

The Merchants Trust PLC

Interim Management Statement

For the quarter ended 31 October 2013

This interim management statement relates to the quarter from 1 August 2013 to 31 October 2013 and contains information for that period unless otherwise stated. This statement is produced to provide information in accordance with the UK Listing Authority's Disclosure and Transparency Rules.

Investment objective

The objective of The Merchants Trust is to provide an above average level of income and income growth together with long term growth of capital through a policy of investing mainly in higher yielding UK FTSE 100 companies.

Portfolio

Top ten holdings at 31 October 2013 and percentage of total gross assets:

	£	%
Royal Dutch Shell 'B'	56,650,164	8.51
GlaxosmithKline	51,096,415	7.67
BP	41,254,349	6.19
HSBC Holdings (UK)	40,118,844	6.02
Vodafone Group	24,625,966	3.70
BAE Systems	24,098,818	3.62
BHP Billiton	22,619,340	3.40
Resolution	22,512,548	3.38
British American Tobacco	21,966,004	3.30
SSE	19,951,50	3.00
Total Gross Assets	665,939,532	

Material events and transactions

The following events have occurred since 1 August 2013.

Dividends

The first quarterly dividend for the year ending 31 January 2014 of 5.9p per share was paid on 14 August to shareholders on the register on 12 July 2012.

The second quarterly dividend for the year ending 31 January 2014 of 5.9p per share was declared on 18 September 2013 and was paid on 12 November to shareholders on the register on 11 October 2013.

The number of ordinary shares in issue at the beginning of the period was 103,213,464. The Company's share capital increased through an issue of 100,000 new ordinary shares on 18 October and a further 100,000 new ordinary shares on 25 October. The number of ordinary shares in issue at the end of the period was 103,413,464.

The Company is not aware of any significant events or transactions which have occurred between 31 October and the date of this report which would have a material impact.

Financial Performance to 31 October 2013

		% change				
	3 m	6m	1yr	3yr	5yrs	10yrs
Share price*	3.3	17.9	45.2	56.3	142.8	177.0
Net Asset Value*	1.7	10.3	30.3	51.1	124.2	153.9
Benchmark# *	2.7	6.7	20.7	32.3	85.5	125.4

* Total return with net dividends reinvested and net of fees.

FTSE 100 Total Return

Source: Datastream

Financial position at 31 October 2013 and 19 November 2013

	31 October	19 November
Total assets ¹	£658,963,330	£653,775,012
Net assets	£544,591,899	£541,346,343
Share price	511.00p	505.00p
Net asset value (debt at par value) ²	526.62p	523.48p
Discount ³	3.0%	3.5%
Net gearing ⁴	19.23%	17.60%
Yield	4.6%	4.6%
NAV ⁵ (debt at market value)	500.88p	495.86p
Premium ⁶	2.0%	1.8%

¹Total assets are stated net of current liabilities.

²The cum-income NAV. Capital and income net asset values are calculated and announced daily.

³The discount/premium is the difference between the share price and the NAV (with debt at par value) per share expressed as a percentage of the NAV per share.

⁴Net gearing is borrowings net of cash and current assets.

⁵The cum-income NAV.

⁶The discount /premium is the difference between the share price and the NAV (with debt at market value) per share expressed as a percentage of the NAV per share.

Company Information

Launch date	1889
EPIC	MRCH
Year end	31 January
Report and Accounts	Final posted April, Half-yearly posted September
AGM	May
Dividends paid	February, May, August and November
Price Information	Financial Times, The Daily Telegraph, www.merchantstrust.co.uk

Investor information

Further up to date information, including Net Asset Values and share prices, and the latest available factsheets and portfolio information, is provided on the Manager's website, which can be accessed via www.merchantstrust.co.uk or www.allianzgi.co.uk. Information can also be obtained from the Investor Services' helpline on 0800 389 4696.

21 November 2013