipeline of possible replacements is sufficient to replace these lost revenues – a constant worry for pharma companies whose profit often depends on a relatively small set of products with finite protection from competition. We also said goodbye to Ashmore, the UK specialist asset manager focused on emerging market debt, SSP, who operate restaurants in stations and airports, and Intuitive Surgical, a maker of robotic surgery equipment.

Market Outlook

Invariably when commenting on financial markets, attention to turns to the most extreme moves. We are as guilty of this as anyone. In the market review, we discussed high inflation, the US regional banks crisis and the AI frenzy. As newspaper editors well know, there is no value in the mundane.

The reality is that most of the businesses held in the Brunner portfolio are chugging along nicely. Recessions will come and go and interest rates will rise and fall. Occasional setbacks are inevitable, but in the vast majority of cases our investments continue to generate cash which is either sensibly reinvested in value creative activities or returned to us as dividends and buybacks. We expect profits at most of our holdings to grow in most years. Over the long term, it is this combination of growth and cash remittances that drives equity returns.

Those returns take time to achieve. As the old adage goes, it's time in the market, not timing the market, that allows one to grow wealth. Patience is key and that patience is at odds with the frenetic news flow that dominates market activity and the financial press.

If you are truly trying to understand the intrinsic value of a company, the short term is of mathematically little relevance. Remember, a good equity should provide cash flows in perpetuity. Of course, occurrences today can and do give clues to the future, but most news is simply noise. Good equity analysis focuses on the probable outlook for profits far into the future, however imprecise that exercise may be. We try to avoid the bias to the short term that plagues much financial analysis, simply because the near is more visible. If we are searching a large area, there is no point only looking for our lost keys under the lamppost, simply because that's where the light is.

If we were gamblers we'd bet that the recent decline in commodity prices, sharp reduction in money supply and higher interest rates are likely to get inflation under control allowing central banks to consider modest reductions to rates. Even if we're right, we're not sure what we'd do with this information. This won't change whether exceptional companies like Microsoft or Diageo succeed, or cause us to invest in certain companies in lieu of others. As we consistently try to highlight, we are long term investors and we prefer our shareholders to share that long term vision. If you're in for the long haul, economic cycles are an inevitable part of life. We deliberately select businesses that should continue to flourish, whatever the outlook.

Julian Bishop and Christian Schneider
Allianz Global Investors

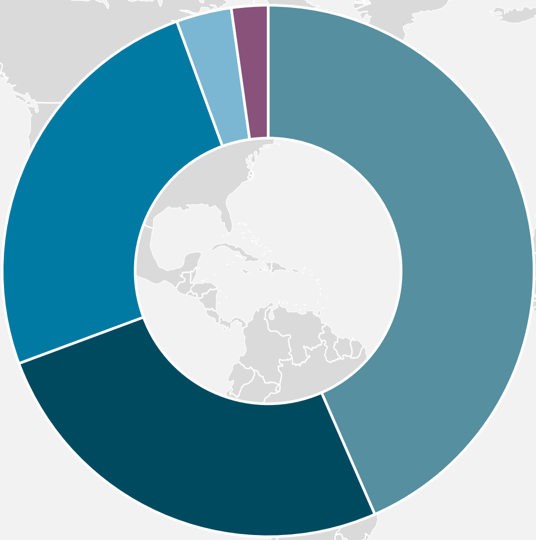
New purchase Intercontinental Hotels Group (IHG) is one of the world's largest hotel companies with 6,000 hotels open around the world and another 1,800 in the pipeline.

Portfolio Breakdown

as at 31 May 2023

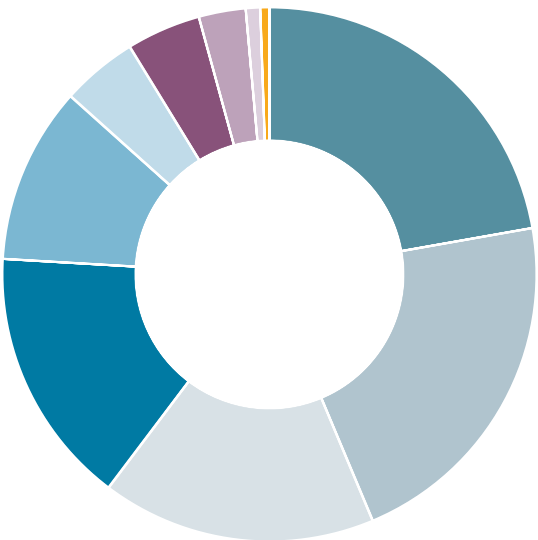
Name	Value (£'000s)	% of Invested Funds	Sector
Microsoft	36,201	6.92	Software & Computer Services
United Health	22,017	4.21	Health Care Providers
Visa	19,270	3.68	Industrial Support Services
Munich Re	18,019	3.45	Non-Life Insurance
Schneider Electric	13,668	2.61	Electronic & Electrical Equipment
Taiwan Semiconductor	13,534	2.59	Technology Hardware & Equipment
Shell	13,126	2.51	Oil, Gas & Coal
Microchip Technology	12,283	2.35	Technology Hardware & Equipment
Roche Holdings	12,210	2.33	Pharmaceuticals & Biotechnology
Itochu	11,614	2.22	General Industrials
AMETEK	11,592	2.22	Electronic & Electrical Equipment
Novo Nordisk	11,305	2.16	Pharmaceuticals & Biotechnology
TotalEnergies	10,958	2.10	Oil, Gas & Coal
Arthur J. Gallagher & Co.	10,858	2.08	Non-Life Insurance
Unilever	10,575	2.02	Personal Care, Drug & Grocery
Accenture	10,502	2.01	Industrial Support Services
Yum China Holdings	10,466	2.00	Travel & Leisure
Intercontinental Hotels	10,359	1.98	Travel & Leisure
Atlas Copco	9,944	1.90	Industrial Engineering
Partners Group	9,830	1.88	Investment Banking & Brokerage
LVMH Moet Hennessy Louis Vuitton	9,797	1.87	Personal Goods
DNB Bank	9,537	1.82	Banks
The Cooper Companies	9,445	1.81	Medical Equipment & Services
AIA	9,292	1.78	Life Insurance
SSE	9,079	1.74	Electricity
Assa Abloy	8,773	1.68	Construction & Materials
Admiral Group	8,603	1.64	Non-Life Insurance
Nestle	8,317	1.58	Food Producers
Charles Schwab	7,656	1.46	Investment Banking & Brokerage
Agilent Technologies	7,467	1.43	Medical Equipment & Services
Jumbo	7,459	1.43	Leisure Goods

Name	Value (£'000s)	% of Invested Funds	Sector
Amphenol	7,306	1.40	Technology Hardware & Equipment
RELX	7,151	1.37	Media
St. James's Place	6,690	1.28	Investment Banking & Brokerage
Adobe	6,238	1.19	Software & Computer Services
FleetCor Technologies	6,212	1.19	Industrial Support Services
Intuit	6,088	1.16	Software & Computer Services
Rentokil Initial	6,063	1.16	Industrial Support Services
Haleon	5,966	1.14	Pharmaceuticals & Biotechnology
Iberdrola	5,737	1.10	Electricity
IG Group	5,712	1.09	Investment Banking & Brokerage
Estée Lauder	5,640	1.08	Personal Goods
Brambles	5,504	1.05	General Industrials
CME Group	5,482	1.05	Investment Banking & Brokerage
Baltic Classifieds	5,226	1.00	Software & Computer Services
Redrow	5,065	0.97	Household Goods & Home Construction
MarketAxcess	5,056	0.97	Investment Banking & Brokerage
AbbVie	5,010	0.96	Pharmaceuticals & Biotechnology
DCC	4,825	0.92	Industrial Support Services
Diageo	4,686	0.90	Beverages
Rio Tinto	4,542	0.87	Industrial Metals & Mining
Close Brothers	4,454	0.85	Banks
S&P Global	4,402	0.84	Finance & Credit Services
Align Technology	4,330	0.83	Medical Equipment & Services
SThree	4,284	0.81	Industrial Support Services
GSK	4,039	0.77	Pharmaceuticals & Biotechnology
Tyman	4,013	0.77	Construction & Materials
Paragon Banking	3,883	0.74	Finance & Credit Services
Helical	2,886	0.55	Real Estate Investment & Services
Australia & New Zealand Bank	2,792	0.53	Banks
	523,038	**100.00**	**% of Total Invested Funds**



Geographical Analysis

Region	% of Invested Funds
North America	43.43
Continental Europe	25.91
UK	25.08
Pacific Basin	3.36
Japan	2.22



Sectoral Analysis

Sector	% of Invested Funds
Industrials	22.22
Financials	21.46
Technology	16.61
Health Care	15.64
Consumer Discretionary	10.70
Energy	4.61
Consumer Staples	4.50
Utilities	2.84
Basic Materials	0.87
Real Estate	0.55

Income Statement

	For the six months ended 31 May 2023			For the six months ended 31 May 2022		
	Revenue £'000s	**Capital £'000s**	**Total Return £'000s (Note 2)**	**Revenue £'000s**	**Capital £'000s**	**Total Return £'000s (Note 2)**
Gains (losses) on investments held at fair value through profit or loss	-	409	409	-	(14,519)	(14,519)
Losses on foreign currencies	-	(191)	(191)	-	(85)	(85)
Income from investments	8,678	-	8,678	7,403	-	7,403
Investment management fee	(354)	(827)	(1,181)	(352)	(822)	(1,174)
Administration expenses	(426)	(1)	(427)	(369)	(2)	(371)
Profit (Loss) before finance costs and taxation	**7,898**	**(610)**	**7,288**	**6,682**	**(15,428)**	**(8,746)**
Finance costs: interest payable and similar charges	(194)	(426)	(620)	(141)	(301)	(442)
Profit (Loss) on ordinary activities before taxation	**7,704**	**(1,036)**	**6,668**	**6,541**	**(15,729)**	**(9,188)**
Taxation	(1,015)	-	(1,015)	(787)	-	(787)
Profit (Loss) after taxation attributable to ordinary shareholders	**6,689**	**(1,036)**	**5,653**	**5,754**	**(15,729)**	**(9,975)**
Earnings (Loss) per ordinary share (basic and diluted) (Note 1)	**15.67p**	**(2.43p)**	**13.24p**	**13.48p**	**(36.84p)**	**(23.36p)**

Balance Sheet

	As at 31 May 2023 £'000s	As at 31 May 2022 £'000s	As at 30 November 2022 £'000s
Investments held at fair value through profit or loss (Note 3)	523,038	518,366	522,829
Net current assets (liabilities)	**26**	**(5,090)**	**(641)**
Total assets less current liabilities	**523,064**	**513,276**	**522,188**
Creditors: amounts falling due after more than one year	(25,096)	(25,389)	(25,091)
Total net assets	**497,968**	**487,887**	**497,097**
Called up share capital	10,673	10,673	10,673
Capital redemption reserve	5,327	5,327	5,327
Capital reserve	464,215	455,573	465,251
Revenue reserve	17,753	16,314	15,846
Equity shareholders' funds	**497,968**	**487,887**	**497,097**
Net asset value per ordinary share	**1,166.4p**	**1,142.8p**	**1,164.4p**

The net asset values are based on 42,692,727 ordinary shares in issue at 31 May 2023, 31 May 2022 and 30 November 2022.

Statement of Changes in Equity

	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Total £'000s
Six months ended 31 May 2022					
Net assets as at 1 December 2021	10,673	5,327	471,302	15,150	502,452
Revenue profit	-	-	-	5,754	5,754
Dividends on ordinary shares (Note 4)	-	-	-	(4,590)	(4,590)
Capital loss	-	-	(15,729)	-	(15,729)
Net assets at 31 May 2022	**10,673**	**5,327**	**455,573**	**16,314**	**487,887**
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 (Note 4)	-	-	-	(4,782)	(4,782)
Capital loss	-	-	(1,036)	-	(1,036)
Net assets at 31 May 2023	**10,673**	**5,327**	**464,215**	**17,753**	**497,968**

Cash Flow Statement

	For the six months ended 31 May 2023 £'000s	For the six months ended 31 May 2022 £'000s
Operating activities		
Profit (loss) before finance costs and taxation	7,288	(8,746)
Less: (Gains) losses on investments held at fair value through profit or loss	(409)	14,519
Add: Losses on foreign currency	191	85
Less: Overseas tax suffered	(1,015)	(787)
Increase in other receivables	(413)	(407)
Decrease in other payables	(33)	(121)
Purchase of fixed asset investments held at fair value through profit or loss	(57,797)	(49,517)
Sales of fixed asset investments held at fair value through profit or loss	58,971	50,975
Net cash inflow from operating activities	**6,783**	**6,001**
Financing activities		
Interest paid	(516)	(417)
Dividend paid on cumulative preference stock	(11)	(11)
Dividends paid on ordinary shares	(4,782)	(4,590)
Net cash outflow from financing activities	**(5,309)**	**(5,018)**
Increase in cash and cash equivalents	**1,474**	**983**
Cash and cash equivalents at the start of the period	7,919	3,695
Effect of foreign exchange rates	(191)	(85)
Cash and cash equivalents at the end of the period	9,202	4,593
Comprising:		
Cash at bank	9,202	4,593

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 2022: 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 2023 were £57,797,000 (31 May 2022: £49,383,000) and sales for the half year ended 31 May 2023 were £57,997,000 (31 May 2022: £50,421,000).

Included in the cost of investments are transaction costs on purchases which amounted to £159,000 (31 May 2022: £102,000) and transaction costs on sales which amounted to £16,000 (31 May 2022: £6,000).

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 2023, the financial assets at fair value through profit and loss of £523,038,000 (30 November 2022: £522,829,000) are categorised as follows:

	Six months ended 31 May 2023 £'000s	**Year ended 30 November 2022 £'000s**
Level 1	523,038	522,829
Level 2	-	-
Level 3	-	-
	523,038	**522,829**

Note 4

In accordance with section 32 FRS102 '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 2023 £'000s	Six months ended 31 May 2022 £'000s	Year ended 30 November 2022 £'000s
Final dividend - 6.05p paid 4 April 2023 (2022 - 6.05p)	2,583	2,583	2,583
First interim dividend - 5.15p paid 21 July 2022 (2021 - 4.70p)	-	-	2,199
Second interim dividend - 5.15p paid 15 September 2022 (2021 - 4.70p)	-	-	2,199
Third interim dividend - 5.15p paid 12 December 2022 (2021 - 4.70p)	2,199	2,007	2,007
	4,782	**4,590**	**8,988**

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 2023 £'000s	Six months ended 31 May 2022 £'000s	Year ended 30 November 2022 £'000s
First interim dividend - 5.55p payable 25 July 2023 (2022 - 5.15p)	2,369	2,199	-
Second interim dividend - 5.55p payable 15 September 2023 (2022 - 5.15p)	2,369	2,199	-
Third interim dividend - 5.15p	-	-	2,199
Final dividend - 6.05p	-	-	2,583
	4,738	**4,398**	**4,782**

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 2022 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 (unaudited)

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Amanda Aldridge
Elizabeth Field
Andrew Hutton
Jim Sharp

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Registered Number: 226323

Registrars
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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 of UK GAAP Performance Measures and Alternative Performance Measures

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. This is also referred to as the cum-income NAV as it includes net income for the current year. 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 and, if issued at a premium, the amortised premium to date. As at 31 May 2023, the NAV with debt at par value was £497,968,000 (30 November 2022: £497,097,000, 31 May 2022: £487,887,000) and the NAV per share was 1,166.4p (30 November 2022: 1,164.4p, 31 May 2022: 1,142.8p).

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period. For the six months ended 31 May 2023 earnings per ordinary share was 15.7p (2022: 13.5p), calculated by taking the profit after tax of £6,689,000 (2022: £5,754,000), divided by the weighted average shares in issue of 42,692,727 (2022: 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 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 2023, the NAV with debt at fair value was £506,762,000 (30 November 2022: £503,217,127, 31 May 2022: £490,569,000) and the NAV per share with debt at fair value was 1,187.0p (30 November 2022: 1,178.7p, 31 May 2022: 1,149.1p).

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 represents 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. The share price as at 31 May 2023 was 1,032.5p, an increase of 12.5p from the price of 1,020.0p as at 30 November 2022. The change in share price of 12.5p plus the dividends declared for the year of 11.1p are divided by the opening share price of 1,020.0p to arrive at the share price total return for the period ended 31 May 2023 of 2.3% (2022: -3.3%).

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.

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 fair value, per ordinary share. The discount/premium is normally expressed as a percentage of the NAV per ordinary share.

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.

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