

## **The Merchants Trust PLC**

### **Interim Management Statement**

#### **For the quarter ending 30 April 2007**

This interim management statement relates to the quarter from 1 February 2007 to 30 April 2007 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 Listing 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 30 April 2007

	£	%
Royal Dutch Shell 'B' Shares	56,324,500	7.69
GlaxoSmithKline	52,852,000	7.21
BP	52,026,000	7.10
HSBC	44,891,000	6.13
Vodafone	42,721,744	5.83
Royal Bank of Scotland Group	29,529,000	4.03
Barclays	26,535,500	3.62
Lloyds TSB Group	23,501,450	3.21
HBOS	21,423,600	2.92
Anglo American	19,750,600	2.70
Total Gross Assets	732,544,421	

#### **Material events and transactions**

At the Annual General Meeting of the Company held on 14 May 2007, all the resolutions put to shareholders were passed. At the conclusion of the AGM, Sir John Banham retired from the Board.

The third quarterly dividend of 5.1p per share was paid on 16 February to shareholders on the register on 26 January 2007.

A final dividend of 5.1p per share was paid on 16 May 2007 to shareholders on the register on 13 April 2007. The total payment for the year ended 31 January 2007 was 20.0p.

There were no changes to the Company's share capital over the period.

## Financial Performance to 30 April 2007

	3 m	6m	% change			
			1yr	3yr	5yrs	10yrs
Share price	4.21	7.32	15.44	78.83	54.87	196.96
Net Asset Value	3.61	8.60	14.57	81.14	65.63	171.63
Benchmark*	5.32	7.13	10.73	58.82	47.90	94.83

Source: Datastream

Total return with net dividends reinvested and net of fees.

\* FTSE 100 Total Return

## Financial position at 30 April and 8 June 2007

	30 April	8 June
Net assets	£599,468,901	£603,689,499
Share price	529.5p	528.0p
Net asset value <sup>1</sup>	577.8p	581.8p
Net asset value <sup>2</sup>	554.2p	558.8p
Discount <sup>3</sup>	-8.4%	-9.2%
Gearing <sup>4</sup>	18.4%	20.7%
Yield	3.8%	3.8%

<sup>1</sup> Debt at book value

<sup>2</sup> Debt at market value

Net asset values are calculated and announced weekly.

<sup>3</sup> The discount is the difference between the share price and the NAV (debt at book value) per share expressed as a percentage of the NAV per share.

<sup>4</sup> Actual gearing – net of cash.

## Company Information

Launch date	1889
EPIC	MRCH
Year end	31 January
Report and Accounts AGM	Final posted April, Interim posted September May
Dividends	February, May, August and November
Price Information	Financial Times, The Daily Telegraph, <a href="http://www.allianzgi.co.uk">www.allianzgi.co.uk</a>

## 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](http://www.merchantstrust.co.uk) or [www.allianzgi.co.uk](http://www.allianzgi.co.uk). Investor services can be contacted on 020 7065 1407 and information can also be obtained from the Manager's helpline on 0800 317 573.

By order of the Board.  
The Merchants Trust PLC

155 Bishopsgate  
London EC2M 3AD

15 June 2007