



The Mercantile Investment Trust plc

The home of tomorrow's UK market leaders

Half Year Report & Financial Statements
for the six months ended 31st July 2025



J.P.Morgan
ASSET MANAGEMENT

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Objective

The Mercantile Investment Trust plc (the 'Company' or the 'Mercantile') aims to achieve long term capital growth from a portfolio of UK medium and smaller companies.

Investment Policy

- To emphasise capital growth from medium and smaller companies.
- To achieve long term dividend growth at least in line with inflation.
- To use long term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 10% net cash to 20% geared.

Further details on the objective and structure of the Company, together with investment restrictions and guidelines, are given in the 2025 Annual Report and Financial Statements.

Benchmark

The FTSE All-Share Index, excluding constituents of the FTSE 100 Index and investment trusts, with net dividends reinvested.

Capital Structure

At 31st July 2025 the Company's share capital comprised 944,492,180 ordinary shares of 2.5p each, including 224,609,137 shares held in Treasury.

At 31st July 2025, the Company had in issue a £3.85 million 4.25% perpetual debenture and a £175 million 6.125% debenture repayable on 25th February 2030. In addition, the Company has £150 million of long term debt raised through the issue of three fixed rate, senior unsecured privately placed notes (the 'Notes'). The Notes are: £55 million maturing in 2041 with a fixed coupon of 1.98%; £50 million maturing in 2051 with a fixed coupon of 2.05%; and £45 million maturing in 2061 with a fixed coupon of 1.77%.

Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager and Company Secretary. JPMF is approved by the Financial Conduct Authority and delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Investment Manager'). The Portfolio Managers are Guy Anderson and Anthony Lynch, who are employees of JPMAM.

Website

The Company's website, which can be found at www.mercantileit.co.uk, includes useful information on the Company, such as daily prices, factsheets, videos and half year and annual reports.

Contact the Company

General enquiries about the Company should be directed to the Company Secretary at jpmam.investment.trusts@jpmorgan.com

FINANCIAL CALENDAR

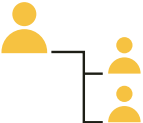
Financial year end	31st January
Final results announced	March/April
Half year end	31st July
Half year results announced	October
Dividends on ordinary shares paid to shareholders	*1st August, 1st November, 1st February, 1st May
Interest on 4.25% perpetual debenture paid	1st June, 1st December
Interest on 6.125% debenture paid	25th February, 25th August
Annual General Meeting	May
*or nearest following business day.	

Key Features

The Mercantile Investment Trust plc

Launched in 1884, The Mercantile Investment Trust has navigated its way through history to become one of the UK's largest UK equity investment trusts and has provided its shareholders with strong returns and income over many years. The Company has a long and successful track record championing quality UK medium and smaller companies.

The Mercantile in 2025

		
1. Targeting innovative companies within the UK market	2. Discounted valuations may offer an attractive entry point	3. Growing dividend and strong reserves
Seeking out exceptional medium and smaller UK companies across a range of industries, The Mercantile brings together a portfolio of actively managed stocks that are well positioned to deliver strong growth and thus become tomorrow's market leaders.	Over the long term the UK, with its culture of innovation and relatively low equity valuations compared to global peers, could be a strong investment opportunity in the years ahead.	The Mercantile aims to achieve long-term dividend growth at least in line with the rate of inflation over a five to ten year period. Careful management of income reserves has enabled it to maintain or increase its annual dividend every year since 1992.
		
4. Strong management team	5. Long-term performance track record	6. A potential holding for SIPP, Junior ISA, Lifetime ISA
The Mercantile's Portfolio Managers Guy Anderson and Anthony Lynch have over 20 and 15 years' investment experience respectively. Their depth of knowledge, expertise and insight enables them to navigate the prevailing market environment. The Portfolio Managers' disciplined investment approach, supported by J.P. Morgan's extensive research resources, is invaluable for successful stock selection in an area of the stock market that demands first-hand scrutiny.	The Mercantile's long-term relative performance track record demonstrates both the successful stock selection expertise of the Portfolio Managers and appropriate use of gearing by the Company. The competitive management fee and economies of scale afforded by the size of the Company provide shareholders with an expertly managed, cost-effective route to access the UK medium and smaller companies market.	Whether you are looking to invest for retirement through self-invested personal pensions, planning to get on the property ladder with the help of a Lifetime ISA or providing a nest egg for children with a Junior ISA, The Mercantile offers a cost-effective route to plan for your future and is available to buy across all leading UK investment platforms.

The Board views long-term as five to ten years.

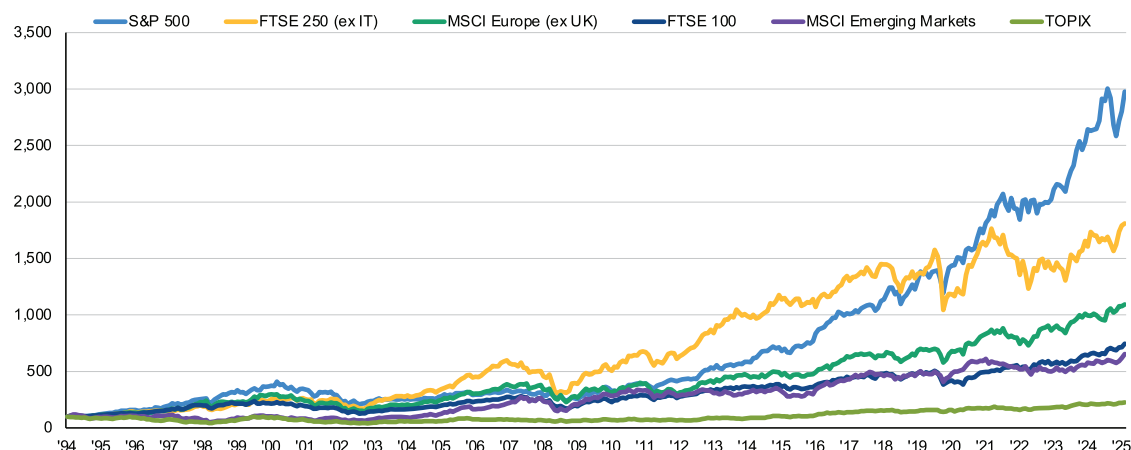
Past performance is not a reliable indicator of current and future results.

140 years of resilience, reassurance and returns

The Mercantile is as relevant today as at any time over its 140 years' lifetime and provides investors with a well-managed, high-quality investment vehicle to access a core part of the UK equity market.

Long-term outperformance of UK mid and small caps (FTSE 250 (ex IT))

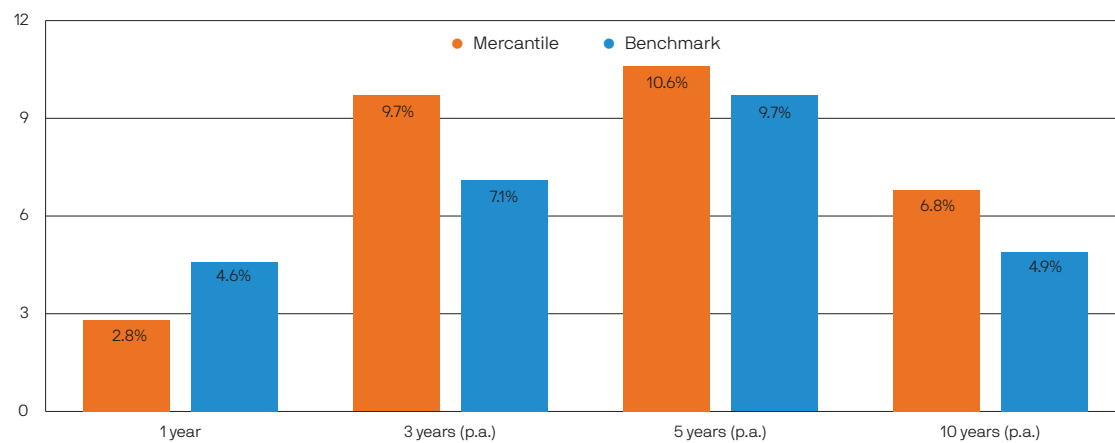
Cumulative returns



Source: J.P. Morgan Asset Management, Bloomberg. All series are rebased to 100 as at 30th June 1994. All indices in GBP and include reinvested dividends. Indices do not include fees or operating expenses and are not available for actual investment.

Past performance is not a reliable indicator of current and future results.

Annualised NAV total return (with debt at fair value) versus benchmark



Source: J.P. Morgan/Morningstar/FTSE Russell. The Company's performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. The Benchmark is the FTSE All-Share Index, excluding constituents of the FTSE 100 Index and investment trusts, with net dividends reinvested.

Stay in touch: receive the latest Mercantile news

To keep investors informed, J.P. Morgan Asset Management offers regular email updates on the Company's progress. **The Mercantile News** delivers topical and relevant news and views directly to your inbox.

Scan this QR code on your smartphone camera or opt in via www.Mercantile-Registration.co.uk to receive regular updates on The Mercantile Investment Trust plc.



Guy Anderson
Portfolio Manager



Anthony Lynch
Portfolio Manager

The Mercantile offers strong long-term growth and income potential, with the reassurance that the Company is one of the largest in the UK market, is expertly managed by experienced portfolio managers and backed by the vast research resources of J.P. Morgan Asset Management.



Financial Highlights

Total returns (including dividends reinvested)

	6 months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Return on net assets – with debt at fair value ^{1,APM}	+6.0%	+31.9%	+65.5%	+93.2%
Return on net assets – with debt at par value ^{1,APM}	+6.0%	+27.3%	+51.6%	+81.0%
Return on share price ^{2,APM}	+6.0%	+38.7%	+65.1%	+104.1%
Benchmark return ³	+7.2%	+23.0%	+58.9%	+61.3%

¹ J.P. Morgan/Morningstar, using cum income net asset value per share.

² Source: Morningstar.

³ Source: FTSE Russell. The Company's benchmark is the FTSE All-Share Index, excluding constituents of the FTSE 100 Index and investment trusts, with net dividends reinvested.

^{APM} Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 30 to 32.

Summary of results

	31st July 2025	31st January 2025	% change excluding dividends reinvested	% change including dividends reinvested
Net asset value per share:				
– with debt at fair value ^{1,APM}	281.7p	271.0p	+3.9	+6.0
– with debt at par value ^{APM}	273.4p	263.2p	+3.9	+6.0
Share price	255.0p	246.0p	+3.7	+6.0
Share price discount to net asset value per share:				
– with debt at fair value ^{1,APM}	9.5%	9.2%		
– with debt at par value ^{APM}	6.7%	6.5%		
Shareholders' funds (£'000)	1,968,357	1,965,468		
Number of shares in issue (excluding shares held in Treasury)	719,883,043	746,668,191		
Gearing ^{APM}	14.5%	14.1%		
Ongoing charges ^{APM}	0.50%	0.48%		

¹ The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Fair Value'. The fair value of the Company's debentures and senior unsecured privately placed loan notes has been calculated using discounted cash flow techniques, using the yield from similarly dated gilts plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread. The fair value is further explained in note 6 on page 25 and in the glossary of terms and APMs on page 30.

^{APM} Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 30 to 32.



Chair's Statement



Rachel Beagles
Chair

Introduction and Market Background

It gives me pleasure to present my first half yearly report as the incoming Chair of The Mercantile Investment Trust plc: a trust with a rich history spanning over 140 years and one which has delivered great returns to its shareholders over the long term.

The six months ended 31st July 2025 were a turbulent time. Whilst the UK market finished up in substantially positive territory, this masked huge volatility over the period as UK equities sold off sharply in March and April in response to President Trump's 'Liberation Day' tariffs, only to rebound strongly when he delayed their implementation pending further negotiations with the U.S.'s trading partners.

Performance

During the six months ended 31st July 2025, the Company delivered a +6.0% return on both net assets and share price (with dividends reinvested), albeit this was slightly behind the benchmark. The Company's long term track record of attractive absolute returns and outperformance remains positive. Over the ten years to 31st July 2025, the Company's NAV has delivered an annualised total return of +6.8% with debt at fair value, while the Company's share price returned an annual average of +7.4%, both well ahead of the benchmark's annualised total return of +4.9%.

The Portfolio Managers' Report on page 14 provides details of the drivers of recent returns and portfolio changes implemented during the review period. Their report also discusses the market outlook over the remainder of this year and beyond.

Dividends

The Company aims to provide shareholders with long-term dividend growth at least in line with the rate of inflation over a five- to ten-year period, and it has fulfilled this commitment. Over the ten years to 31st January 2025, the Company's dividend grew at a rate of 6.8% per annum, well ahead of CPI inflation of 3.1% per annum over the same period.

The Company has increased its dividend for more than ten consecutive years, making it an AIC next-generation dividend hero, and it is on track to maintain this record. A first quarterly interim dividend of 1.55 pence was paid on 1st August 2025 and a second quarterly interim dividend of 1.55 pence per share has been declared by the Board, payable on 3rd November 2025 to shareholders on the register at the close of business on 26th September 2025. This brings the dividend for the year so far to 3.10 pence, up from 3.00 pence for the equivalent period last year. A third quarterly interim dividend will be announced in December 2025. The level of the fourth quarterly interim dividend will depend on income received by the Company for the full financial year.

Discount and Share Repurchases

The discount at which the Company's shares trade relative to its NAV (with debt at fair value) widened slightly, from 9.2% at the previous financial year end to 9.5% at the half year end. During the period, to help manage the discount and its volatility, the Board purchased 26,785,148 shares. These shares are held in Treasury and were purchased at an average discount to NAV of 9.7%, producing a modest accretion to the NAV for continuing shareholders. Since the end of the review period, the Company has purchased a further 14,482,533 shares. The discount currently stands at 9.7%.

Gearing

The Company's gearing policy is to operate within a range between 10% net cash and 20% gearing under normal market conditions. The Company ended the six-month reporting period with gearing at 14.5% (compared to 14.1% on 31st January 2025), having averaged 15.0% over the period.

Gearing is regularly discussed by the Board and the Portfolio Managers and is implemented via the use of long-dated, fixed-rate financing from several sources, consistent with the Board's aim to ensure a diversification of source, tenure and cost. Details of these instruments can be found on page 3.

Chair's Statement

Board

I became Chair of the Board and the Nomination Committee following the conclusion of the AGM in May 2025, having joined the Board in June 2021. I took over from Angus Gordon Lennox who retired following nine years on the Board, the last seven of which he served as Chairman. On behalf of the Board I would like to take this opportunity to thank Angus once again for his dedication to shareholders and insightful leadership during his tenure. Graham Kitchen assumed the role of Senior Independent Director following my appointment.

Broker Review

The Board recently conducted a broker review, inviting several brokerage firms, including the Company's then existing joint brokers, Cavendish and Winterflood, to submit proposals. After a thorough evaluation of the submissions from these firms, the Board decided to appoint Peel Hunt LLP to work alongside Winterflood as joint broker. It agreed that this combination of brokers would best support the Company in maintaining its market presence, its relationship with investors and in achieving its strategic objectives. This decision underscores the Board's dedication to optimising broker relationships and shareholder outcomes.

Benefits of Active Investing in UK Medium and Smaller Companies

The medium and smaller companies sector offers access to a diverse set of businesses. Whilst more domestically focussed than FTSE100 constituents, they often have more attractive long term growth prospects than their large cap UK peers due to their smaller size. These companies are generally less well researched by the broader market and consequently lend themselves better to active stock picking rather than passive investing. Skilled portfolio managers with access to in-house research can select those companies with strong business propositions and undervalued shares, sizing positions according to the opportunity and risks, avoiding lower quality or overpriced alternatives. In contrast, passive products allocate capital according to the relative size of the company. In addition, medium and smaller companies are more likely to be targets of takeover activity (and therefore share price outperformance) due to their more digestible size.

Benefits of the Investment Trust Structure

The Company seeks to invest in this attractive subset of UK companies within the investment trust structure. There are several benefits to doing this. Firstly, this structure offers a relatively fixed pool of capital which means that your Portfolio Managers can invest in companies for the long term without worrying about liquidity needs, unlike open ended funds which can suffer from lumpy and unpredictable redemptions. Secondly, this structure allows the use of gearing, which over the cycle, should continue to augment performance, as it has done for your Company in the past. Finally, by being able to build up revenue reserves in the good years, dividends can be supported by reserves in any difficult periods, providing investment trusts such as The Mercantile a greater prospect of delivering attractive and dependable dividend growth throughout investment cycles.

The Mercantile offers active management within this appealing investment space with an attractive cost structure. An ongoing charges ratio of 0.50%¹ in conjunction with benchmark beating performance over three, five and ten years, is, in the Board's opinion, highly competitive against open ended, passive and other investment trust peers.

¹ Source: J.P. Morgan/Morningstar.

Chair's Statement



Scan this QR code on your smartphone camera to sign-up to receive regular updates on The Mercantile.

Stay Informed

The Company delivers email updates on its progress with regular news and views, as well as the latest performance. If you have not already signed up to receive these communications, you can opt in via www.Mercantile-Registration.co.uk, or by scanning the QR code on this page.

Outlook

The Board continues to believe that investing in quality businesses in growing markets, at attractive valuations, will generate index beating returns over the long term.

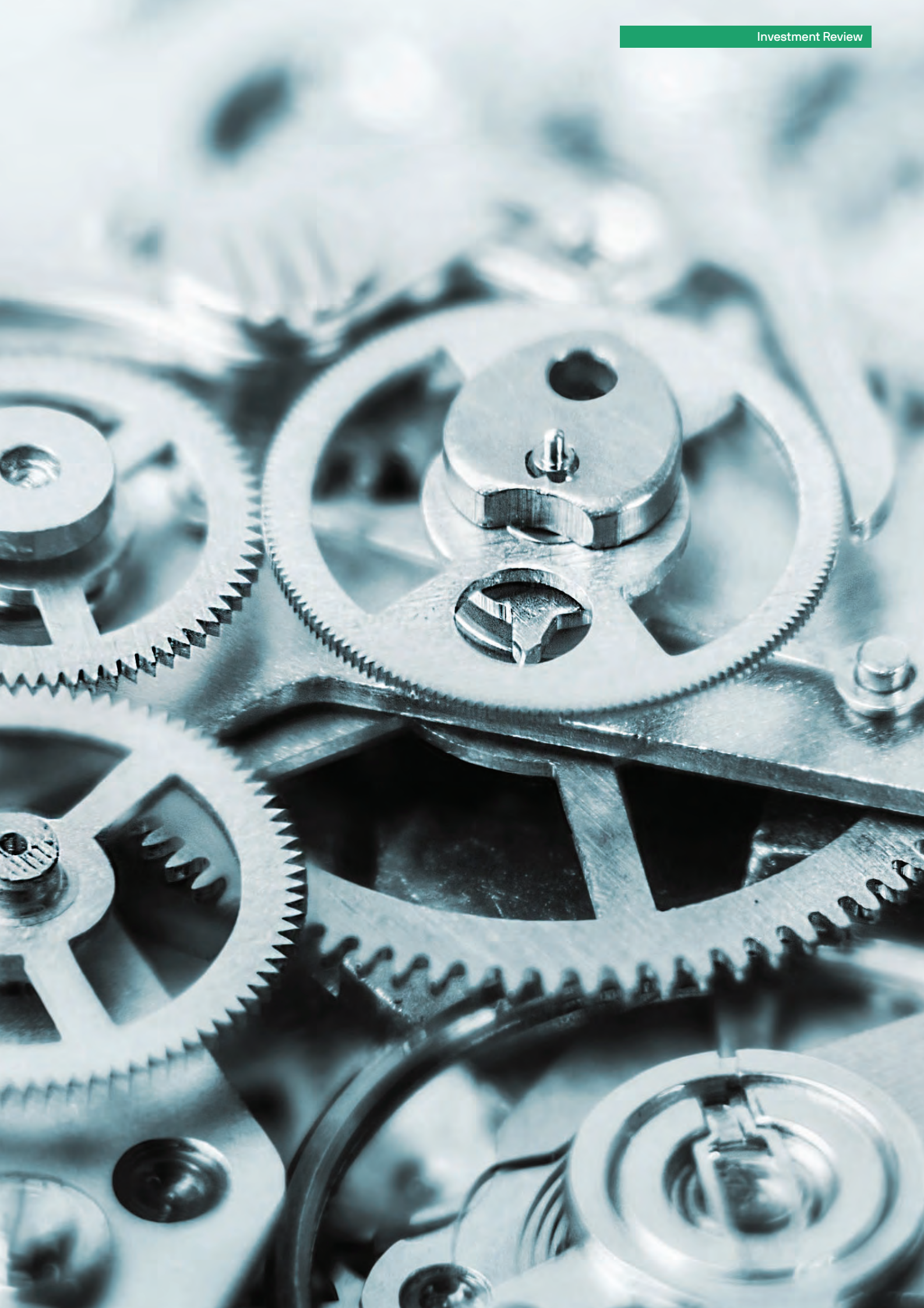
There are, as ever, risks to countenance. The Trump administration's approach to trade and international relations, and U.S. government policy in general has created uncertainty that is having an adverse impact on economic activity in the U.S., and around the world. Domestically, concerns over tax raising measures in the November Budget are likely to impact on short term consumer and business confidence and may, in the near term, also dampen investors' appetite for UK equities.

Looking beyond this though, UK corporate and consumer balance sheets remain healthy, so once the Budget is delivered and uncertainty fades, both business investment and consumption could rise. The government has also announced measures to boost growth through regulatory cuts, planning reform and infrastructure spending: any evidence of progress here would support the outlook. Finally, the UK market offers compelling valuations, particularly among medium and smaller companies.

Your Portfolio Managers have a long and successful track record of investing in UK medium and smaller companies. Your Board is confident in their ability to steer the portfolio through any forthcoming challenges, take advantages of investment and valuation opportunities and to keep delivering positive returns and outperformance for shareholders over the long term, as they have in the past.

Rachel Beagles
Chair

17th October 2025



Portfolio Managers' Report



Guy Anderson
Portfolio Manager

Managing Director and portfolio manager within the J.P. Morgan Asset Management International Equity Group, specialising in UK equities and is Head of UK Mid and Small Caps. Prior to joining the firm in 2012, Guy was an investment analyst at Breeden European Capital and at Pendragon Capital, having started his career at Oliver Wyman. He obtained a M.Eng (Hons) in Engineering from Oxford University. Guy is a CFA charterholder.



Anthony Lynch
Portfolio Manager

Executive Director and portfolio manager within the J.P. Morgan Asset Management International Equity Group, specialising in UK equities, with a particular focus on mid and small caps. Anthony joined in 2009 as an analyst having obtained a B.A. (Hons) in Economics from Durham University. Anthony is a CFA charterholder.

Setting the scene: navigating challenges

The UK market delivered a positive return through the first half of this financial year, with our target market of UK medium and smaller companies (the 'Benchmark') delivering a return of +7.2%, broadly in line with the wider UK market.

This headline figure masks the underlying turbulence caused primarily by the sequence of announcements from the President of the United States, focused on the imposition and possible relaxation of trade tariffs. At its nadir, our Benchmark had fallen by 15%, before rallying over 25% into the period end.

Domestic economic growth has been lacklustre, and the UK economy does appear to be running below capacity. After the imposition of various taxation increases last year, the government has thus far been unwilling to curtail public sector spending, which has led to widespread concern and now expectation that further increases in taxation will follow. As a result, businesses appear less willing to invest in capital or to hire more labour, while consumer confidence and spending remains cautious. Inflation has proven to be persistent, again in part self-inflicted, hence monetary loosening has been limited.

Despite this complex and uncertain geopolitical and economic environment, and mixed corporate earnings, the UK market has experienced a flurry of incoming takeover activity, with over 25 bids valued at greater than £100 million so far this year. Furthermore, and again reflecting the deeply discounted valuation of the UK market, corporates continue to repurchase their own shares at elevated levels.

Mercantile performance

Against this backdrop, for the six months to 31st July 2025, the Company delivered a return on net assets of +6.0% at both fair value and par value, trailing the Benchmark's +7.2% return. The Company's underperformance was driven by stock selection, while our use of gearing, which averaged 15%, was additive to returns. Despite this, the Company continues its track record of long-term outperformance, with share price returns ahead of Benchmark over three, five, and ten years.

Performance in this half-year was bolstered by strong returns from our holdings in the Industrial Support Services sector, particularly **Serco**, the government outsourcer, which was our top contributor on the back of improving contract win momentum and thus an anticipated acceleration in growth. In the Retail sector, our position in **Dunelm**, the homewares retailer, performed well, as it reported robust trading trends. **Plus500**, the provider of online trading services, our largest new investment last year, also delivered continued gains, following the significant growth in its new US futures business and as it benefitted from broader market volatility.

On the negative side of the ledger, the Software & Computer Services sector was the largest detractor, with **Bytes Technology**, the value-added technology reseller, experiencing a significant decline after announcing a profit warning just weeks after the full-year results. This was in part due to challenges in the implementation of an internal sales team reorganisation but also as a consequence of a weakening demand backdrop. Our holding in **4imprint**, the supplier of promotional branded merchandise, was the largest individual detractor, due to increased uncertainty on its growth outlook following the tariff announcements. Performance from our two holdings in the Housebuilding sector, namely **Bellway** and **Barratt Redrow**, was also disappointing, as the shares weakened following increasing evidence that the long-awaited recovery in housebuilding activity remains elusive.

While there has not been any material change to the overall shape of the portfolio, or indeed to the level of gearing, through the first half of this financial year, there have been various stock-specific alterations. By coincidence, we have added 12 new holdings to the portfolio and removed the same number. The three largest new additions are in the Financials sector, and constitute **IG Group**, the provider of online trading services, **Just Group**, the life insurer, and **Quilter**, the wealth manager. In other sectors the major additions include **Greencore**, the convenience food manufacturer, **Rosebank Industries**, a business following a 'buy, improve, sell' model, and **Safestore**, the self-storage operator.

Major exits include the aforementioned **Bytes Technology**, **Greggs**, the food-to-go retailer, and **Auto Trader**, the operator of the UK's leading digital automotive marketplace. This final name had been held in the portfolio since its IPO in March 2015, and having delivered excellent returns over that period is now a FTSE100 company.

Portfolio Managers' Report

Outlook

The outlook is always uncertain, and this year is no different, with valid reasons to be apprehensive: the international geopolitical landscape appears primed for generating unanticipated shocks, and the continued rise of populism could have damaging consequences; domestic economic growth is low, and the government's ability to deliver productive change appears limited; the rapid pace of technological development will both create and destroy industries, and thus winners and losers. As always, we will endeavour to invest in more of the former, and avoid the latter.

In the near-term, financial markets will be buffeted by changes to the above, as well as by the inter-connected forces of inflation, monetary policy, and their impact upon economic and thus corporate earnings growth expectations.

However, there are also reasons for optimism, which may help to explain our level of gearing, at around 15%. Despite these well-known headwinds to growth, and widespread caution heading into the upcoming budget, portfolio companies are mostly performing well, and yet the valuation of the UK market remains at a marked discount to both its own history and relative to other developed markets. This fact has not gone unnoticed, as we have seen a continued stream of corporate acquisitions, while the volume of share buybacks being executed by management teams remains elevated. Furthermore, while persistent inflation has led the Bank of England to pause monetary easing, should this recommence it is likely to be a material tailwind to the performance of smaller companies.

Looking ahead, we will maintain our focus on investing in structurally robust businesses that operate in growing end markets and possess the ability to invest capital at attractive returns while being able to adapt to the changing environments in which they operate. We believe that a portfolio of companies with these characteristics offers the best prospect of delivering compelling returns and outperformance for our shareholders over the long-term, just as it has done in the past.

Guy Anderson
Anthony Lynch
Portfolio Managers

17th October 2025

Portfolio Analysis

Market capitalisation (%)

	31st July 2025 ¹	31st January 2025 ¹
UK FTSE 250	74.4	71.1
UK FTSE 100 ²	18.1	21.4
UK FTSE Small & Fledgling	4.1	3.3
UK AIM	3.2	3.9
UK Unquoted	0.2	0.3
Total	100.0	100.0

¹ Based on total investments of £2,254m (31st January 2025: £2,243m).

² These companies became FTSE 100 constituents after being purchased.

Source: J.P. Morgan.

Sector analysis (%)

	31st July 2025		31st January 2025	
	Portfolio ¹	Benchmark	Portfolio ¹	Benchmark
Financials	30.8	22.8	25.6	20.4
Industrials	22.5	19.2	23.4	23.5
Consumer Discretionary	21.9	20.9	25.8	21.3
Consumer Staples	7.4	13.9	7.1	6.2
Real Estate	7.1	5.5	5.4	12.0
Technology	6.0	6.1	8.8	5.6
Basic Materials	2.4	3.9	2.4	3.7
Utilities	1.9	2.7	1.5	2.5
Energy	—	2.0	—	2.4
Health Care	—	1.6	—	1.6
Telecommunications	—	1.4	—	0.8
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £2,254m (31st January 2025: £2,243m). Excludes the investment in the JPMorgan GBP Liquidity Fund, a AAA rated money market fund held for short-term cash management purposes.

Source: J.P. Morgan.

List of Investments

List of investments

As at 31st July 2025

Company	Valuation £'000	% of the total portfolio
Financials		
ICG	93,568	4.2
3i	86,528	3.8
Plus500	68,666	3.0
Paragon Banking	54,752	2.4
IG	52,771	2.3
Just	35,785	1.6
TBC Bank	34,920	1.6
OSB	33,360	1.5
Alpha	33,280	1.5
Beazley	33,186	1.5
Bank of Georgia	31,581	1.4
Quilter	28,764	1.3
IntegraFin	23,368	1.0
XPS Pensions	19,980	0.9
Pollen Street	19,412	0.9
Rosebank Industries	11,480	0.5
Sabre Insurance	11,460	0.5
Man	8,245	0.4
Tatton Asset Management ¹	7,665	0.3
Pensionbee	4,890	0.2
	693,661	30.8
Industrials		
Serco	64,790	2.9
Rotork	63,004	2.8
Balfour Beatty	54,843	2.4
Morgan Sindall	45,671	2.0
Diploma	42,960	1.9
IMI	36,885	1.6
QinetiQ	31,547	1.4
Mitie	30,272	1.3
Grafton	29,815	1.3
Volution	25,795	1.1
Mears	15,969	0.7
Chemring	13,008	0.6
Cohort ¹	11,632	0.5
SThree ⁵	10,787	0.5
Ibstock	8,100	0.4
Forterra	8,060	0.4
Vesuvius	7,990	0.4
Keystone Law ¹	6,100	0.3
	507,228	22.5

Company	Valuation £'000	% of the total portfolio
Consumer Discretionary		
Bellway	99,351	4.4
Dunelm	61,418	2.7
Games Workshop	49,654	2.2
Inchcape	43,844	1.9
4imprint	33,434	1.5
Trainline	31,213	1.4
Barratt Redrow	30,429	1.3
WH Smith	28,546	1.3
Moonpig	24,182	1.1
JET2 ¹	21,639	1.0
Hollywood Bowl	16,113	0.7
SSP	14,868	0.6
Future	13,324	0.6
Bloomsbury Publishing	11,854	0.5
DFS Furniture	8,320	0.4
Warpaint London ¹	4,555	0.2
Carnival	1,146	0.1
	493,890	21.9
Consumer Staples		
Cranswick	80,560	3.6
Premier Foods	47,236	2.1
Greencore	23,342	1.0
Bakkavor	10,340	0.5
Applied Nutrition	5,651	0.2
	167,129	7.4
Real Estate		
Shaftesbury Capital	39,525	1.8
LondonMetric Property	36,271	1.6
Tritax Big Box	32,499	1.4
Safestore	23,555	1.0
Foxtons	11,603	0.5
LSL Property Services	8,288	0.4
Property Franchise ¹	7,950	0.4
	159,691	7.1

List of Investments

Company	Valuation £'000	% of the total portfolio
Technology		
Softcat	63,034	2.8
MONY	20,100	0.9
Trustpilot	18,795	0.8
Computacenter	16,617	0.7
Cerillion ¹	11,250	0.5
Pinewood Technologies	6,272	0.3
	136,068	6.0
Basic Materials		
Hill & Smith	48,876	2.2
Tennants Consolidated ^{2,3}	5,405	0.2
	54,281	2.4
Utilities		
Telecom Plus	41,950	1.9
	41,950	1.9
Total investments⁴	2,253,898	100.0

¹ AIM listed investment.

² Unquoted investment.

³ Includes a fixed interest investment.

⁴ The portfolio comprises investments in equity shares and a fixed interest investment. Excludes the investment in the JPMorgan GBP Liquidity Fund, a AAA rated money market fund held for short-term cash management purposes.

⁵ The security moved from the UK FTSE 250 Index to the UK FTSE SmallCap Index.



Condensed Statement of Comprehensive Income

	(Unaudited) Six months ended 31st July 2025			(Unaudited) Six months ended 31st July 2024			(Audited) Year ended 31st January 2025		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	—	70,232	70,232	—	293,772	293,772	—	187,228	187,228
Net foreign currency gains/(losses)	—	75	75	—	39	39	—	(4)	(4)
Income from investments	44,053	—	44,053	45,420	—	45,420	76,726	387	77,113
Interest receivable and similar income	1,082	—	1,082	802	—	802	1,497	—	1,497
Gross return	45,135	70,307	115,442	46,222	293,811	340,033	78,223	187,611	265,834
Management fee	(1,171)	(2,733)	(3,904)	(1,156)	(2,699)	(3,855)	(2,385)	(5,564)	(7,949)
Other administrative expenses	(798)	—	(798)	(768)	—	(768)	(1,642)	—	(1,642)
Net return before finance costs and taxation	43,166	67,574	110,740	44,298	291,112	335,410	74,196	182,047	256,243
Finance costs	(2,087)	(4,869)	(6,956)	(2,086)	(4,864)	(6,950)	(4,172)	(9,735)	(13,907)
Net return before taxation	41,079	62,705	103,784	42,212	286,248	328,460	70,024	172,312	242,336
Taxation (note 3)	311	—	311	(558)	—	(558)	(958)	—	(958)
Net return after taxation	41,390	62,705	104,095	41,654	286,248	327,902	69,066	172,312	241,378
Return per share (note 4)	5.66p	8.57p	14.23p	5.36p	36.86p	42.22p	8.96p	22.34p	31.30p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The return per share represents the profit per share for the period/year and also the total comprehensive income per share.

Condensed Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹ £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 31st July 2025 (Unaudited)						
At 31st January 2025	23,612	23,459	13,158	1,819,986	85,253	1,965,468
Repurchase of shares into Treasury	—	—	—	(65,026)	—	(65,026)
Net return	—	—	—	62,705	41,390	104,095
Dividends paid in the period (note 5)	—	—	—	—	(36,183)	(36,183)
Proceeds from forfeiture of unclaimed dividends ² (note 5)	—	—	—	—	3	3
At 31st July 2025	23,612	23,459	13,158	1,817,665	90,463	1,968,357
Six months ended 31st July 2024 (Unaudited)						
At 31st January 2024	23,612	23,459	13,158	1,729,199	76,191	1,865,619
Repurchase of shares into Treasury	—	—	—	(16,148)	—	(16,148)
Proceeds from share forfeiture ²	—	—	—	616	—	616
Net return	—	—	—	286,248	41,654	327,902
Dividends paid in the period (note 5)	—	—	—	—	(37,254)	(37,254)
Proceeds from forfeiture of unclaimed dividends ² (note 5)	—	—	—	—	276	276
At 31st July 2024	23,612	23,459	13,158	1,999,915	80,867	2,141,011
Year ended 31st January 2025 (Audited)						
At 31st January 2024	23,612	23,459	13,158	1,729,199	76,191	1,865,619
Repurchase of shares into Treasury	—	—	—	(82,121)	—	(82,121)
Proceeds from share forfeiture ²	—	—	—	596	—	596
Net return	—	—	—	172,312	69,066	241,378
Dividends paid in the year (note 5)	—	—	—	—	(60,280)	(60,280)
Proceeds from forfeiture of unclaimed dividends ² (note 5)	—	—	—	—	276	276
At 31st January 2025	23,612	23,459	13,158	1,819,986	85,253	1,965,468

¹ These reserves form the distributable reserves of the Company and can be used to fund distributions to investors via dividend payments.

² During the year ended 31st January 2025, the Company undertook an Asset Reunification Program to reunite inactive shareholders with their shares and unclaimed dividends. Pursuant to the Company's Articles of Association, the Company has exercised its right to reclaim the shares of shareholders whom the Company, through its previous Registrar, has been unable to locate for a period of 12 years or more. These forfeited shares were sold in the open market by the previous Registrar and the proceeds, net of costs, were returned to the Company. In addition, any unclaimed dividends older than 12 years from the date of payment of such dividends were also forfeited and returned to the Company.

Condensed Statement of Financial Position

	(Unaudited) 31st July 2025 £'000	(Unaudited) 31st July 2024 ¹ £'000	(Audited) 31st January 2025 £'000
Fixed assets			
Investments held at fair value through profit or loss	2,253,898	2,434,904	2,242,684
Current assets			
Debtors	10,780	12,362	4,100
Current asset investments ¹	40,854	31,768	36,903
Cash at bank ¹	250	250	20,245
	51,884	44,380	61,248
Current liabilities			
Creditors: amounts falling due within one year	(9,329)	(10,286)	(10,420)
Net current assets	42,555	34,094	50,828
Total assets less current liabilities	2,296,453	2,468,998	2,293,512
Creditors: amounts falling due after more than one year	(328,096)	(327,987)	(328,044)
Net assets	1,968,357	2,141,011	1,965,468
Capital and reserves			
Called up share capital	23,612	23,612	23,612
Share premium	23,459	23,459	23,459
Capital redemption reserve	13,158	13,158	13,158
Capital reserves	1,817,665	1,999,915	1,819,986
Revenue reserve	90,463	80,867	85,253
Total shareholders' funds	1,968,357	2,141,011	1,965,468
Net asset value per share (note 6)	273.4p	276.3p	263.2p

¹ For the six months ended 31st July 2024, the 'Cash and cash equivalents' line item in the Statement of Financial Position has been revised to 'Cash at bank' and 'Current asset investments.' This revision separately reports the investment in the JPMorgan GBP Liquidity Fund as 'Current asset investments' in accordance with the statutory format required by the Companies Act 2006. This adjustment does not affect any other line items in the Statement of Financial Position or the total current assets.

Registered in England, Company registration number 20537

Condensed Statement of Cash Flows

	(Unaudited) Six months ended 31st July 2025 £'000	(Unaudited) Six months ended 31st July 2024 £'000	(Audited) Year ended 31st January 2025 £'000
Cash flows from operating activities			
Net return before finance costs and taxation	110,740	335,410	256,243
Adjustment for:			
Net gains on investments held at fair value through profit or loss	(70,232)	(293,772)	(187,228)
Net foreign currency (gains)/losses	(75)	(39)	4
Dividend income	(44,053)	(45,420)	(77,113)
Interest income	(1,082)	(802)	(1,497)
Realised gains/(losses) on foreign exchange transactions	75	—	(4)
Increase in other debtors	(32)	(46)	(39)
(Decrease)/increase in accrued expenses	(321)	2	263
Net cash outflow from operations before dividends, interest and taxation	(4,980)	(4,667)	(9,371)
Dividends received	39,663	40,382	75,567
Interest received	1,082	802	1,497
Overseas withholding tax recovered	665	161	448
Net cash inflow from operating activities	36,430	36,678	68,141
Purchases of investments	(248,438)	(257,266)	(437,321)
Sales of investments	304,414	223,137	491,572
Net cash inflow/(outflow) from investing activities	55,976	(34,129)	54,251
Equity dividends paid (note 5)	(36,183)	(37,254)	(60,280)
Proceeds from forfeiture of unclaimed dividends (note 5)	3	276	276
Repurchase of shares into Treasury	(65,366)	(16,802)	(81,569)
Proceeds from share forfeiture	—	616	596
Loan and overdraft interest paid	(6,904)	(6,897)	(13,797)
Net cash outflow from financing activities	(108,450)	(60,061)	(154,774)
Decrease in cash and cash equivalents	(16,044)	(57,512)	(32,382)
Cash and cash equivalents at start of period/year	57,148	89,530	89,530
Cash and cash equivalents at end of period/year	41,104	32,018	57,148
Cash and cash equivalents consist of:			
Cash at bank	250	250	20,245
Current asset investment in JPMorgan GBP Liquidity Fund	40,854	31,768	36,903
Total	41,104	32,018	57,148

Notes to the Condensed Financial Statements

For the six months ended 31st July 2025

1. Financial statements

The information contained within these condensed financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31st January 2025 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and include the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The condensed financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in July 2022.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 31st July 2025.

All of the Company's operations are of a continuing nature.

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st January 2025.

3. Taxation

The Company's effective corporation tax rate is 25%, however as the current period deductible expenses exceed taxable income, no income tax is payable. Furthermore, the Company does not pay tax on capital gains due to its status as an investment trust company. The tax recognised in the period comprises overseas withholding tax. Withholding tax amounts that were initially considered irrecoverable but have been recovered during the period are recognised as a tax credit in that period.

4. Return per share

	(Unaudited) Six months ended 31st July 2025 £'000	(Unaudited) Six months ended 31st July 2024 £'000	(Audited) Year ended 31st January 2025 £'000
Return per share is based on the following:			
Revenue return	41,390	41,654	69,066
Capital return	62,705	286,248	172,312
Total return	104,095	327,902	241,378
Weighted average number of shares in issue	731,616,104	776,683,471	771,172,156
Revenue return per share	5.66p	5.36p	8.96p
Capital return per share	8.57p	36.86p	22.34p
Total return per share	14.23p	42.22p	31.30p

Notes to the Condensed Financial Statements

5. Dividends paid

	(Unaudited) Six months ended 31st July 2025		(Unaudited) Six months ended 31st July 2024		(Audited) Year ended 31st January 2025	
	Pence	£'000	Pence	£'000	Pence	£'000
Dividend paid						
Fourth quarterly dividend in respect of prior year	3.40	24,884	3.30	25,626	3.30	25,626
First quarterly dividend ¹	1.55	11,299	1.50	11,628	1.50	11,628
Second quarterly dividend ¹	—	—	—	—	1.50	11,622
Third quarterly dividend ¹	—	—	—	—	1.50	11,404
Total dividends paid in the period/year	4.95	36,183	4.80	37,254	7.80	60,280
Forfeiture of unclaimed dividends over 12 years old ²		(3)		(276)		(276)
Net dividends	4.95	36,180	4.80	36,978	7.80	60,004

¹ The Company irrevocably transfers the funds to its Registrar in the month prior to which the dividend is paid to shareholders.

² The unclaimed dividends were forfeited following an extensive exercise which attempted to reunite the dividends with owners.

All dividends paid in the period/year have been funded from the revenue reserve.

The first 2026 quarterly dividend of 1.55p (2025: 1.50p) per share, amounting to £11,299,000 (2025: £11,628,000) was paid on 1st August 2025 in respect of the six months period ended 31st July 2025.

A second 2026 quarterly dividend of 1.55p (2025: 1.50p) per share, amounting to £10,993,000 (2025: £11,622,000), has been declared payable in respect of the six months period ended 31st July 2025.

6. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the period/year end are shown below. These were calculated using 719,883,043 (31st July 2024: 774,800,303, 31st January 2025: 746,668,191) Ordinary shares in issue at the period/year end (excluding Treasury shares).

	(Unaudited) Six months ended 31st July 2025 Net asset value attributable		(Unaudited) Six months ended 31st July 2024 Net asset value attributable		(Audited) Year ended 31st January 2025 Net asset value attributable	
	£'000	pence	£'000	pence	£'000	pence
Net asset value - debt at par value	1,968,357	273.4	2,141,011	276.3	1,965,468	263.2
£175 million 6.125% debenture stock:						
Add back: amortised cost	174,549	24.3	174,452	22.5	174,501	23.4
Deduct: fair value	(189,498)	(26.3)	(191,929)	(24.8)	(188,209)	(25.2)
£3.85 million 4.25% perpetual debenture stock:						
Add back: amortised cost	3,850	0.5	3,850	0.5	3,850	0.5
Deduct: fair value	(2,733)	(0.4)	(3,119)	(0.4)	(2,854)	(0.4)
£150 million senior unsecured privately placed loan notes:						
Add back: amortised cost	149,697	20.8	149,685	19.3	149,693	20.1
Deduct: fair value	(76,001)	(10.6)	(83,341)	(10.7)	(78,706)	(10.6)
Net asset value - debt at fair value	2,028,221	281.7	2,190,609	282.7	2,023,743	271.0

Notes to the Condensed Financial Statements

7. Fair valuation of investments

The fair value hierarchy analysis for investments held at fair value at the period/year end is as follows:

	(Unaudited) Six months ended 31st July 2025		(Unaudited) Six months ended 31st July 2024 ²		(Audited) Year ended 31st January 2025 ²	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	2,248,493	—	2,428,522	—	2,236,302	—
Level 2 ¹	40,854	—	31,768	—	36,903	—
Level 3 ³	5,405	—	6,382	—	6,382	—
Total	2,294,752	—	2,466,672	—	2,279,587	—

¹ Current asset investments in the JPMorgan GBP Liquidity Fund, a money market fund.

² The figures for 31st July 2024 and 31st January 2025 have been restated to include the Level 2 investments.

³ Consists only of holdings in Tennants Consolidated Limited (ordinary shares and preference shares), an unquoted stock, which is still held at 31st July 2025.

A reconciliation of the fair value measurements using valuation techniques and non-observable data (Level 3) is set out below.

	Six months ended 31st July 2025 (Unaudited)			Six months ended 31st July 2024 (Unaudited)			Year ended 31st January 2025 (Audited)		
	Equity Investments £'000	Interest Investment £'000	Fixed Total £'000	Equity Investments £'000	Interest Investment £'000	Fixed Total £'000	Equity Investments £'000	Interest Investment £'000	Fixed Total £'000
Level 3									
Opening balance	6,288	94	6,382	6,116	94	6,210	6,116	94	6,210
Change in fair value of unquoted investment during the period/year	(977)	—	(977)	172	—	172	172	—	172
Closing balance	5,311	94	5,405	6,288	94	6,382	6,288	94	6,382

8. Analysis of changes in net debt

	As at 31st January 2025 £'000	Cash flows £'000	Interest and amortisation charges £'000	As at 31st July 2025 £'000
Cash and cash equivalents				
Cash at bank	20,245	(19,995)	—	250
Current asset investments ¹	36,903	3,951	—	40,854
	57,148	(16,044)	—	41,104
Borrowings				
Debentures falling due after more than one year	(178,351)	5,441	(5,489)	(178,399)
Privately placed loan notes due after more than one year	(149,693)	1,455	(1,459)	(149,697)
Bank overdraft interest ²	—	8	(8)	—
	(328,044)	6,904	(6,956)	(328,096)
Net debt	(270,896)	(9,140)	(6,956)	(286,992)

¹ JPMorgan GBP Liquidity Fund, a money market fund.

² A settlement overdraft is available from the custodian to cover timing differences between settlement of cash inflows and outflows. Bank overdraft interest is charged by the custodian when overdrawn. The Company does not utilise an overdraft for the purpose of long-term borrowing.



Interim Management Report

The Company is required to make the following disclosures in its half year report.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company include, but are not limited to, investment under-performance, geopolitical instability, cyber crime, discount control, legal and regulatory change and corporate strategy. Information on each of these is given in the Strategic Report within the Annual Report and Financial Statements for the year ended 31st January 2025.

In the view of the Board, these principal risks and uncertainties are as much applicable to the remaining six months of the financial year as they were to the six months under review.

Related parties transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half year financial report. For these reasons, they consider there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company, and of the assets, liabilities, financial position and net return of the Company as at 31st July 2025 as required by the UK Listing Authority Disclosure Guidance and Transparency Rules ('DTRs') 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the DTRs.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- notify the Company's shareholders in writing about the use, if any, of disclosure exemptions in FRS 102 in the preparation of the financial statements;

and the Directors confirm that they have done so.

For and on behalf of the Board

Rachel Beagles
Chair

17th October 2025



Glossary of Terms and Alternative Performance Measures ('APMs')

Alternative Performance Measure (APM)

Alternative Performance Measures (APMs) are numerical measures of current, historical or future financial performance, financial position or cash flow that are not GAAP measures. APMs are intended to supplement the information in the financial statements, providing useful industry-specific information that can assist shareholders to better understand the performance of the Company.

Where a measure is labelled as an APM, a definition and reconciliation to a GAAP measure where relevant, is set out below.

Net Asset Value ('NAV')

Also described as shareholders' funds the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per ordinary share is calculated by dividing the net assets by the number of ordinary shares in issue (see note 6 on page 25). For accounting purposes assets are valued at fair (usually market) value and liabilities are valued at par (amortised cost).

Cum-income NAV includes the current year's undistributed income.

Return on net assets with debt at fair value (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

The Company's debt (debentures and senior unsecured privately placed loan notes) is valued in the Statement of Financial Position on page 22 at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Fair Value'. The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value. The fair values of the £3.85 million perpetual debenture, the £175 million debenture and the £150 million senior unsecured privately placed loan notes have been calculated using discounted cash flow techniques, using the yield from similar dated gilts plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread.

	Page	Six months ended 31st July 2025	
Total return calculation			
Opening cum-income NAV per share with debt at fair value (p)	8	271.0	(a)
Closing cum-income NAV per share with debt at fair value (p)	8	281.7	(b)
Total dividend adjustment factor ¹		1.019935	(c)
Adjusted closing cum-income NAV per share with debt at fair value (p) (d = b x c)		287.3	(d)
Total return on net assets with debt at fair value (e = (d/a) - 1)		+6.0%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Return on net assets with debt at par value (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

	Page	Six months ended 31st July 2025	
Total return calculation			
Opening cum-income NAV per share with debt at par value (p)	8	263.2	(a)
Closing cum-income NAV per share with debt at par value (p)	8	273.4	(b)
Total dividend adjustment factor ¹		1.020668	(c)
Adjusted closing cum-income NAV per share with debt at par value (p) (d = b x c)		279.1	(d)
Total return on net assets with debt at par value (e = (d/a) - 1)		+6.0%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Glossary of Terms and Alternative Performance Measures ('APMs')

Return on share price (APM)

Total return on share price, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

	Page	Six months ended 31st July 2025	
Total return calculation			
Opening share price (p)	8	246.0	(a)
Closing share price (p)	8	255.0	(b)
Total dividend adjustment factor ¹		1.022249	(c)
Adjusted closing share price (p) (d = b x c)		260.7	(d)
Total return on share price (e = (d/a) – 1)		+6.0%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

Benchmark return

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/(net cash) (APM)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

	Page	Six months ended 31st July 2025 £'000	Year ended 31st January 2025 £'000	
Gearing calculation				
Investments held at fair value through profit or loss	22	2,253,898	2,242,684	(a)
Net assets	22	1,968,357	1,965,468	(b)
Gearing (c = (a/b) – 1)		14.5%	14.1%	(c)

Ongoing charges ratio (APM)

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

The figure as at 31st July 2025 is an estimated annualised figure based on the numbers for the six months ended 31st July 2025.

	Page	Six months ended 31st July 2025 £'000	Year ended 31st January 2025 £'000	
Management fee	20	3,904	7,949	
Other administrative expenses	20	798	1,642	
Total management fee and other administrative expenses		4,702	9,591	(a)
Average daily cum-income net assets		1,897,320	1,979,036	(b)
Ongoing charges (c = (a/b) x 2)		0.50%		(c)
Ongoing charges (d = a/b)			0.48%	(d)

Glossary of Terms and Alternative Performance Measures ('APMs')

Share price discount/premium to NAV per share (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust company's shares to trade at a discount than at a premium.

	Page	Six months ended 31st July 2025	Year ended 31st January 2025	
Share price (p)	8	255.0	246.0	(a)
Net asset value per share with debt at fair value (p)	8	281.7	271.0	(b)
Discount to net asset value with debt at fair value (c = (a-b)/b)		(9.5)%	(9.2)%	(c)

	Page	Six months ended 31st July 2025	Year ended 31st January 2025	
Share price (p)	8	255.0	246.0	(a)
Net asset value per share with debt at par value (p)	8	273.4	263.2	(b)
Discount to net asset value with debt at par value (c = (a-b)/b)		(6.7)%	(6.5)%	(c)

Medium and smaller companies

Medium companies are defined as companies in the FTSE 250 (the Mid Cap Index). Smaller companies are defined as companies in the FTSE SmallCap Index.

Where to Buy The Mercantile Investment Trust plc

You can invest in the Company through the following:

Via a third party provider

Third party providers include:

AJ Bell	Hargreaves Lansdown
Barclays Smart investor	iDealing
Bestinvest	IG
Charles Stanley Direct	Interactive investor
Close Brothers A.M. Self Directed Service	IWeb
Fidelity Personal Investing	ShareDeal active
Freetrade	Willis Owen
Halifax Share Dealing	X-O.co.uk
	Trading 212

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and the Company does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you to find an investment that suits your individual circumstances.

An adviser will let you know the fee for their service before you go ahead. You can find an adviser at www.unbiased.co.uk.

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit www.fca.org.uk.

Dividend reinvestment plan

The Company operates a dividend reinvestment plan. For further information please contact the Registrar, platform provider or a professional adviser.

Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot



Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it



How to avoid investment and pension scams

- 1 Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- 2 Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.
- 3 Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk



Be ScamSmart and visit
www.fca.org.uk/scamsmart

Information About the Company

Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's shares are not classified as 'complex instruments' under the FCA's revised 'appropriateness' criteria adopted in the implementation of MiFID II.

Consumer Duty Value Assessment

JPMF has conducted an annual Value Assessment on the Company in line with Financial Conduct Authority ('FCA') rules set out in the Consumer Duty regulation. The Assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations. Within this, the assessment considers quality of services, performance of the trust (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether vulnerable consumers are able to receive fair value from the product. JPMF has concluded that the Company is providing value based on the above assessment.

Task Force on Climate-related Financial Disclosures

As a listed Investment Trust, the Company is exempt from Task Force on Climate-related Financial Disclosures ('TCFD') disclosures. However, in accordance with the requirements of the TCFD, on 30th June 2025, the Investment Manager published its UK TCFD Report for the Company in respect of the year ended 31st December 2024. The report discloses estimates of the portfolio's climate-related risks and opportunities according to the FCA Environmental, Social and Governance Sourcebook and the TCFD Recommendations. The report is available on the Company's website: www.mercantileit.co.uk.

Information About the Company

History

The Mercantile Investment & General Trust Company Limited was formed in December 1884 with issued capital of £500,000. The Company merged with three other investment trusts in 1960 under a scheme of arrangement and changed its name to The Mercantile Investment Trust Limited. In 1982 the Company became The Fleming Mercantile Investment Trust plc. In April 2008, the Company adopted its present name, The Mercantile Investment Trust plc.

A publication entitled 'The Mercantile Investment Trust plc 125 years' is available from the Company Secretary.

A brochure was published to commemorate the Company's 140-year anniversary celebration. It is available on the Company's website: www.mercantileit.co.uk.

Directors

Rachel Beagles (Chair)
Julia Goh
Heather Hopkins
Graham Kitchen
Damien Maltarp

Company numbers

Company Registration number: 00020537
London Stock Exchange number: 0579403
ISIN: GB0005794036
Bloomberg ticker: MRC LN
LEI: 549300BGX3CJIHLP2H42

Market information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times and on the Company's website at www.mercantileit.co.uk.

Website

www.mercantileit.co.uk

Share transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited

Company's registered office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 0800 20 40 20 or +44 1268 44 44 70
email: jpmam.investment.trusts@jpmorgan.com
Please contact Sachu Saji for Company Secretarial and administrative matters.

Depository

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

The Depository has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Rd
Bristol
BS99 6ZZ
United Kingdom
Telephone + 44 (0) 370 707 1432

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday.
Shareholders can manage their shareholding online by visiting Investor Centre at www.investorcentre.co.uk.
Shareholders just require their Shareholder Reference Number ('SRN'), which can be found on any communications previously received from Computershare.

Independent auditors

BDO LLP
Chartered Accountants and Statutory Auditors
55 Baker Street
London W1U 7EU

Brokers

Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT
Telephone: +44 (0)20 7418 8900
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aic

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Investment Companies

A member of the AIC

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