

The Merchants Trust PLC

Interim Management Statement

For the quarter ended 31 October 2012

This interim management statement relates to the quarter from 1 August 2012 to 31 October 2012 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 2012

	£	%
Royal Dutch Shell 'B'	48,263,287	8.61
GlaxosmithKline	40,041,540	7.17
HSBC Holdings (UK)	38,540,851	6.90
BP	37,890,921	6.78
Vodafone Group	26,698,331	4.78
British American Tobacco	19,469,532	3.48
BAE Systems	19,037,907	3.41
Reed Elsevier	18,762,362	3.36
SSE	17,520,800	3.14
National Grid	16,701,660	2.99
Total Gross Assets	558,845,997	

Material events and transactions

The second quarterly dividend for the year ending 31 January 2013 of 5.8p per share was declared on 13 September 2012 and was paid on 12 November to shareholders on the register on 5 October 2012.

There were no changes to the Company's share capital over the period. The number of ordinary shares in issue at the beginning and end of the period is 103,213,464.

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 2012

	% change					
	3 m	6m	1yr	3yr	5yrs	10yrs
Share price*	3.4	1.9	4.8	40.3	1.0	103.2
Net Asset Value*	5.3	8.1	13.1	39.3	-2.6	120.4
Benchmark# *	3.7	2.8	8.5	27.6	4.0	105.5

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

FTSE 100 Total Return

NAV is calculated with debt at par

Source: Datastream

Financial position at 31 October 2012 and 19 November 2012

	31 October	19 November
Total assets ¹	552,069,333	546,930,770
Net assets	437,519,338	432,380,775
Share price	370.60	367.30
Net asset value ²	423.90	418.92
Discount ³	12.6%	12.3%
Net gearing ⁴	24.62%	24.45%
Yield	6.26%	6.32%
Debt at market NAV ⁵	387.88	382.90
Discount ⁶	4.50%	4.1%

¹Total assets are stated net of current liabilities.

² On the income basis (with debt at book value). Capital and income net asset values are calculated and announced daily.

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

⁴ Net gearing is borrowings net of cash.

⁵ The net asset value calculated on the income basis (with debt at market value).

⁶ The 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 company's website www.merchantstrust.co.uk. Information can also be obtained from the Investor Services' helpline on 0800 389 4696.

22 November 2012