# 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

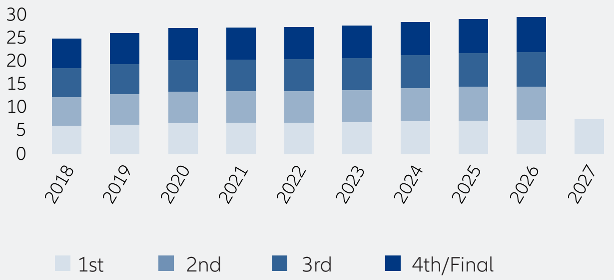
The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK 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 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 |
|---|---|---|---|
| 11.07.2026 | 21.08.2026 | 7.50p | 1st Interim |
| 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 |

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<br>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.

## Awards & Ratings

RSMR INVESTMENT TRUST · aic DIVIDEND HERO · ISA MILLIONAIRE aic 2026

A ranking, a rating or an award provides no indicator of future performance and is not constant over time. 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.

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

**Total Assets** £1,137.1m **Shares in Issue** 147,632,870 (Ordinary 25p) **Market Cap** £983.2m

| Share Price | NAV per Share | Premium/-Discount | Dividend Yield | Gearing |
|---|---|---|---|---|
| 666.0p | 703.8p | -5.4% | 4.5% | 11.8% |

All data source LSEG Datastream and Allianz Global Investors as at 31.07.26 unless otherwise stated.

## Fund Manager's Review

Andy Burnham became the UK's seventh Prime Minister in just over a decade on 20th July, following Sir Keir Starmer's resignation. He announced modest public spending increases, but committed to following Labour's manifesto, meeting the fiscal rules and not raising income tax, national insurance or VAT. June's tentative ceasefire in Iran was broken, but the situation was very fluid, with some stability later in the month. The Brent oil price spiked up from $73 to $100, before easing back toward $90.

Neither of these factors drove the equity markets, which were more focused on the huge spending on AI infrastructure and semiconductors, by the large "hyperscalers" (a large company that provides cloud computing and data storage services on a massive, global scale) like Amazon, Alphabet and Microsoft. After a boom in the first six months of the year, semiconductor shares fell heavily, bringing down tech heavy markets like the US Nasdaq Composite, and the Korean stock market. The broader US equity market was flat and European shares rose modestly.

By contrast, the UK stock market, which has limited exposure to technology, was a bit of a safe haven and rose by 3.7%, with medium sized companies up over 4%. The UK was led by the oil & gas sector, up over 15%, and telecommunications. Software stocks also rose by more than 10%, as the sector bounced back, after having been over-sold on fears of AI disruption. The worst performing sectors included pharmaceuticals, where AstraZeneca had a disappointing drug trial result, as well as travel & leisure and utilities.

Portfolio performance was well ahead of the index. Merchants' Net Asset Value (NAV) total return was 7.63% compared to 3.69% from the benchmark, FTSE All-Share index. Two of the companies purchased in June – Sage and Wolters Kluwer - were among the top 5 contributors to outperformance, rising nearly 20% and benefitting from the bounce in software and related stocks. RS Group and Pets at Home were also up around 20%, whilst not owning AstraZenca was beneficial.

On the negative side, IG Group fell heavily at the end of the month, as the company announced a large US acquisition of a US sports betting company. Not owning HSBC and having an underweight position in Shell also held back relative returns, as both stocks posted double digit returns.

We sold the remaining position in DCC Energy which has received a recommended bid from a private equity consortium. We also sold the small position in Magnum Ice Cream Company, which had demerged from Unilever. There were no new purchases, but we added to several companies where we see good value, including Burberry, Unite Group, Shell, Harbour Energy, Serco and Sage.

The volatility in equity markets, and particularly between different sectors, is continuing to create opportunities to buy into strong businesses at attractive valuations, whilst reducing other positions where shares have moved closer to fair value. We remain positive on the outlook for capital growth and dividend income from the investment portfolio.

Simon Gergel
7 August 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.**

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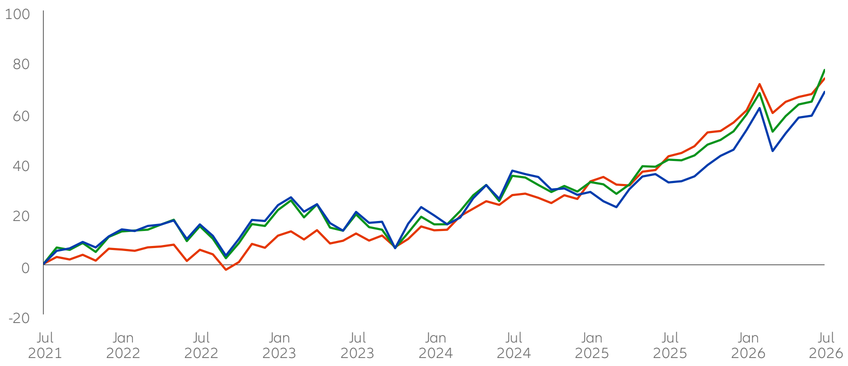
**Simon Gergel, Portfolio Manager**

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.

## 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 | 10.8 | 9.8 | 27.1 | 39.3 | 67.9 |
| NAV (debt at fair value) | 11.5 | 10.8 | 24.8 | 47.3 | 76.0 |
| Benchmark | 5.6 | 7.9 | 21.6 | 54.7 | 73.1 |

### Discrete 12 Month Returns to 31 July (%)

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Share Price | 27.1 | -3.4 | 13.5 | 4.3 | 15.5 |
| NAV (debt at fair value) | 24.8 | 4.7 | 12.7 | 4.1 | 14.8 |
| Benchmark | 21.6 | 12.1 | 13.5 | 6.1 | 5.5 |

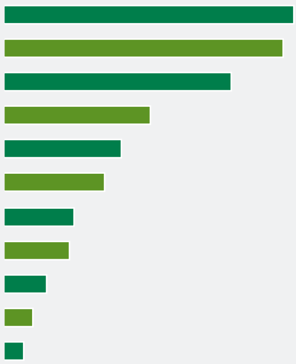
Source: LSEG Datastream, percentage growth, total return (refer to the Alternative Performance Measures section of the Annual Report for full details of performance measures) to 31.07.26. 

**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 (%)

| | |
|---|---|
| Financials | 20.9 |
| Consumer Discretionary | 20.1 |
| Industrials | 16.4 |
| Energy | 10.5 |
| Health Care | 8.5 |
| Real Estate | 7.2 |
| Materials | 5.1 |
| Information Technology | 4.7 |
| Consumer Staples | 3.1 |
| Utilities | 2.1 |
| Cash | 1.4 |



### Top Ten Holdings (%)

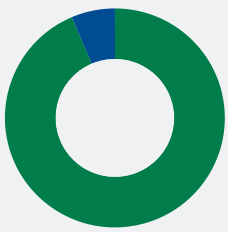
| | |
|---|---|
| Lloyds Banking Group | 5.7 |
| Shell | 4.6 |
| Reckitt | 4.4 |
| GSK | 4.3 |
| Rio Tinto | 3.6 |
| Barclays | 3.1 |
| Grafton Group | 2.7 |
| BP | 2.7 |
| Hikma Pharmaceuticals | 2.7 |
| RS Group | 2.4 |

**Total number of holdings**** 56

**Excludes derivatives

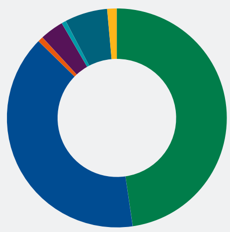
### Geographic Breakdown* (%)

| | |
|---|---|
| UK | 93.6 |
| Europe ex UK | 6.4 |



### Market Cap Breakdown (%)

| | |
|---|---|
| FTSE 100 | 47.7 |
| FTSE 250 | 39.7 |
| FTSE AIM | 0.8 |
| Small Cap | 3.5 |
| All Share | 0.7 |
| Other | 6.3 |
| Cash | 1.4 |



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.