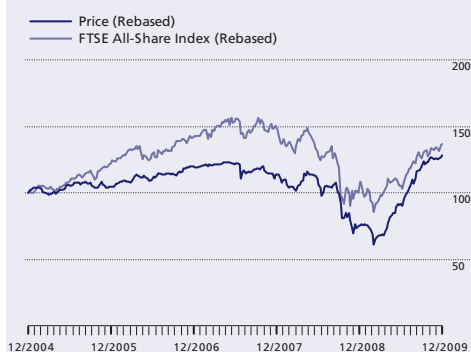


Share Price Performance*



Sector and Credit Rating Breakdown

1	High Yield	70.0%	1	AA	0.1%
2	Investment Grade	20.0%	2	A	1.8%
3	Convertibles	5.0%	3	BBB	13.2%
4	Equity	3.0%	4	BB	16.6%
5	Preference shares	2.0%	5	B	27.5%
			6	CCC	16.3%
			7	CC	3.3%
			8	C	1.4%
			9	D	0.4%
			10	NR (incl. Equities)	10.0%
			11	NRH	7.3%
			12	NRI	2.2%

The chart shown above should be viewed in conjunction with the standardised rolling 12 month performance table below

Ordinary Share & NAV Performance*

	% Growth				
	6 months	1 Year	3 Years	5 Years	10 Years
Share Price	40.6%	68.5%	7.3%	28.6%	92.5%
Net Asset Value	43.4%	80.5%	12.9%	35.3%	98.0%
FTSE All-Share	29.1%	30.1%	-4.0%	36.8%	17.7%

Standardised rolling 12 month performance*

	% growth				
	31/12/04	31/12/05	31/12/06	31/12/07	31/12/08
	31/12/05	31/12/06	31/12/07	31/12/08	31/12/09
Investment Trust Share Price	5.0%	14.2%	-4.9%	-33.0%	68.5%

The standardised past performance information is updated on a quarterly basis. Should you require up-to-date past performance information this is available on our website: www.invescoperpetual.co.uk/investmenttrusts or by contacting us.

Past performance is not a guide to future returns.

Rolling 12 month Net Asset Value performance*

	% growth				
	31/12/04	31/12/05	31/12/06	31/12/07	31/12/08
	31/12/05	31/12/06	31/12/07	31/12/08	31/12/09
Net Asset Value	9.2%	9.7%	1.2%	-38.2%	80.5%

Top Ten Holdings by Issuer

	% of Portfolio	
Ford Motor	7.45% Jul 2031 & 4.25% Nov 2016	4.6%
LBG Capital	6.439% May 2020, 7.869% Aug 2020 & 7.975% Sep 2024	2.9%
Premier Farnell	Pfd 89.2p Cum Cnv Red	2.6%
Aviva	6.125% Perpetual	2.3%
Intergen	8.5% Jun 2017 & 9.5% Jun 2017	2.0%
Ineos	7.875% Feb 2016	2.0%
Balfour Beatty	Prf 10.75p Gross	1.9%
Societe Generale	Fltg 7.756%, Fltg 9.375% Perp & Fltg 8.875% Perp.	1.8%
Wind Acquisition	11.75% Jul 2017 & 9.75% Dec 2015	1.7%
UPC Germany	9.625% Dec 2019	1.6%
Total		23.4%

* Performance figures in this leaflet have been calculated using bid to bid market values, on a sterling basis, inclusive of net reinvested income to 31 December 2009. Graph figures are at the end of the relevant month unless otherwise stated. Standardised past performance figures are as at 31 December 2009. Source: Morningstar

Source: Invesco Perpetual unless stated otherwise.

Investment Objective

City Merchant's High Yield Trust plc's investment objective is to seek to obtain both high income and capital growth from investment predominantly in high-yielding fixed-interest securities.

The Company seeks to provide a high level of dividend income relative to prevailing interest rates through investment in fixed-interest securities, various equity-like securities within fixed-income markets and equity-linked securities such as convertible bonds and in direct equities that have a high income yield. It seeks also to enhance total returns through capital appreciation generated by investments which have equity-related characteristics.

Further details of the investment trust's Investment Style and Investment Limits can be found in the Report of the Directors contained within the investment trust's Annual Financial Report.

Statistics

Ticker	CHY/LON
Total Gross Assets	£124.6m
Ordinary Shares:	
- Mid Market Price	158.0p
- Capital Net Asset Value	151.8p
- Cum-Income NAV	155.9p
Premium to Cum-Income NAV	1.3%
Dividend	12.0p
Dividend Yield	7.6%
Actual Gearing [†]	110

[†] "Actual Gearing" reflects loans drawn down. A figure of 100 means that the investment trust has no gearing.

Financial Calendar

Year End	31 December
Annual Financial Report published	March/April
Half-Yearly Financial Report published	August
Interim Management Statements:	April and October
Ordinary Share Dividends:	
Interim Dividends Paid In:	February, May, August and November
Annual General Meeting	May/June

Managers Report

Review

High-yield corporate bonds saw only their third monthly fall of 2009 according to data from Merrill Lynch, falling by 0.6%, although spreads did narrow by 58bps. Sterling BBB rated bonds also fell but saw spreads decline by 25bps, while sterling Tier 1 bank debt saw spreads narrow by 34bps. Government bond markets were weak following the downgrading of Greek sovereign debt. In the UK, the Monetary Policy Committee voted unanimously to keep the quantitative easing asset purchase plan at £200bn and Bank Rate at 0.5%. Annual UK CPI inflation rose from 1.5% in October to 1.9% in November, the largest upward pressure came from fuels and lubricants, where prices rose by 2.8% between October and November this year but fell by a record 8.3% a year ago. The RPI measure increased, for the same reasons, from -0.8% to 0.3%.

Despite corporate bonds having rallied considerably over recent months, we continue to see value in higher yielding investment-grade names and better quality high-yield issuers. In particular, we see value in insurance and financial names. Subordinated financials have been among the strongest performing sectors of the market over the past six months, however spreads remain well above historical levels and aggregate yields are still around 8%-9% on sterling Tier 1 bank debt. Although we do not expect to see a repeat of the recent strong gains, underlying conditions are still supportive of credit markets. Spreads remain generous by historical standards and we believe there remains potential further upside from current levels. Trading was limited during December although we did add a few positions with attractive yields. These included Rexel (electrical) 8.25%, Novasep (chemicals) 9.625% and Citigroup (bank) 7.5%. Sales included Corral (oil) and TVN (media).

Investment Trust History and Structure

City Merchants High Yield Trust plc was launched in May 1991. On 15 September 2009, City Merchants High Yield Trust plc announced recommended proposals for an issue of new shares in connection with the proposed scheme of reconstruction of Invesco Perpetual European Absolute Return Trust plc, and a placing and offer for subscription. A total of 11,889,819 New Shares were allotted at an issue price of 152.3 pence, being 102 per cent of the Net Asset Value per Share at the close of business on 28 October 2009. The gross proceeds of the issue were therefore approximately £18.1 million, of which approximately £10.5 million was raised in the placing and offer for subscription. Following the issue, the Company has 72,799,105 shares in issue. Dealings in the new shares commenced on 2 November 2009.

Following the AGM in June 2009, the investment trust obtained shareholder approval to authorise the allotment of up to approximately 10 per cent of the investment trust's share capital.

Shares in the investment trust are listed on the London Stock Exchange.

The investment trust is managed by Paul Causer and Paul Read.

Important Information

This factsheet has been issued on behalf of the board of the City Merchants High Yield Trust plc and has been approved for issue by Invesco Asset Management Limited, its Manager and Company Secretary.

The value of investments and any income will fluctuate (this may partly be as a result of exchange rate fluctuations) and investors may not get back the full amount invested. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns. Past performance is not a guide to future returns. The market price of shares in investment trusts may not reflect their underlying net asset value.

35% of the annual management charge, and any performance-related fees which become payable and loan interest will be deducted from the investment trust's capital, which may boost income but constrain or erode long-term capital growth.

Our portfolio has a significant proportion of high-yielding bonds, which means that there is more risk to investors' capital and income than from an investment trust investing in government or investment-grade bonds. Income from the investment may fluctuate and is not guaranteed.

The investment trust may invest in derivatives. This means that the net asset value of the investment trust may, at times, be highly volatile. The use of derivative instruments involves certain risks (including market or communication breakdown) and there is no assurance that the objectives for the use of such instruments will be achieved. (Effective from 21st March 2007.)

The solvency of organisations with whom the investment trust invests cannot be guaranteed and any difficulty may adversely affect performance. As the investment trust may buy and sell bonds within the portfolio on a regular basis, the level of income will fluctuate. Investment in certain bonds selected may bring an increased risk of default which can adversely affect the capital value of the investment trust.

When making an investment in an investment trust you are buying shares in a company that is listed on a stock exchange. The price of the shares will be determined by supply and demand. Consequently, the share price of an investment trust may be higher or lower than the underlying net asset value of the investments in its portfolio and there can be no certainty that there will be liquidity in the shares.

The information contained in this factsheet is selective and does not constitute an offer, or an invitation to subscribe for, or purchase, any securities. This document does not form part of any prospectus and application for shares should be considered only on the basis of a full prospectus.

Where Invesco Perpetual has expressed views and opinions, these may change.

Telephone calls may be recorded.

Detailed information on our investment trusts is available from the office of the Manager, Invesco Asset Management Limited. Authorised and regulated by the Financial Services Authority.

For further information

Broker Services

Telephone 0800 028 2121
adviserenquiry@invescoperpetual.co.uk

Investor Services

Telephone 0800 085 8677
enquiry@invescoperpetual.co.uk

www.invescoperpetual.co.uk/investmenttrusts