

The Cayenne Trust plc (the "Company")

Repayment of VAT

HMRC recently confirmed that it would stand down from the VAT case with JP Morgan Fleming Claverhouse / AIC. As a result, managers of investment trusts may, with immediate effect, no longer apply VAT to fee invoices of client investment trusts. Cayenne Asset Management has issued an invoice to the Company for the quarter ending 31 October 2007 which met with this requirement and has confirmed that all future invoices will also be prepared in accordance with the new guidelines. Cayenne Asset Management has informed the Company that it will immediately repay all VAT charged under its management of the Company from 31 January 2006 to 31 July 2007, irrespective of its ability to reclaim any VAT offset within its accounts that has not actually been repaid yet by HMRC. This amounts to £90,408.69 (0.21p per share) which will be reflected in the NAV calculated as at 20 November 2007. The Company is currently in discussion with Invesco Asset Management Ltd regarding the reclaiming of VAT charged during their earlier period of management. Due to the complexity of the issue no accrual has been made and an early outcome is not expected.

Phoenix Administration Services Limited - Secretary
20 November 2007