

The Merchants Trust PLC

As focused on dividends as you are



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

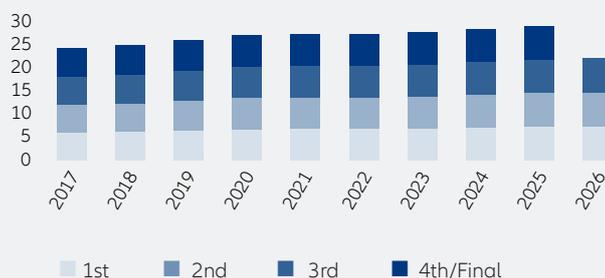
The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK 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 |
|-------------|------------|----------|-------------|
| 06.02.2026 | 19.03.2026 | 7.40p | 3rd Interim |
| 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 |

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.



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Total Assets £1,112.3m **Shares in Issue** 147,632,870 (Ordinary 25p) **Market Cap** £968.5m

Share Price
656.0p

NAV per Share
682.3p

Premium/-Discount
-3.9%

Dividend Yield
4.5%

Gearing
11.1%

Fund Manager's Review

As has become the norm, attention focused on American foreign policy during February, with tension rising in the Middle East and concerns ahead of a military intervention in Iran causing the oil price to rise. Airstrikes on Iranian positions, and retaliatory missile attacks across the Middle East, occurred on the last day of the month. The situation remains fluid at the time of writing.

The US Supreme Court overruled president Trump's use of tariffs, but he immediately announced a reintroduction of tariffs under a different, time limited legal mechanism.

In the UK, the Bank of England held interest rates at 3.75%, but suggested a further cut in March was possible, in response to rising unemployment. In politics, the left-wing Green party won the highly contested Gorton and Denton by-election in Manchester, which had been a safe labour seat. The result underlines the unpopularity of the current Labour government, but also demonstrates the increasing division within society, with the right-wing Reform party also polling well.

Politics did not derail the UK stock market, which had a strong rally, rising well over 6%, although the share price moves were not uniform, with larger companies significantly outperforming medium sized stocks. US leading indices were down, especially the tech heavy Nasdaq Composite index, with European shares in between, posting modest positive returns.

Once again there was a wide dispersion of sector performances. The strongest large sectors included utilities, pharmaceuticals and aerospace & defence. The weakest sectors included software and media, where there were fears about artificial intelligence (AI) disruption to asset light businesses. Life insurance and investment banking & brokerage also underperformed.

Investment performance was positive, but lagged behind the very strong market return. Merchants' Net Asset Value (NAV) total return was 5.05% compared to 6.47% from the benchmark, FTSE All-Share index. The biggest negative impact came from not owning AstraZeneca, which produced a double digit total return as it reported results, and lifted the overall market. Lloyds Bank shares fell modestly and the pharmaceutical

“ we are finding value in many medium and smaller sized companies that are below the radar of international investors

company Hikma saw its shares retrench, on its final results, as it reduced guidance for next year's profits. On the positive side, not owning NatWest helped relative performance, GSK rose by 16%, posting its first results under its new Chief Executive, and DCC also recovered by over 10%.

There was one new purchase in the portfolio. Bloomsbury is a publishing business, famous for the Harry Potter series, but also other highly successful authors like Sarah J Maas. It also has smaller academic publishing and digital resources businesses. Bloomsbury has an excellent



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.

long-term record of growth, using cash from successful publications to fund acquisitions and advances to new authors, whilst paying a steadily growing dividend. However, the business is lumpy, and after an exceptional 2024, which included the release of the last Sarah J Maas novel, profitability has come back somewhat, and the shares have fallen by over 30%. This type of volatility is normal for Bloomsbury, and we are confident about the future growth potential. But the share price drop provided us with the opportunity to buy into an exceptional smaller company at a very modest valuation.

Elsewhere, we carried out several trades to recycle money from strong performing shares like GSK, IG Group, Inchcape, Lloyds and SSE, into shares that had lagged the market and offered good value, including MONY group, Hikma, Entain and Energean.

Despite strong recent performance, there is little general enthusiasm for the UK stock market, and the aggregate valuation remains reasonable. The wide dispersion of sector and stock returns within the market has created many investment opportunities. In particular, we are finding value in many medium and smaller sized companies that are below the radar of international investors. We believe that buying these businesses, where they are trading at valuations well below their intrinsic value, should deliver a combination of strong capital returns and a high income stream, to meet Merchants' objectives.

Simon Gergel
13 March 2026

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 | 13.2 | 21.8 | 29.5 | 27.9 | 88.3 |
| NAV (debt at fair value) | 12.4 | 18.8 | 27.4 | 33.8 | 93.9 |
| Benchmark | 12.1 | 18.9 | 27.3 | 51.6 | 88.7 |

Discrete 12 Month Returns to 28 February (%)

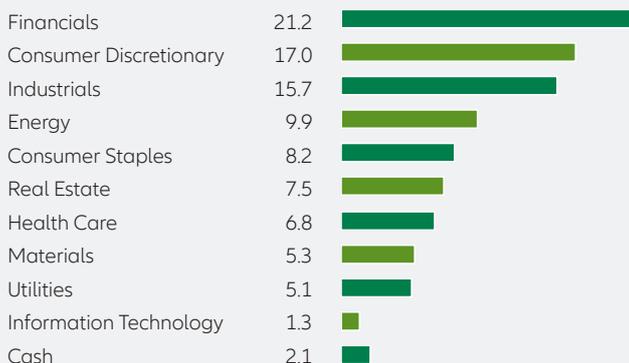
| | 2026 | 2025 | 2024 | 2023 | 2022 |
|--------------------------|------|------|------|------|------|
| Share Price | 29.5 | 7.9 | -8.5 | 11.8 | 31.6 |
| NAV (debt at fair value) | 27.4 | 13.6 | -7.5 | 10.5 | 31.1 |
| Benchmark | 27.3 | 18.4 | 0.6 | 7.3 | 16.0 |

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 28.02.26. 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* (%)



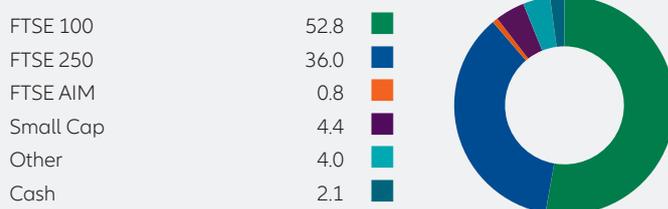
Top Ten Holdings (%)

| | |
|--------------------------|-----|
| Lloyds Banking Group | 5.2 |
| GSK | 4.7 |
| Rio Tinto | 3.8 |
| Shell | 3.6 |
| DCC | 3.0 |
| British American Tobacco | 2.9 |
| National Grid | 2.9 |
| Barclays | 2.8 |
| Legal & General | 2.8 |
| BP | 2.7 |

Total number of holdings** 54

**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

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 28.02.26 unless otherwise stated.

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