

## The Merchants Trust PLC

### Interim Management Statement

#### For the quarter ended 30 April 2011

This interim management statement relates to the quarter from 1 February 2011 to 30 April 2011 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 30 April 2011

	£	%
Royal Dutch Shell 'B'	46,849,491	8.2
GlaxoSmithKline	40,963,950	7.1
HSBC	39,203,839	6.8
BP	36,525,785	6.4
Vodafone Group	27,221,983	4.8
Scottish & Southern Energy	21,779,850	3.8
Unilever	21,545,100	3.8
BAE Systems	20,706,682	3.6
BHP Billiton	19,359,080	3.4
British American Tobacco	17,602,340	3.1
	<u>291,758,100</u>	<u>51.0</u>
Total Gross Assets	<b>573,498,615</b>	

#### Material events and transactions

The following events have occurred since 1 February 2011.

##### Dividends

The third quarterly dividend for the year ended 31 January 2011 of 5.7p per Ordinary Share, was paid on 18 February 2011.

##### Board

Paul Yates was appointed as a non-executive director on 21 March 2011.

Since 30 April 2011 the following events have occurred.

##### Annual General Meeting

At the AGM held on 10 May 2011 all resolutions were passed. Dick Barfield retired from the board after the AGM.

## Dividends

The final dividend for the year ended 31 January 2011 of 5.7p per Ordinary Share was paid on 13 May 2011.

## **Financial Performance to 30 April 2011**

	<b>3mths</b>	<b>6mths</b>	<b>% change 1yr</b>	<b>3yrs</b>	<b>5yrs</b>	<b>10yrs</b>
Share price*	5.4	12.0	29.6	20.2	18.3	76.6
Net Asset Value*	3.6	9.9	17.5	7.7	8.0	58.3
Benchmark# *	4.7	8.7	12.9	11.7	21.1	43.7

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

# FTSE 100 Total Return

Source: Datastream

## **Financial position at 30 April 2011 and 11 May 2011**

	<b>30 April</b>	<b>11 May</b>
Total assets <sup>1</sup>	£566,472,495	£568,224,007
Net assets	£451,665,770	£453,417,282
Share price	422.9p	424.6p
Net asset value <sup>2</sup>	437.6p	439.3p
Discount <sup>3</sup>	3.4%	3.3%
Net gearing <sup>4</sup>	23.7%	23.3%
Yield	5.4%	5.4%

<sup>1</sup>Total assets are stated net of current liabilities.

<sup>2</sup>On the income basis. Capital and income net asset values are calculated and announced daily.

<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>Net gearing is borrowings net of cash.

## **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, <a href="http://www.merchantstrust.co.uk">www.merchantstrust.co.uk</a> <a href="http://www.rcm.com">www.rcm.com</a>

## **Investor information**

Further up to date information, including Net Asset Values and share prices, and the latest available fact sheets 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.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts). Information can also be obtained from the Investor Services' helpline on 0800 389 4696.

16 May 2011