PRE-CLOSE TRADING UPDATE for year to 30 June 2023

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City of London Investment Group PLC
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The information contained within this announcement is deemed by the Group to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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

PRE-CLOSE TRADING UPDATE for the year to 30 June 2023

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 ("CEFs"), provides a pre-close trading update for its financial year ended 30 June 2023. The numbers that follow are unaudited.

On a consolidated basis, Funds under Management (FuM) were US$9.4 billion (£7.4 billion) at 30 June 2023. This compares with US$9.2 billion (£7.6 billion) at the Group's year end on 30 June 2022. A breakdown by strategy follows:

	FuM ($ million)				Strategy Index	
	Jun-23	**Jun-22**	**%**	**Net**		**%**
	(estimate)		**inc/dec**	**Flows**		**inc/dec**
EM	3,580	3,703	(3%)	(206)	MSCI EM Net TR	1.7%
KIM	3,520	3,433	3%	(129)	Not applicable	
INTL	1,983	1,812	9%	(51)	MSCI ACWI ex US	12.7%
OV	244	193	26%	35	ACWI/Barclays Global Agg	7.5%
Other*	97	83	17%	(6)		
	9,424	**9,224**		**(357)**		

* includes Frontier, REIT and seed investments

Although wider discounts were a headwind for all CEF strategies, investment performance was ahead of benchmark for the bulk of CLIM's assets due to strong NAV performance in the Emerging Market strategy. The International strategy was slightly behind benchmark over the period while the Opportunistic Value strategy outperformed. KIM's taxable fixed income, conservative balanced and SPAC strategies outperformed their market indices over the period, while equity strategies lagged their benchmarks.

Net investment outflows were US$357 million for the Group over the period as clients reduced exposure to markets due to ongoing volatility, pension fund de-risking and competition from cash products. Attractive discounts across the strategies will be the focus of marketing efforts in the second half of 2023.

Operations

The Group's income currently accrues at a weighted average rate of approximately 71 basis points of FuM, net of third party commissions.

The Group's overheads for the year to 30 June 2023 are expected to be £22.5 million (2022: £19.7 million), primarily as a result of weaker sterling against USD as well as higher employee retention and retirement costs during the year. "Fixed" costs are c.£1.9 million per month, and accordingly the run-rate for operating profit, before profit-share and amortisation of intangibles is approximately £2.6 million per month based upon current FuM and a US$/£ exchange rate of US$1.2703 to £1 as at 30 June 2023.

For the year to 30 June 2023, the Group estimates that the unaudited profit before amortisation of intangibles and taxation

to be approximately £23.4 million (2022: £27.2 million profit before amortisation of intangibles).

Profits after an anticipated tax charge of £3.9 million (representing 21% of profits before taxation) will be approximately £14.8 million (2022: profits of £18.1 million after a tax charge of £5.0 million, representing 22% of profits before taxation). Basic and fully diluted earnings per share are expected to be 30.4p and 29.8p respectively (2022: 36.9p and 36.4p).

Dividend

The Board is proposing to recommend a final dividend of 22p per share (2022: 22p), subject to approval by shareholders at the Company's Annual General Meeting to be held on 23 October 2023. This would bring the total dividend payment for the year to 33p (2022: 33p, special dividend 13.5p). Rolling five-year dividend cover based on underlying profits, excluding the special dividend equates to 1.24 times (2022: 1.34 times).

The Board confirms the final dividend timetable for the year to 30 June 2023:

· Ex-dividend date:	28 September 2023
· Dividend record date:	29 September 2023
· DRIP election date/ deadline for currency election:	6 October 2023
· Announcement of USD dividend conversion rate:	13 October 2023
· Dividend payment date:	27 October 2023

City of London expects to announce its final results alongside publication of its Accounts for the year to 30 June 2023 on 18 September 2023. The Group's Annual General Meeting will be held on 23 October 2023.

City of London Investment Group is a UK registered company, listed on the London Stock Exchange and declares its dividends in GBP. Shareholders based in the US can now elect to receive dividends in USD, should they wish to do so. The currency conversion rate from GBP to USD will be fixed two weeks before the dividend payment date. The currency election form can be found on our website at https://www.clig.com/investor-reports/Currency-Election-Form-2022.pdf

Alternatively, overseas shareholders may be able to use the International Payment Service (IPS) and receive dividend payments direct to their bank account in local currency. Further information regarding the IPS including terms and conditions, costs and forms for signing up are available from Link Group at https://ww2.linkgroup.eu/ips.

Dividend cover template

Please see dividend cover template attached here. http://www.rns-pdf.londonstockexchange.com/rns/0093H_1-2023-7-24.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.

Functional and reporting currency change

The functional currency of the Company and the presentational currency of the Group will change to US dollars with effect from 1 July 2023.

The Group's revenue is almost entirely US dollar based and the Board believes that this change will provide investors and other stakeholders with greater transparency of the Group's performance and reduced foreign exchange volatility.

There will be no change in the Group's dividend policy, and dividends will continue to be declared in GBP with an option for shareholders based in the US to elect to receive dividends in USD.

Following the change in the Group's presentational currency with effect from 1 July 2023, the Group's interim results for the six-month period ended 31 December 2023, and all subsequent financial information, will be prepared using US dollars as the presentational currency. Comparative information will also be provided in US dollars as required by the relevant Accounting Standards.

For further information, please visit https://www.clig.com/ or contact:

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This release includes forward-looking statements, which may differ from actual results. Any forward-looking statements are based on certain factors and assumptions, 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.

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