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Mercantile Investment Trust(The)PLC
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LONDON STOCK EXCHANGE ANNOUNCEMENT

THE MERCANTILE INVESTMENT TRUST PLC

FINAL RESULTS FOR THE YEAR ENDED 31st JANUARY 2025

Legal Entity Identifier: 549300BGX3CJIHLP2H42

Information disclosed in accordance with the DTR 4.1.3

The Mercantile Investment Trust plc (the 'Company') announces its full year results for the 12-months ended 31st January 2025.

Highlights:

- NAV total return* of +14.1% compared with +12.3% for the FTSE All-Share Index, excluding constituents of the FTSE 100 Index and investment trusts, with net dividends reinvested (the 'Benchmark'). Share price total return +18.9%.
- The Company's outperformance was primarily driven by stock selection, with contributions from holdings such as 3i, Intermediate Capital, Plus500 and Games Workshop.
- For five years cumulative ended 31st January 2025, NAV total return* of +18.9% compared with +13.9% for the Benchmark. Share price total return +11.3%.
- For ten years cumulative ended 31st January 2025 NAV total return* of +112.3% compared with +67.2% for the Benchmark. Share price total return +122.7%.
- Final dividend of 3.40p in respect of the year**,** taking the total dividend to 7.90p per share, an increase of 3.3% on last year.
- Ongoing Charge of 0.48% for the year.
- Buybacks of 35.4 million shares at a cost of £82 million and an average discount of 11.6%.
- Gearing as at year end was 14.1% (compared to 13.4% on 31st January 2024).

*NAV total return with debt at fair value**.**

The Chairman, Angus Gordon Lennox, commented:

"The investment outlook is always clouded by uncertainties of some kind and the associated risk of volatility. I believe the shock and effects of the budget in October will wane and the entrepreneurial spirit in the UK will once again come to the fore. Most recently widespread U.S. tariffs and retaliatory action taken by other countries have added a new dimension to economic uncertainty and ongoing geopolitical tensions."

"However, your Portfolio Managers have a long and successful track record of navigating volatility triggered by a variety of market developments, and this, combined with their disciplined investment approach, leaves the Board confident in their ability to steer the portfolio through the coming months and years. Moreover, the Board believes that market corrections that occur after unexpected shocks often present excellent buying opportunities. While there may be ongoing weakness and volatility, the Board is of the view that these are typically just fluctuations when viewed over a longer time horizon."

Portfolio Managers, Guy Anderson and Anthony Lynch, commented:

"Financial markets continue to be buffeted by the inter-connected forces of inflation, monetary policy, and their impact upon economic growth expectations. Furthermore, the current geopolitical landscape appears to be primed for generating unanticipated shocks at any moment; the latest announcement from the President of the United States on tariffs is truly extraordinary, and while the UK is less directly impacted than many economies and the ultimate end game may look very different to the view today, this can only have a negative impact on global economic growth.

"Despite this, and amidst the market turmoil that it is creating, there is cause for some cautious optimism. The valuation of the UK market remains at a steep discount to both its own history and relative to other developed markets."

"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 such investments offers the best prospect of delivering compelling returns and outperformance for our shareholders over the long-term, just as they have done in the past."

CHAIRMAN'S STATEMENT

This will be my last Chairman's Statement before I step down after the Annual General Meeting ('AGM') in May. It has been a privilege to be a Director of the Company since 2015 and Chairman for the last seven years. I am pleased to present the Company's annual results for the year ended 31st January 2025, especially as the year was another positive one, delivering strong gains and outperformance for shareholders.

Market Background

This performance is especially laudable given that the supportive market conditions of the first half of the financial year dissipated in the second half. The new Labour Government took office in July 2024. Its gloomy economic rhetoric, combined with October's tougher than expected budget, undermined consumer and business confidence. In addition, the sharp declines in inflation seen since mid-2022 ceased during the summer, and a subsequent rebound in inflation pressures led investors to reassess their expectations about the pace of interest rate cuts. Together, these developments ensured the strong equity market recovery which began in late 2023 stalled in mid-2024, and some of the first half's gains were subsequently lost. After rising by +15% in the first six months of the financial year, the Company's Benchmark ended the year up 12.3%.

Performance

Against this backdrop, your Company outpaced its benchmark, making a return on net assets of +14.1% with debt at fair value for the year as a whole, although this was somewhat lower than the 17.8% gain seen in the first half of the year. This result further enhances the Company's long term performance track record; in the ten years to 31st January 2025, the Company's NAV has delivered an annualised total return of +7.8% with debt at fair value, decisively above the benchmark annualised return of +5.3%.

The Portfolio Managers' Report below and on pages 20 to 23 in the Annual Report provides further details of the drivers of recent performance and changes made to the portfolio during the review period. The report also discusses the market outlook.

Return and Dividends

The Company's dividend has grown for over ten consecutive years, making the Company an AIC next-generation dividend hero.

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. The table below illustrates how the company has fulfilled this commitment, including over the year to 31st January 2025. Over this period, the Company has paid three interim dividends of 1.50p per ordinary share and the Board has declared a fourth quarterly interim dividend of 3.40p per share. This brings the total dividend for the year to 7.90p per share, an increase of 3.3% over the previous year.

	CPI* (% per annum)	Mercantile Dividend Growth (% per annum)
Three Years	5.6%	4.6%
Five Years	4.5%	3.7%
Ten Years	3.1%	6.8%

* Consumer Price Index (CPI). Source: Office for National Statistics.

In deciding our dividend payments, we look to pay dividends that are at least covered by current year earnings, while also allowing us to build revenue reserves. However, it is a great advantage of the investment trust structure that the Company is able to partially fund dividend payments from revenue reserves when necessary, to bolster the dividend during challenging times. During the financial year, all declared dividends were fully covered by earnings. Revenues per share during the year was 8.96p (31st January 2024: 9.01p). After payment of the fourth interim dividend, the Company will have revenue reserves of 8.0p per share (2024: 6.5p).

Discount and Share Repurchases

The discount at which the Company's shares trade versus its NAV with debt at fair value narrowed over the review period to finish the year at 9.2% (2024: 12.6%). The Board is cognisant that it is in shareholders' interests that the Company's share price should not differ excessively from the underlying NAV under normal market conditions. In the Board's view, the level of the share price's discount to NAV is unwarranted, so during the financial year the Company repurchased 35,388,374 shares, amounting to 3.7% of the shares in issue. These shares are held in Treasury and were purchased at an average discount to NAV of 11.6%, producing a modest accretion to the NAV for continuing shareholders. Since the financial year end, the Company has purchased a further 14,447,631 shares.

The Board believes that the Company's share buyback facility is an important tool in the management of discount volatility. Therefore, my fellow directors and I recommend that shareholders approve the renewal of the authority to repurchase up to 14.99% of the Company's shares at the forthcoming AGM, with repurchased shares to be cancelled or held in Treasury. The Board is again seeking shareholder approval to issue shares at a premium to NAV and to disapply pre-emption rights on any such issues. As with buying shares at a discount, issuing new shares at a premium to NAV enhances returns to existing shareholders and improves liquidity.

Gearing

It is the Board's intention that the Company continues to operate within the range of 10% net cash to 20% geared, under normal market conditions. The Company ended the year with gearing at 14.1% (compared to 13.4% on 31st January 2024). In the financial year ended 31st January 2025, gearing (net of costs) added 1.5% to the Company's relative performance against its Benchmark.

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 of leverage available to the Company. Full details of these instruments can be found on page 33 in the Annual Report.

140 Years of The Mercantile Investment Trust

Your Company recently celebrated its 140th anniversary. The Company began life as The Mercantile Investment and General Trust, which was established on 8th December 1884 with the aim to deliver 'long-term capital growth from an international portfolio'. The Trust initially attracted 505 shareholders who together invested capital totalling £190,020 (about £30.6 million in today's money). As at 31st January 2025, The Mercantile Investment Trust plc has net assets of more than £1.9 billion and over 745 million shares in issue. To commemorate this special occasion, on 10th December 2024 my fellow directors and I opened that day's trading at the London Stock Exchange. We were joined by representatives from JPMorgan, the Company's advisors, journalists and ex-directors. On behalf of the entire Board, I would like to take this opportunity to thank our shareholders and other stakeholders for their ongoing support over the years and we look forward to reporting on the Company's future success.

Marketing, Promotion and Shareholder Interaction

The Company continues its efforts to raise its profile among investors and potential investors through focused media and promotional efforts, as well as via the ongoing engagement with national and investment industry journalists. The Board believes that boosting the Company's profile will be advantageous for all shareholders by generating consistent demand for its shares, especially from retail investors, where interest has been steadily increasing in recent years. We aim to carry out these promotional activities in the most cost-effective way possible.

To further enhance the Company's presence within the broader investment community, the Manager implements a well-established sales and investor relations programme. This programme targets wealth managers, institutions, and private client stockbrokers through video conferences and in-person meetings. As well, the Portfolio Managers attend and present at retail events such as the annual Master Investor Event.

The Board and the Portfolio Managers also maintain a dialogue with the Company's shareholders via regular email updates, which deliver news and views, and discuss the latest performance. If you have not already signed up to receive these communications and you wish to do so, you can opt in via **www.Mercantile-Registration.co.uk**, or by scanning the QR code on page 16 in the Annual Report.

It is the Board's hope that these initiatives will give many more of the Company's investors and potential investors the opportunity to remain well-informed about its progress and to interact with the Board and Portfolio Managers.

Board Succession

As previously announced, I will be stepping down as Chairman of the Company at the conclusion of the AGM in May 2025. I will be succeeded by Rachel Beagles, the current Senior Independent Director as Chair of the Board and the Nomination Committee. Graham Kitchen will take over the role of Senior Independent Director from Rachel Beagles at the conclusion of the AGM. More details on the selection process can be found on pages 51 and 52 in the Annual Report.

The Board reviews its composition on a regular basis, taking into account the need to refresh its membership regularly and maintain a wide and relevant range of experience and expertise. The Board can confirm that its current composition is complaint with all targets applicable to a Company listed on the London Stock Exchange. It is the Board's intention that this will continue to be the case going forward.

The Board supports the annual re-election for all Directors, as recommended by the AIC Code of Corporate Governance, and therefore all the Directors, except for me, will stand for re-election at the forthcoming AGM.

The Manager

The Board, through its Management Engagement Committee, monitors the performance of the Manager, JPMorgan Funds Limited ('JPMF'), on an ongoing basis. Given the Manager's long term performance track record, the Company's competitive management fee and the depth and quality of resource offered by the Manager to the Company and its shareholders, the Board is satisfied that JPMF's ongoing appointment as the Company's Manager remains in the best interests of shareholders.

Annual General Meeting

The Company's one hundred and thirty nineth Annual General Meeting will be held at Trinity House, Tower Hill, London EC3N

4DH on Thursday, 22nd May 2025 at 12.00 noon. In addition to the formal part of the meeting, there will be a presentation from the Portfolio Managers who will answer questions on the portfolio and performance. The meeting will be followed by a buffet lunch which will give shareholders an opportunity to meet the Board, the Portfolio Managers and representatives of the Manager.

Outlook

The Board believes that investor concerns about the global growth impact of U.S. tariffs - threatened or actual - are very real. The uncertainty generated by President Trump administration's approach to trade and international relations more generally is already damaging consumer and business confidence in the U.S., and around the world. The Board shares the Portfolio Managers' view that the UK will be less affected by these issues than other major economies, although the near-term domestic economic growth is likely to be modest growth at best. However, the fundamental performance of most of the Company's portfolio holdings has been healthy, and they have fared better than the market as a whole. Furthermore, as I noted in my last report, there are signs that investors are finally beginning to recognise the value that UK equities offer, both in historical terms, and relative to other developed markets. Although the market lost some momentum in the second half of last year, the interest in mergers and acquisition activity evident in the first half persisted, and has continued beyond the end of the Company's financial year, driven by both strategic corporate buyers and private equity investors. Medium and smaller businesses have been the target for much of this activity.

As interest rates trend lower during 2025, this should prove supportive of growth and UK stocks. The medium and smaller sized companies targeted by the Portfolio Managers tend to outperform in such circumstances, as they are usually more exposed to domestic economic activity than the broader UK market.

The investment outlook is always clouded by uncertainties of some kind and the associated risk of volatility. I believe the shock and effects of the very unhelpful budget in October will wane and the entrepreneurial spirit in the UK will once again come to the fore. Most recently, widespread U.S. tariffs and retaliatory action by other countries have added a new dimension to economic uncertainty and ongoing geopolitical tensions. However, your Portfolio Managers have a long and successful track record of navigating volatility triggered by a variety of market developments, and this, combined with their disciplined investment approach, leaves the Board confident in their ability to steer the portfolio through the coming months and years. Moreover, the Board believes that market corrections that occur after unexpected shocks often present excellent buying opportunities. The present relatively cheap valuations of UK company shares makes investing in the UK equity market an attractive prospect for investors with a mid to long-term outlook. While there may be ongoing weakness and volatility, the Board is of the view that these are typically just fluctuations when viewed over a longer time horizon. Although short-term market movements are unpredictable, investing in and holding quality companies at attractive valuations, as observed now, tends to yield returns that outperform both the index and inflation.

I leave you at the AGM as Chairman, but not as a fellow shareholder. My nine years on the Board has been an absolute privilege although with both high and low points. We have been through quite a lot together. BREXIT, COVID, and a market unwilling to value UK shares as they should be. Despite these challenges in that time the share price has grown by 46.4%[1] and the dividend by 84%[2] underlining what a great investment the Company has been and I believe will continue to be. I look forward to seeing a number of you at this year's AGM with me sitting 'up front', and for many years to come sitting alongside you as a fellow shareholder.

Angus Gordon Lennox

Chairman 7th April 2025

1 Period covered: 23rd September 2015 to 31st January 2025. Angus Gordon Lennox became a Director on the Board of The Mercantile Investment Trust plc on 23rd September 2015.

2 Period covered: given Angus Gordon Lennox became a Director on the Board of The Mercantile Investment Trust plc on 23rd September 2015, dividend growth is considered from the financial period ended on 31st January 2016 to 31st January 2025.

PORTFOLIO MANAGERS' REPORT

Setting the scene: another change in narrative

Over the course of this financial year UK equities delivered healthy progress, with our target market of UK medium and smaller sized companies (the 'Benchmark') delivering a return of 12.3%. This is a substantial improvement on the 1.8% return of the previous year, but with all these gains being delivered in the first half of the year, and the second experiencing a gradual grind downwards, it has not been without its challenges.

Having been a widely reviled market for some time, it was pleasing to note a slight moderation in the narrative, as it was belatedly recognised that the domestic economy was proving to be more resilient than anticipated, with UK economic output beating expectations through much of the year. Unfortunately, some of this cheer proved short-lived as months of downbeat soundbites from the new government, alongside increases in taxation to fund spending, halted the recovery in both consumer and business confidence. Despite this poor start, with such a large albeit shallow majority, the new Labour government does at least have the potential to provide a more stable operating environment for the years ahead. However, as we are witnessing across the world, politics is rarely if ever predictable, and so we remain vigilant of the usual plethora of risks.

The expected path of inflation and monetary policy continue to drive market fluctuations, and with various inflationary forces in the UK it would be easy to assume that interest rates might remain restrictive, were it not for the current signs of weaker demand that could quickly reverse this expectation. If rates are lowered more rapidly than currently forecast, the more cyclical and domestically exposed market of our Benchmark would stand to be an outsized beneficiary compared to the broader UK equity market.

Performance attribution

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index.

For the year ended 31st January 2025

	%	%
Contributions to total return		
Benchmark total return		**12.3**
Allocation/Stock/Sector Effect	-0.2	
Effect of Cash and Gearing	2.2	
Cost of Debentures and Senior Unsecured Privately Placed Loan Notes	-0.7	
Portfolio Total Return		**13.6**
Management Fees and Other Expenses		-0.5
Share Buy-Back		0.6
Cum Par Net Asset Value Total Return[APM]		**13.7**
Impact of Debt Valuation		0.4
Cum Fair Net Asset Value Total Return[APM]		**14.1**

[APM] Alternative Performance Measure ('APM').

Source: JPMAM and Morningstar. All figures are on a total return basis.

Contributions calculated using an Arithmetic methodology.

A glossary of terms and APMs is provided on pages 104 to 106 in the Annual Report.

Mercantile performance

Against this somewhat mixed yet overall positive backdrop, for the year to 31st January 2025 the Company delivered a return on net assets of +13.7%, with debt valued at par, and +14.1% with debt at fair value, in both cases ahead of the Benchmark's +12.3% return. This recent performance extends the Company's track record of outperformance over the long-term: in the ten years to end January 2025, its NAV delivered an annualised total return of 7.0% with debt valued at par, and 7.8% with debt at fair value, again both ahead of the benchmark annualised return of 5.3%.

Spotlight on stocks

Winners

Performance this year was again aided by a strong outturn from several of our longer-standing investments, led by our substantial holdings in the financials sector. Private equity group **3i** continued to deliver better than expected results, driven by continued excellent sales and profit growth at its discount retailer Action, which now represents about 70% of its investment portfolio, while the financial performance of **Intermediate Capital**, an alternative asset manager, remained strong on the back of continued healthy fund-raising. A new holding in this sector, the trading platform operator **Plus500**, also delivered healthy gains as it successfully grew its customer base further while continuing to generate strong profitability and return cash to shareholders.

Another major highlight for the portfolio this year was our longstanding holding in Nottingham-based **Games Workshop**. This company designs, manufactures and sells war-gaming figurines and has a relentless focus on the continuous development of intellectual property to make the Warhammer hobby ever better. This has allowed the company to build a global and growing base of fans, who are passionate supporters and loyal customers. The recent agreement with Amazon to develop films and television series based upon its content illustrates just some of the potential for the future. Meanwhile the business continues to grow, and enjoys strong economics, with high profit margins and healthy cash generation.

Losers

On the negative side, the largest detractor from performance was the software and computer services sector, an area in which we have historically had better success. The major culprit was our holding in **Bytes Technology**, one of the UK's leading value-added technology resellers, whose shares came under pressure following the sudden and unexpected resignation of the CEO, as well as due to the weaker environment for corporate demand. Given the long-term growth opportunity from increased corporate spend on technology more broadly, alongside the potential accelerant from increased adoption of generative AI solutions, we have retained our holding. While it was pleasing to see the company just report a reacceleration in growth through the second half of the year, we will continue monitoring progress even more closely than usual.

Our next two largest individual detractors from performance came from 'sins of omission': companies that we did not hold but which performed particularly well. **St. James's Place**, the provider of financial advice, delivered a strong acceleration of net inflows, which drove the shares back up into the FTSE 100, while **Burberry**, the luxury fashion brand, was deleted from the FTSE100 but experienced a dramatic increase in its share price from a depressed base, following results that were ahead of low expectations.

experienced a dramatic increase in its share price from a depressed base, following results that were ahead of low expectations.

From a relative performance perspective, the portfolio also suffered from the surge in the number of companies that were subject to takeover bids at substantial premia. While we benefited from this in the two instances of **Britvic** and **Redrow**, in which we held shares, there were a greater number where we had no holding, including **Direct Line, Hargreaves Lansdown** and **Darktrace**.

Positioning the portfolio for future success

We invest in medium and smaller sized UK companies that have significant opportunities for growth, focusing on those outside of the FTSE 100 Index and which may therefore be overlooked by other market practitioners. We invest in the shares of companies that we believe possess the characteristics that may facilitate this growth, for example nimble business models that can innovate or disrupt their industries, or companies that occupy prime positions in rapidly growing markets.

Through the course of any individual year there are adjustments to the portfolio to reflect the changing environment, as investment hypotheses run their course or are proved invalid, or as share price moves present better opportunities elsewhere. Over the past few years there have been multiple turning points for markets as well as numerous changes to the operating environments of our portfolio companies. Despite this, portfolio turnover has remained somewhat lower than long-term averages, reflecting what we believe to be a resiliently positioned portfolio and our clear focus on the long-term prospects of holdings.

Furthermore, we have been operating in a volatile environment, with supply chain challenges coming out of the pandemic, inflation, a drastic shift in monetary policy, war in Europe and now the uncertainty from US policy gyrations and the threat of widespread tariffs. We believe that this backdrop has made it even more important to focus on well-positioned and well-managed businesses that have the resilience to cope and even thrive in a variety of situations, and which may ultimately emerge with stronger competitive positions.

There have been a number of changes to the portfolio's constituents over the year, with a total of 19 new holdings added while we exited from 15. From a top-down perspective we have increased our exposure to the financials sector, while our technology and consumer exposure has been slightly moderated. These observations should be read in the context of a portfolio in which over 80% remains unaltered, and in which every investment decision is based upon the assessment of the prospects for the specific shares being acquired or divested. The level of gearing deployed has been reasonably constant over the course of the year, averaging around 15%.

In the financials sector, we made a new investment in **Plus500**, the retail trading platform operator, which is now a top 10 holding for the portfolio. We also initiated a new position in **IntegraFin**, which provides a range of services, including their proprietary investment platform Transact, designed to help independent financial advisers and their clients manage their assets efficiently. Finally in this sector, we bought shares in **Pollen Street**, the alternative asset manager focusing on private equity and credit, which has set out ambitious growth targets following its combination with Honeycomb Investment Trust.

Other new additions to the portfolio came from a broad range of sectors, and included **Trainline**, the online train ticket retailer, **Moonpig**, the online retailer of greetings card and gifts, **Mitie**, the facilities management company, **Volution**, the manufacturer of air ventilation products, and **Britvic**, the drinks supplier. We also invested in the building materials companies **Ibstock** and **Forterra**, two of the UK's largest brick manufacturers. As is hopefully evident from this list, we are finding many exciting opportunities from across the range of sectors and different types of businesses.

These purchases were funded by various sales, including exits from investments in **Tate & Lyle**, the ingredient supplier, and **Hays** and **PageGroup**, two recruitment businesses that have struggled given the prolonged and broad-based downturn in the level of recruitment activity across multiple geographies and fields. We sold out of our positions in **Direct Line**, the insurance provider and **RS Group**, a distributor of electronics and industrial products. We also exited from our holdings in **Weir Group**, the engineering business focusing on products and technologies that help their mining customers to operate productively, and **Howden Joinery**, the UK's leading supplier of fitted kitchens, these final two both now being FTSE 100 companies.

Outlook for the coming year

As always, there are valid reasons to be apprehensive about the future: financial markets continue to be buffeted by the inter-connected forces of inflation, monetary policy, and their impact upon economic growth expectations, which in the UK could be described as lacklustre at best. Furthermore, the current geopolitical landscape appears to be primed for generating unanticipated shocks at any moment: the latest announcement from the President of the United States on tariffs is truly extraordinary, and while the UK is less directly impacted than many economies and the ultimate end game may look very different to the view today, this can only have a negative impact on global economic growth.

Despite this, and amidst the market turmoil that it is creating, there is cause for some cautious optimism. The valuation of the UK market remains at a steep discount to both its own history and relative to other developed markets. Within the UK, given their greater economic cyclicality and sensitivity to interest rates, medium and smaller size companies are trading at a discount relative to their usual level versus larger companies. These facts have not gone unnoticed, as we have seen a pick-up in the number of acquisitions by corporate buyers (focusing on medium and smaller companies), while the volume of share buybacks being executed by management teams has also soared.

While the changing economic landscape will impact our portfolio companies, most have been delivering healthy financial performance while executing their growth strategies, in many cases backed by substantial capital investments. The combination of these factors, and the breadth of exciting investment ideas that we have been finding, explain our current elevated level of gearing, sitting at around 15%.

This action hopefully demonstrates most clearly our assessment of the opportunity before us.

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 such investments offers the best prospect of delivering compelling returns and outperformance for our shareholders over the long-term, just as they have done in the past.

Guy Anderson

Anthony Lynch

Portfolio Managers 7th April 2025

PRINCIPAL & EMERGING RISKS AND UNCERTAINTIES

The Board, through delegation to the Audit and Risk Committee, has undertaken a robust assessment and review of the principal risks facing the Company, together with a review of any new and emerging risks that may have arisen during the year to 31st January 2025, including those that would threaten its business model, future performance, solvency or liquidity.

With the assistance of the Manager, the Audit and Risk Committee has drawn up a risk matrix, which identifies the key risks to the Company, as well as emerging risks. The risk matrix, including emerging risks, are reviewed formally by the Audit and Risk Committee every six months or more regularly as appropriate. At each meeting, the Committee considers emerging risks which it defines as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of occurrence probability and possible effects on the Company. As the impact of emerging risks is understood, they may be entered on the Company's risk matrix and mitigating actions considered as necessary. In assessing the risks and how they can be mitigated, the Board has given particular attention to those risks that might threaten the viability of the Company. The principal risks fall broadly into the following categories:

Principal risk	Description	Mitigating activities	Movement from prior year
Investment Underperformance	Poor implementation of the investment strategy, for example as to thematic exposure, sector allocation, stock selection, undue concentration of holdings, factor risk exposure or the degree of total portfolio risk, may lead to failure to outperform the Company's benchmark index and peer companies, and could result in the Company's shares trading at a wider discount.	The Board manages these risks by examining the Manager's investment process, which integrates financially material ESG considerations, and by ensuring a diversification of investments through its investment restrictions and guidelines, which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analysis, revenue estimates, liquidity reports and shareholder analysis. The Board monitors the implementation and results of the investment process with the Investment Manager, whose representatives attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile. The Board holds a separate meeting devoted to strategy each year.	The risk remains high but unchanged from 2024. Concentration risk, as measured by the proportion of the portfolio made up by the largest ten holdings is broadly unchanged compared with the prior year (see page 27 in the Annual Report).
Geopolitical Instability	Geopolitical Risk is the potential for political, socio-economic and cultural events and developments to have an adverse effect on the value of the Company's assets. The growing number of geopolitical conflicts worldwide seems to pose an increasing risk to market stability and investment opportunities. U.S. trade policy under President Trump's second administration adds further complexity to the geopolitical environment. These trade tensions, along with uncertainties surrounding interest rates and inflation, the ongoing conflict between Russia and Ukraine, rising tensions in Southeast Asia and the Middle East, and increased nationalism globally could negatively impact investment performance, potentially affecting the Company's holdings and/or the demand for equity	This risk is managed to some extent by diversification of investments and by regular communication with the Manager on matters of investment strategy and portfolio construction which will directly or indirectly include an assessment of these risks. The Board receives regular reports from the Manager regarding market outlook and gives the Portfolio Managers discretion regarding acceptable levels of gearing and/or cash. Currently the Company's gearing policy is to operate within a range of 10% net cash to 20% geared. The Board considers thematic and factor risks, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Manager. The Board can, with shareholder approval, look to amend the investment policy and objectives of the Company to gain exposure to or mitigate the risks arising from geopolitical instability.	The risk has heightened during the year due to the growing geopolitical tensions and conflicts in Europe and the Middle East, as well as from the uncertainties around the timing and impact of tariffs imposed by the U.S. The tensions can significantly impact global markets, investor sentiment, and economic stability.

	investments.		
Cyber Crime	A successful cyber attack on the Investment Manager and/or important third party suppliers could impact the Company's ability to operate efficiently. The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security.	The information technology controls around the physical security of J.P. Morgan Chase & Co's data centres, security of its networks and security of its trading applications are tested by an independent third party and reported every six months against the AAF Standard. The Board has received the cyber security policies for its key third party service providers and JPMF has assured Directors that the Company benefits directly or indirectly from all elements of J.P. Morgan Chase & Co's Cyber Security programme.	The risk remains high but unchanged from 2024. The cyber threat landscape is rapidly changing, with cyber-attacks growing ever more sophisticated and their increasing frequency and scale is well publicised. To date the Manager's cyber security arrangements have proven robust and the Company has not been impacted by any cyber attacks threatening its operations.
Discount Control	Investment trust shares often trade at discounts to their underlying NAVs; they can also trade at a premium. Discounts and premiums can fluctuate considerably leading to volatile returns for shareholders; a wide discount could decrease the returns investors receive on their investments. Further, the greater the discount to NAV, the more likely the Company becomes appealing to an activist investor.	The Board monitors the Company's premium/discount at which the share price trades to NAV on both an absolute level and relative to its peers and the wider investment trust sector. The Board reviews sector relative performance and sales and marketing activity (considered the primary drivers of the relative discount level). The Company also has authority to repurchase its existing shares to enhance the NAV per share for remaining shareholders and to reduce the absolute level of discount and discount volatility.	The risk remains high but unchanged from 2024. The Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register. During the year the Company significantly increased the rate of buyback activity which contributed to a reduction in the discount over the year.
Legal and Regulatory Change	The Company's business model could be negatively impacted by new or revised rules or regulations arising from, for example, policy change or financial monitoring pressure.	The Board receives regular reports from its broker, depositary, registrar and Manager as well as its legal advisers and the Association of Investment Companies on changes to regulations which could impact the Company and its industry.	The risk remains medium but unchanged from 2024.
Corporate Strategy	The corporate strategy, including the investment objectives and policies, may not be of sufficient interest to current or prospective shareholders. For instance, if the UK falls out of favour with investors, it could hinder the Company's appeal. The attractiveness of investment vehicles, including investment trusts, could be impacted by structural changes to the way investors access the market, including changes within the platform channels.	Our investment strategies aim to position The Mercantile as a clear and core investment choice available for investment through a number of channels. The Manager continues to deliver on the Company's objective. The Board regularly reviews its strategy, and assesses, with its brokers, shareholder views. Marketing and investor relations campaigns continued throughout the year and we have identified appropriate promotional opportunities for the Company (including advertising, events and research coverage) in order to maintain a strong platform presence. A 'Preference Centre' provides the Company with the ability to communicate directly and effectively with investors.	The risk has heightened during the year due to the UK being out of favour with investors, influenced by factors such as the country's current economic landscape.

EMERGING RISKS

The Board has considered and kept under review emerging risks. The key emerging risks identified are as follows:

Artificial Intelligence ('AI')

While it could be a great opportunity and force for good, there is an increasing risk to business and society more widely from AI. Advances in computing power means that AI has become a powerful tool that will impact a huge range of areas and with a wide range of applications that include the potential to disrupt and even to harm. In addition the use of AI could be a significant disrupter to business processes and whole companies leading to added uncertainty in corporate valuations.

Pandemics

The emergence of COVID-19 illustrated the speed and extent of economic damage that can arise from a pandemic.

Whilst the impact of COVID-19 has now subsided, pandemics in general remain an emerging risk. Evidence suggests that the likelihood of pandemics has increased over the past century due to increased global travel and integration, urbanisation, changes in land use, and greater exploitation of the natural environment.

Challenges in Achieving Investment Objectives Amid Economic Downturns

A prolonged decrease in investment returns due to recession, stagnation, or other extended external factors could make the Company's investment goals and strategies less appealing or unattainable. For example, a high inflationary environment together with an economic downturn could affect the portfolio revenue generation, hindering the Company's ability to uphold its stated policy of achieving long-term dividend growth at least in line with inflation.

TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

Details of the management contract are set out in the Directors' Report on page 47 in the Annual Report. The management fee payable to the Manager for the year was £7,949,000 (2024: £6,903,000) of which £nil (2024: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 81 in the Annual Report are safe custody fees amounting to £38,000 (2024: £32,000) payable to JPMorgan Chase Bank N.A. of which £9,000 (2024: £7,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length.

During the year, brokerage commission on dealing transactions amounting to £nil (2024: £nil) was payable to JPMorgan subsidiaries of which £nil (2024: £nil) was outstanding at the year end.

Other capital charges on dealing transactions amounting to £21,000 (2024: £14,000) were payable to JPMorgan Chase Bank N.A. during the year of which £6,000 (2024: £3,000) was outstanding at the year end.

At the year end, cash at bank of £20,245,000 (2024: £351,000) was held with JPMorgan Chase Bank N.A. A net amount of interest of £14,000 (2024: £26,000) was earned by the Company during the year from JPMorgan Chase Bank N.A. of which £nil (2024: £nil) was outstanding at the year end.

The Company also invests in the JPMorgan GBP Liquidity Fund, a money market fund managed by JPMorgan Asset Management (Europe) S.à r.l. At the year end this was valued at £36.9 million (2024: £89.2 million). Interest income amounting to £1,483,000 (2024: £5,691,000) was receivable during the year, of which £nil (2024: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 60 and in note 6 on page 81 in the Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that taken as a whole, the Annual Report and Financial Statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations the Directors are also responsible for preparing a Directors' Report and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed on pages 45 and 46 in the Annual Report confirms that, to the best of his/her knowledge, the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return or loss of the Company.

financial position and net return or loss of the Company.

The Board confirms that it is satisfied that the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Board also confirms that it is satisfied that the Strategic Report and Directors' Report include a fair review of the development and performance of the business, and the Company, together with a description of the principal risks and uncertainties that it faces.

The Financial Statements are published on the **www.mercantileit.co.uk** website, which is maintained by the Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the accounts since they were initially presented to the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

For and on behalf of the Board

Angus Gordon Lennox

Chairman

7th April 2025

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st January

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Gains on investments held at fair value through profit or loss	-	187,228	187,228	-	18,706	18,706
Net foreign currency (losses)/gains	-	(4)	(4)	-	2	2
Income from investments	76,726	387	77,113	73,269	-	73,269
Interest receivable	1,497	-	1,497	5,717	-	5,717
Gross return	**78,223**	**187,611**	**265,834**	**78,986**	**18,708**	**97,694**
Management fee	(2,385)	(5,564)	(7,949)	(2,071)	(4,832)	(6,903)
Other administrative expenses	(1,642)	-	(1,642)	(1,536)	-	(1,536)
Net return before finance costs and taxation	**74,196**	**182,047**	**256,243**	**75,379**	**13,876**	**89,255**
Finance costs	(4,172)	(9,735)	(13,907)	(4,172)	(9,734)	(13,906)
Net return before taxation	**70,024**	**172,312**	**242,336**	**71,207**	**4,142**	**75,349**
Taxation	(958)	-	(958)	(141)	-	(141)
Net return after taxation	**69,066**	**172,312**	**241,378**	**71,066**	**4,142**	**75,208**
Return per share	**8.96p**	**22.34p**	**31.30p**	**9.01p**	**0.53p**	**9.54p**

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

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.

Net return/(loss) after taxation represents the profit/(loss) for the year and also total comprehensive income/(loss).

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st January

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
At 31st January 2023	**23,612**	**23,459**	**13,158**	**1,741,531**	**63,916**	**1,865,676**
Repurchase of shares into Treasury	-	-	-	(16,474)	-	(16,474)
Net return	-	-	-	4,142	71,066	75,208
Dividends paid in the year (note 2)	-	-	-	-	(58,791)	(58,791)
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 2)	-	-	-	-	(60,280)	(60,280)
Proceeds from forfeiture of unclaimed dividends[2] (note 10)	-	-	-	-	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 may be used to fund distributions to investors.

2 During the period, 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 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.

STATEMENT OF FINANCIAL POSITION

At 31st January

	2025 £'000	2024 £'000[1]
Fixed assets		
Investments held at fair value through profit or loss	**2,242,684**	**2,115,714**
Current assets		
Debtors	4,100	7,557
Current asset investments[1]	36,903	89,179
Cash at bank[1]	20,245	351
	61,248	97,087
Current liabilities		
Creditors: amounts falling due within one year	(10,420)	(19,248)
Net current assets	**50,828**	**77,839**
Total assets less current liabilities	**2,293,512**	**2,193,553**
Non current liabilities		
Creditors: amounts falling due after more than one year	(328,044)	(327,934)
Net assets	**1,965,468**	**1,865,619**
Capital and reserves		
Called up share capital	23,612	23,612
Share premium	23,459	23,459
Capital redemption reserve	13,158	13,158
Capital reserves	1,819,986	1,729,199
Revenue reserve	85,253	76,191
Total shareholders' funds	**1,965,468**	**1,865,619**
Net asset value per share	**263.2p**	**238.6p**

1 For the year ended 31st January 2024, the 'Cash and cash equivalents' line item in the Statement of Financial Position was revised to 'Cash at bank' and 'Current asset investments.' This revision separately reports the £89,179,000 investment in the JPMorgan GBP Liquidity Fund as 'Current asset investments' and £351,000 as 'Cash at bank,' 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.

STATEMENT OF CASH FLOWS

For the year ended 31st January

	2025 £'000	2024 £'000
Cash flows from operating activities		
Net return before finance costs and taxation	256,243	89,255
Adjustment for:		
Net gains on investments held at fair value through profit or loss	(187,228)	(18,706)
Net foreign currency losses/(gains)	4	(2)
Dividend income	(77,113)	(73,269)
Interest income	(1,497)	(5,717)
Realised (losses)/gains on foreign exchange transactions	(4)	2
(Increase)/decrease in accrued income and other debtors	(39)	36
Increase in accrued expenses	263	116
Net cash outflow from operations before dividends, interest and taxation	**(9,371)**	**(8,285)**
Dividends received	75,567	72,142
Interest received	1,497	5,717
Overseas withholding tax recovered	448	129
Net cash inflow from operating activities	**68,141**	**69,703**
Purchases of investments	(437,321)	(428,193)
Sales of investments	491,572	378,822
Net cash inflow/(outflow) from investing activities	**54,251**	**(49,371)**
Equity dividends paid	(60,280)	(58,791)
Proceeds from forfeiture of unclaimed dividends[1]	276	-
Repurchase of shares into Treasury	(81,569)	(15,819)
Proceeds from share forfeiture[1]	596	-
Loan interest paid	(13,797)	(13,798)
Net cash outflow from financing activities	**(154,774)**	**(88,408)**
Decrease in cash and cash equivalents	**(32,382)**	**(68,076)**
Cash and cash equivalents at start of year	89,530	157,606
Cash and cash equivalents at end of year	**57,148**	**89,530**
Cash and cash equivalents consist of:		
Cash at bank	20,245	351
Current asset investment in JPMorgan GBP Liquidity Fund	36,903	89,179
Total	**57,148**	**89,530**

1 During the period, the Company undertook an Asset Reunification Programme 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 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and 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.

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

The financial statements have been prepared on a going concern basis. The disclosures on going concern on page 53 of the Directors' Report in the Annual Report form part of these financial statements.

2. Dividends

(a) Dividends paid and declared

	2025		2024	
	Pence	**£'000**	**Pence**	**£'000**
Dividends paid				
Fourth quarterly dividend in respect of prior year	3.30	25,626	3.10	24,493
First quarterly dividend	1.50	11,628	1.45	11,456
Second quarterly dividend	1.50	11,622	1.45	11,451
Third quarterly dividend[1]	1.50	11,404	1.45	11,391
Total dividends paid in the year	**7.80**	**60,280**	**7.45**	**58,791**
Forfeiture of unclaimed dividends over 12 years old[2]	n/a	(276)	-	-
Net dividends	**7.80**	**60,004**	**7.45**	**58,791**
Dividends declared				
Fourth quarterly dividend declared	3.40	25,387	3.30	25,626

1 The Company irrevocably transfers the funds to its Registrar in the month prior to which the dividend is paid to shareholders. The third quarterly dividend in February 2025 is therefore recognised as paid prior to the year end.

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

All dividends paid and declared in the period have been funded from the Revenue Reserve.

The fourth quarterly dividend has been declared in respect of the year ended 31st January 2025. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 31st January 2026.

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year as shown below. The revenue available for distribution by way of dividend for the year is £69,066,000 (2024: £71,066,000).

The maximum amount of income that the Company is permitted to retain under Section 1158 is £11,733,000 (2024: £11,848,000), calculated as 15% of gross revenue. Therefore the minimum distribution required by way of dividend is £57,333,000 (2024: £59,218,000).

	2025		2024	
	Pence	**£'000**	**Pence**	**£'000**
First quarterly dividend	1.50	11,628	1.45	11,456
Second quarterly dividend	1.50	11,622	1.45	11,451
Third quarterly dividend	1.50	11,404	1.45	11,391
Fourth quarterly dividend	3.40	25,387	3.30	25,626
Total dividends for Section 1158 purposes	**7.90**	**60,041**	**7.65**	**59,924**

3. Return per share

	2025	2024
	£'000	**£'000**
Revenue return	69,066	71,066
Capital return	172,312	4,142
Total return	**241,378**	**75,208**
Weighted average number of shares in issue during the year	771,172,156	788,846,061
Revenue return per share	8.96p	9.01p
Capital return per share	22.34p	0.53p
Total return per share	**31.30p**	**9.54p**

The total return per share represents both basic and diluted return per share as the Company has no dilutive shares.

4. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end are shown below.

These were calculated using 746,668,191 (2024: 782,056,565) Ordinary shares in issue at the year end (excluding Treasury shares).

	2025		2024	
	Net asset value attributable		Net asset value attributable	
	£'000	pence	£'000	pence
Net asset value - debt at par	**1,965,468**	**263.2**	**1,865,619**	**238.6**
Add: amortised cost of £175 million 6.125% debenture stock 25th February 2030	174,501	23.4	174,404	22.3
Less: fair value of £175 million 6.125% debenture stock 25th February 2030	(188,209)	(25.2)	(193,665)	(24.7)
Add: amortised cost of £3.85 million 4.25% perpetual debenture stock	3,850	0.5	3,850	0.5
Less: fair value of £3.85 million 4.25% perpetual debenture stock	(2,854)	(0.4)	(3,150)	(0.4)
Add: amortised cost of senior unsecured privately placed loan notes	149,693	20.1	149,680	19.1
Less: fair value of senior unsecured privately placed loan notes	(78,706)	(10.6)	(82,601)	(10.6)
Net asset value - debt at fair value	**2,023,743**	**271.0**	**1,914,137**	**244.8**

5. Analysis of changes in net debt

	As at 31st January 2024	Cash flows	Interest and amortisation charges	As at 31st January 2025
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash at bank	351	19,894	-	20,245
Current asset investments[1]	89,179	(52,276)	-	36,903
	89,530	(32,382)	-	57,148
Borrowings:				
Debentures falling due after more than five years	(178,254)	10,883	(10,980)	(178,351)
Private Placement due after more than five years	(149,680)	2,910	(2,923)	(149,693)
Bank Overdraft interest	-	4	(4)	-
	(327,934)	13,797	(13,907)	(328,044)
Net debt	**(238,404)**	**(18,585)**	**(13,907)**	**(270,896)**

[1] JPMorgan GBP Liquidity Fund, a money market fund.

JPMORGAN FUNDS LIMITED

8th April 2025

For further information, please contact:

Sachu Saji
For and on behalf of
JPMorgan Funds Limited
Telephone: 0800 20 40 20 or or +44 1268 44 44 70

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

ENDS

A copy of the Annual Report will be submitted to the National Storage Mechanism and will shortly be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism

The Annual Report will also shortly be available on the Company's website at www.mercantileit.co.uk where up to date information on the Company, including daily NAV and share prices, factsheets and portfolio information can also be found.

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