

City of London Investment Group PLC Shareholder Presentation

October 2021



CITY OF LONDON
Investment Group PLC

Table of Contents

▶ Presentation Team	2
▶ Snapshot	3
▶ Our Strategies & Objectives	4
▶ Dividend Policy & History	5
▶ Dividend Cover	6
▶ Karpus Management Inc (“KIM”) Merger	7
▶ KIM Merger – Integration Status	8
▶ CLIG – FuM by Line of Business	9
▶ Net Investment Flows	10
▶ Five Year Peer Group Quartile Chart	11
▶ Growth Plans	12
▶ Appendices	13-18
▶ Disclosures	19

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, Group Director & 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 2021

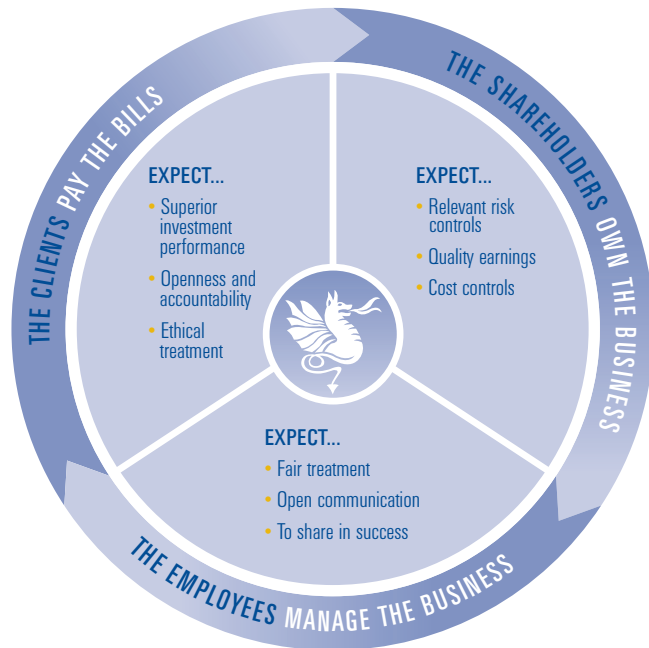
An established and growing pure-play asset management business:

- ▶ \$10.9b (£8.1b) 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 focused



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

	2016-17		2017-18		2018-19		2019-20		2020-21	
	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)
Interim	8p	2,027	9p	2,295	9p	2,270	10p	2,488	11p	4,736
Final	17p	4,331	18p	4,544	18p	4,505	20p	4,980	22p	9,473
Total	25p	6,358	27p	6,839	27p	6,775	30p	7,468	33p	14,209
Profit attributable to shareholders		9,290		10,060		8,799		7,560*		16,971**
Rolling 5 year average coverage ratio		1.09		1.17		1.26		1.24		1.29
Special Dividend					13.5p	3,405				

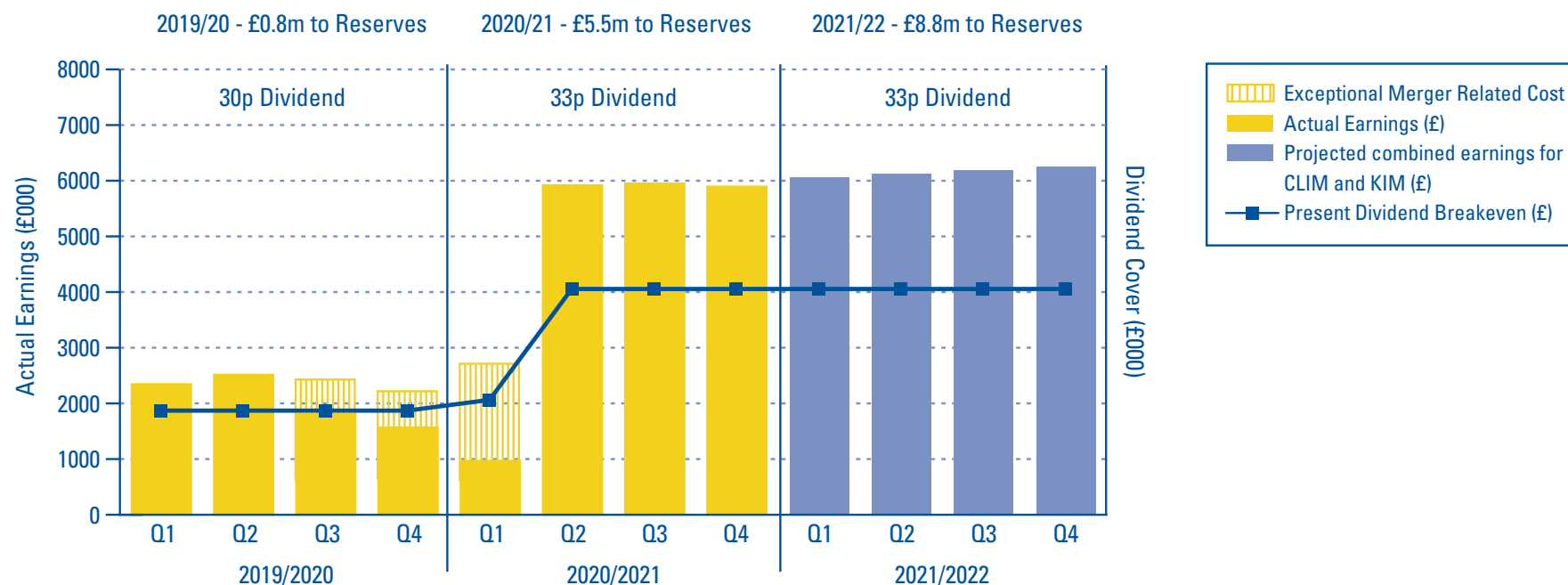
*Profits attributable to shareholders are after charging exceptional costs of £1.2m in relation to KIM acquisition-related costs.

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

Dividend Cover

CLIG Template – For Guidance Purposes Only*

Dividend Cover – Actual and Assumed Over Three Financial Years



Key Assumptions:

- Number of CLIG Shares in issue (50.7m) less those held by the Employee Benefit Trust (1.6m) as at 30th June 2021
- Excludes unrealised loss/gains on seed investments
- Excludes amortisation of any intangibles arising on the merger

- Starting FuM as at:
- Net increase in FuM in 2021/2022 (straight-lined to June 2022):
- Market growth:
- Corporation tax based on an estimated average rate:
- Exchange rate assumed to be for entire period:

	CLIM	KIM
1-Jul-21	US\$250m	US\$135m
Market growth:	0%	0%
Corporation tax based on an estimated average rate:	21%	24%
Exchange rate assumed to be for entire period:	£1/\$1.38	£1/\$1.38

*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.

Karpus Management Inc (“KIM”) Merger

- ▶ KIM well known to CLIG management for several years
- ▶ KIM is now a 100% wholly owned subsidiary of CLIG
 - All share transaction, equated to total consideration of £102m / \$132m*
 - KIM shareholders own 48% of CLIG via issuance of 24.1m new shares
 - George Karpus and concert party shareholders own c.38%** of CLIG
 - Lock-up agreement for 12 months hard (plus 12 months soft)
- ▶ Merger completed on 1st October, 2020
- ▶ Reinforces Group’s presence in US and offers client & asset class diversification
- ▶ Group dividend policy unchanged

**Based on closing share price on 30th September, 2020 of £4.22, used for completion of Merger on 1st October, 2020.*

***Voting rights limited to 24.99%*

KIM Merger – Integration Status

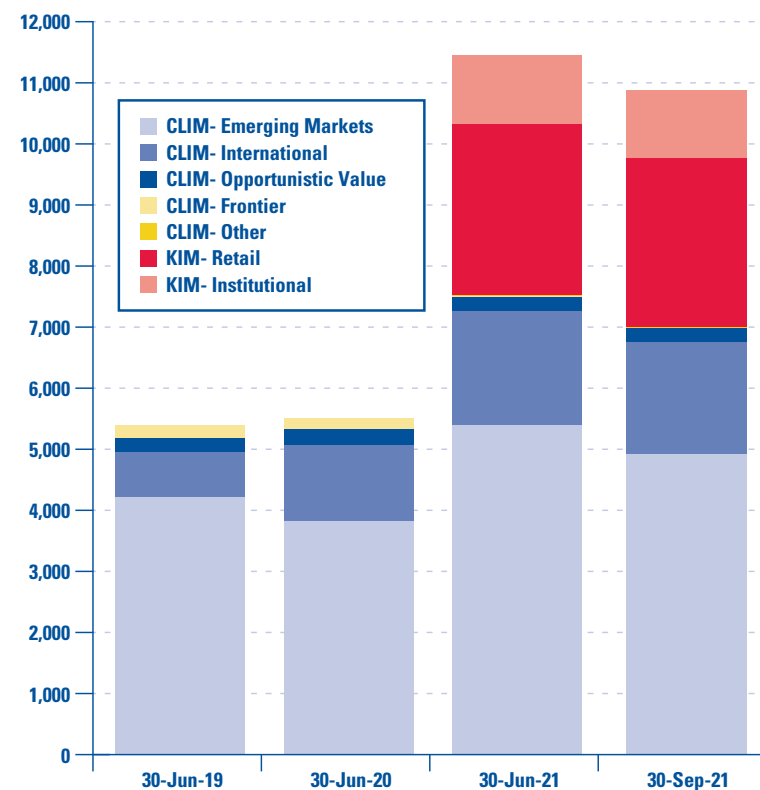
- ▶ Tom Griffith and Carlos Yuste appointed to KIM Board
- ▶ George Karpus retired as an executive at KIM on 30th September, 2020
- ▶ Management structure in place at KIM
- ▶ IT and Finance function integration in progress
- ▶ Investment Management teams remain independent and regulated separately

CLIG - FuM by Line of Business

CLIM (\$m)	30-Jun-19		30-Jun-20		30-Jun-21		30-Sep-21	
	% of CLIM		% of CLIM		% of CLIM		% of CLIG	
	US\$m	Total*	US\$m	Total*	US\$m	Total*	US\$m	Total
Emerging Markets	4,221	78%	3,828	69%	5,393	47%	4,937	45%
International	729	14%	1,244	23%	1,880	16%	1,840	17%
Opportunistic Value	233	4%	256	5%	231	2%	229	2%
Frontier	206	4%	175	3%	13	0%	10	0%
Other / REIT	7	0%	9	0%	13	0%	12	0%
CLIM Total	5,396	100%	5,512	100%	7,530	66%	7,028	64%

KIM (\$m)	30-Jun-19		30-Jun-20		30-Jun-21		30-Sep-21	
	% of KIM		% of KIM		% of KIM		% of CLIG	
	US\$m	Total*	US\$m	Total*	US\$m	Total*	US\$m	Total
Retail	2,291	67%	2,401	69%	2,804	24%	2,773	26%
Institutional	1,105	33%	1,087	31%	1,115	10%	1,117	10%
KIM Total	3,396	100%	3,488	100%	3,919	34%	3,890	36%
CLIG Total					11,449	100%	10,918	100%

*Denotes pre-merger percentages.



Net Investment Flows

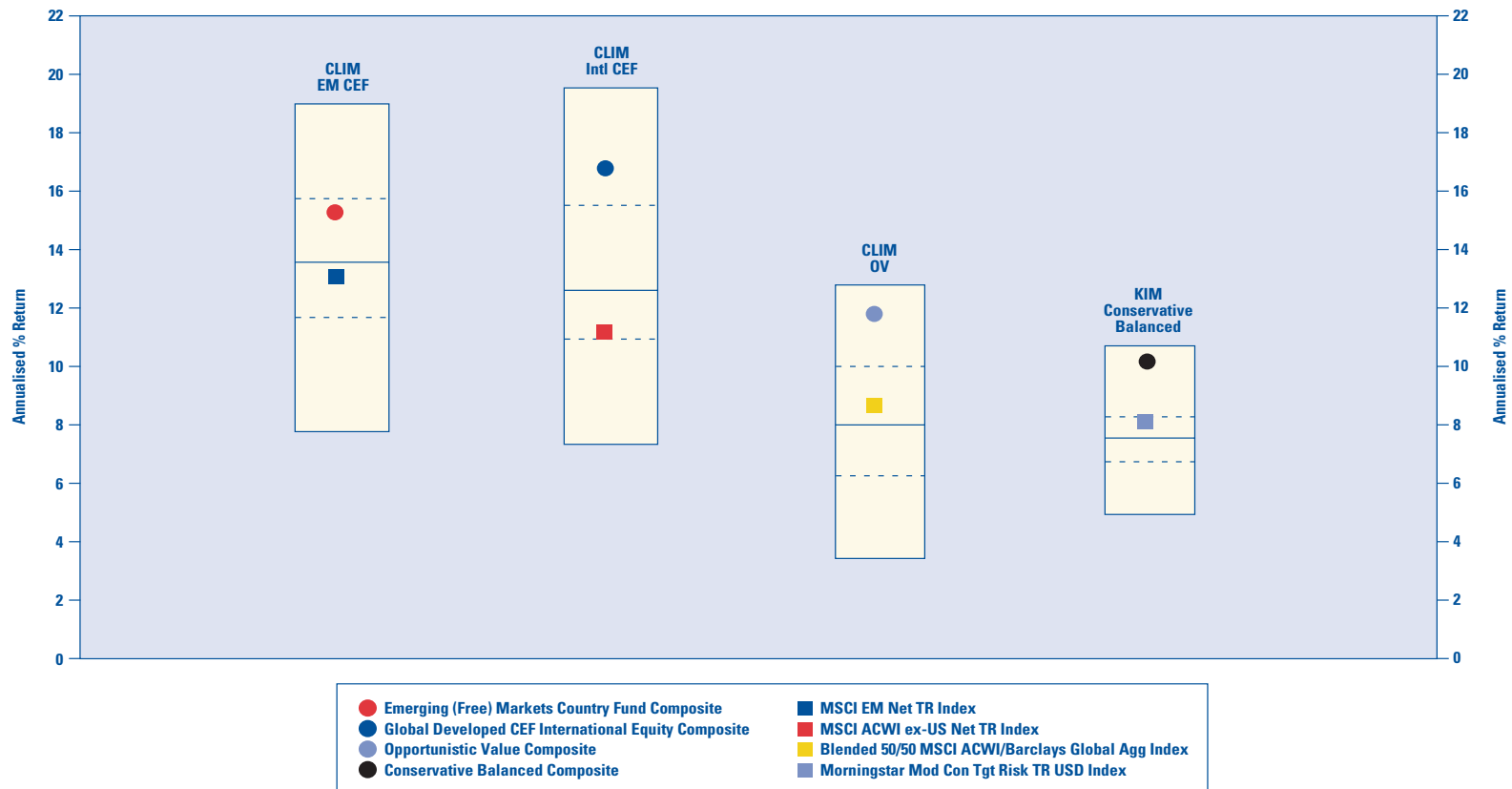
(US\$000's)	FYE June 2019	FYE June 2020	FYE June 2021	FY 2022, as of September 2021
Emerging Markets	(183,521)	(279,459)	(275,493)	(129,912)
International	252,883	551,102	(14,145)	(33,505)
Opportunistic Value	48,236	45,914	(102,663)	(3,150)
Frontier	(21,336)	16,178	(168,843)	(4,575)
REIT	6,000	4,600	-	-
CLIM Total	102,262	338,335	(561,144)	(171,142)

(US\$000's)	FYE June 2019	FYE June 2020	FYE June 2021*	FY 2022, as of September 2021
Retail	33,701	26,323	(104,223)	(5,101)
Institutional	9,050	(67,087)	(130,911)	4,774
KIM Total	42,751	(40,764)	(235,133)	(327)

*Includes net investment flows for Retail – (24,407) and Institutional – (20,264) pertaining to period before 1 October 2020 (pre-merger)

Five Year Peer Group* Quartile Chart

► CLIG's subsidiary investment teams have produced solid long-term investment results for clients



*CLIM and KIM returns are compared to their respective eVestment and Morningstar universes. 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 100% 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 100% has been updated. The Opportunistic Value Composite and the Blended 50/50 MSCI ACWI/Barclays Global Agg Index are shown against the eVestment All Global Balanced/TAA Universe of which 100% 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. - Allocation--30% to 50% Equity Universe. Data is as of 30 June 2021. Past performance is no guarantee of future results.

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

Growth Plans

- ▶ CLIM International and Opportunistic Value CEF Strategies ~\$2bn
 - Both strategies have achieved outperformance versus both peers and benchmark over a market cycle
 - Growth focus in 2021/22
- ▶ Increase range of covered investment markets, building on core expertise
 - CLIM hired experienced REIT team – EM & Intl REIT strategies seeded Jan 2019
 - Marketing focus in 2021/22
- ▶ KIM new marketing resources focussed on HNW individuals and the RIA channel in the US
- ▶ Recruiting, encouraging and retaining team talent

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

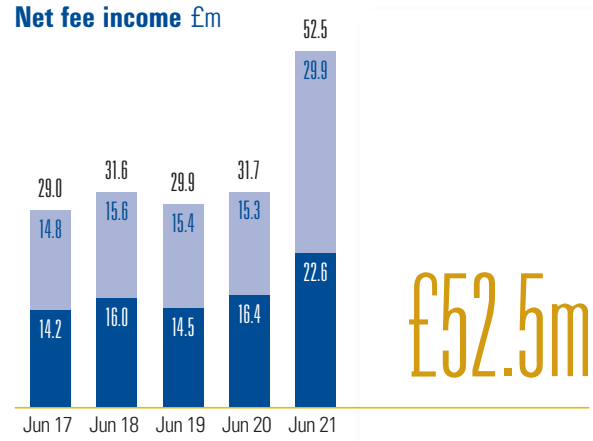
Consolidated Income for Years Ended 30th June

	2021	2020*	
Funds under Management (at period end)	\$11.4b	\$5.5b	
Year end exchange rate USD/GBP	1.3831	1.2401	
	£'000	£'000	
Gross fee income	55,123	33,263	
Finder's commission	(1,101)	(167)	
Custody & administration	(1,572)	(1,425)	
Net fee income	52,450	31,671	
Interest	(117)	(57)	
Total net income	52,333	31,614	
Total overheads	(16,712)	(12,967)	
Operating profit	35,621	18,647	
Profit-share	(7,923)	(6,180)	
EIP/ share option	(996)	(925)	
Pre-tax profit before Investment gain/(loss) and exceptional items	26,702	11,542	
Investment gain/(loss)	540	(887)	
Acquisition - related costs	(1,743)	(1,248)	
Amortisation of intangibles	(3,250)		
Pre-tax profit	22,249	9,407	
Tax	(5,259)	(2,041)	
Post-tax profit	16,990	7,366	
Profit attributable to:	Non- controlling interests	19	(194)
	Equity shareholders	16,971	7,560
EPS	Basic	39.4p	30.3p
	Diluted	38.8p	29.5p
Dividend	Interim	11p	10p
	Final	22p	20p

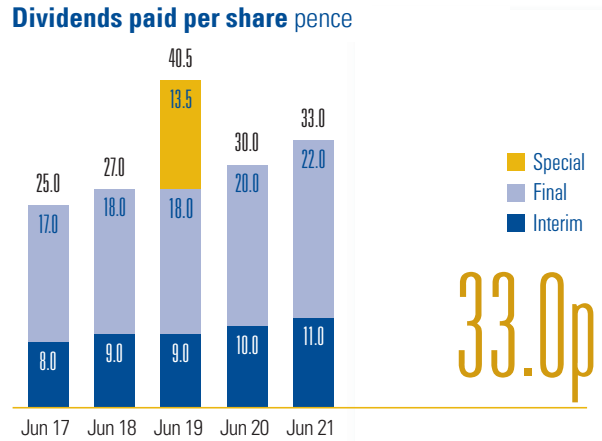
*Figures are prior to merger with KIM.

Financial Highlights

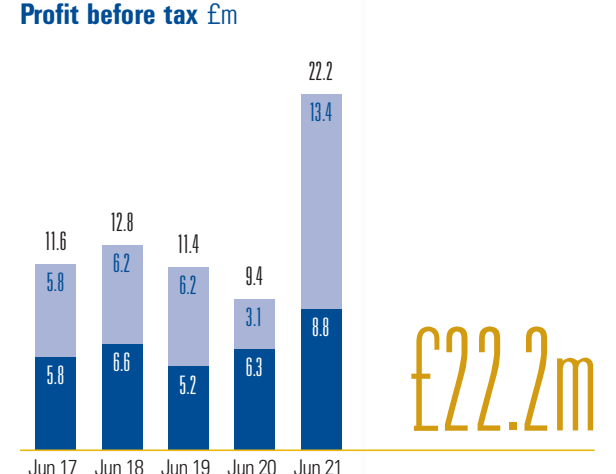
Net fee income £m



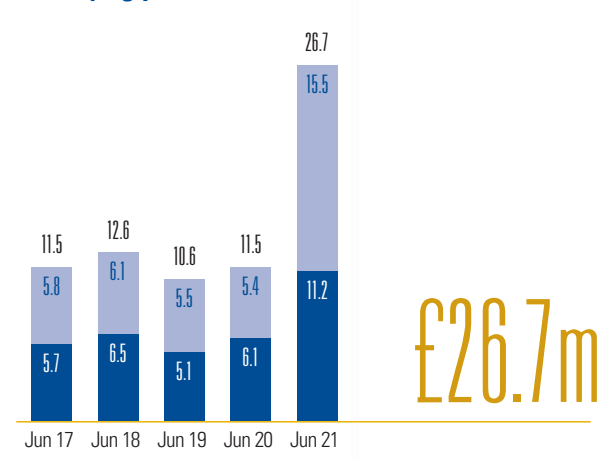
Dividends paid per share pence



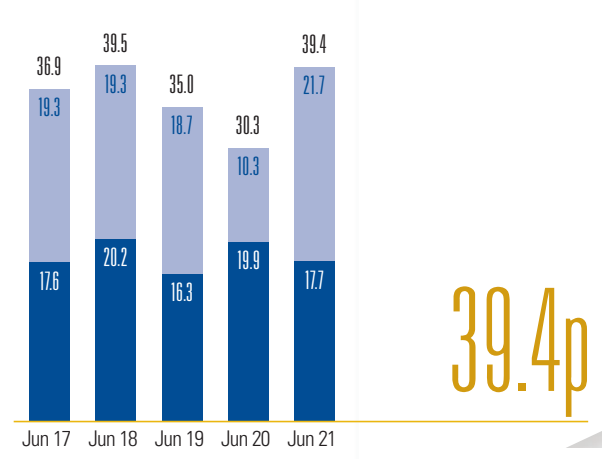
Profit before tax £m



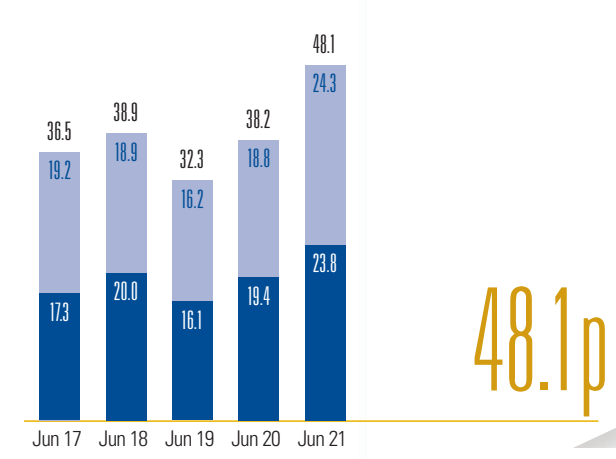
Underlying profit before tax* £m



Basic earnings per share pence

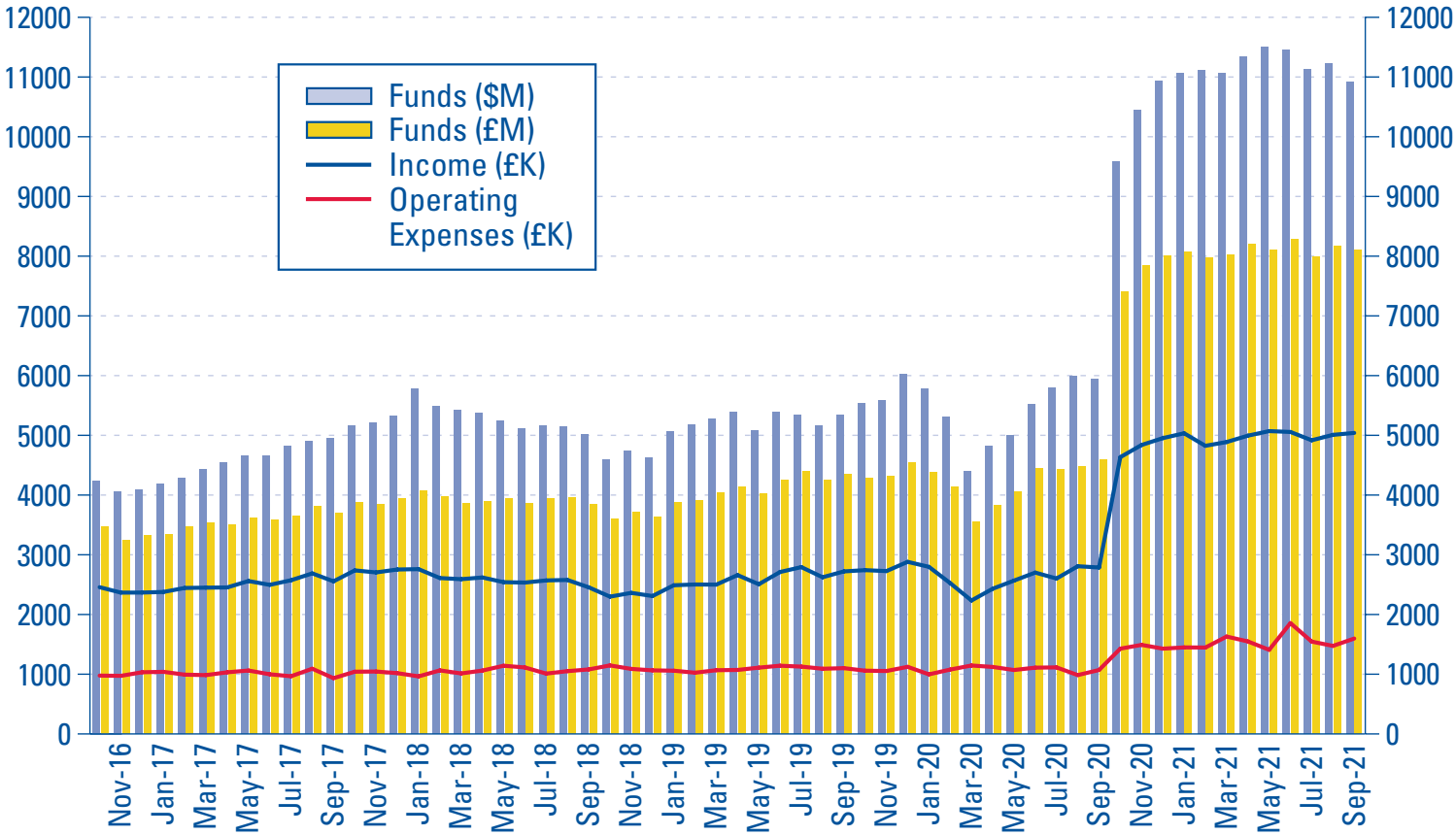


Underlying earnings per share* pence



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

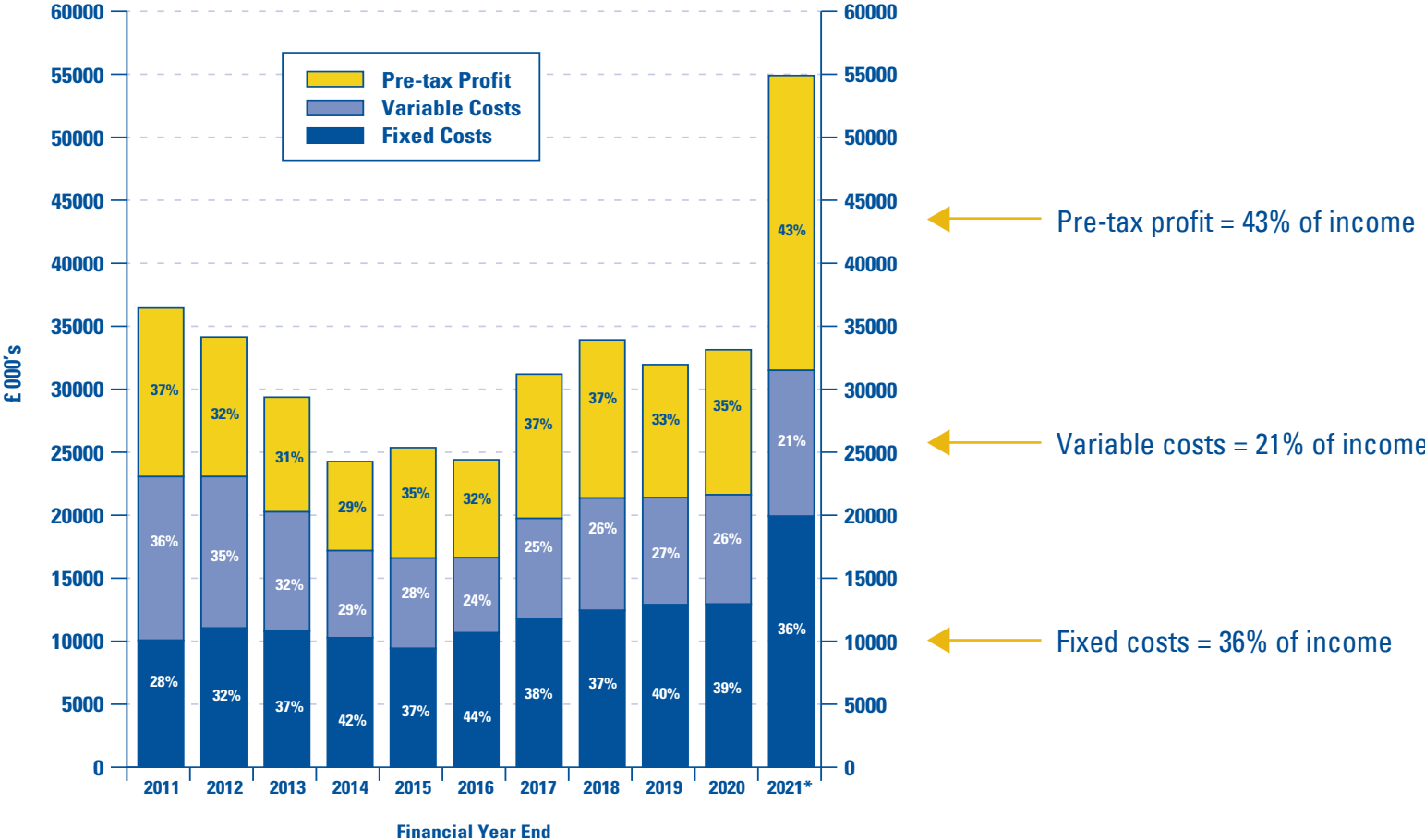
Rolling 60 Months Funds Under Management & Operating Profitability*



*Beginning October 2020, CLIG Funds Under Management ("FUM") reflects CLIM FUM + KIM FUM.

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

- Focused on incremental process improvements
- Constantly explored technological advances to reduce environmental impact
- Reviewed operational areas from a fresh perspective as a result of the pandemic

▶ Social

- Diversity – Established seven-person Diversity Working Group including CEO as a member
- Inclusion – Provided greater clarity and guidance on the expectations of employees
- Human Capital – Implemented policies during the year focused on employee behavior
- Human Capital – Conducted employee/manager specific trainings

▶ Governance

- Renewed focus on compliance with the 2018 UK Corporate Governance Code
- Enhanced Reporting in Annual Report and Group website
- Risk Management – Internal controls, regulatory compliance, and data protection and privacy

Shareholders

As at 30 September 2021

	%
George Karpus	31.5%
Aberforth Partners	7.1%
Hargreaves Lansdown	6.6%
Interactive Investor	5.0%
Rochester Area Community Foundation	2.8%
Barry Olliff	2.4%
St Lawrence University	2.0%
AJ Bell Securities	1.9%
Invesco	1.8%
Other Directors, Staff & EBT	10.0%
Subtotal	71.1%
Other	28.9%
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.

Important Notice

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), registered as an Investment Advisor with the Securities and Exchange Commission (SEC) and regulated by the Dubai Financial Services Authority (DFSA). 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, 2021.

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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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