

The Merchants Trust PLC

Interim Management Statement

For the quarter ended 30 April 2010

This interim management statement relates to the quarter from 1 February 2010 to 30 April 2010 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 2010

	£	%
Royal Dutch Shell	48,255,175	9.1
GlaxoSmithKline	37,997,595	7.2
BP	35,660,225	6.7
Vodafone Group	35,295,704	6.6
HSBC	28,931,197	5.4
AstraZeneca	20,705,463	3.9
Unilever	19,236,750	3.6
BAE Systems	18,901,857	3.6
Scottish & Southern Energy	18,499,250	3.5
BHP Billiton	18,022,500	3.4
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	281,505,716	53.0
Total Gross Assets	531,520,524	

Material events and transactions

The following events have occurred since 1 February 2010.

Dividends

The third quarterly dividend for the year ended 31 January 2010 of 5.6p per Ordinary Share, was paid on 19 February 2010.

Since 30 April 2010 the following events have occurred.

Annual General Meeting

At the Annual General Meeting held on 11 May 2010 all resolutions were passed.

Board changes

Hugh Stevenson retired as Chairman after the Annual General Meeting on 11 May 2010. He was succeeded as Chairman by Sir James Sassoon who stepped down on 20 May to take up a Government appointment. Simon Fraser was appointed as Chairman on 20 May 2010.

Mike McKeon was appointed as Chairman of the Audit Committee on 11 May and Henry Staunton was confirmed as the Board's Senior Independent Director on 20 May.

Dividends

The final dividend for the year ended 31 January 2010 of 5.7p per Ordinary Share was paid on 14 May 2010.

Financial Performance to 30 April 2010

	% change					
	3mths	6mths	1yr	3yrs	5yrs	10yrs
Share price*	6.7	12.6	32.2	-20.9	34.0	64.1
Net Asset Value*	8.8	12.3	43.5	-19.8	26.9	53.4
Benchmark# *	8.3	12.1	35.9	-3.2	39.1	22.8

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

FTSE 100 Total Return

Source: Datastream

Financial position at 30 April 2010 and 10 June 2010

	30 April	10 June
Total assets ¹	£524,406,112	£489,063,055
Net assets	£408,481,654	£374,301,802
Share price	346.0p	335.0p
Net asset value ²	394.6p	361.5p
Discount ³	12.3%	7.3%
Net gearing ⁴	26.0%	27.1%
Yield	6.5%	6.7%

¹Total assets are stated net of current liabilities.

²On the income basis. Capital and income net asset values are calculated and announced daily.

³The 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.

⁴Net 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, www.merchantstrust.co.uk www.rcm.co.uk

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 or www.rcm.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.

14 June 2010