

FUNDS UNDER MANAGEMENT - 31 Dec 20 TRADING UPDATE

Released : 20/01/2021

RNS Number : 2290M
City of London Investment Group PLC
20 January 2021

RNS Number:
City of London Investment Group PLC
20 January 2021

CITY OF LONDON INVESTMENT GROUP PLC
("City of London", "the Group" or "the Company")

FUNDS UNDER MANAGEMENT AS AT 31 December 2020,
TRADING UPDATE

City of London (LSE: CLIG), a leading specialist asset management group offering a range of institutional and retail products investing primarily in closed-end funds, announces that on a consolidated basis, as at 31 December 2020, FuM were US\$11.0 billion (£8.0 billion). This compares with US\$5.5 billion (£4.4 billion) at the Group's year end on 30 June 2020, which was before the merger with Karpus Management Inc ("KMI") on 1 October 2020 (the "Completion Date"). A breakdown by strategy follows:

	FuM (\$ million)			Net Flows	Strategy Index	
	Dec-20 (estimate)	Sep-20	% inc/dec			% inc/dec
EM	5,196	4,235	23%	(85)	MSCI EM Net TR	19.7%
INTL	1,700	1,355	25%	(2)	MSCI ACWI ex US	17.0%
OV	306	268	14%	0	ACWI/Barclays Global Agg	8.9%
Other*	27	82	-67%	(63)		
KMI	3,749	3,578	5%	(140)	Not applicable	
	10,978	9,518		(290)		

* includes Frontier, REIT and seed investments

Strong investment performance across CLIG's investment strategies resulted from significant discount narrowing and to a lesser extent good NAV performance.

During the period under review, CLIG flows were negative as clients rebalanced following significant equity market gains, with net outflows of circa US\$290 million across the Group's strategies.

With regard to business development, the Group continues to maintain an active pipeline across all of its major CEF offerings with an increased interest in the diversification CEF strategies.

Operations

Following the completion of the merger with KMI on 1 October 2020, the Group's income currently accrues at a weighted average rate of approximately 73 basis points of CLIM's FuM and at approximately 77 basis points of KMI's FuM, net of third party commissions. "Fixed" costs are c.£1.5 million per month, and accordingly the post-merger run-rate for operating profit, before profit-share is approximately £3.4 million per month based upon current FuM and a US\$/£ exchange rate of US\$1.367 to £1 as at 31 December 2020.

The Group estimates the unaudited profit before amortisation, exceptional items of c. £1.7 million in relation to the KMI merger and taxation for the six months ended 31 December 2020 to be approximately £11.6 million (2019: £6.3 million) and the unaudited profit before amortisation and taxation for the six months ended 31 December 2020 to be approximately £9.9 million (2019: £6.3 million).

Inclusive of our regulatory and statutory capital requirements, cash in the bank has risen from £14.6 million at 30 June 2020 to £17.5 million at the end of the calendar year, in addition to the seed investment of £4.1 million in the two REIT funds. Our cash reserves will allow us to continue managing the business conservatively through volatile markets while following our dividend policy for our shareholders.

The Company is currently in a close period which will end with the publication of results for the six months ended 31 December 2020 on 15 February 2021.

Dividend

In recognition of the improved results and having regard to the current dividend cover policy the Board has decided to increase the interim dividend by 1p to 11p per share, which will be paid on 19 March 2021 to shareholders registered at the close of business on 5 March 2021. (2019: 10 pence)

Dividend cover template

Please see dividend cover template attached here. http://www.rns-pdf.londonstockexchange.com/rns/2290M_1-2021-1-19.pdf

The dividend cover template shows the quarterly estimated cost of dividend against actual post-tax profits for last year, the current year and the assumed post-tax profit for next financial year based upon specified assumptions.

Barry Olliff's share sales

The Company wishes to inform that, subject to being in an open period, Barry Olliff, Founder and Director, wishes to refresh his selling intentions to sell 250,000 shares at each of 475p, 500p and 525p. In addition, the Company will no longer provide trading intentions for Mr. Olliff post 30 June 2021, which is the Company's year-end.

For further information, please visit <http://www.citlon.co.uk/> or contact:

Tom Griffith, CEO
City of London Investment Group PLC
Tel: 001-610-380-0435

Martin Green
Zeus Capital Limited
Financial Adviser & Broker
Tel: +44 (0)20 3829 5000

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTGPUUUGUPGGRB