Allianz Global Investors

The Brunner Investment Trust PLC

A GLOBAL EQUITY INVESTMENT TRUST

Half-Yearly Financial Report, 31 May 2025

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The Brunner Investment Trust PLC

A GLOBAL EQUITY INVESTMENT TRUST

Capital growth and dividends

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

'All-weather' portfolio

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

Independence

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

Benchmark

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

Association of Investment Companies

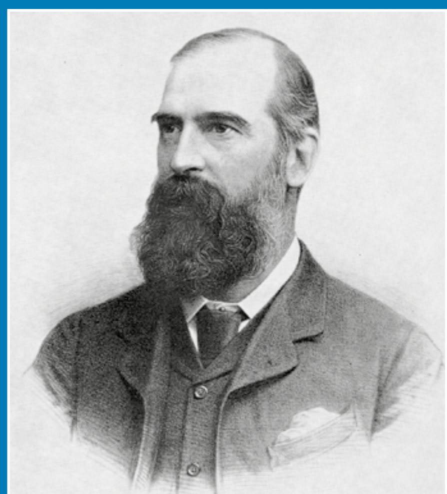
Brunner is a member of the Association of Investment Companies (AIC) and the company's shares are recognised by the AIC as suitable for retail investors. AIC Category: Global.

A family investment from the beginning...

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

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

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



Sir John Brunner

Contents





Overview

Investment Manager's Review

Financial Statements

Investor Information

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

Half year results

As at 31 May 2025

Headquartered in Oslo, Norway's largest financial services group **DNB** was a notable contributor to performance.

Net Asset Value total return Debt at fair value[2]	Net Asset Value total return Debt at par[2]	Benchmark total return index[3]
-1.5%	-1.7%	-0.1%
31.05.24 **+12.8%**	31.05.24 **+13.0%**	31.05.24 **+13.9%**

Net assets per ordinary share[1] Debt at fair value[2]	Net assets per ordinary share[1] Debt at par	Share price total return[2,4]
1,425.2p	1,401.7p	-3.9%
30.11.24 1,459.6p **-2.4%**	30.11.24 1,438.8p **-2.6%**	31.05.25 1,390.0p 30.11.24 1,460.0p

Earnings per ordinary share	Dividend per ordinary share
17.3p	12.5p
2024 17.1p **+1.2%**	2024 11.8p **+5.9%**

Discount – average in the period[2]	Consumer price index
3.3%	+3.4%
2024 **7.6%**	2025 138.4 2024 133.9

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

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

Chair's Statement

Dear Shareholder,

The first half of the 2025 financial year has been marked by a complex and evolving global backdrop. After several years of successive shocks – from the pandemic to geopolitical tensions – the global economy is now contending with a new set of challenges. The year began with heightened geopolitical tensions, continued conflict in Eastern Europe and the Middle East, and a growing sense of economic nationalism in several major economies. Trade tensions have escalated, particularly between the United States and its trading partners, contributing to a rise in protectionist policies and a more fragmented global trading environment with ongoing concerns about the long-term trajectory of global trade. Policy uncertainty remains elevated, and the effects are being felt across both developed and emerging markets.

The World Bank recently downgraded its global growth forecast for 2025 to 2.3%, citing the slowest pace of expansion outside of global recessions since 2008. This deceleration is being driven by a combination of rising trade barriers, fiscal imbalances, and the lingering effects of inflationary pressures. In the United States, the reimposition of tariffs and a widening fiscal deficit have weighed on investor sentiment for US assets. Meanwhile, Europe has taken a more stimulative stance, with Germany in particular announcing significant infrastructure and defence spending.

Against this backdrop, equity markets have diverged sharply. The US market, which had led global returns for much of the past decade, experienced a notable pullback as historically-strong valuations and currency effects reversed. In contrast, European and UK equities delivered strong returns, buoyed by more attractive valuations and a weaker US dollar. Sector performance was mixed, with Financials leading and Energy and Healthcare lagging.

Performance

Over the six months to 31 May 2025, the trust's net asset value (NAV) total return (with debt at fair value) was -1.5%, compared with a benchmark return of -0.1%. The NAV per share declined from 1,459.6p to 1,425.2p. The share price total return was -3.9%, reflecting a modest widening of the discount to NAV.

While this modest underperformance is disappointing, it is important to understand the context, summarised below, but covered in more detail in the Investment Manager's Review on pages 11 to 18 which we encourage shareholders to read. The portfolio's underweight to the US – which had previously been a headwind – proved beneficial as US equities underperformed. However, sector-specific challenges, particularly in Healthcare, weighed on returns. The trust's holding in UnitedHealth was the most significant detractor and was fully exited during the period. Broader policy uncertainty in the US healthcare sector also affected holdings such as Thermo Fisher, Cooper, and Align.

"The World Bank recently downgraded its global growth forecast for 2025 to 2.3%, citing the slowest pace of expansion outside of global recessions since 2008.

> The importance of a stable income for shareholders remains front-of-mind for the board. Cost of living pressures seem ever-present and remains a key consideration when discussing and deciding on the appropriate dividend level.

On the positive side, Financials – particularly European banks DNB and Bank of Ireland – were strong contributors, supported by favourable interest rate conditions and robust capital returns. Other notable performers included Aena, GE Aerospace, Visa, Admiral, and Brambles. These holdings reflect the trust's focus on high-quality businesses with strong structural growth and disciplined valuations. They also demonstrate the wide-ranging nature of the holdings in the portfolio, and the inherent diversification of risk and return that this brings for the benefit of shareholders.

Earnings

We are pleased to report continuing solid earnings from our portfolio companies through the period. Earnings per ordinary share for the six months to 31 May 2025 were 17.3p, slightly increased from 17.1p for the equivalent period last year. Brunner continues to have strong revenue reserves, which exist to support dividend payments in years (such as during the pandemic) when earnings are constrained. This remains a primary advantage of investment trusts in general. The board intends to continue both prudently accumulating such reserves and utilising them as necessary to maintain a growing dividend. The board has no current plans to pay dividends out of capital and foresees no need to do so in the foreseeable future.

Dividends

In June, the board declared a first interim dividend of 6.25p per ordinary share, payable on 24 July 2025. For the remainder of the year ending 30 November 2025, the Board also anticipates second and third interim dividends, and the final dividend, being paid at a similar level. Brunner's revenue reserves 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 25.0p per ordinary share, an increase of 5.3% over the previous year.

The board therefore declares a second interim dividend of 6.25p per ordinary share payable on 19 September 2025 to shareholders on the register at the close of business on 1 August 2025. The ex-dividend date is 31 July 2025. A Dividend Reinvestment Plan (DRIP) is available for this dividend and the last date for the DRIP election is 22 August 2025.

The importance of a stable income for shareholders remains front-of-mind for the board. Cost of living pressures seem ever-present and remains a key consideration when discussing and deciding on the appropriate dividend level.

At the end of the 2024 financial year, the trust proudly reached 53 years of consecutive dividend increases, keeping us in the leading pack of the Association of Investment Companies (AIC) 'Dividend Heroes' list. We see 2025 as firmly continuing this tradition in the interests of our shareholders.

"

We take comfort in the breadth of market leadership seen this year, with both traditional sectors and cutting-edge technology companies contributing to returns.

Discount and shareholder demand

Whilst demand for the trust's shares dropped back slightly from the peak we reported on at the end of the previous financial year, we are pleased to say it remains steady at a good level on the back of our strong and steady long-term performance and consistent dividend payment. Sales, marketing and PR efforts continue and we believe that the overall makeup of the company's share register is one of appropriate stability and diversity of investor type. Your board remains very confident that the Brunner investment philosophy is well suited to the increasing numbers of investors we see joining the share register, either as private self-directed investors or underlying clients of wealth management firms.

Cost disclosure

We remain engaged with the ongoing industry debate around cost disclosure for investment trusts – currently enveloped in the FCA's Consumer Composite Investments (CCIs) consultation, as it seeks to establish a new UK specific framework in the wake of Brexit and the UK's decoupling from European regulation. While transparency is essential, we support efforts to ensure that disclosures are clear, consistent, and do not inadvertently disadvantage the sector. We continue to work with the Association of Investment Companies and other stakeholders to advocate for sensible reform.

AGM

It was a pleasure to see a very full room of shareholders at this year's Annual General Meeting. All resolutions were passed on a show of hands. Our Portfolio Managers presented an investment update, and we encourage shareholders who were unable to attend to view the various recordings and interviews available on the Brunner website. The Board values this opportunity to engage directly with shareholders and thanks all those who participated.

Outlook

Looking ahead, the global outlook remains uncertain. Political risk is elevated, and the economic consequences of recent policy shifts – particularly in the US – are still unfolding. The reintroduction of tariffs, rising fiscal deficits, and the potential for inflationary pressures all present challenges. However, we take comfort in the breadth of market leadership seen this year, with both traditional sectors and cutting-edge technology companies contributing to returns.

This broader market participation is encouraging and aligns well with Brunner's balanced investment approach. Our managers continue to focus on identifying high-quality businesses with sustainable growth prospects and attractive valuations. While macroeconomic and geopolitical developments are closely monitored, the trust's investment strategy remains rooted in bottom-up stock selection and long-term thinking.

We remain confident that this approach will continue to serve shareholders well, particularly in a world where short-term noise often obscures long-term opportunity.

Carolan Dobson
Chair
22 July 2025

Material events and transactions

In the six months ended 31 May 2025 there were no share buybacks, and no related party transactions. The trust did issue new shares during the period, raising £4.2 million in proceeds.

Principal risks

The principal risks facing the company remain consistent with those outlined in the Annual Report, including Investment and Portfolio Risks, Business and Strategic Risks, Operational Risks, and Emerging Risks. The Board oversees a detailed review of these risks at least twice a year to ensure the assessment remains current and relevant.

Going concern

The directors have considered the company's investment objective and capital structure in the context of the current macroeconomic background. Given the portfolio consists mainly of readily realisable securities, the directors have concluded that the company has the ability to continue in operation and meet its objectives for the foreseeable future. The going concern basis has therefore been adopted in preparing the financial statements.

Responsibility Statement

The directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 102 as set out in Notes 3 and 4, and the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and
- This report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7 R of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks for the remaining six months of the financial year; and
- This report includes a fair review of the information concerning related party transactions as required by the Disclosure Guidance and Transparency Rule 4.2.8 R. Note 17 of the company's 2024 Annual Report gives details of related party transactions and transactions with the AIFM. The basis for these has not changed during the six months under review.

The half-yearly financial report was approved by the board on 22 July 2025 and the above responsibility statement was signed on its behalf by the Chair.

Performance – half-year review

Revenue

Six months ended 31 May	2025	2024	% change
Income available for ordinary dividend	£7,481,000	£7,305,000	+2.4
Earnings per ordinary share	17.3p	17.1p	+1.2
Dividends per ordinary share	12.5p	11.8p	+5.9
Consumer price index	138.4	133.9	+3.4

Assets

	31 May 2025	30 November 2024	Capital return % change	Total return[1] % change
Net Asset Value per ordinary share with debt at fair value	1,425.2p	1,459.6p	-2.4	-1.5
Net Asset Value per ordinary share with debt at par	1,401.7p	1,438.8p	-2.6	-1.7
Share price	1,390.0p	1460.0p	-4.8	-3.9
Total net assets with debt at fair value[2]	£616,360,000	£627,112,000	-1.7	
Total net assets with debt at par	£606,219,000	£618,182,000	-1.9	

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

	Capital return	Total return[1]
Change in Net Asset Value	-2.4%	-1.5%
Change in benchmark	-1.5%	-0.1%
Percentage point performance against benchmark	**-0.9**	**-1.4**

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

1 Total return is based on the capital Net Asset Value, including dividends reinvested. (APM).

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

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

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

Transportation logistics specialist **Brambles**, another significant contributor to performance, is headquartered in Sydney, Australia.

Investment Manager's Review

Spanish airport management specialist **Aena** was a significant performer. The company manages 46 airports including Josep Tarradellas Barcelona-El Prat pictured here.

Portfolio Managers' report

Julian Bishop

Christian Schneider

Market review

In Brunner's 2024 Annual Report we wrote of the widening gap between valuations in the US and Europe. We disaggregated historical returns for the US vs UK market, showing that whilst earnings growth in the US had been higher, cash returns from dividends in the UK had largely compensated. Much of the reasons for America's outperformance over the prior decade for UK-based investors was attributable to the strength of the dollar and relative multiple expansion – factors unlikely to repeat. Given the divergence in multiples, investors in America were paying ever more for a dollar of current profit whilst UK investors were paying less. At the time, enthusiasm for the notion of US exceptionalism seemed to be reaching a zenith, handicapping its market with the burden of high expectations.

We share the general enthusiasm for American businesses. The US is home to many of what can objectively described as the world's best, most profitable, fastest growing companies. However, we also posit that whilst it is possible to believe a business is excellent, this clearly does not mean it is worth an unlimited amount of money. There is a point at which the importance of quality and growth bangs its head on the ceiling of price. For all our holdings, it is imperative that we can envisage a route to a decent investment return and the current market price is a key input into that equation.

The first half of 2025 saw a sharp reversal of the American outperformance seen last year, largely as transatlantic currencies and valuations converged. The precise catalyst for this is unclear, but markets are ultimately elastic; when overstretched, they tend to spring back to shape. Asides from high valuations, reasons for the US market coming back to earth include concerns around the impact of US tariffs on consumer and business confidence, the contractionary impact of government efficiency (which sounds very similar to the era of austerity we had over here) and Washington's ever widening budget deficit. At the same time, Europe appears poised to stimulate. Unlike many countries, prudent Germany can afford to do so, and announced measures to boost expenditures on both defence and infrastructure.

Over the six months to the end of May, the MSCI Europe was up 10% in Euros but 18% in USD due to dollar weakness. Over the same period the S&P500 was down slightly in local currency and down 7% in Euros. This is a huge divergence which badly hurt those who had placed all their eggs in the American basket. Americans have had little need to consider overseas equities for a long time. This short sharp burst of strong performance coupled with domestic disquiet about the dollar and lofty valuations has seen a renewal of interest in equities beyond their shores.

In British Pounds, the UK's FTSE All Share rose over 7%, MSCI Europe rose 11% and the S&P 500 fell 7%. The global index – the FTSE All World, which is approx. 2/3 US, fell 2.6%.

Looking at sectors, the laggards were Energy and Healthcare. Energy returns in the short term tend to be dominated by commodity prices, and the WTI oil price dipped to a multi-year low of $60 towards the end of the period. The reasons for the Healthcare sector's underperformance are more complex, but much of it has to do with US policy. In some respects, the current administration is plainly anti-science (see, for example, comments made by Robert F. Kennedy, Jnr, Secretary of Health and Human Services, on vaccines, and proposed cuts to academic research funding) but President Trump is also focused more broadly on reducing spiralling healthcare costs. It is well understood that America often pays more than other countries for drugs, for example; precisely the sort of global iniquity that draws his ire. Various proposals to correct this have been made which may undermine profitability for many companies in the sector. Whilst the introduction of what are effectively price controls is profoundly un-American, President Trump is clearly willing to dispatch with convention. Time will tell how impactful this turns out to be.

Financials were, once again, the best performing sector. Much strengthened balance sheets combined with higher interest rates and benign credit conditions are permitting huge cash returns from what remains a lowly valued sector. Technology and associated sectors like Consumer Discretionary (home of Amazon and Tesla) were middling, struggling to build on their strong performance at the end of last year.

> "The top contributors to performance during the period included our two European banks: DNB of Norway and Bank of Ireland.

Portfolio review

Overall, Brunner's 70/30 global/UK benchmark fell slightly in the first half whilst the equity performance of the trust returned -1.1% and the NAV returned -1.5%. The modest premium vs NAV in November drifted to a slight discount in May. As such the share price fell 3.9%.

The top contributors to performance during the period included our two European banks: **DNB** of Norway and **Bank of Ireland**. As mentioned above, conditions for banks remain favourable and they continue to return huge amounts of cash to shareholders. However, we are mindful that banks are very leveraged entities and that a slight fall in either interest rates or credit worthiness can quickly change this picture. Whilst we believe that more appropriate micro and macro prudential regulation has made banks much safer than in the past, we still recognise the fundamental risks that such institutions run.

Other positive contributors include Spanish airport owner **Aena**, American jet engine business **GE Aerospace**, payments processor **Visa**, UK car insurance company **Admiral** and Australian logistics company **Brambles**, which manages networks of pooled pallets. Aena, Admiral and Brambles are typical of our steady growers, and provide us with an optimal balance of quality, value and growth. Visa and, increasingly, GE Aerospace are both recognised as two of the world's best businesses combining strong structural growth with exceptional barriers to entry. Again, expect us to be mindful of valuations; GE Aerospace particularly has seen its multiple expand to amongst the highest in the portfolio. Whilst we think it is deserving of a high rating, we are also mindful there is a limit to what any business is worth.

Our holding in **UnitedHealth** was most harmful to performance during the period. We eventually chose to fully exit the position. The chain of events is described in the 'Transactions' section below. We can only apologise for continuing to own this as our doubts about the model started to mount. Whilst we try to be long-termist and look through what appear to be short-term challenges, sometimes reacting is the right thing to do.

Various other holdings in the healthcare sector were also problematic, reflecting the sector wide pressures described above. **Thermo Fisher Scientific** provides laboratory supplies and services and is sensitive to weakening demand from a customer base under pressure. **Cooper** (contact lenses) and **Align** (clear aligners for correcting teeth) are both somewhat discretionary and therefore sensitive to wavering consumer confidence.

Elsewhere, some of our holdings faced what we believe to be standard, temporary headwinds. Data from the US suggests hotel revenues are down year on year, slightly impacting **IHG** and its peers. The down cycle at **Microchip** continued to worsen, although the beginnings of a recovery became clear towards the end of the half. **American Financial Group** reported some mediocre results as insurance pricing comes under a little pressure. None of these are of particular concern in a longer term context.

Significant transactions

We took positions in three new companies during the period. The rationale for each is described below.

Tesco

Tesco is the market leader in UK grocery with around 28% share, almost two times that of the next largest player. In what is undoubtedly a very competitive business, this affords a modest competitive advantage based on scale which is reflected in superior margins vs peers. As a result, Tesco consistently accounts for around half of the market's total profit pool.

This puts them in control. With privately held Asda and Morrison both struggling with high levels of debt and Aldi and Lidl no longer rapidly gaining share, Tesco are in a privileged position. Growth is relatively modest, largely coming from inflation, a slight shift back to food being consumed at home due to the high costs of eating out and some market share gains. The balance sheet is much improved and the company is generating consistent, high cash flows which are being returned to shareholders via a generous dividend and substantial buybacks. We think of Tesco as a resilient 'cash cow' that will generate good returns to shareholders with relatively low risk.

South Korean automobile manufacturer **Kia** was a new addition to the portfolio.

PHOTO © KIA

Kia

Alongside parent company Hyundai, South Korea's **Kia** is now the third largest auto group in the world after Toyota and Volkswagen. They have strong positions in their domestic market, India, Europe and the US. Over time, their reputation for quality and brand image has improved. This has been accompanied by strong profitability; at present, they have the highest margins of the mass-market auto makers and a surprisingly high return on invested capital.

We are under no illusions about how tough the auto industry can be. It is hugely competitive and cyclical. Electrification, autonomy, tariffs and the rise of Chinese competition at the low-end all represent challenges that will require excellence to navigate. In this context, we think Kia is relatively well placed. They are a leader in EVs and hybrids, which already account for over a fifth of sales. They do not participate meaningfully in the Chinese market. They have a good cost structure, without the burdens faced by many legacy, Western manufacturers.

The most immediate threat comes from US tariffs. Whilst they manufacture in the US for the local market, they also import from South Korea – historically a profitable business given the weak Won. As proposed, tariffs will wipe out profit in this lucrative corridor. Any renegotiation at lower levels or compensatory price increases will help them sustain profits closer to their current, high levels.

All equity investments require a balanced consideration of quality, value and growth. The investment case for Kia is predicated on what we believe to be extraordinary value. Looking backwards, the total value of Kia at time of writing is US$28bn. Of this, almost half is represented by a net cash balance sheet of over $13bn. In 2024 the company made after tax profits over $7bn. The equity is therefore trading at a trailing multiple around 2x profit, ex cash. For reference, the US market trades at around 23x. This is a vast gulf that we believe provides a significant margin of safety.

There are many reasons why multiples vary substantially from business to business and we do not argue that Kia deserves to trade at a high multiple. However, the company is capable of generating huge amounts of cash and committed to a clear cash return policy. The exceptional balance sheet provides protection against intermittent adverse conditions. On balance, we think this is an interesting, differentiated investment in a neglected part of the market.

Amazon

Amazon has two main segments. First is the ubiquitous online retailer that has achieved an enviable competitive position in the US and several other major markets around the world. Second is Amazon Web Services (AWS), one of the world's leading cloud computing providers. Key clients here include Netflix, Spotify, Adobe and Airbnb who all rely upon AWS for their core digital infrastructure.

Amazon has always been run for the long term. A re-read of the company's early shareholder letters emphasises the importance of prioritising the interests of customers, long term cash flows and scale. Today they are the largest retailer in the world, as measured by the value of goods sold. Thanks to their ability to offer leading price, range and convenience they continue to grow healthily despite a muted overall consumer environment.

Because of their determination to invest for the long term, we believe their potential profitability remains concealed. Adjusting for this, we think the shares are less expensive than is first apparent. The investment case today is predicated on a thesis that the equity offers a good balance between quality, value and growth.

Sales

Nestlé

Whilst food companies like **Nestlé** offer stability, they will struggle to grow much in an era when key end markets like coffee and pet food are increasingly saturated and competition is intensifying. Given the multiple is relatively high, we find it increasingly hard to chart a course to a decent return.

Abbvie

Abbvie is a US listed pharmaceutical company. Over the past few years, the valuation multiple has expanded dramatically as they have replicated the success of blockbuster drug Humira, which has now lost patent protection, with Skyrizi and Rinvoq, which are used to treat inflammatory conditions such as arthritis, Crohn's and psoriasis. Given these drugs also face loss of patent expiration in a few years' time, we do not think the relatively high multiple is tolerable given the risk inherent in replacing those profit streams.

UnitedHealth

UnitedHealth is an insurance business that sits at the heart of the US healthcare system. It is a longstanding Brunner holding that has been very profitable over time. However, the past several months have been painful, culminating in a pair of profit warnings and an abrupt CEO change. Whilst we cut our position at the end of last year in recognition of some pressure, with the benefit of hindsight we should have sold our entire holding.

The company has changed a great deal since it was first bought by Brunner. Not only has it become more complex it has also become more reliant upon government business. It is increasingly apparent that the business has become reliant on a single large customer, the US government. This is not a good thing. Not only does it mean that prior growth rates have been exaggerated by the acquisition of what is now clearly poor business, it also means that the company may have been over-earning at the government's expense. Given the huge budgetary pressures faced by the US healthcare system, we fail to see how the company recovers to its prior levels of profitability. We therefore chose to move on, regretfully late. We hope to learn from our mistake.

Comments and outlook

A King is crowned. To fund his agenda he raises taxes, which then crash the economy, and 'all those who had enthusiastically welcomed his coming to power now decided he was useless'.

The 'Anglo-Saxon Chronicles' are a collection of annals in Old English and a key historical source for the period between the collapse of Roman authority and the Norman Conquest. The King mentioned above is Harthacnut. Harthacnut briefly sat on the Danish and English thrones some twenty years before Harold Godwinson was defeated at the Battle of Hastings in 1066.

We couldn't fail to notice the similarities when investors dumped the US market after President Trump announced the imposition of very high tariffs on most of America's trading partners. Tariffs are a form of tax and the vast majority of mainstream economists caution that they are detrimental to the wealth of all parties. The economic principle of 'comparative advantage', espoused by David Ricardo two centuries ago, is difficult to dispute and explains why trade is to the benefit of all. Nations should focus on what they are relatively most efficient at producing and then trade with others to maximise overall output. There are few logical arguments against this.

A key word here, perhaps, is logical. Economists are often utilitarians, focusing on the best overall outcome – the most units of wealth or general utility. This ignores the human factor. The vast majority of economic or political decisions involve trade-offs and inevitably some are left behind.

There are two books we would recommend to understand President Trump's trade policy. The first is Vice President JD Vance's 'Hillbilly Elegy', the book that bought him to prominence. It describes his upbringing in the deprived Appalachian Mountains of Ohio, an area crushed by deindustrialisation, the demise of the coal mining industry and now suffering from widespread unemployment, opioid addiction and other 'diseases of despair'. The second is Robert Lighthizer's 'No Trade is Free'. Lighthizer was President Trump's first term Trade Representative. His book is a diatribe against both China and the WTO. He squarely blames both for the demise of US manufacturing and calls for a partial repeal of the offshoring that has characterised the global economy in the era of the Washington Consensus. It is no coincidence that Lighthizer is also from Ohio and therefore acutely sensitive to globalisation's discontents: the unsympathetically treated working classes who have seen their living standards stagnate or decline.

The US trade deficit is a focus of Lighthizer's book. In short, America imports more than it exports. Returning to the dawn of modern economics, in the eighteenth century Adam Smith wrote why trade deficits are not necessarily a problem, although this is contentious. However, the focus on bilateral trade balances (ie, those between two countries, such as South Korea and the US) really does make little sense. As argued by Tim Harford in the FT, most people have a large trade surplus with their employer; you are unlikely to spend everything you earn just with them. You may have a large trade deficit with the cheese shop at the bottom of your road, because you like cheese but have none to sell them. Returning to Ricardo, specialisation is key to the capitalist model and trade is what brings prosperity.

Since April's 'Liberation Day' it appears that tariffs may settle at lower levels than at first feared. It seems likely that they are partly a negotiating tactic to extract concessions from others, including the repatriation of some manufacturing; fair enough. We are hopeful that their materiality will be reduced with time. Tariffs are a tax, and Lighthizer's book ignores the benefits that Americans have enjoyed by importing goods at low prices from overseas and the higher prices that will inevitably follow should they be fully imposed.

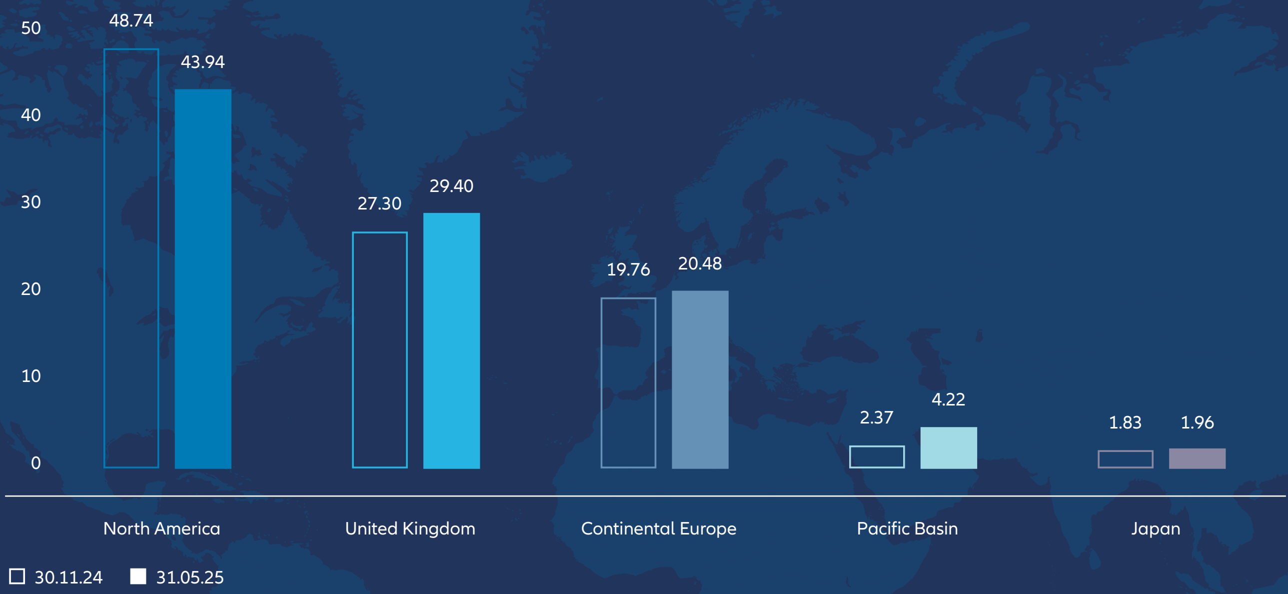
Another controversial element of President Trump's presidency is his 'big beautiful bill'. Without wanting to dwell on the details, this budgetary policy is very regressive (ie, redistributes from the poor to the rich) and extends America's significant and persistent fiscal deficit, which is currently running at more than 6% of gross domestic product. It is very unusual for a responsible nation to run such a substantial deficit in benign economic times, and ultimately unsustainable.

Ultimately, even President Trump is answerable to at least two constituencies: the electorate and the bond market. If tariffs unleash inflationary pressures his popularity is likely to wane. If his 'big, beautiful bill' is deemed too costly, the market may reject it and American could face its 'Liz Truss moment' as investors dump Treasuries. As Harthacnut's father Cnut the Great famously discovered, even kings can't control the tide.

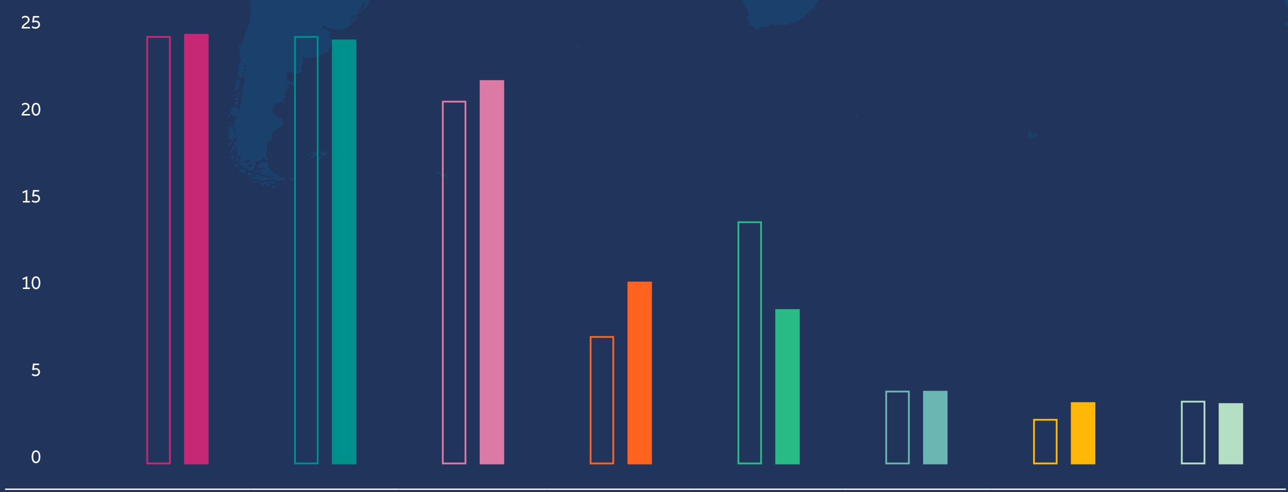
> "Economists are often utilitarians, focusing on the best overall outcome – the most units of wealth or general utility. This ignores the human factor.

Portfolio analysis

Geographical distribution (%)



Sector distribution (%)



	Technology	Industrials	Financials	Consumer Goods	Health Care	Energy	Utilities	Consumer Staples
■ 31.05.25	24.39	24.10	21.65	10.44	8.75	4.01	3.35	3.31
□ 30.11.24	24.27	24.30	20.49	7.33	13.70	4.02	2.45	3.44

Listed equity holdings

at 31 May 2025

Name	Sector	Value (£'000s)	% of invested funds
Microsoft	*Software & Computer Services*	40,450	6.36
Visa	*Industrial Support Services*	27,997	4.40
Taiwan Semiconductor	*Technology Hardware & Equipment*	20,725	3.26
Alphabet	*Software And Computer Services*	19,714	3.10
Bank Of Ireland Group	*Banks*	18,922	2.98
Intercontinental Hotels	*Travel & Leisure*	18,348	2.89
Auto Trader Group	*Software And Computer Services*	18,043	2.83
Charles Schwab	*Investment Banking & Brokerage*	15,731	2.47
Aena	*Industrial Transportation*	15,455	2.43
Shell	*Oil, Gas & Coal*	14,817	2.33
DNB Bank	*Banks*	14,600	2.30
Schneider Electric	*Electronic & Electrical Equipment*	13,980	2.20
American Financial Group	*Non-Life Insurance*	13,368	2.10
ASML Holding	*Technology Hardware & Equipment*	13,120	2.06
SSE	*Electricity*	13,036	2.05
General Electric	*Aerospace And Defence*	13,000	2.04
Brambles	*General Industrials*	12,711	2.00
Itochu	*General Industrials*	12,431	1.96
Amazon.com	*Retailers*	12,364	1.94
AMETEK	*Electronic & Electrical Equipment*	12,288	1.93
Partners Group	*Investment Banking & Brokerage*	12,129	1.91
Baltic Classifieds	*Software & Computer Services*	11,975	1.88
GSK	*Pharmaceuticals & Biotechnology*	11,741	1.85
Corpay	*Industrial Support Services*	11,562	1.82
Unilever	*Personal Care, Drug & Grocery*	11,474	1.80
Arthur J. Gallagher & Co.	*Non-Life Insurance*	11,362	1.79
Assa Abloy	*Construction & Materials*	11,169	1.76
Thermo Fisher Scientific	*Medical Equipment & Services*	11,061	1.74
S&P Global	*Finance & Credit Services*	11,018	1.73
TotalEnergies	*Oil, Gas & Coal*	10,682	1.68
Roche Holdings	*Pharmaceuticals & Biotechnology*	10,398	1.64
Roper Technologies	*Software And Computer Services*	10,018	1.58
Microchip Technology	*Technology Hardware & Equipment*	9,904	1.56
IG Group	*Investment Banking & Brokerage*	9,761	1.54
KIA	*Automobiles And Parts*	9,463	1.49
Admiral Group	*Non-Life Insurance*	8,958	1.41

	Name	Sector	Value (£'000s)	% of invested funds
	CME Group	*Investment Banking & Brokerage*	8,786	1.38
	Haleon	*Pharmaceuticals & Biotechnology*	8,766	1.38
	Barratt Redrow	*Household Goods & Home Construction*	8,738	1.37
	Munich Re	*Non-Life Insurance*	8,313	1.31
	Iberdrola	*Electricity*	8,244	1.30
	Atlas Copco	*Industrial Engineering*	7,569	1.19
	Align Technology	*Medical Equipment & Services*	7,039	1.11
●	Tesco	*Personal Care, Drug And Grocer*	6,713	1.06
	RELX	*Media*	6,556	1.03
	Cooper	*Medical Equipment And Services*	6,527	1.03
	Amphenol	*Technology Hardware & Equipment*	6,526	1.03
	Inchcape	*Retailers*	6,503	1.02
	Accenture	*Industrial Support Services*	5,350	0.84
	DCC	*Industrial Support Services*	4,982	0.78
	SThree	*Industrial Support Services*	4,753	0.75
	AIA	*Life Insurance*	4,669	0.73
	Adobe	*Software & Computer Services*	4,662	0.73
	Jumbo	*Leisure Goods*	4,422	0.70
	Diageo	*Beverages*	2,890	0.45
			635,783	**100.00**

● Added during the period.

Top performer **Bank of Ireland** is headquartered in Dublin.

Financial Statements

Income Statement

	Notes	For the six months ended 31 May 2025 Revenue £'000s	Capital £'000s	Total Return £'000s	For the six months ended 31 May 2024 Revenue £'000s	Capital £'000s	Total Return £'000s
				2			*2*
(Losses) gains on investments held at fair value through profit or loss		-	(16,996)	(16,996)	-	62,736	62,736
Losses on foreign currencies		-	(52)	(52)	-	(87)	(87)
Income from investments		9,371	-	9,371	9,170	-	9,170
Investment management fee		(426)	(995)	(1,421)	(402)	(938)	(1,340)
Administration expenses		(465)	(2)	(467)	(492)	(2)	(494)
Profit (loss) before finance costs and taxation		**8,480**	**(18,045)**	**(9,565)**	**8,276**	**61,709**	**69,985**
Finance costs: interest payable and similar charges		(200)	(440)	(640)	(216)	(473)	(689)
Profit (loss) on ordinary activities before taxation		**8,280**	**(18,485)**	**(10,205)**	**8,060**	**61,236**	**69,296**
Taxation		(799)	-	(799)	(755)	-	(755)
Profit (loss) after taxation attributable to ordinary shareholders		**7,481**	**(18,485)**	**(11,004)**	**7,305**	**61,236**	**68,541**
Earnings (losses) per ordinary share (basic and diluted)	*1*	**17.30p**	**(42.75p)**	**(25.45p)**	**17.11p**	**143.44p**	**160.55p**

Balance Sheet

	Notes	As at 31 May 2025 £'000s	As at 31 May 2024 £'000s	As at 30 November 2024 £'000s
Fixed assets				
Investments held at fair value through profit or loss	*3*	635,783	616,883	644,737
Net current (liabilities) assets		**(4,448)**	**22**	**(1,444)**
Total assets less current liabilities		**631,335**	**616,905**	**643,293**
Creditors: amounts falling due after more than one year		(25,116)	(25,106)	(25,111)
Total net assets		**606,219**	**591,799**	**618,182**
Called up share capital		10,812	10,673	10,741
Share premium account		7,945	-	3,840
Capital redemption reserve		5,327	5,327	5,327
Capital reserve		560,511	555,867	578,996
Revenue reserve		21,624	19,932	19,278
Total shareholders funds		**606,219**	**591,799**	**618,182**
Net Asset Value per ordinary share		**1,401.7p**	**1,386.2p**	**1,438.8p**
The net asset values is based on ordinary shares in issue:		**43,247,727**	**42,692,727**	**42,963,736**

Statement of Changes in Equity

	Notes	Called up share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserve £'000s	Revenue reserve £'000s	Total £'000s
Six months ended 31 May 2024							
Net assets as at 1 December 2023		10,673	-	5,327	494,631	17,579	528,210
Revenue profit		-	-	-	-	7,305	7,305
Dividends on ordinary shares	*4*	-	-	-	-	(4,952)	(4,952)
Capital profit		-	-	-	61,236	-	61,236
Net assets as at 31 May 2024		**10,673**	**-**	**5,327**	**555,867**	**19,932**	**591,799**
Six months ended 31 May 2025							
Net assets as at 1 December 2024		10,741	3,840	5,327	578,996	19,278	618,182
Revenue profit		-	-	-	-	7,481	7,481
Shares issued in period		71	4,105	-	-	-	4,176
Dividends on ordinary shares	*4*	-	-	-	-	(5,135)	(5,135)
Capital loss		-	-	-	(18,485)	-	(18,485)
Net assets at 31 May 2025		**10,812**	**7,945**	**5,327**	**560,511**	**21,624**	**606,219**

Cash Flow Statement

	Six months ended 31 May 2025 £000's	Six months ended 31 May 2024 £000's
Operating activities		
(Loss) profit before finance costs and taxation*	(9,565)	69,985
Add (less): losses (gains) on investments held at fair value through profit or loss	16,996	(62,736)
Add: losses on foreign currency	52	87
Less: overseas tax suffered	(799)	(755)
Increase in other receivables	(1,862)	(1,727)
(Decrease) increase in other payables	(126)	188
Purchase of fixed asset investments held at fair value through profit or loss	(76,640)	(67,254)
Sales of fixed asset investments held at fair value through profit or loss	68,598	66,484
Net cash (outflow) inflow from operating activities	**(3,346)**	**4,272**
Financing activities		
Interest paid	(797)	(668)
Dividend paid on cumulative preference stock	(11)	(11)
Dividends paid on ordinary shares	(5,135)	(4,952)
Share issue proceeds	8,084	-
Net cash inflow (outflow) from financing activities	**2,141**	**(5,631)**
Decrease in cash and cash equivalents	**(1,205)**	**(1,359)**
Cash and cash equivalents at the start of the period	4,812	9,865
Effect of foreign exchange rates	(52)	(87)
Cash and cash equivalents at the end of the period	3,555	8,419
Comprising:		
Cash at bank	3,555	8,419

* Cash inflow from dividends was £8,169,331 (2024: £7,965,405) and cash inflow from interest was £46,676 (2024: £100,528).

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 43,233,657 (31 May 2024: 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 2025 were £76,640,000 (31 May 2024: £67,254,000) and sales for the half year ended 31 May 2025 were £68,678,000 (31 May 2024: £66,484,000).

Included in the cost of investments are transaction costs on purchases which amounted to £174,000 (31 May 2024: £162,000) and transaction costs on sales which amounted to £9,000 (31 May 2024: £15,000).

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 2025, the financial assets at fair value through profit and loss of £635,783,000 (30 November 2024: £644,737,000) are categorised as follows:

	Six months ended 31 May 2025 £'000s	**Year ended 30 November 2024 £'000s**
Level 1	635,783	644,737
Level 2	-	-
Level 3	-	-
	635,783	**644,737**

Note 4

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

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

	Six months ended 31 May 2025 £'000s	Six months ended 31 May 2024 £'000s	Year ended 30 November 2024 £'000s
Final dividend – 6.05p paid 4 April 2025 (2024: 6.05p)	2,616	2,583	2,583
First interim dividend – 5.90p paid 25 July 2024 (2023: 5.55p)	-	-	2,519
Second interim dividend – 5.90p paid 12 September 2024 (2023: 5.55p)	-	-	2,519
Third interim dividend – 5.90p paid 12 December 2024 (2023: 5.55p)	2,519	2,369	2,369
	5,135	**4,952**	**9,990**

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 2025 £'000s	Six months ended 31 May 2024 £'000s	Year ended 30 November 2024 £'000s
First interim dividend – 6.25p payable 24 July 2025 (2024: 5.90p)	2,703	2,519	-
Second interim dividend – 6.25p payable 19 September 2025 (2024: 5.90p)	2,703	2,519	-
Third interim dividend – 5.90p	-	-	2,519
Final dividend – 6.05p	-	-	2,599
	5,406	**5,038**	**5,118**

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 2024 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.

Note 7

Post Balance Sheet event: On 24 June 2025 the company repaid its £10m revolving credit facility and subsequently the facility was closed.

Insurance company **Admiral**, headquartered in Cardiff, was a significant performer.

Investor Information

Investor information

Directors

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

Investment Manager

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Head of Investment Trusts

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Secretary and Registered Office

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Registrars

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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 quarterly	June/July
2nd quarterly	September
3rd quarterly	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 AllianzGI UK either via Investor Services on 0800 389 4696 or on the company's website: brunner.co.uk. A list of 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. (UK 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.

Glossary

UK GAAP performance measures

Net Asset Value is the value of total assets less all liabilities. The Net Asset Value, or NAV, per ordinary share is calculated by dividing this amount by the total number of ordinary shares in issue. The debt in the company used in the calculation is measured at par value, that is, the net proceeds on issue plus accrued finance costs to date. As at 31 May 2025, the NAV with debt at par value was £606,219,000 (30 November 2024: £618,182,000) and the NAV per share was 1,401.7p (30 November 2024: 1,438.8p).

Earnings per ordinary share is the profit after taxation, divided by the weighted average number of shares in issue for the period. For the period ended 31 May 2025 earnings per ordinary share was 17.3p (2024: 17.1p), calculated by taking the profit after tax of £7,481,000 (2024: £7,305,000), divided by the weighted average shares in issue of 43,233,657 (2024: 42,692,727).

Alternative Performance Measures (APMs)

Net Asset Value, debt at fair value is the value of total assets less all liabilities, with the company's debt measured at the fair value at the time of calculation. The Net Asset Value, or NAV, per ordinary share with debt at fair value is calculated by dividing this amount by the total number of ordinary shares in issue. As at 31 May 2025, the NAV with debt at fair value was £616,360,000 (30 November 2024: £627,112,000) and the NAV per share with debt at fair value was 1,425.2p (30 November 2024: 1,459.6p).

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

Share price total return the theoretical return to a shareholder, on a closing market price basis, assuming that all dividends received were reinvested, without transaction costs, into the ordinary shares of the company at the close of business on the day the shares were quoted ex dividend (see page 3). The share price as at 31 May 2025 was 1,390.0p, a decrease of 70.0p from the price of 1,460.0p as at 30 November 2024. The decrease in share price of 70.0p plus the dividends declared for the period of 12.5p are divided by the opening share price of 1,460.0p to arrive at the share price total return for the period ended 31 May 2025 of -3.9% (2024: +26.0%).

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

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

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

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

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

Warning to Shareholders

We are aware that some shareholders may have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas based organisations who target UK shareholders offering to sell them, what often turn out to be, worthless or high risk shares in US or UK investments or encourage them to dispose of UK shares. They can be extremely persistent and persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice or offers.

Please note that it is most unlikely that either the company or the company's Registrar, MUFG Corporate Markets (formerly Link Group), would make unsolicited telephone calls to shareholders. Any such calls would only ever relate to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited telephone call, please call the Company Secretary on +44 (0)800 389 4696 or the Registrar on +44 (0) 371 664 0300.

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