

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

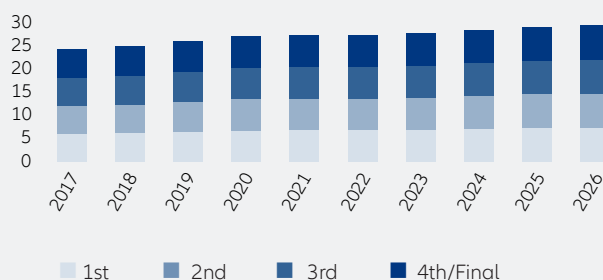
The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK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

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 £1,078.3m **Shares in Issue** 147,632,870 (Ordinary 25p) **Market Cap** £934.5m

Share Price
633.0p

NAV per Share
661.6p

Premium/-Discount
-4.3%

Dividend Yield
4.7%

Gearing
13.0%

Fund Manager's Review

Poor local election results for Sir Keir Starmer's Labour party put pressure on his leadership position, with several cabinet resignations. The Conservatives also fared poorly, with Reform and other parties the big winners, possibly presaging the end of two-party dominance of UK politics. One Labour MP resigned, specifically to allow the Mayor of Manchester - Andy Burnham - to potentially re-enter parliament. Burnham is the favourite to replace Sir Keir, if there is a successful leadership challenge.

Globally, the war in Iran continued to be a key focus for investors. Optimism over a potential ceasefire, and a resumption of oil and gas flows through the critical Strait of Hormuz, led the oil price to fall sharply in the last two weeks of May. Brent Crude oil ended the month at around \$92 per barrel, down from over \$110 at the end of April.

These events impacted bond markets both in the UK and globally, with 10-year UK gilt yields rising to a peak of over 5.15% in the middle of the month, on concerns about the inflationary impact of higher energy costs and political risk. However, gilt yields retreated as oil prices subsided, to just over 4.8%, nearly 0.2% lower over the month.

The UK stock market, at least at the index level, was relatively steady and posted a small gain over the month. Medium and smaller companies performed a bit better, boosted by the decline in bond yields in the last couple of weeks. Like a swan gliding across a lake, low volatility in the overall market did not reflect the frantic peddling of different sectors under the surface. Consumer services, travel & leisure, aerospace & defence and metals & mining all rose by high single digit or low double-digit percentages. On the other hand, the electricity, oil & gas and utilities sectors all fell sharply, with utilities reflecting increasing political risk.

Portfolio performance for the month of May was well ahead of the market return. Merchants' Net Asset Value (NAV) total return was 2.92% compared to 1.17% from the benchmark, FTSE All-Share index. A high exposure to medium and smaller companies helped, but most of the outperformance was driven by individual share price movements. For the second successive month, one of the larger holdings in the portfolio announced a takeover approach. The food ingredients company, Tate & Lyle, revealed that it had received a conditional takeover offer from its industry peer Ingredion and both parties were in discussions, although with no guarantee of a bid being forthcoming. The proposal valued Tate at 615p, or over 60% above the prevailing price before the

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announcement. Tate shares rallied by over 30%, but remained well below the mooted bid level. Other strong performers included DCC, where the board had turned down a takeover bid in April, IG Group which reported strong first quarter trading, with management raising short and long term guidance, and Atalaya Mining.

There were fewer negative stock impacts, although Harbour Energy and Energean weakened as the oil price fell back. Also, not owning Rolls Royce and HSBC held back relative performance as those companies' shares outperformed the index.

We made a new investment in Coloplast, a Danish listed chronic care company. It is the world leader with market shares of 35-45% in Ostomy and Continence care, an 85% share in voice & respiratory care and it also has products in urology and wound & tissue repair. The company



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.

has an excellent long term growth record in sales, profits and dividends. Its products have high visibility and limited economic cyclicality and Coloplast earns good returns on capital. It also benefits from trends such as an ageing population with growing healthcare needs and growth of medical treatments in emerging markets. Historically, the company has been very highly rated, but has suffered from some cost pressures, a product recall and a poorly timed acquisition, which have led to a severe de-rating. This enabled us to buy a position in the shares at a valuation considerably below normal, offering excellent value and with a 5% dividend yield.

Elsewhere, we continued to build the position in Chesnara, partly financed by reducing Legal & General, and built up the holdings in Pets at Home and RS where we have increasing confidence in the turnaround strategies under new management teams. The investments were financed by profit taking in DCC after the bid approach. We also cut back the positions in the utilities SSE and National Grid, after very strong gains had taken them closer to fair value. To a lesser extent we also reduced IG, Man and Conduit after share price rallies. There were also a couple of relative value switches. We moved part of the Primary Health Properties investment into a larger stake in Sirius Real Estate, increasing the exposure of the portfolio to German industrial property. We also switched part of the Energean holding into Harbour Energy.

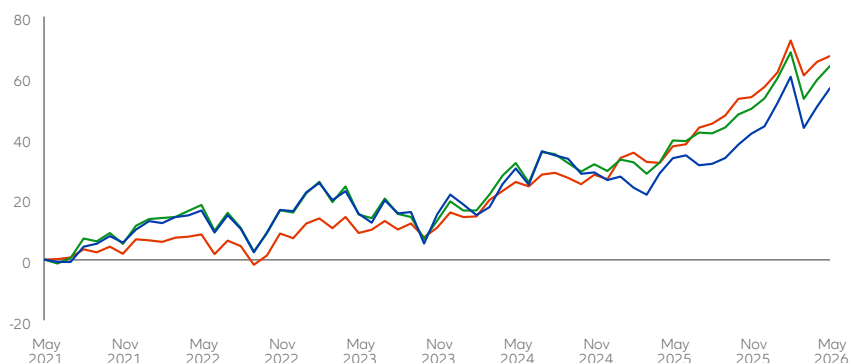
Although the stock market will always gyrate in response to global and domestic political and economic news, we remain focused on identifying strong companies to own, when they are trading at attractive valuations. We continue to find many such opportunities, such as Coloplast, and we remain confident of the potential income and total returns that the portfolio can deliver to shareholders in the long term.

Simon Gergel
12 June 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

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	-2.3	10.6	17.3	35.9	56.4
NAV (debt at fair value)	-2.7	9.2	17.3	42.2	63.3
Benchmark	-3.0	8.8	21.6	53.6	67.0

Discrete 12 Month Returns to 31 May (%)

	2026	2025	2024	2023	2022
Share Price	17.3	2.6	12.9	-0.9	16.1
NAV (debt at fair value)	17.3	5.6	14.7	-2.7	18.0
Benchmark	21.6	9.4	15.4	0.4	8.3

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 31.05.26. 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.

Risk & Features

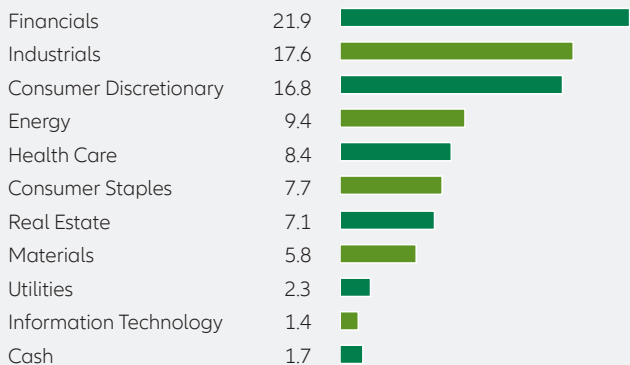
Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

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.

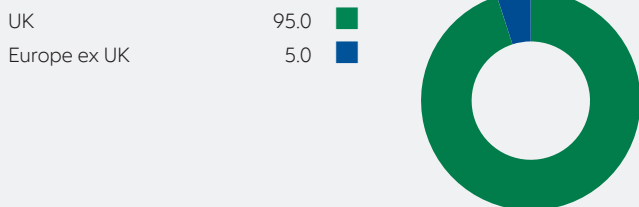
Derivatives may be used to manage the Trust efficiently.

Portfolio Breakdown

Sector Breakdown (%)



Geographic Breakdown* (%)



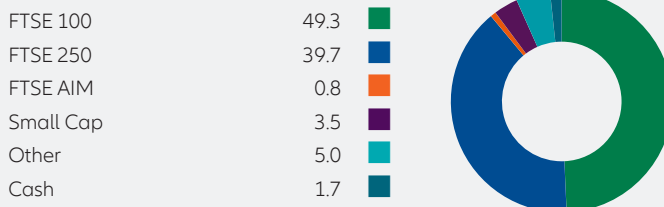
Top Ten Holdings (%)

Lloyds Banking Group	5.4
GSK	4.5
Rio Tinto	4.3
Shell	3.6
Tate & Lyle	3.6
DCC	3.2
Reckitt	3.1
British American Tobacco	3.0
Barclays	3.0
BP	2.7

Total number of holdings** 56

**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 31.05.26 unless otherwise stated.

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