

The Merchants Trust PLC

As focused on dividends as you are

Allianz 
Global Investors

Aim

The Trust's objective is to provide an above average level of income, income growth and long-term growth of capital through a policy of investing mainly in higher yielding large UK companies.

History

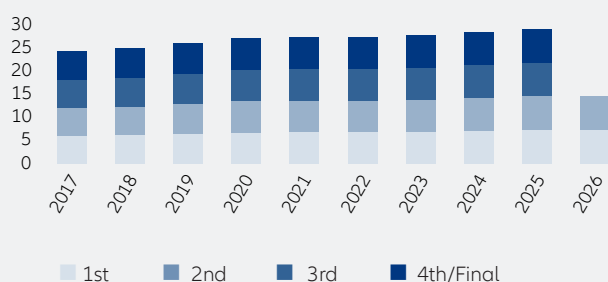
The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK companies with an above average rate of dividend yield.

Trust Benefits

Merchants has for many years focused on a simple proposition to deliver a high and rising income together with capital growth for its shareholders. Simon Gergel has been managing the trust for over 15 years, investing in a diversified portfolio of large, well-established and well-known UK companies. Although past performance is no guide to the future, Merchants has paid increasingly higher dividends to its shareholders year on year for the last 43 years.

Ten Year Dividend History†

Dividend Record in Pence per Share
To Year End 31 January



Last Four Dividend Payments per Share

Record Date	Pay Date	Dividend	Type
10.10.2025	20.11.2025	7.30p	2nd Interim
11.07.2025	22.08.2025	7.30p	1st Interim
22.04.2025	29.05.2025	7.30p	Final
07.02.2025	19.03.2025	7.30p	3rd Interim

Past performance is not a reliable indicator of future results.

†Chart for indicative purposes only. Details of past dividends can be found on the website: <https://www.merchantstrust.co.uk/en-gb/performance-and-updates/dividends>

Key Information

Launch Date	16 February 1889
AIC Sector	UK Equity Income
Benchmark	FTSE All-Share
Annual Management Fee	0.35%
Performance Fee	No
Ongoing Charge ¹	0.52%
Year End	31 January
Annual Report	Annual published in April, Half-yearly published in September
AGM	May
NAV Frequency	Daily
Dividends	March, May, August, November
Price Information	Financial Times, The Daily Telegraph, www.merchantstrust.co.uk
Company Secretary	Nira Mistry Kirsten Salt
Investment Manager	Simon Gergel, CIO, UK Equities
Codes	RIC: MRCH.L SEDOL: 0580007

1. The Ongoing Charge does not represent an additional cost that shareholders of the Company must pay. The Company's share price already reflects the market's assessment of its value taking into consideration publicly disclosed information, including operating expenses and other costs which are disclosed in the Accounts. The investment platform or stockbroker used, or the company/person selling you or advising you about this product may charge you other costs. If so, they will provide you with the relevant information about these costs. Source: AIC, as at the Trust's Financial Year End (31.01.2025). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses, which include the annual management fee, incurred in the running of the company but excluding financing costs.

This is a marketing communication. Please refer to the Key Information Document (KID) before making any final investment decisions.



A ranking, a rating or an award provides no indicator of future performance and is not constant over time. Citywire Fund Manager Awards Logo(s) are proprietary to Citywire Financial Publishers Ltd ("Citywire") and © Citywire 2020. All rights reserved. Citywire information is proprietary and confidential to Citywire Financial Publishers Ltd ("Citywire"), may not be copied and Citywire excludes any liability arising out its use. The RSMR rating is designed for use by professional advisers and intermediaries as part of their advice process. This rating is not a recommendation to buy. If you need further information or are in doubt then you should consult a professional adviser.

Total Assets £1,003.6m **Shares in Issue** 147,649,982 (Ordinary 25p) **Market Cap** £835.7m

Share Price

566.0p

NAV per Share

606.7p

Premium/-Discount

-6.7%

Dividend Yield

5.1%

Gearing

14.4%

Fund Manager's Review

Stock markets continued their rally in October, supported by a 0.25% cut to US interest rates by the Federal Reserve "in light of the balance of risks to employment and inflation". World markets were once again led by a narrow group of large US technology firms. The Financial Times reported that on one day, 397 of the top 500 US stocks were down whilst the index was up, something never seen before in 35 years. The largest, Nvidia, became the first ever \$5tr company. To put that into context, the whole of the FTSE All-Share index of UK companies is worth around \$3.7Tr.

The UK equity market was up nearly 4%, but was similarly led by the top 100 stocks, with mid-caps up only around 1%. The UK was supported by a lower than expected inflation figure in September, which brought 10-year bond (gilt) yields down to around 4.4%, their lowest level of the year. Attention in the UK was focused around the upcoming budget on November 26th. Chancellor Rachel Reeves has the challenging task of raising enough money to meet her fiscal rules, whilst minimising the impact on economic growth. Merchants' Net Asset Value (NAV) total return was 4.16% compared to 3.71% from the benchmark, FTSE All-Share index.

On a brighter note, the UK did see a modest resumption of new equity issuance, with three companies listing, including the bank Shawbrook and the fish and foods group Princes. Business secretary Peter Kyle welcomed the new listings describing the London Stock Exchange as the "beating heart of a free-market economy". Whilst we did not take part in these new listings, we do welcome a recovery in interest in the stock market, and political support.

The largest company in Merchants' portfolio, GSK, had a good month. The shares rose 13%, as Dame Emma Walmsley presented her last quarterly reports meeting as CEO before handing over to Luke Miels in January. The company reported strong sales and raised 2025 profits guidance. Investors welcomed the appointment of the new CEO and there was also positive news on the US approval of GSK's important new drug for multiple myeloma.

The pharmaceutical sector was the strongest large sector in the UK as it benefitted from deals between some of the leading pharma companies

“ There is the potential for a sharp relief rally once the uncertainty is out of the way

and the US administration to limit potential tariff or other pricing interventions. Elsewhere, strong sectors included finance & credit services, mining and oil & gas. The weakest sectors included aerospace & defence, software & computer services, media and tobacco.

The GSK benefit was more than offset by the impact of not owning AstraZeneca, which was also up over 10%. The high exposure to medium sized companies was detrimental. The biggest negative impact came from retailer B&M, which announced it had wrongly accounted for freight costs after a computer system change, and had to lower its profits outlook significantly. The Chief Financial Officer resigned, and the shares fell heavily. Tate & Lyle also lowered its profits guidance at the start of the month, due to market weakness and an accelerated investment plan to drive growth. On the positive side, as well as GSK, strong third quarter asset flows and good performance boosted fund manager Man Group, and not owning the aerospace & defence stocks BAE and Rolls Royce helped relative returns.



Simon Gergel, Portfolio Manager

The Merchants Trust PLC is managed by Simon Gergel who is Chief Investment Officer, UK Equities at AllianzGI and has 32 years investment experience. Simon joined AllianzGI in April 2006 from HSBC Halbis Partners where he managed over £900m in high income funds as well as core institutional and life UK equity portfolios. Prior to joining HSBC, Simon worked for 14 years at Phillips & Drew Fund Management / UBS Asset Management.

There were no new holdings in the month, though we continued to add to companies where we see excellent value, including Whitbread the owner of the Premier Inn hotel brand, student accommodation group Unite, and the catering company Sodexo. We sold most of the holding in the specialist bank Close Brothers, which has been weighed down by compensation claims over historic motor finance commission payments. Close Brothers shares have more than doubled from their low point last November as the Financial Conduct Authority has launched a detailed consultation on compensation payments, to try to draw a line under the issue. Most banks have now made provisions to cover a reasonable estimate of the cost of this issue. We believed the Close Brothers investment case was more finely balanced following the shares' partial recovery, so we reduced the position. We also took some profits on Atalaya mining, Man Group and Lancashire, which have all performed well.

The UK stock market has now risen over 20% (total return) in the first 10 months of the year. Despite the move in the broad index, we continue to find exceptional value in many individual stocks, particularly among medium sized and more domestically focused companies. Medium sized companies in the FTSE 250 index have lagged the top 100 stocks by over 10% as investors have been nervous about the outlook for the UK economy. In the short term, a lot will hinge on the budget, but a lot of pessimism is already priced into domestically exposed companies. There is the potential for a sharp relief rally once the uncertainty is out of the way.

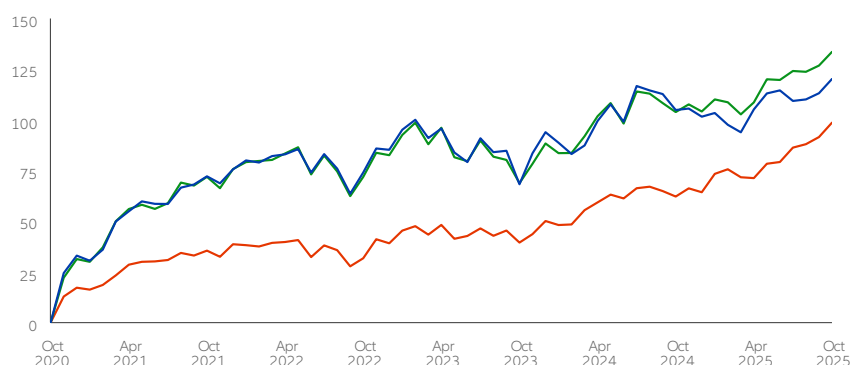
However, irrespective of the budget, we remain focused on the medium to long term horizon. We believe the portfolio comprises a diverse collection of strong, domestic and multinational businesses that are significantly undervalued in aggregate. We are confident these companies can deliver strong total returns and a high income stream to meet Merchants' objectives.

Simon Gergel
13 November 2025

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

Performance Track Record

Five Year Performance (%)



■ Share Price ■ NAV (debt at fair value)
■ Benchmark: FTSE All-Share Index

Risk & Features

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

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

Derivatives may be used to manage the Trust efficiently.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	5.2	7.3	7.5	26.6	120.1
NAV (debt at fair value)	4.2	12.0	14.5	35.9	133.4
Benchmark	6.6	16.0	22.5	50.9	98.6

Discrete 12 Month Returns to 31 October (%)

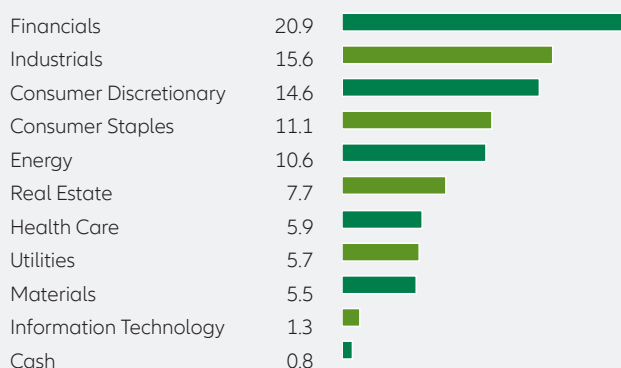
	2025	2024	2023	2022	2021
Share Price	7.5	21.8	-3.3	1.1	72.1
NAV (debt at fair value)	14.5	20.8	-1.8	0.0	71.8
Benchmark	22.5	16.3	5.9	-2.8	35.4

Source: LSEG Datastream, percentage growth, total return (refer to the Alternative Performance Measures section of the Annual Report for full details of performance measures) to 31.10.25. Copyright 2025 © Datastream, a London Stock Exchange Group company. All rights reserved. DataStream shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

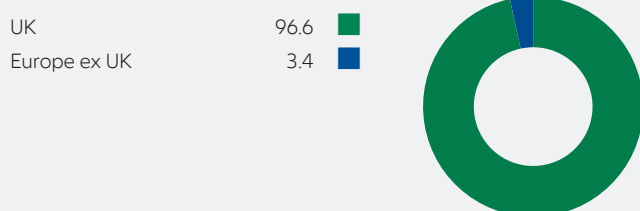
Past performance does not predict future returns. Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested. This investment trust charges 65% of its annual management fee to the capital account and 35% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result.

Portfolio Breakdown

Sector Breakdown (%)



Geographic Breakdown* (%)



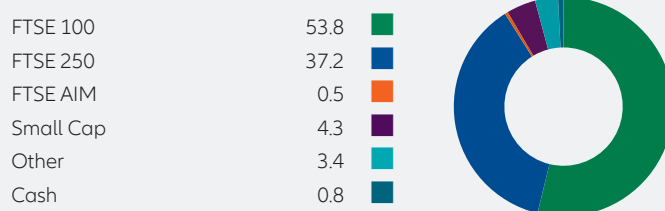
Top Ten Holdings (%)

GSK	5.8
Lloyds Banking Group	5.3
Shell	3.7
Rio Tinto	3.7
British American Tobacco	3.5
Barclays	3.1
BP	3.1
Scottish & Southern Energy	2.9
DCC	2.9
National Grid	2.7

Total number of holdings** 53

**Excludes derivatives

Market Cap Breakdown (%)



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

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

*Excludes Cash

Board of Directors

Colin Clark (Chairman)

Mal Patel (Chairman of the Audit Committee)

Lisa Edgar

Neil Galloway (appointed 1 July 2025)

Karen McKellar (Senior Independent Director)

Glossary

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

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

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

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

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

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

How to invest

You can buy shares in the Trust through:

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

Contact us

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

0800 389 4696

www.merchantstrust.co.uk

E-mail: investment-trusts@allianzgi.com

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

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



Past performance does not predict future returns. Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. We assume no obligation to update any forward-looking statement. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been or will be made or concluded shall prevail. For further information contact the issuer at the address indicated below.

All data source LSEG Datastream and Allianz Global Investors as at 31.10.25 unless otherwise stated.

This is a marketing communication issued by Allianz Global Investors UK Limited, 199 Bishopsgate, London, EC2M 3TY, www.allianzglobalinvestors.co.uk. Allianz Global Investors UK Limited, company number 11516839, is authorised and regulated by the Financial Conduct Authority. Details about the extent of our regulation are available from us on request and on the Financial Conduct Authority's website (www.fca.org.uk). The duplication, publication, or transmission of the contents, irrespective of the form, is not permitted; except for the case of explicit permission by Allianz Global Investors UK Limited.

AdMaster 4683594