

## The Merchants Trust PLC

### Interim Management Statement

#### For the quarter ended 31 October 2007

This interim management statement relates to the quarter from 1 August 2007 to 31 October 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 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 2007 and percentage of total gross assets

	£	%
BP	57,454,000	7.84
Royal Dutch Shell	55,386,300	7.55
HSBC Holdings	54,653,750	7.45
Vodafone	54,197,771	7.39
GlaxoSmithKline	53,487,880	7.30
Royal Bank of Scotland Group	35,397,600	4.83
HBOS	22,497,210	3.07
Anglo American	22,316,476	3.04
Reed Elsevier	18,997,000	2.59
Aviva	18,056,450	2.46

#### Material events and transactions

The second quarterly dividend of 5.4p per share was declared on 18 September and will be paid on 15 November to shareholders on the register on 19 October 2007.

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

#### Financial Performance to 31 October 2007

	% change					
	3m	6m	1yr	3yrs	5yrs	10yrs
Share price	2.52	-2.43	4.71	74.45	101.31	148.30
Net Asset Value	4.90	2.14	10.93	75.74	126.30	149.42
Benchmark*	6.78	5.98	13.53	60.95	97.52	86.61

Source: Datastream

Total return with net dividends reinvested and net of fees.

\* FTSE 100 Total Return

## Financial position at 31 October and 9 November 2007

	31 October	9 November
Total gross assets	£733,161,179	£685,080,568
Net assets	£598,200,921	£549,586,484
Share price	506.0p	457.5p
Net asset value <sup>1</sup>	579.2p	532.1p
Net asset value <sup>2</sup>	536.5p	509.8p
Discount <sup>3</sup>	-12.6%	-14.0%
Gearing <sup>4</sup>	18.2%	22.5%
Historic Dividend Yield	4.1%	4.6%

<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	Final posted April, half-yearly posted September
AGM	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

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13 November 2007