

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

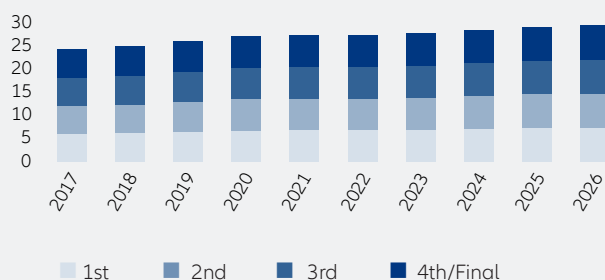
The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK 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 44 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
17.04.2026	27.05.2026	7.50p	Final*
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

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>

*proposed

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	0.54%
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 (31.01.2026). 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 £1,044.7m **Shares in Issue** 147,632,870 (Ordinary 25p) **Market Cap** £897.6m

Share Price
608.0p

NAV per Share
640.4p

Premium/-Discount
-5.1%

Dividend Yield
4.9%

Gearing
13.0%

Fund Manager's Review

The war in Iran progressed through its second month, with a fragile ceasefire enacted in the region. However, hopes were dashed for a reopening of the Strait of Hormuz, where 20% of the world's oil and other key commodities flow through. Both Iran and the USA were restricting traffic through the narrow waterway. The longer this continues, the greater the strain will be, not just on global energy markets, but also on food production, due to disrupted fertiliser shipments, as well as industries dependent on plastics, helium and other products.

This disruption to the energy markets sustained oil & gas at high prices, with reports of substantial premiums being paid for physical delivery. The inflationary impact of higher energy prices kept bond yields elevated globally. In the UK, 10-year gilt yields rose to over 5%, partly due to increased political risk, as prime minister Sir Keir Starmer came under mounting pressure over the Peter Mandelson situation. At the end of the month, the Bank of England Monetary Policy Committee voted 8-1 to leave interest rates on hold, balancing higher inflationary pressures against signs of a weakening economy and softer employment market.

Despite the high energy prices, equity markets took some comfort from the fragile ceasefire in Iran, and also from strong earnings reports from US technology companies in particular. The broad US stock market rallied by 10%, with the S&P Index hitting a new all-time high, whilst the technology rich Nasdaq Composite was up 15%. European shares also posted solid gains, though not to the same level.

The UK stock market was a relative laggard, but still produced a total return of nearly 3%, with medium sized and smaller companies outperforming, in contrast to recent months. Sector returns were once again polarised, with banks and financial services up 11% and 9% respectively, as the benefits of higher bond yields were seen as outweighing the risks from potential increases in bad debts, due to weaker growth. The software sector also rallied, recovering some of its earlier weakness over fears of AI disruption. At the other end, the oil & gas and pharmaceutical sectors both fell 5-6%.

Portfolio performance was ahead of the market, though volatile on a day to day basis. Merchants' Net Asset Value (NAV) total return was

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4.03% compared to 2.77% from the benchmark, FTSE All-Share index. The positioning in medium sized companies was helpful, but there were also a few stock specific factors. DCC one of largest holdings, rose nearly 20% from a low level, with the board receiving and rejecting a takeover approach from a private equity backed bidder. Shares in XP Power, the manufacturer of power supplies, rose by over 40%, as it reported strong order intake, especially in the semiconductor manufacturing equipment market. Lloyds Bank also rallied in a strong sector. Elsewhere, not owning AstraZeneca and having an underweight position in Shell helped relative performance as those stocks underperformed. On the flipside, pharma company GSK and health & hygiene company Reckitt underperformed, whilst not owning HSBC and Standard Chartered held back relative returns as both those banks rose.

We made a new investment in Chesnara plc. This business has acquired legacy books of life insurance and pensions policies from companies like HSBC, Countrywide and Canada Life, in the UK, Netherlands and Sweden. Chesnara drives efficiency gains from consolidating these activities and



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.

greater management focus, to enhance cash generation. The business has an excellent 21-year record of dividend growth, and a dividend yield of over 7%. We see scope for the company to continue acquiring additional books of policies, as banks and insurers offload non-core activities.

We also added to the positions in Reckitt, Pets-at-Home and Whitbread, amongst others, as share price weakness has lowered their valuations. Purchases were funded by reducing Unilever, after it announced the sale of its food business. Although the sale price looks high, the deal is complex and will take a long time to complete. We also reduced Legal & General, BP and Conduit.

The economic outlook is unclear, with events in the Middle East influencing energy prices, inflation, bond yields and ultimately economic growth. There is also political pressure on the Labour government, with local and regional elections in May. Whilst these events are somewhat unpredictable, we have seen many periods of uncertainty in the recent years, including the Great Financial Crisis, the Covid-19 pandemic and the Brexit referendum.

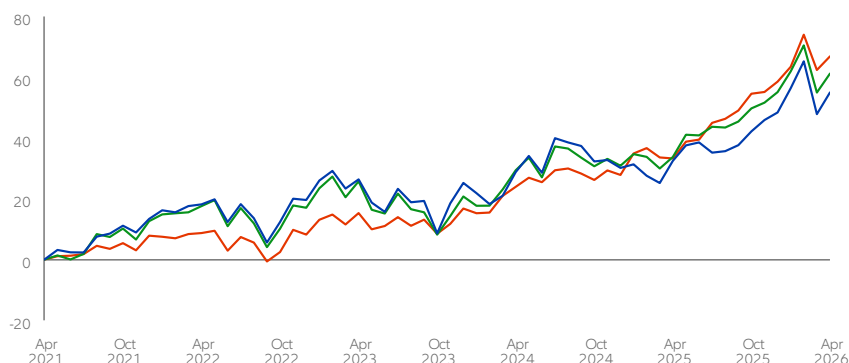
Through these periods, we have remained focused on identifying strong businesses to buy, when they are trading at modest valuations, and where there is potential for significant capital appreciation in the medium term, as well as paying an above average dividend yield. At present there is particular value in medium sized UK companies which, unusually, are trading at a discount to large cap stocks, as well as their own history. The portfolio has a large exposure to this part of the market, but is also broadly diversified across different industries and geographic end markets, to provide some resilience to changing circumstances. The recent bid approach for DCC, is a reminder that despite short-term macro-economic risks, there are trade and other buyers looking to acquire strong businesses when they are trading below their intrinsic value. We remain excited about the future potential of the portfolio.

Simon Gergel
11 May 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	-0.9	9.0	17.0	22.6	55.0
NAV (debt at fair value)	-0.7	7.4	20.2	27.9	60.8
Benchmark	2.1	8.0	25.2	44.7	66.9

Discrete 12 Month Returns to 30 April (%)

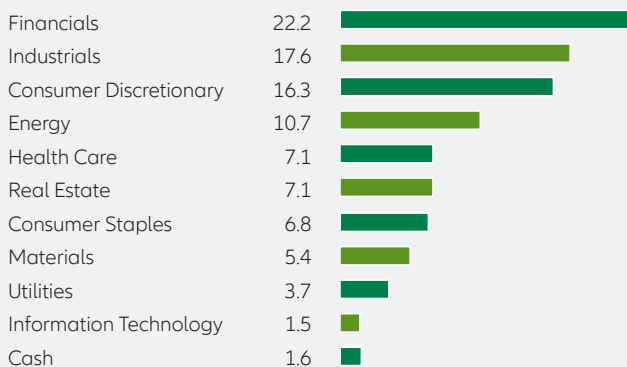
	2026	2025	2024	2023	2022
Share Price	17.0	2.9	1.9	7.0	18.2
NAV (debt at fair value)	20.2	3.3	2.9	6.9	17.6
Benchmark	25.2	7.5	7.5	6.0	8.7

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 30.04.26. 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.

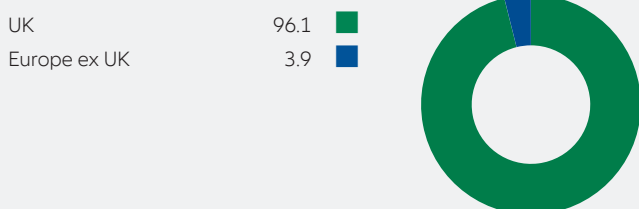
Past performance does not predict future returns. Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested. This investment trust charges 65% of its annual management fee to the capital account and 35% 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* (%)



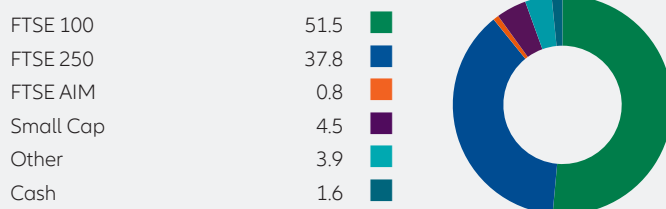
Top Ten Holdings (%)

Lloyds Banking Group	5.4
GSK	4.4
Rio Tinto	4.1
Shell	4.0
DCC	3.3
BP	3.1
Reckitt	3.0
British American Tobacco	2.9
Barclays	2.9
Tate & Lyle	2.7

Total number of holdings** 55

**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 30.04.26 unless otherwise stated.

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