



The Cayenne Trust plc

Interim Management Statement 01 February to 30 April 2007

Material Events

On 30 March 2007, proposals to cancel the Company's Capital Redemption Reserve were announced. Shareholders duly approved the resolution at the extraordinary general meeting of the Company on 25 April 2007. Although the Company had distributable reserves to finance repurchases of shares, the Board's discount management policy could be more actively pursued with a greater amount of distributable reserves. This also provides the Board with more flexibility in implementing its policy in the future. The Board also obtained Shareholder approval to renew the existing authority of the Company to buy back its shares. As with the previous authority, it is intended that on an ongoing basis shares available in the market at prices representing discounts greater than 5% to NAV will be repurchased by the Company. Shares may also be bought back at a discount to NAV which is less than 5% if the Board considers it appropriate. To date no shares have been repurchased.

The Investment Manager's Report

As global equity markets continue to push higher, cash levels and the hedge positions have gradually been increased. This provides both protection against a possible correction and greater liquidity to finance the purchase of undervalued stocks if fear replaces greed in the market psychology. Good performance by underlying investments has enabled the portfolio to produce respectable returns in spite of this generally cautious stance. Such risk reduction is exemplified by the sale of Aberforth Geared Capital shares and the subsequent purchase of the un-leveraged Aberforth Smaller Companies Trust. Alliance Trust was sold as there seems no desire by management to commit to control the discount and therefore, there is a risk that the shares will under-perform given this trust's rather mediocre investment returns. Positions in Jupiter Green and Strategic Equity Capital were sold as those sectors appeared to be fully valued in the short term. A market sell-off in February provided the opportunity to invest some cash at attractive valuations. Comparatively lacklustre performance at British Empire and uncertainty surrounding Fidelity Special Values caused premiums to be eroded. Both trusts were purchased at a 6% discount to NAV. These discounts are expected to narrow over time, although, to return to premium ratings, both managers need to convince investors that they can continue to deliver exceptional long term performance. Additionally, Invesco Perpetual Select Growth was purchased at a wider discount than it's stated buy-back level. Two trusts which would benefit from any re-valuation of their managers are Majedie Investments and New Star Investment Trust. Both trusts were purchased at discounts of approximately 10%. In relation to the hedge, put spreads for December 2007 and March 2008 were purchased to provide some longer term protection for the portfolio.

The Company's monthly newsletter covering May 2007 is available on the Company's website (address below).

Financial Position

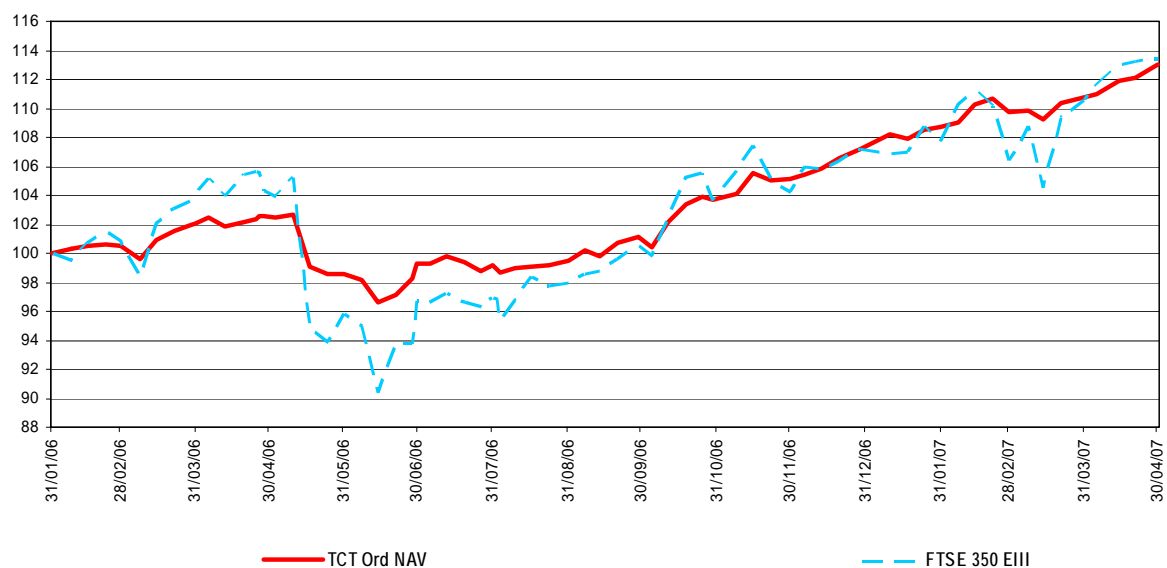
The Net Asset Value of the Company as at 30 April 2007 was £52,780,485 which equates to 124.26p per share. The mid-price of the Company's shares was 122p, this represents a discount of 1.82%. By way of comparison, at 31 January 2007, the NAV and share price were 119.52p and 118.25p respectively, a discount of 1.06%. The Company's shares are quoted on the London Stock Exchange and its NAVs are released daily via the LSE on RNS. Up to date information concerning the Company's financial position can be found at www.thecayennetrust.com. In addition to shareholder funds, there is £10m of convertible unsecured loan stock outstanding. Prior to conversion, this loan stock acts as structural gearing for shareholders, which equates to approximately 119%. Stock holders can convert at a rate of 70.77 Ordinary shares per £100 nominal of CULS. As at 30 April 2007, The Cayenne Trust had total assets of £63,008,734. As at 12 June 2007, the latest date before the issue of this Interim Management Statement, the NAV per share was 124.47p

Financial Performance

The Company aims to achieve consistent positive absolute returns and, as such, performance should not be measured against stock market or other indices. If, however, investors consider that an index comparison is relevant, the Company's most pertinent benchmark would be the FTSE 350 Equity Investment Instruments Index. Over the first quarter, this index rose by 5.28%; while your Company's NAV appreciated by 3.97%.

13 June 2007

TCT vs FTSE 350 Investment Instruments Index



Discount to NAV



Top Ten Holdings		Underlying Exposure		Trust Details at 30 th April 2007		Ordinary Shares	
Apollo Fund plc	13.8%	UK	40.9%	NAV per Share	124.26p		
Electric & General	6.7%	N. America	10.2%	Mid-price per Share	122.00p		
Scottish Mortgage	6.4%	Europe	15.0%	Premium / (Discount)	(1.82)%		
Fidelity Spec. Values	4.8%	Asia	6.8%	Net Assets	£52.78m		
Monks	4.8%	Japan	2.9%	Gross Assets	£63.01m		
Perpetual Inc & Grth	4.7%	Other	10.3%	Market Cap	£51.82m		
Real Est Opps ZDP	3.9%	Cash & FI	11.3%	Q1 NAV Return	3.97%		
Ecofin Water & Pwr	3.9%	Derivatives	2.6%	Q1 Share Price Return	3.17%		
Majedie	3.0%			NAV IRR since inception	10.38%		
Utilico	2.6%			Share Price IRR since inception	10.51%		
				Financial Year-end	31 January		
				Ordinary Shares (TCT)	42,475,143		
				CULS (TCTL)	10,000,000		
				Management Fee:	1%		
				Performance Fee:	10% above hurdle rate		
				Hurdle Rate:	5% per annum		
				High Water Mark:	Yes		

This Interim Management Statement is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to buy or sell investments. If you are in any doubt as to the appropriate course of action, you are recommended to consult an independent financial advisor. The value of an investment in the Company, and the income derived from it, may go down as well as up and an investor may not get back the amount of money invested. The Company seeks to preserve capital and minimise volatility by the use of derivative instruments however, there is no guarantee that that this strategy will be effective and therefore the value of the Company's investments may fall. The price of the Shares will be determined by supply and demand in the market as well as NAV per Share. The market price of the Shares is therefore likely to fluctuate and may represent either a premium or discount to NAV per Share. The use of borrowings (including CULS) should enhance returns to shareholders if the value of underlying assets rises but the it will have the opposite effect if assets decline. Past performance of the Company is not a guide to its future performance.