

City of London Investment Group PLC Shareholder Presentation

October 2023



CITY OF LONDON
Investment Group PLC

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Presentation Team



Thomas Griffith, Chief Executive Officer

Tom joined City of London Investment Group in 2000, and was appointed Chief Operating Officer and an Executive Director of the Group in June 2004. In February 2018, he was appointed Deputy CEO by the Board as part of the multi-year transition plan for the Group Founder, CEO, and CIO, Barry Olliff. Tom was appointed CEO of the Group on 1st March 2019, prior to Mr. Olliff's retirement on 31st December 2019. Prior to joining City of London Investment Group in 2000, Tom held various positions in the institutional client division of The Vanguard Group, including roles as both a Client Relationship Manager and a Marketing Executive. In 1986 he obtained a bachelor's degree in Corporate Finance and Investment Management from the University of Alabama.



Mark Dwyer, Chief Investment Officer of CLIM

Mark was the EM CEF CIO before becoming CLIM CIO in March 2019. He rejoined City of London in May 2012 and has over 20 years investment experience. Prior to rejoining the Group, Mark spent eight years with Banco Commercial Portuguese as a Director in the Asset Management department. Mark initially joined City of London in 1995 and was a Portfolio Manager based in the UK, followed by the US office. He established City of London's Singapore Office in 2000 where he spent two years. He holds a BA in economics and is a CFA Charterholder.



Carlos Yuste, Head of Business Development

Carlos is the Head of Business Development based in the Philadelphia office. Carlos rejoined CLIM in 2018, after pursuing other interests in the asset management field. Carlos originally joined CLIM in 2000, and was responsible for Business Development until 2015. Between 1994 and 1998 he worked as a Project Officer at the International Development Research Centre, which specializes in emerging markets research. He holds an MBA (Finance) from the Schulich School of Business, York University, an MA in Political Economy from Carleton University, and a Bachelor of Social Sciences from the University of Ottawa.



Deepranjan Agrawal, Chief Financial Officer

Deep is the Chief Financial Officer based in our London office. Deep joined the firm in January 2020 after spending over sixteen years with Deloitte and three years with RSM in their audit practice within the asset management industry. Deep has a wealth of relevant knowledge having served a range of audit clients in the asset management industry including large and small investment managers, Investment Trusts and UK authorised funds. Deep completed his Master of Commerce degree from the University of Pune, India and is a Chartered Accountant.

Snapshot as of 30th September 2023

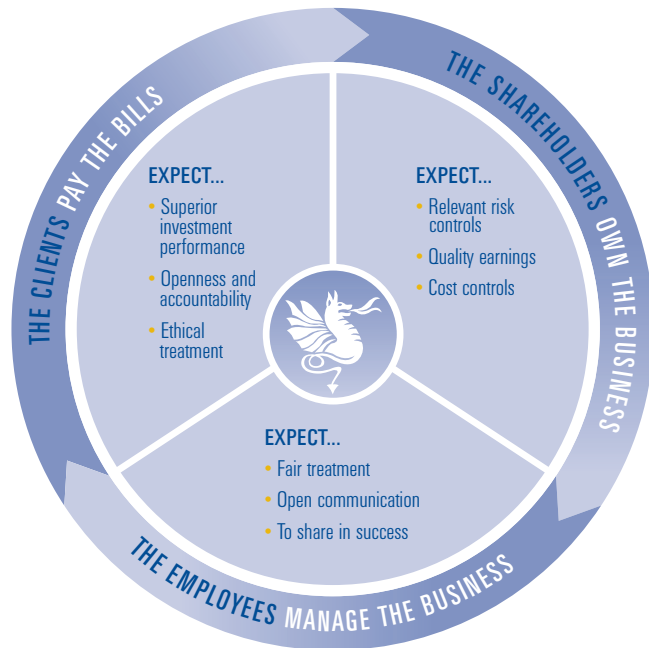
An established and growing pure-play asset management business:

- ▶ \$8.9b (£7.3b) of Funds Under Management
 - Stable client base with a mix of Institutional and High Net Worth (“HNW”) clients
- ▶ CLIM and KIM focus on investing via closed-end funds (CEFs)
 - Track record of outperformance over multiple market cycles
 - Team approach to investing
 - CLIM’s client base institutional and primarily equity focused
 - KIM’s client base primarily HNW and fixed-income / balanced focus



City of London Investment Group PLC is defined as “CLIG”, City of London Investment Management Company Limited is defined as “CLIM” and Karpus Management Inc., DBA Karpus Investment Management is defined as “KIM”.

Our Strategy and Objectives



Our responsibility is to keep these three stakeholders in balance (avoid conflicts) and to ensure that each of their interests is safeguarded:

- 1) The Shareholders, who own the business*
- 2) The Employees, who manage the business*
- 3) The Clients, who pay the bills*

- ▶ **Outperform** - Add value over and above a relevant benchmark, through an investment cycle (5 years)
- ▶ **Retain Employees** - Long-term view with regard to remuneration
- ▶ **Increase FuM** - CLIM has an institutional focus, KIM has a HNW focus
- ▶ **Open Shareholder Dealings** - Remain available and accountable to our owners
- ▶ **Control Costs** - Maintain a strict cost structure
- ▶ **Business Diversification** - Make the business more robust, manage risk, and enhance long-term shareholder return
- ▶ **Corporate Citizenship** - Corporations have a responsibility for and within the community

Dividend Policy & History

- ▶ Established policy of distributing a proportion of net profits by way of ordinary dividends
- ▶ Adoption of a 1.20 coverage ratio over a rolling five-year period

	2018-19		2019-20		2020-21		2021-22		2022-23	
	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)
Interim	9.0p	2,270	10.0p	2,488	11.0p	4,763	11.0p	5,394	11.0p	5,381
Final	18.0p	4,505	20.0p	4,979	22.0p	9,473	22.0p	10,773	22.0p	10,712***
Total	27.0p	6,775	30.0p	7,467	33.0p	14,236	33.0p	16,167	33.0p	16,093
GAAP Profit attributable to shareholders		8,799		7,560*		16,971**		18,091		14,739
Rolling 5yr average coverage ratio (GAAP basis)		1.26		1.24		1.29		1.22		1.11
Underlying Profit attributable to shareholders		8,799		7,560*		20,747**		21,704		17,813
Rolling 5yr average coverage ratio (underlying basis)		1.26		1.24		1.34		1.32		1.24
Special dividend	13.5p	3,405					13.5p	6,620		

**Profits attributable to shareholders are after charging exceptional costs of £1.2m in relation to KIM acquisition-related costs.*

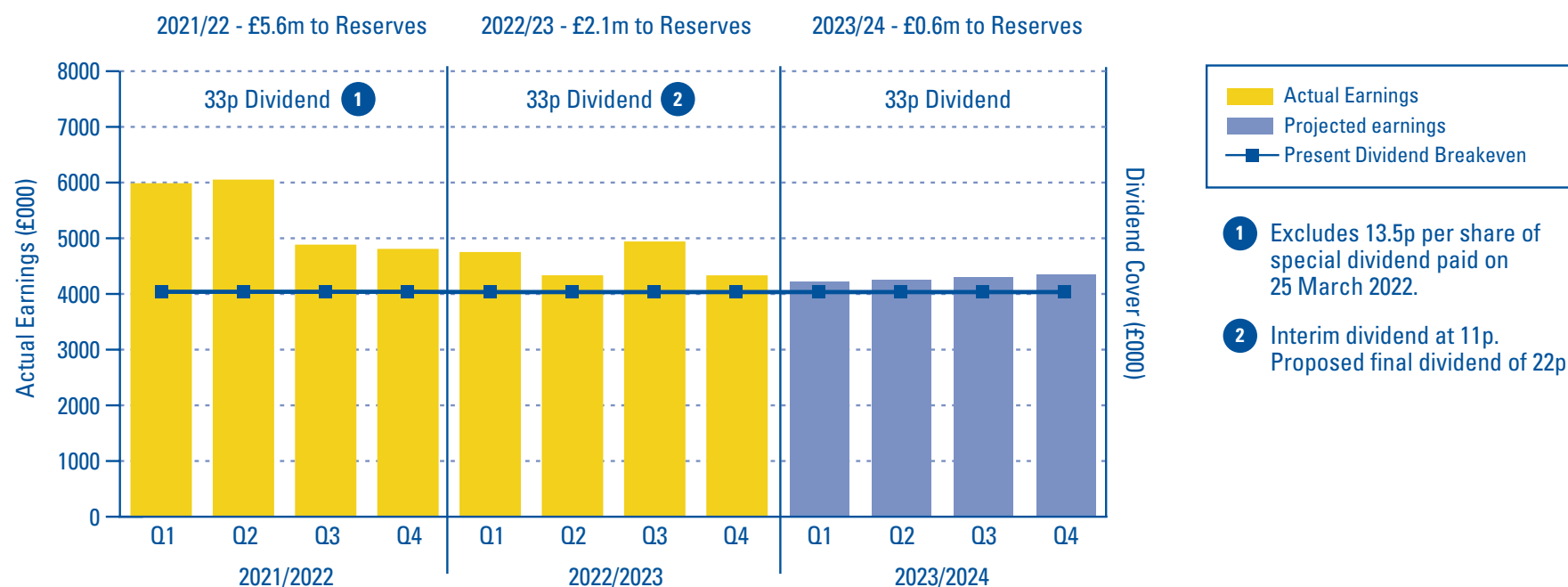
***Profits attributable to shareholders are after charging exceptional costs of £1.7m in relation to KIM acquisition-related costs.*

****Final Dividend proposed by Board, subject to shareholder approval at Annual General Meeting on 23 October 2023.*

Dividend Cover

CLIG Template – For Guidance Purposes Only*

Dividend Cover – Actual and Assumed Over Three Financial Years



- 1 Excludes 13.5p per share of special dividend paid on 25 March 2022.
- 2 Interim dividend at 11p. Proposed final dividend of 22p.

Key Assumptions:

- Number of CLIG Shares in issue (50.7m) less those held by the Employee Benefit Trust (2.0m) as at 30 June 2023
- Excludes unrealised gains/loss on seed and other investments
- Excludes amortisation of intangibles

- Starting FuM as at:
- Net increase in FuM in 2023/2024 (straight-lined to June 2024):
- Market growth:
- Corporation tax based on an estimated average rate
- Exchange rate assumed to be for entire period:

CLIM
 1-Jul-23
 US\$250m
 0%
 25%
 £1/\$1.25

KIM
 1-Jul-23
 US\$50m
 0%
 24%
 £1/\$1.25

*Any forward-looking statements are based on certain factors and assumptions that have not been independently verified, which may prove incorrect, and are subject to risks, uncertainties and assumptions relating to future events, the Group's operations, results of operations, growth strategy and liquidity.

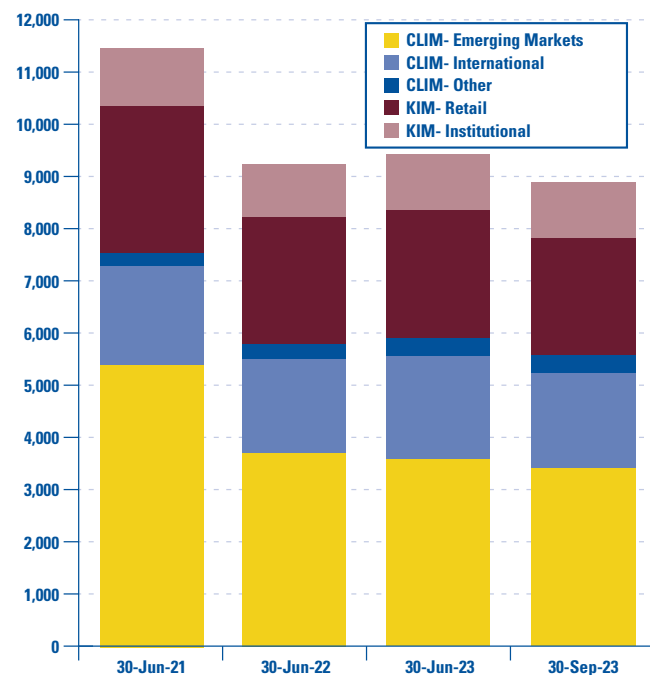
CLIG - FuM by Line of Business

CLIM	30-Jun-21			30-Jun-22			30-Jun-23			30-Sep-23		
	US\$m	% of CLIM Total	% of CLIG Total	US\$m	% of CLIM Total	% of CLIG Total	US\$m	% of CLIM Total	% of CLIG Total	US\$m	% of CLIM Total	% of CLIG Total
Emerging Markets	5,393	72%	47%	3,703	64%	40%	3,580	61%	38%	3,398	61%	38%
International	1,880	25%	17%	1,812	32%	20%	1,983	34%	21%	1,830	33%	21%
Other*	257	3%	2%	276	4%	3%	341	5%	4%	327	5%	4%
CLIM Total	7,530	100%	66%	5,791	100%	63%	5,904	100%	63%	5,555	100%	63%

KIM	30-Jun-21			30-Jun-22			30-Jun-23			30-Sep-23		
	US\$m	% of KIM Total	% of CLIG Total	US\$m	% of KIM Total	% of CLIG Total	US\$m	% of KIM Total	% of CLIG Total	US\$m	% of KIM Total	% of CLIG Total
Retail	2,804	72%	24%	2,419	70%	26%	2,441	69%	26%	2,244	67%	25%
Institutional	1,115	28%	10%	1,014	30%	11%	1,079	31%	11%	1,082	33%	12%
KIM Total	3,919	100%	34%	3,433	100%	37%	3,520	100%	37%	3,326	100%	37%
CLIG Total	11,449		100%	9,224		100%	9,424		100%	8,881		100%

*Includes OV, Frontier, REIT and others.

**Denotes pre-merger percentages



Net Investment Flows

(US\$000's)	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FY 2024 as of September 2023
Emerging Markets	(279,459)	(275,493)	(315,770)	(205,924)	(52,724)
International	551,102	(14,145)	452,554	(50,824)	(71,165)
Other*	66,692	(271,506)	75,002	29,233	(2,631)
CLIM total	338,335	(561,144)	211,786	(227,515)	(126,520)

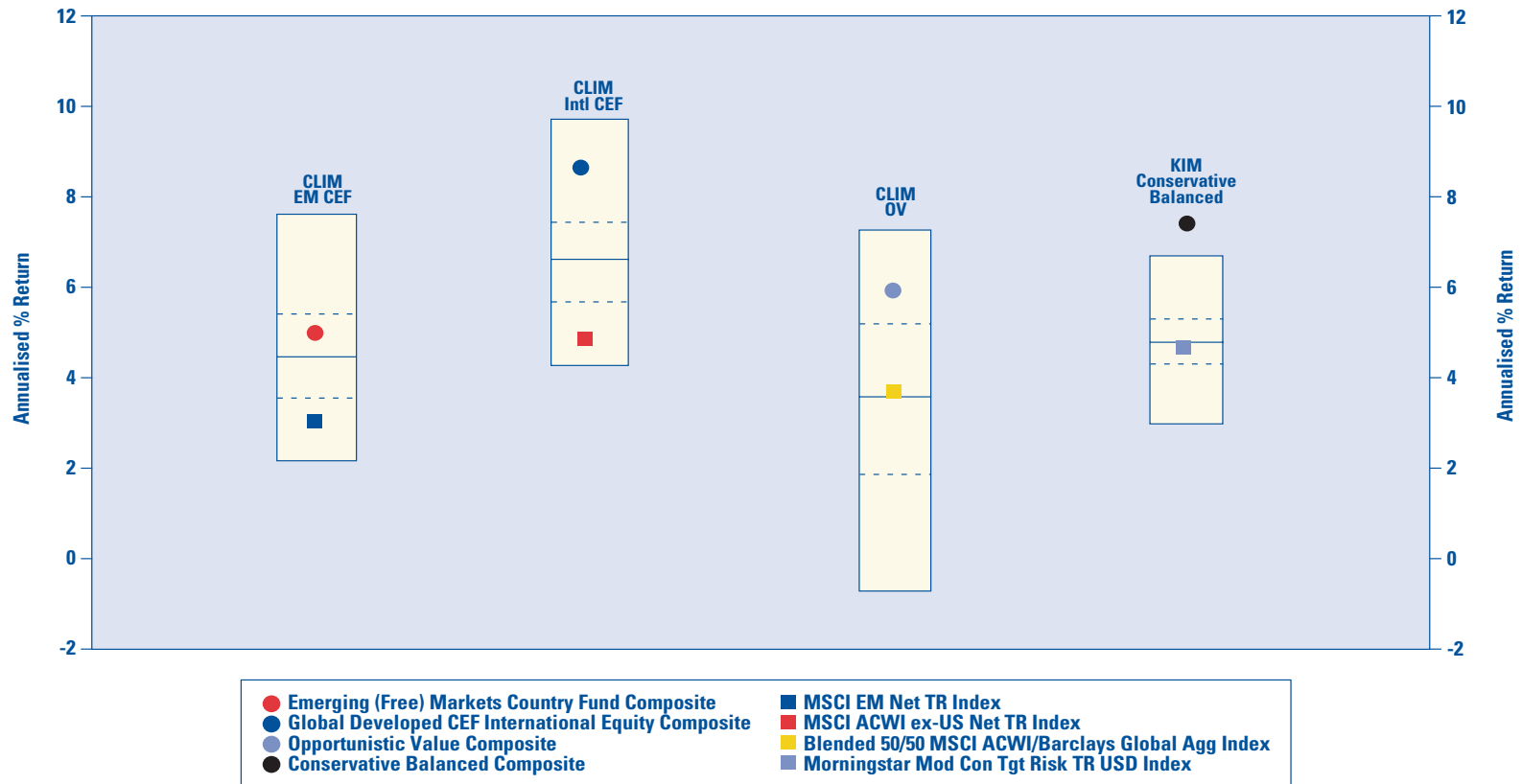
(US\$000's)	FYE 2020	FYE 2021**	FYE 2022	FYE 2023	FY 2024 as of September 2023
Retail	26,323	(104,222)	(106,444)	(141,952)	(28,635)
Institutional	(67,087)	(130,911)	(3,302)	12,530	3,244
KIM total	(40,764)	(235,133)	(109,746)	(129,422)	(25,391)

*Includes OV, Frontier, REIT and others.

**Includes net investment flows for Retail (24,407) and Institutional (20,264) pertaining to period before 1st October (pre-merger).

Ten Year Peer Group* Quartile Chart

- CLIG's subsidiary investment teams have produced above average long-term investment results for clients



*CLIM and KIM returns are compared to their respective eVestment and Morningstar universes. The Opportunistic Value Composite is shown since the strategy's inception on 1 September 2014. The above returns are annualized and presented as gross of fees performance figures, which do not reflect the deduction of investment management fees. The Emerging (Free) Markets Country Fund Composite and MSCI EM Net TR Index are shown against the eVestment Global Emerging Markets Equity Universe of which 93.1% has been updated. The Global Developed CEF International Equity Composite and MSCI ACWI ex-US Net TR Index are shown against the eVestment All ACWI ex-US Equity Universe of which 95.8% has been updated. The Opportunistic Value Composite and the Blended 50/50 MSCI ACWI/Bloomberg Global Agg Index are shown against the eVestment All Global Balanced/TAA Universe of which 86.2% has been updated. The KIM Conservative Balanced Composite and Morningstar Mod Con Tgt Risk TR USD Index are shown against the Morningstar Separate Accounts - U.S. - Moderately Conservative Allocation Universe. Data is as of 30 June 2023. Past performance is no guarantee of future results.

Source: eVestment Analytics System, BNY Mellon, CLIM, MSCI, Bloomberg, Morningstar, KIM

Growth Plans

- ▶ CLIM International and Opportunistic Value CEF Strategies c.\$2bn capacity; CLIM Emerging CEF Strategy c.\$300m capacity
 - All three strategies remain competitively positioned over market cycle
 - Closed end fund discounts at multi-year wide levels
 - Growth focus in 2023/24
- ▶ Increase range of covered investment markets, building on core expertise
 - Listed Private Equity and Infrastructure is drawing renewed client interest
 - CLIM hired experienced REIT team – EM & Intl REIT strategies seeded Jan 2019
 - EM REITs are a pocket of extreme value within global equity universe
 - Marketing focus in 2023/24
- ▶ KIM new marketing resources focused on HNW individuals and the RIA channel in the US
- ▶ KIM Municipal Bond CEF strategies c. \$1 billion capacity; US Fixed Income and US Equity CEF strategies c. \$1.2 billion capacity
 - US Closed-End Funds are trading at attractive discount levels
- ▶ Recruiting, encouraging and retaining team talent

...while maintaining low risk profile and lean cost base

Consolidated Income for Years Ended 30th June

	2023	2022
Funds under Management (at period end)	\$9.4b	\$9.2b
Year end exchange rate USD/GBP	1.2703	1.2178
	£'000	£'000
Gross fee income	57,326	61,294
Finder's commission	(1,522)	(1,599)
Custody & administration	(1,182)	(1,492)
Net fee income	54,622	58,203
Interest	444	(121)
Total net income	55,066	58,082
Total overheads	(22,453)	(19,706)
Operating profit	32,613	38,376
Profit-share	(8,656)	(9,162)
EIP/ share option	(1,291)	(1,332)
Pre-tax profit before Investment gain/(loss) and exceptional item	22,666	27,882
Investment gain/(loss)	573	(659)
Amortisation of intangibles	(4,641)	(4,051)
Pre-tax profit	18,598	23,172
Tax	(3,859)	(5,081)
Post-tax profit	14,739	18,091
Profit attributable to:	Non- controlling interests	0
	Equity shareholders	0
EPS	Basic	30.2p
	Diluted	29.6p
Dividend	Interim	11.0p
	Special	13.5p
	Final	22.0p

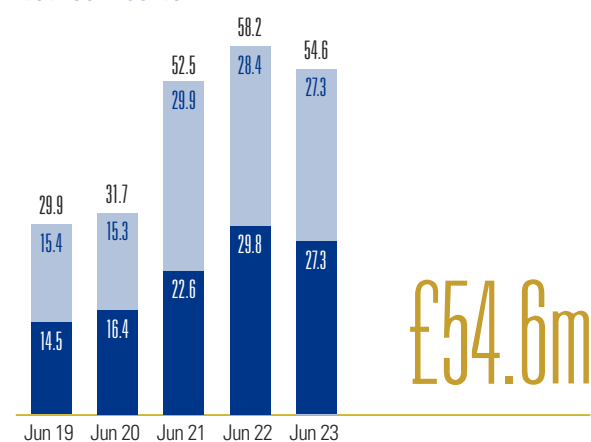
Comparison of CLIG's Operating Profit GBP vs US\$

	Year to 30th June 2023 £	Year to 30th June 2022 £	Change			Year to 30th June 2023* \$	Year to 30th June 2022* \$	Change	
			£	%				\$	%
Net fee income	54,622,286	58,203,284	-3,580,998	-6.2%		65,480,095	77,439,355	-11,959,260	-15.4%
Employee costs	24,756,241	23,532,973	1,223,268	5.2%		29,761,921	31,306,147	-1,544,226	-4.9%
Other administrative expenses	6,947,901	5,970,527	977,374	16.4%		8,382,266	7,928,529	453,737	5.7%
Depreciation and amortisation	5,336,767	4,747,116	589,651	12.4%		6,434,400	6,284,244	150,156	2.4%
Operating expenses	37,040,909	34,250,616	2,790,293	8.1%		44,578,587	45,518,920	-940,333	-2.1%
Operating profit	17,581,377	23,952,668	-6,371,291	-26.6%		20,901,508	31,920,435	-11,018,927	-34.5%

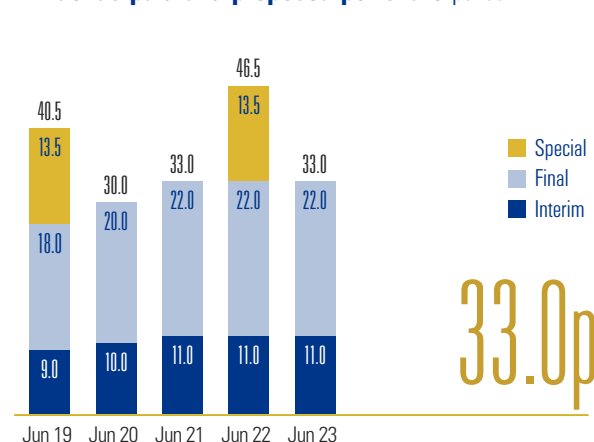
* Translated into US dollars at average GBP/US\$ rates of exchange of 1.33 in FY 2022 and 1.21 in FY 2023.

Financial Highlights

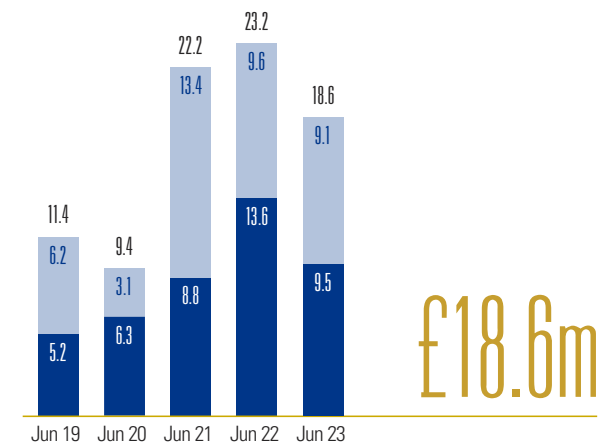
Net fee income £m



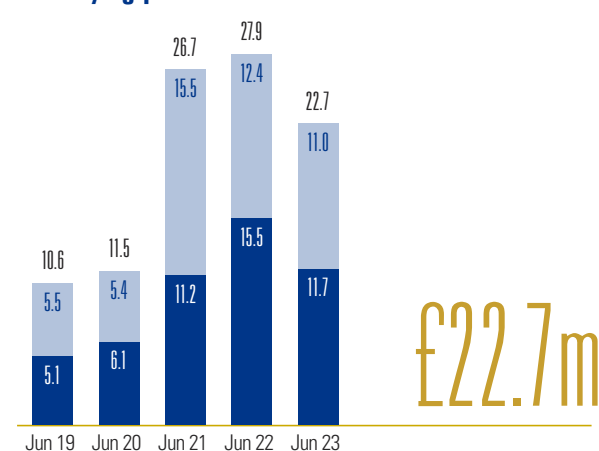
Dividends paid and proposed per share pence



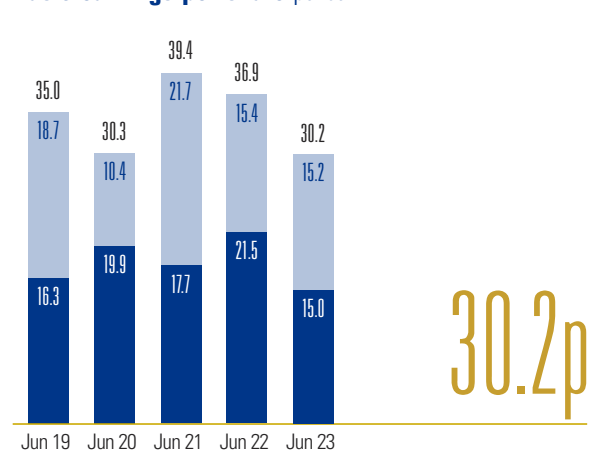
Profit before tax £m



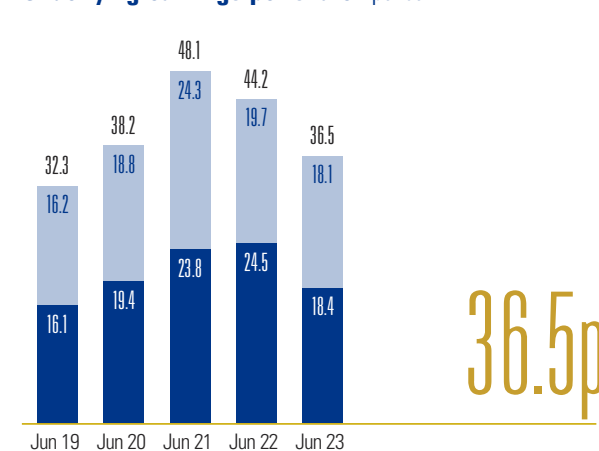
Underlying profit before tax* £m



Basic earnings per share pence

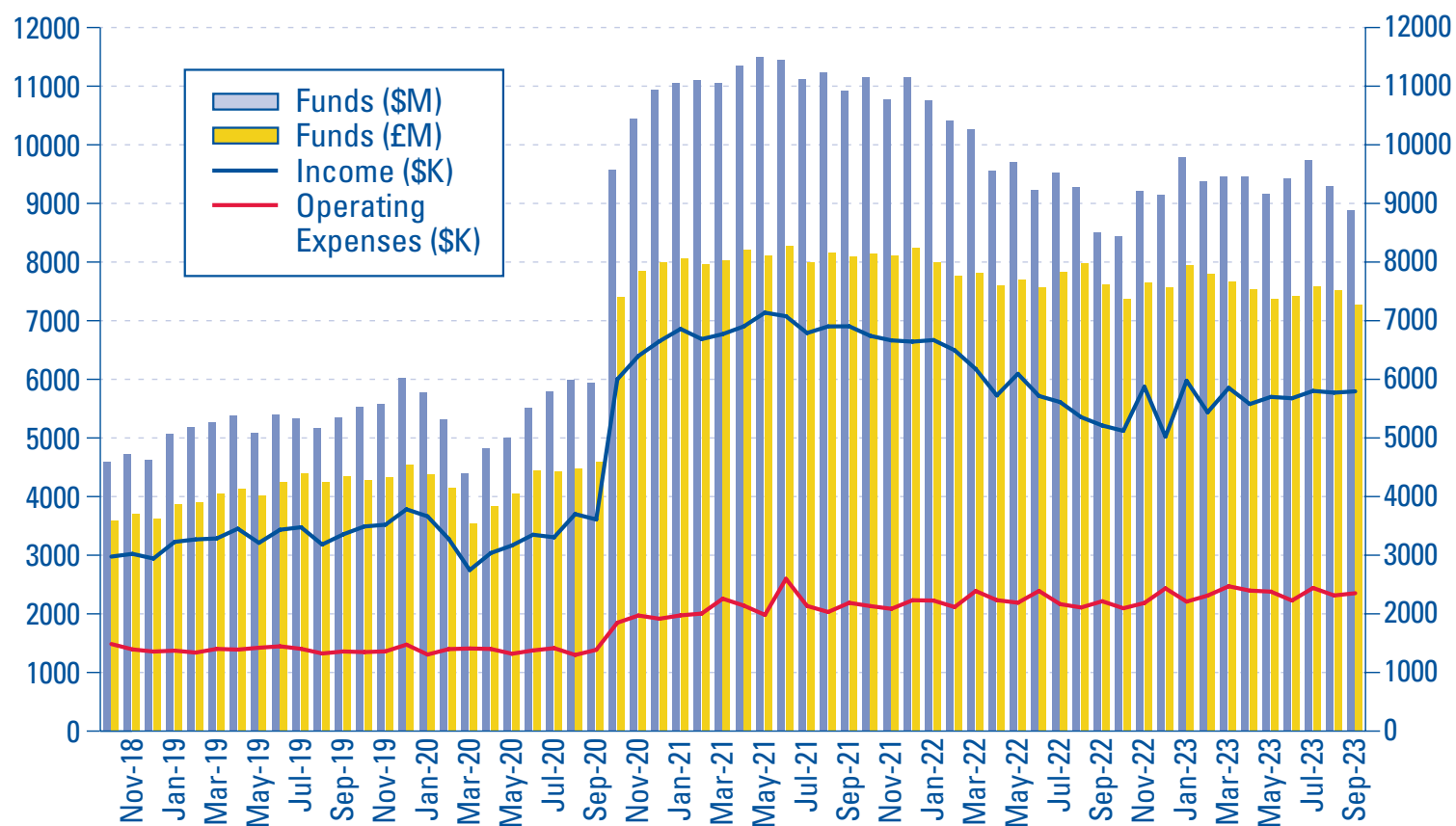


Underlying earnings per share* pence



*This is an Alternative Performance Measure (APM). ■ First half year ■ Second half year

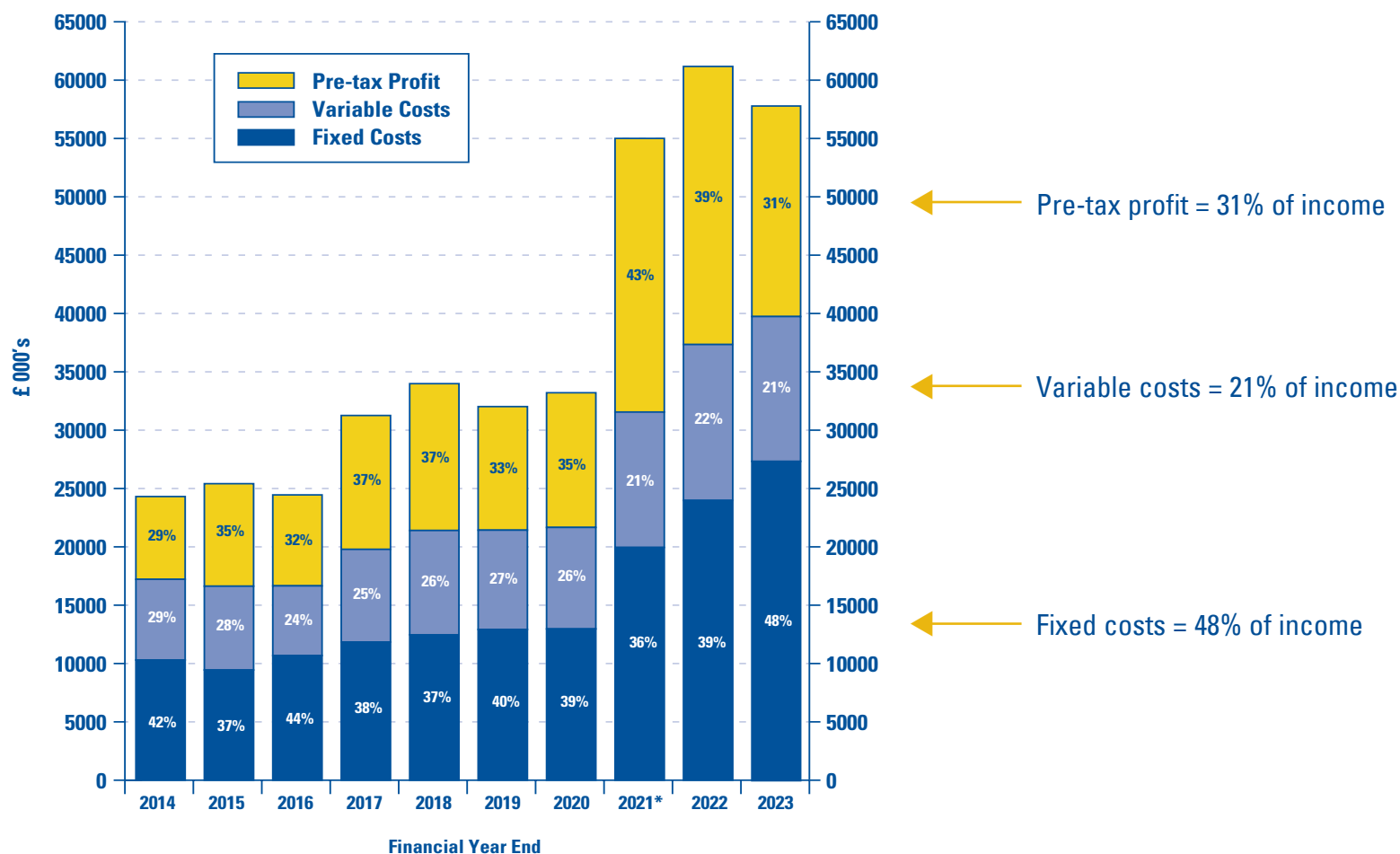
Rolling 60 Months Funds Under Management & Operating Profitability*



*Beginning October 2020, CLIG Funds Under Management ("FUM") reflects CLIM FUM + KIM FUM.
Please note that figures prior to July 23 have been converted to USD using a monthly average exchange rate.

Source: CLIG

Fixed Versus Variable Costs



*Includes 9 months of post-merger KIM costs.

Note: Excludes extraordinary items of income and expense (including acquisition-related costs of £1.2m in 2020 and £1.7m in 2021)

ESG at CLIG

Environment

- Engaged with a third-party environment consultant to enhance our climate-related disclosures on environmental risks and opportunities.
- Produced a stand-alone supplemental TCFD/GHG status report and published on CLIG's website.
- Converted Rochester office to primarily being powered by wind power generated in New York State.

Social

- Continue to refine and adjust the Group's hybrid WFH policy as employees return to offices.
- All employees received two focused diversity, equity, and inclusion trainings in the financial year-
1) Disrupting our unconscious bias and
2) Your words matter about disabilities
- For the decommissioning of the Coatesville office, worked with a third-party vendor to redeploy used office furniture within their network of local charities.

Governance

- Focused approach on diversity among the Board and senior management.
- Held Board meetings in London, Rochester, and Pennsylvania during the financial year, and events were held with local office employees to encourage interactions.
- In-person/ via video workforce engagement sessions with the Board.

Shareholders

As at 30 September 2023

	%
George Karpus	31.5%
Hargreaves Lansdown	7.8%
Aberforth Partners	7.1%
Interactive Investor	6.0%
AJ Bell Securities	2.8%
Rochester Area Community Foundation	2.8%
Halifax Share Dealing	2.3%
Dana Consler	2.0%
Barry Olliff	1.7%
Other Directors, Staff & EBT	10.0%
Subtotal	74.0%
Other	26.0%
Total	100.0%

The total number of ordinary shares in issue is 50,679,095.

Source: Bloomberg for shareholder name. Shareholding % as per company's share register.

Disclosures

City of London Investment Group plc (CLIG) (registered in England and Wales No. 2685257). City of London Investment Management Company Limited (CLIM) (registered in England and Wales No. 2851236) is a wholly owned subsidiary of CLIG. Both CLIM and CLIG have their registered office at 77 Gracechurch Street, London, EC3V 0AS, United Kingdom. CLIM is authorised and regulated by the Financial Conduct Authority (FCA) and registered as an Investment Advisor with the Securities and Exchange Commission (SEC). Karpus Management Inc. (KIM) (registered in the State of New York No. 1136419) is registered as an Investment Advisor with the SEC and is a wholly owned subsidiary of CLIG.

All reasonable care has been taken in the preparation of this information. No responsibility can be accepted under any circumstances for errors of fact or omission. Values may fall as well as rise and you may not get back the amount invested. CLIG's financial statements and calculations have been audited by an independent accounting firm up to and including 30th June, 2023.

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Changes in currency exchange rates will affect the value of the investment. Past performance is no guarantee of future results.

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