zeus

19 January 2026
For FCA purposes this is a Marketing Communication

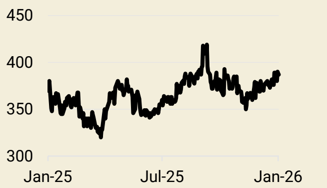
Corporate

Share Price 385p

Market Cap	£195m
Shares in Issue	50.7m
12m Trading Range	310p to 420p
Free Float	59%
Next Event	Interims: 24 Feb

Priced at 08.18 on 19/01/2026

Price performance (p)



Source: FactSet

Financial forecasts

YE, Jun (US$'m)	2024A	2025A	2026E
FuM opening	9,424	10,241	10,814
Revenue (net fee)	66.2	69.8	73.2
yoy growth (%)	*1.1*	*5.4*	*4.9*
Pre profit share	39.3	42.9	43.5
EBITDA	27.0	30.8	30.6
Adj. PBT	27.1	30.8	30.3
Adj. PAT	20.6	23.4	22.8
Exchange rate #	1.26	1.28	1.30
Adj EPS (p)	33.5	36.7	34.6
DPS (p)	33.0	33.0	33.0
Net cash (p)	52.8	51.5	51.5
P/E	11.5	10.5	11.1
EV/EBITDA	6.3	5.5	5.5
Cash conversion	1.05	1.03	1.00
FCF yield (%)	*8.7*	*9.5*	*9.0*
Dividend yield (%)	*8.6*	*8.6*	*8.6*

average exchange rate used to convert US dollar profit to earnings in pence per share

Source: Audited accounts and Zeus estimates

City of London Investment Group is a broker client of Zeus

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City of London Investment Group

CLIG LN - Financial Services

Preclose shows outperformance

Ahead of its interims on 24 February, CLIG's preclose confirms its funds under management (FUM) grew 4% to $11.2bn, with 65% of its FUM beating benchmarks

Highlights

- **FuM on 31 December 2025 totalled $11.2bn** up 4% on 30 June 2025 FUM of $10.8bn and by 15 January 2026 FUM had risen a further 2% to $11.6bn
- **Market & investment performance in the six month period added 12%**
  - **65% of CLIG's FUM outperformed**
    - CLIM Emerging Markets strategy grew 19.2%, beating its benchmark by 540bps
    - CLIM Listed Private Equity strategy grew 20.1%, beating its benchmark by 1620bps
    - Karpus Growth Balanced strategy grew 8.0%, beating its benchmark by 10bps
    - Karpus Conservative Balanced strategy grew 6.2%, beating its benchmark by 10bps
    - Taxable Fixed Income strategy grew 3.1%, beating its benchmark by 20bps
  - **35% of CLIG's FUM underperformed**
    - CLIM International Equity strategy grew e 11.9%, 40bps under its benchmark
    - CLIM Opportunistic Value strategy grew 5.9%, 90bps under its benchmark
    - Karpus Tax-Sensitive Fixed Income grew 4.3%, 30bps under its benchmark
    - Karpus Cash Management grew 2.0%, 30bps under its benchmark
    - Karpus Equities strategy grew 10.1%, 120bps under its benchmark
- **Net outflows for the six months totalled $853m**, with $247m inflows and $1,100m outflows
  - Gross outflows were *"characterised by client rebalancing"*, with 74% of outflows from those strategies which had outperformed their benchmarks

Current trading and outlook: "*The majority of strategies are currently reporting higher FuM levels than at the year end, reflecting the impact of favourable market conditions and investment team performance. These results highlight the stability of the portfolios during a period of mixed flow activity*."

Zeus view: With Group FuM up 4% in the six month period, we conclude our revenue and profit forecast for 2026 is prudent. We see scope to increase revenue and profits, when net inflows improve to reflect CLIG's excellent investment track records.

We leave adj EPS and DPS forecasts, unchanged.

Valuation: With CLIG's strategies outperforming, shareholders should feel comfortable with expectations that the dividend can be maintained, even in the absence of net inflows.

We set an end- 2026 target price of 412.5p based on an 8.0% dividend yield (*i.e. the average yield of peers: Brooks Macdonald 5.1%, Liontrust 7.4%, Premier Miton 12.0% and Polar Capital 7.4%*),: this is 7% upside from the current price of 385p.

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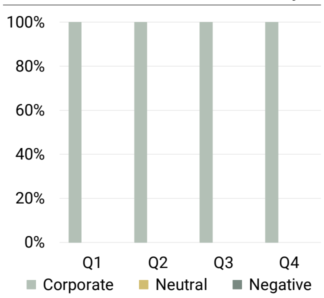

Recommendation distribution at 31 December 2025 Source: Zeus

Corporate Relationships

Nomad & Broker	43
Nomad & Joint Broker	24
Broker	15
Joint Broker	26
Financial Adviser & Broker	3
Financial Adviser	1
Research client	9

At 31 December 2025 Source: Zeus

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