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

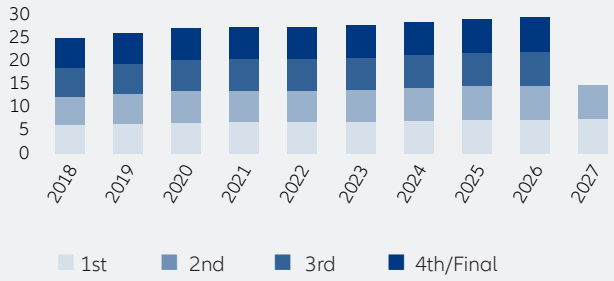
The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK 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
09.10.2026	19.11.2026	7.50p	2nd Interim
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

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.

Awards & Ratings

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 £1,147.0m **Shares in Issue** 147,632,870 (Ordinary 25p) **Market Cap** £986.2m

Share Price	NAV per Share	Premium/-Discount	Dividend Yield	Gearing
668.0p	710.4p	-6.0%	4.5%	12.8%

All data source LSEG Datastream and Allianz Global Investors as at 31.10.26 unless otherwise stated.

Fund Manager's Review

October saw the first UK budget under the new PM Andy Burnham and Chancellor John Healey. It was a relatively calm affair compared to the previous two budgets, with many important spending decisions postponed until the Spring, and limited speculation to concern investors beforehand. There were only modest changes, such as incremental taxes on banks and gambling companies and minor spending commitments on energy and housebuilding. Market reaction was muted in both bonds and equities.

In the USA, investors continued to closely monitor the AI spending boom, with Anthropic, the provider of the Claude language model, announcing an impending giant flotation. Facebook's parent Meta tried to get ahead of this fund raising, launching its own share placings, to raise up to $100bn. The whole technology sector remained volatile and fell heavily at the end of the month on concerns about the potential returns on all these investments.

Over the month, the UK and European stock markets rose modestly, whilst the US market was weak, especially the technology indices. Within the UK, after a very strong run, the bank sector fell sharply, on macro-economic concerns and in response to slightly disappointing quarterly trading results. The mining sector and aerospace & defence were also weak, as enthusiasm for the AI investment boom faded. Both sectors had previously been boosted by demand for metals and power generation (at Rolls Royce) respectively. In contrast, the sectors that performed best, included software & computer services, continuing a recovery from earlier weakness on fears of AI disruption. Also, tobacco and oil & gas benefitted from defensive qualities, strong cash flows and in the latter case, elevated oil prices.

> **There are many factors affecting the UK stock market, from the impact of the UK budget and US mid-term elections to the AI capital spending boom, and the wars in Iran and Ukraine.**

The portfolio outperformed the market in October. Merchants' Net Asset Value (NAV) total return was 3.31% compared to 1.12% from the benchmark, FTSE All-Share index. Software & services companies Wolters Kluwer and Sage rallied, along with Harbour Energy. Hotelier Whitbread benefitted from a budget announcement to restrict inflation in the rates bill for the next two years. Most significantly, not owning HSBC and Rolls Royce helped relative performance, as both fell by around 15% and they are large index constituents. On the negative side, IG Group and Inchcape shares fell, as they both warned about weak recent trading, and Atalaya mining retreated sharply with the weaker mining sector. Not owning AstraZeneca also had an impact on performance as the shares rallied in response to trading results.

We made a new investment in Rentokil Initial, the leading pest control company. A strong growth record at Rentokil has been challenged by the poorly integrated acquisition of Terminix in the USA in 2022, which made Rentokil the largest US pest control business. After some execution issues, a new management team is now turning the underperforming US business around, but the industry is also seeing changes in the way customers select service providers online. All of this had brought the valuation of the shares down materially, with the shares halving since 2023. The current valuation is very attractive for the leading player in an industry, with structural growth from rising health & safety standards and other factors. For the first time in over a decade, Rentokil offered a dividend yield in line with the UK market.



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.

We funded this investment by selling the tyre manufacturer Michelin. Whilst the core investment case remains intact, we had some concerns about rising tensions in France where a good proportion of production is based.

Other activity included adding to several companies where we believed share price weakness had taken share prices to more attractive levels, including IG Group, Inchcape, SSP, Breedon, Bellway and Atalaya Mining. These were funded by profit taking in the oil companies Shell and Harbour Energy, as well as at Sage, Wolters Kluwer, RS Group and B&M Bargains.

There are many factors affecting the UK stock market, from the impact of the UK budget and US mid-term elections to the AI capital spending boom, and the wars in Iran and Ukraine. These various factors can lead to volatility in share prices, which is often exacerbated by the trading strategies of many large participants in today's stock market. However, this volatility can throw up investment opportunities. We focus on trying to find strong companies, like Rentokil Initial, trading on valuations well below our assessment of their intrinsic value. Many of the companies we have purchased in the last 12 months, such as Rentokil, Sage, Autotrader and Coloplast have historically been regarded as "quality" or "growth" companies and have rarely traded on low valuations.

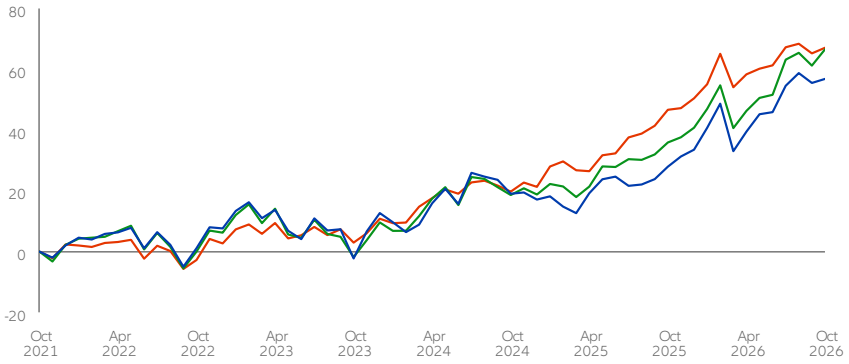
Whilst it is very hard to predict short term market behaviour, let alone geopolitical events, it is more straightforward to analyse and value individual companies. By building a portfolio of strong businesses trading below their fundamental worth, we believe we can continue to deliver strong returns as well as a high dividend yield, for shareholders, over the long term.

Simon Gergel
11 November 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	1.5	12.4	22.6	60.5	56.8
NAV (debt at fair value)	2.1	13.8	22.3	69.2	66.1
Benchmark	-0.1	5.5	13.9	62.3	67.1

Discrete 12 Month Returns to 31 October (%)

	2026	2025	2024	2023	2022
Share Price	22.6	7.5	21.8	-3.3	1.1
NAV (debt at fair value)	22.3	14.5	20.8	-1.8	0.0
Benchmark	13.9	22.5	16.3	5.9	-2.8

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 31.10.26. 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 (%)

Financials	20.8
Consumer Discretionary	19.1
Industrials	18.9
Energy	11.5
Health Care	9.3
Real Estate	7.4
Materials	4.4
Information Technology	4.4
Utilities	2.3
Consumer Staples	1.6
Cash	0.3

Top Ten Holdings (%)

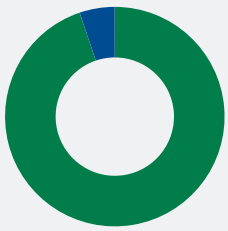
Shell	5.5
GSK	4.6
Reckitt	4.5
Lloyds Banking Group	4.2
Rio Tinto	3.1
BP	3.0
Hikma Pharmaceuticals	2.9
Grafton Group	2.8
Harbour Energy	2.8
Whitbread	2.6

Total number of holdings** 54

**Excludes derivatives

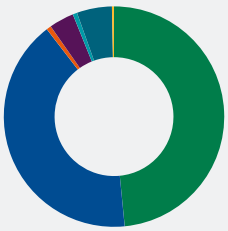
Geographic Breakdown* (%)

UK	94.8
Europe ex UK	5.2



Market Cap Breakdown (%)

FTSE 100	48.4
FTSE 250	41.1
FTSE AIM	0.7
Small Cap	3.6
All Share	0.7
Other	5.1
Cash	0.3



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

Karen McKellar (Chair)
Mal Patel (Chairman of the Audit Committee)
Lisa Edgar
Neil Galloway (Senior Independent Director)
Bill Maldonado

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 31.10.26 unless otherwise stated.
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