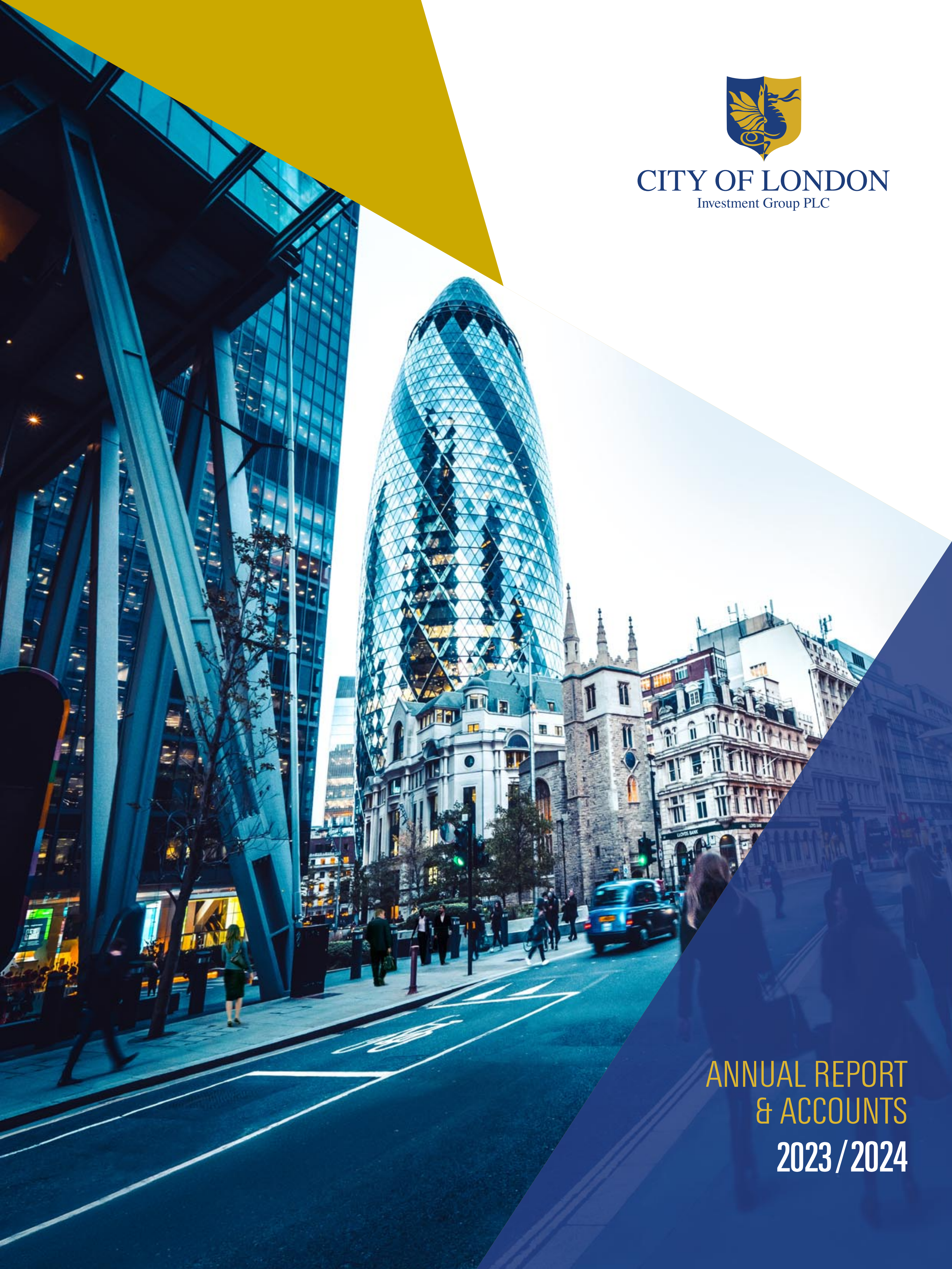


CITY OF LONDON
Investment Group PLC

ANNUAL REPORT & ACCOUNTS 2023/2024

CITY OF LONDON
Investment Group PLC

CITY OF LONDON
Investment Management Company Limited

KARPUS
INVESTMENT
MANAGEMENT

Our Purpose

The Group exists for the mutual benefit of our three primary stakeholders: Clients, Employees and Shareholders

Corporate statement

City of London Investment Group PLC (CLIG) is an established asset management group which built its reputation by specialising in global closed-end fund investments, via City of London Investment Management Company Limited (CLIM), with an institutional client focus.

Karpus Investment Management (KIM) also utilises closed-end fund strategies extensively in its investment activities for individual and institutional clients.

www.clig.co.uk

SUMMARY

Funds under Management (FuM) of $10.2 billion at 30th June 2024. This compares with $9.4 billion at the beginning of this financial year on 1st July 2023

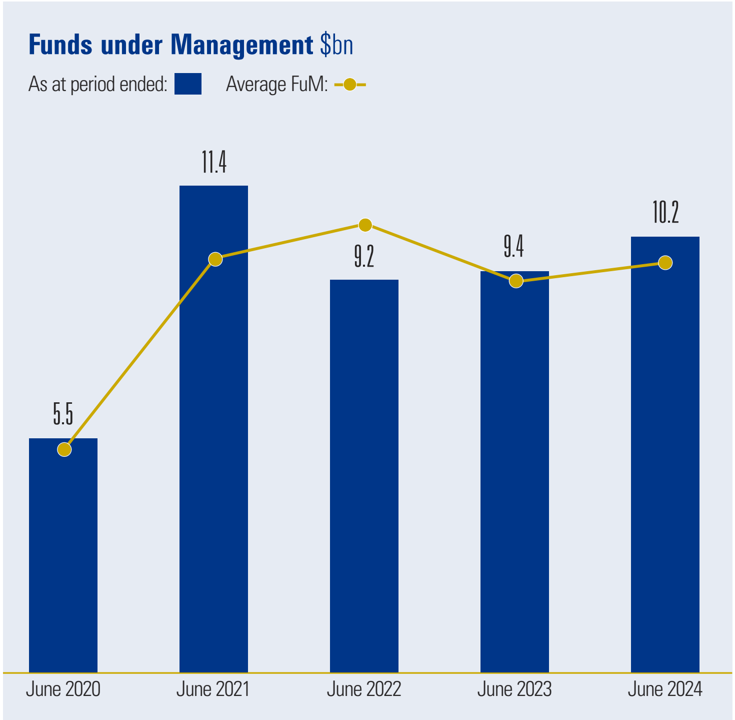
Net fee income was $66.2 million (2023: $65.5 million)

Underlying profit before tax* was $27.2 million (2023: $27.0 million). Profit before tax was $22.6 million (2023: $22.1 million)

Underlying basic earnings per share* were 33.5p (2023: 36.5p). Basic earnings per share were 27.8p (2023: 30.2p). after an effective tax charge of 24% (2023: 21%) of profit before taxation

Recommended final dividend of 22p per share (2023: 22p) payable on 7th November 2024 to shareholders on the register on 4th October 2024, making a total for the year of 33p (2023: 33p)

*This is an Alternative Performance Measure (APM). Please refer to page 30 for more details on APMs.



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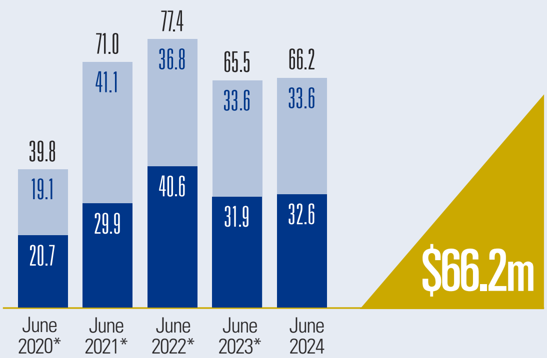
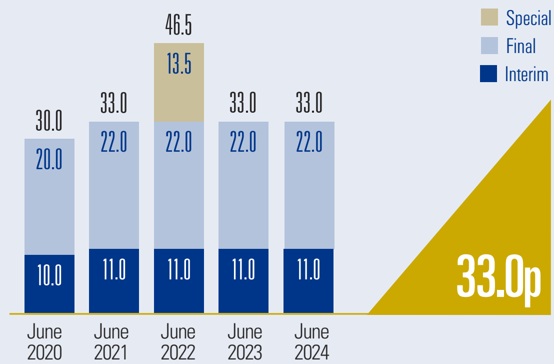
FINANCIAL HIGHLIGHTS

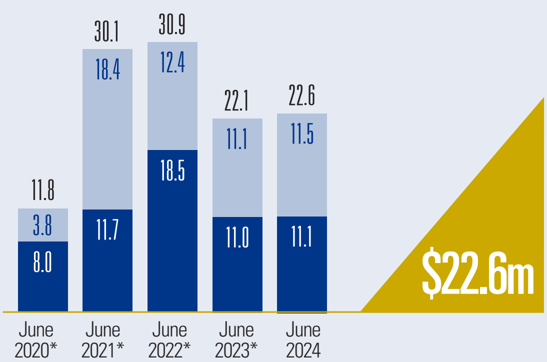
Net fee income $m



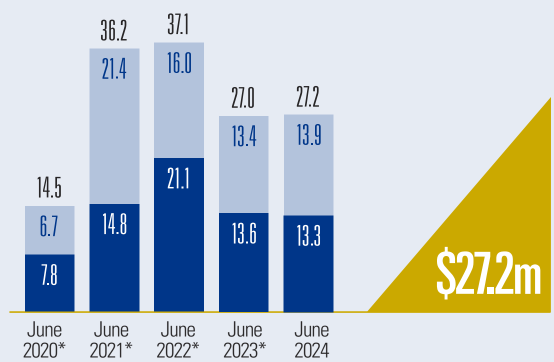
Dividends paid and proposed per share pence



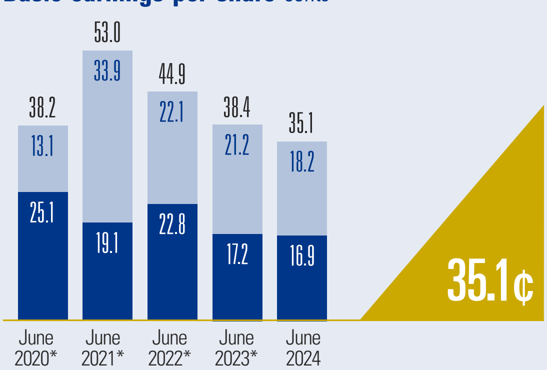
Profit before tax $m



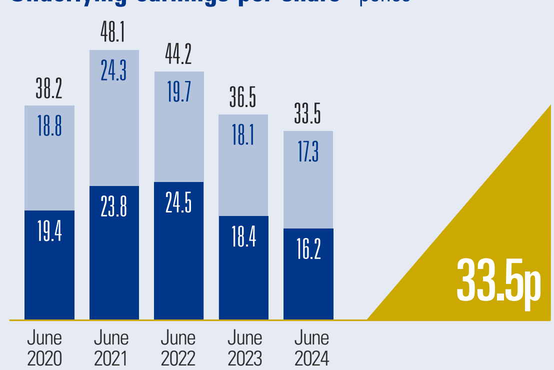
Underlying profit before tax† $m



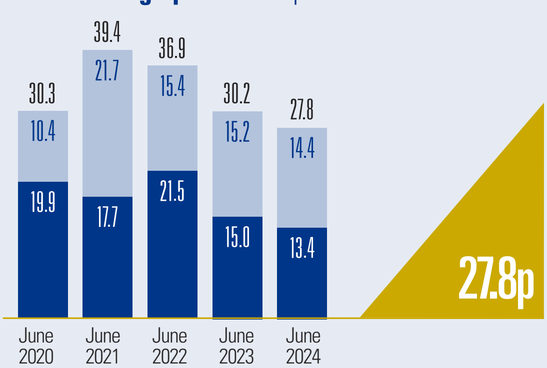
Basic earnings per share cents



Underlying earnings per share† pence



Basic earnings per share† pence



First half year   Second half year

** Comparative period results have been restated to US dollars using the average exchange rates in the relevant period.*

† This is an Alternative Performance Measure (APM). Please refer to page 30 for adjustments for amortisation of acquired intangibles and gain on investments and page 121 for calculation of earnings per share in pence.

AT A GLANCE

City of London Investment Group PLC (CLIG) is an established asset management group listed on the London Stock Exchange, consisting of two wholly owned subsidiaries that invest primarily in closed-end funds for the benefit of their respective clients

CITY OF LONDON
Investment Management Company Limited

City of London Investment Management Company Limited (CLIM) historically specialised in Emerging Markets and has expanded its range to include International, Opportunistic Value and Frontier strategies, primarily for institutional clients.

KARPUS
INVESTMENT
MANAGEMENT

Karpus Investment Management (KIM) provides closed-end fund strategies across all asset classes to wealth management clients in the United States.

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CHAIR'S STATEMENT

"Performance at CLIG has been strong and our teams have done well on an absolute basis and in their peer group rankings with all strategies in first or second quartile over five and ten-year timeframes. While our investment teams successfully navigated a complex environment, it was also a year of broad-based accomplishments for our non-investment teams."

Rian Dartnell Chair

Introduction

In my February interim statement, I had three objectives:

1. to remind readers of CLIG's conservative and collaborative culture;
2. to convey the strength of our teams; and
3. to highlight the attractive opportunity set our portfolio managers were detailing.

As we begin our 2024/2025 financial year, I am pleased to report Funds under Management (FuM) have grown, recovering to $10.2 billion as of 30th June 2024 and by c.22% from the lows reached last October. At that time, the confluence of weak bond markets and the sudden Middle East violence provoked severe declines in asset prices. International and Emerging Markets (EM) were in decline and closed-end fund (CEF) discounts were wide. Fortunately, our teams were energised and prepared to take advantage of the weakness.

Since late October, we have begun to enjoy positive momentum on a number of fronts. We have experienced the start of discount narrowing in a number of CEFs and lower inflation readings have supported bonds and powered very good performance from our KIM fixed income and municipal bond strategies.

Corporate governance has been a key focus and our teams at CLIM and KIM have been successful in engaging with CEF Boards to support discount control measures.

Performance at CLIG has been strong and our teams have done well on an absolute basis and in their peer group rankings with all strategies in first or second quartiles over five and ten-year timeframes. This strong relative performance provides opportunity for our sales and marketing teams which have been actively engaging with clients and a growing number of prospects. Our Global Strategy, managed by our talented International Developed CEF Equity team led by Mike Edmonds and Mike Sugrue, will have a three-year track record as of December 2024 and moves are underway to grow this strategy.

While our investment teams successfully navigated a complex environment, it was also a year of broad-based accomplishments for our non-investment teams. Our Relationship Managers and Executive Assistants at KIM and Marketing and Client Servicing teams at CLIM increased contact and information flow with clients and prospects, including the production of informative videos to highlight the strong capabilities of our investment teams and the attractive environment for increasing exposure to our strategies.

Our Operations and Information Technology teams set high goals for improving workflows and reducing errors across the Group with an ever-heightened focus on cybersecurity.

Our Finance team worked diligently to improve and streamline processes, including enhancing their budgeting process. As of 30th June 2024, the Group successfully completed its first year using the US dollar as its reporting currency. I would like to thank the Finance team for their diligence in preparing for and executing this transition.

From my vantage point, it was also a year in which the Group Executive Committee (GEC) further solidified its communications and processes. The current members of the GEC are Tom Griffith – CEO, Dan Lippincott – President of Karpus, Deepranjan Agrawal – Group CFO and Carlos Yuste – Head of Business Development. These individuals meet formally each week to assess detailed knowledge of Group activities and set priorities. Group management possess an ethos of continual improvement and are engaged in a series of initiatives to make the business more robust while managing risk and working proactively to enhance long-term returns for shareholders. In addition, at CLIM the Investment Management Resources and Operations Committee (IMROC) was formalised during the year to facilitate even better support and communication within the portfolio management teams.

ESG

The Group continues its commitment to the environment with continual efforts to reduce negative effects. We implemented a carbon offset programme to address our impact related primarily to air travel and other activities.

Diversity, equity and inclusion continue to be important areas of focus across the Group, with two dedicated training sessions per calendar year provided to all employees. Additionally, all employees receive regular monthly training programs to reinforce awareness of their role in protecting our technology network and infrastructure, with an elevated focus on cybersecurity.

The Group continues to be strongly committed to regular workforce engagement events. These sessions ensure the Non-Executive Directors (NEDs) maintain a good understanding of the many elements at play in the Group as well as the teams and individuals working to grow and improve the business. As mentioned in our interim statement, the Board spent over two days with employees last September at our Strategy Meeting in West Chester, Pennsylvania, participating in a mix of formal presentations, social and teambuilding events.

Your Board

Your Board maintained active oversight of Group activities during the year and engaged with employees on a frequent basis both in person on visits to Rochester, West Chester and London as well as during numerous video sessions.

I began my new role as Chairman in October 2023. One of my first activities was to work closely with our Nomination Committee to identify an excellent addition to our Board. Sarah Ing joined us in March of this year and is already making important contributions. Peter Roth continues to work diligently as Senior Independent Director as well as Chair of the Audit & Risk committee. Sarah Ing will become Chair of the Remuneration Committee at the conclusion of the Company's Annual General Meeting (AGM) in October 2024. Tazim Essani has notified the Board that, having completed her three-year term, she will not seek re-election. As we search for a new independent NED, we will ensure that the Board continues to be well-balanced with members possessing a good mix of skills and perspectives. Assuming I am re-elected as Chair at this year's AGM, we will begin the process of reviewing Chair succession as discussed in the Nomination Committee statement later in this report.

Dividends

Your Board formally reviewed the Group dividend policy and discussed it with management as part of our regular process. We continue to believe that the existing dividend policy will serve the Group well and formally voted to extend it. Our dividend policy of maintaining a 1.2 coverage ratio over a rolling five-year period has provided a useful structure and discipline since its adoption in 2014.

Management has plans in place for cost reductions of c.$2.5 million over the next financial year. Subject to approval by shareholders, we recommend a maintained final dividend of 22 pence per share, payable on 7th November 2024. Our annual dividend will therefore total 33 pence, providing an attractive yield for our shareholders. Please refer to page 10 for CLIG's dividend history.

CLIG remains debt-free and has a cash balance of $33.7 million as of 30th June 2024 (2023: $28.6 million) with the final dividend of 22 pence per share to be paid in November 2024.

CHAIR'S STATEMENT
CONTINUED

Shareholder engagement

Since our last AGM on 23rd October 2023, we have pursued a strategy of engagement with our largest shareholder and have had a series of constructive meetings. Discussions on strategy for CLIG's businesses have been ongoing and we welcome the positive engagement. We are making progress on a number of shared priorities, including growth and asset retention, maintaining our commitment to expense control and enhancing our focus on the management of our cash balances. I am pleased to report that relations with our controlling shareholder have been progressing well. All involved are happy to be moving forward steadily and on an even keel. We have also been engaging with our other shareholders and, as always, plan to maintain transparency in our ongoing dialogue.

Outlook

As I assess prospects, it gives me confidence to be a part of a Group with conservative business practices, dedicated and talented teams and a recurring cash flow business model. Positive momentum appears to be building at a time when a number of factors are improving. Discounts in CEFs remain at wide levels and ongoing corporate governance initiatives by our teams are gaining traction. Many CEF Boards have recently adopted share buyback and discount narrowing mechanisms. The level of inquiry and requests for proposals for International and EM mandates have improved markedly over the past six months.

After our AGM twelve months ago, your Board and members of Senior Management met to thank retiring Chairman Barry Aling for his outstanding decade of service to CLIG. Former Board Chairmen David Cardale and Andrew Davison were in attendance, both having supported and ably steered the Group from its early days. Tom Griffith, Carlos Yuste, Deepranjan Agrawal, Dan Lippincott and Mark Dwyer represented management, each with many years of excellent service. Together, this group of individuals embodied a timely reminder of the talent, consistency and determination of the team at CLIG.

CLIG successfully navigated a challenging year by sticking to its team-based approach, relying on process, while emphasising transparency and accountability to our clients and shareholders. The past twelve months have been a period of achievement for the Group and I want to thank our teams for their dedication and hard work.

Rian Dartnell
Chair

23rd September 2024

OUR ESG INITIATIVES

Environment

- Carbon offsets were purchased during the year, to offset all Group business travel and energy consumed by the Singapore office
- Our West Chester, Pennsylvania office is now sourced by renewable energy
- Additional environmental reporting and figures can be found on page 37 in our disclosures

Please refer to page 35 for the Group's environmental policy initiatives.

Social

- Continue to refine and adjust the Group's hybrid WFH policy
- The London and Pennsylvania offices offer internship programs affiliated with either the local community and/or local university, in order to provide opportunities for students to gain experience in the investment management industry.

Please refer to page 36 for the Group's social initiatives.

Governance

- Group-wide strategy meeting was held in September 2023 in West Chester, Pennsylvania office. All Group-wide employees and Board members were invited to attend, and the session included presentations, informal gatherings, and team-building exercises to foster workforce engagement with the Board
- Held Board meetings in London, Rochester, and Pennsylvania during the financial year, and events were held with local office employees to encourage interactions

Please refer to page 46 for our section 172 statement.

CHIEF EXECUTIVE OFFICER'S STATEMENT

"We saw an upward momentum swing in the second half of the financial year, making it a true game of two halves."

Tom Griffith Chief Executive Officer

Game of two halves

"Game of two halves" is a British phrase that is commonly used to describe football (soccer) matches that have very different outcomes in each half. In a wider context, the phrase can refer to a situation or event that is evenly split into two parts or halves, often with contrasting or opposing qualities or outcomes.

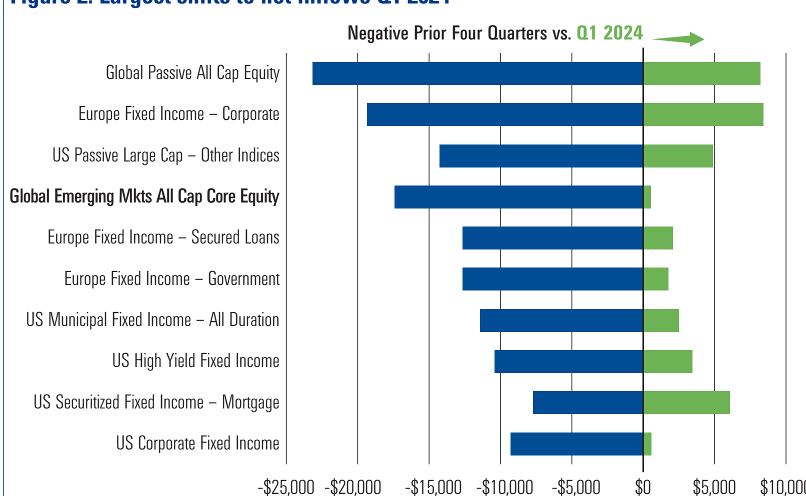
We saw an upward momentum swing in the second half of the financial year, making it a true game of two halves as Figure 1 illustrates. Net inflows of c.$42 million at KIM during the second half of the financial year is a significant development showing a change in investor sentiment, which also corresponded with a reduction in net outflows at CLIM. Performance, both on an absolute and relative basis, also improved across the bulk of our main strategies in the second half of the financial year. Funds under Management (FuM), driven primarily by higher market returns, increased by a greater percentage in the second half of the financial year.

As commented in recent Annual Reports, Emerging Markets (EM) strategies have been out of favour as an asset class for an extended period. However, there appears to be a momentum swing underway with a renewed interest in EM from institutional investors in the US marketplace. Most recently, this is evidenced by Figure 2, which shows a reversal of net outflows in 2023 from strategies focused on EM to net inflows in the first calendar quarter of 2024.

Figure 1. Relative results

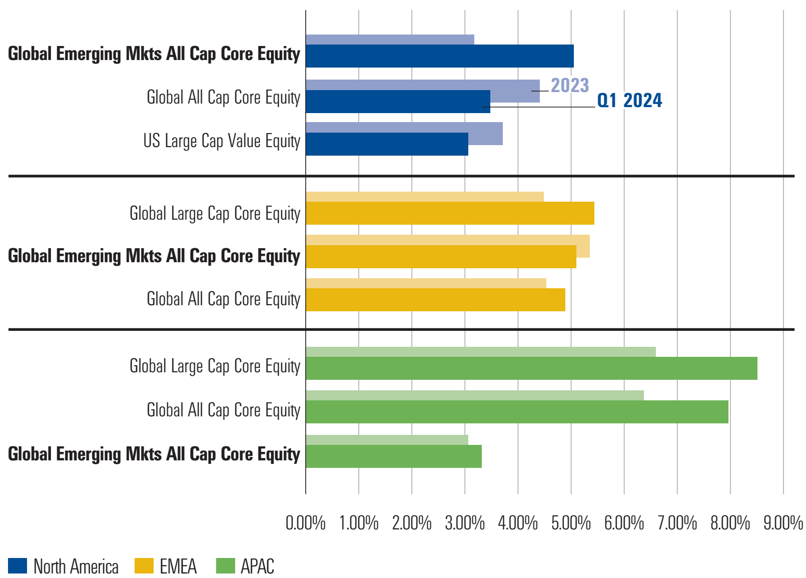
		Full year	Half year	
	FYE 2024 H2 vs H1	FYE 2024	FY-H1 2024	FY-H2 2024
Funds under Management				
FuM $ change (billions)	Improved	0.8	0.2	0.6
FuM % change	Improved	8.4%	2.1%	6.3%
Absolute Performance				
CLIM Emerging Markets Strategy	Improved	12.16%	4.59%	7.24%
CLIM International Strategy	Improved	13.00%	5.70%	6.90%
CLIM Opportunistic Value Strategy	Flat	13.10%	6.47%	6.20%
KIM Tax-Sensitive Fixed Income Strategy	Improved	8.99%	3.36%	5.45%
KIM Conservative Balanced Strategy	Improved	11.73%	4.22%	7.21%
Relative Performance				
CLIM Emerging Markets Strategy	Improved	-1.42%	-1.65%	0.33%
CLIM International Strategy	Improved	1.33%	0.07%	1.19%
CLIM Opportunistic Value Strategy	Improved	3.24%	0.69%	2.37%
KIM Tax-Sensitive Fixed Income Strategy	Improved	5.77%	-0.28%	5.85%
KIM Conservative Balanced Strategy	Improved	2.64%	-0.86%	3.39%
Net Flows ($'000)				
Group	Improved	(320,095)	(294,301)	(25,794)
CLIM	Improved	(316,257)	(248,582)	(67,675)
KIM	Improved	(3,838)	(45,719)	41,881

Figure 2. Largest shifts to net inflows Q1 2024



Source: Nasdaq eVestment Asset Flows

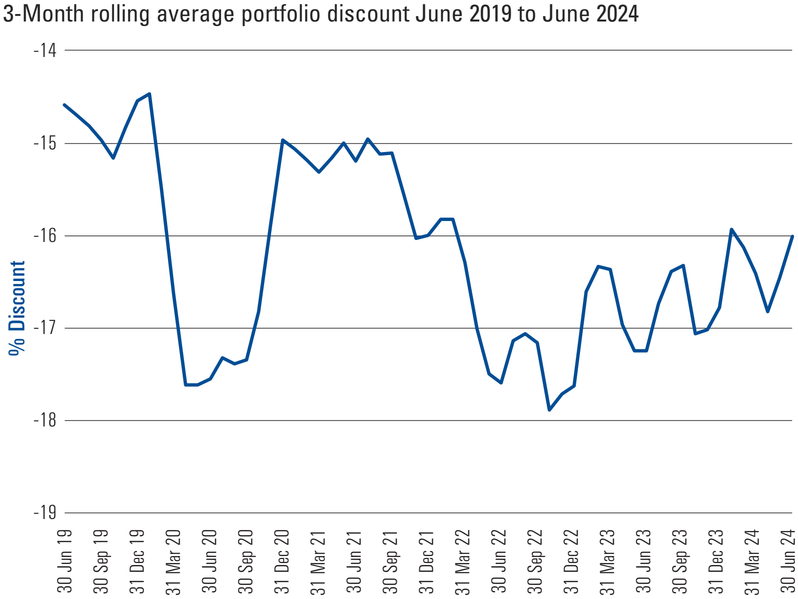
Figure 3. Primary areas of focus across regions: Q1 2024 vs Q1 2023



Source: Nasdaq eVestment Advantage

Figure 4. Size Weighted Average Discount (SWAD) – Representative Account*

3-Month rolling average portfolio discount June 2019 to June 2024



*Represents the largest segregated account managed against the S&P Emerging Frontier Super Composite Net TR BMI

Source: CLIM

A leading indicator in the institutional marketplace of potential future mandates and subsequent inflows is the volume of searches performed for a particular asset class. Our data on flows and searches in the investment management universe is from Nasdaq eVestment Advantage.

According to Nasdaq eVestment Advantage, EM strategies were a primary focus area for research undertaken by institutional investors globally and the top strategy researched by institutions in North America during Q1 calendar year (CY) 2024 as compared to Q1 CY 2023 as shown in Figure 3. Substantiating this trend further, more recent data obtained from eVestment shows a 32% increase in EM product searches across the investment universe from Q2 CY 2023 to Q2 CY 2024.

A positive view towards the asset class is only part of the story; there also needs to be a compelling reason for institutional asset allocators to choose an active manager. Figure 4 reflects the rolling 90-day Size Weighted Average Discount (SWAD) of the largest account in CLIM's longest-tenured EM composite over the past five years. While there has been some discount narrowing from the extremes in 2020 through 2022, the wide discounts reflect the value in EM CEFs.

CHIEF EXECUTIVE OFFICER'S STATEMENT

CONTINUED

Figure 5. CLIG – FuM by line of business ($m)

	30 June 2021			30 June 2022			30 June 2023			30 June 2024		
CLIM	$m	% of CLIM $m	% of CLIG total	$m	% of CLIM total	% of CLIG total	$m	% of CLIM $m	% of CLIG total	$m	% of CLIM $m	% of CLIG total
Emerging Markets	5,393	72%	47%	3,703	64%	40%	3,580	61%	38%	3,568	56%	35%
International	1,880	25%	17%	1,812	32%	20%	1,983	34%	21%	2,394	38%	23%
Opportunistic Value	231	3%	2%	193	3%	2%	244	4%	3%	251	4%	3%
Frontier	13	0%	0%	9	0%	0%	9	0%	0%	10	0%	0%
Other/REIT	13	0%	0%	74	1%	1%	88	1%	1%	94	2%	1%
CLIM total	7,530	100%	66%	5,791	100%	63%	5,904	100%	63%	6,317	100%	62%

	30 June 2021			30 June 2022			30 June 2023			30 June 2024		
KIM	$m	% of KIM $m	% of CLIG $m	$m	% of KIM total	% of CLIG $m	$m	% of KIM total	% of CLIG total	$m	% of KIM total	% of CLIG total
Retail	2,804	72%	24%	2,419	70%	26%	2,441	69%	26%	2,655	68%	26%
Institutional	1,115	28%	10%	1,014	30%	11%	1,079	31%	11%	1,269	32%	12%
KIM total	3,919	100%	34%	3,433	100%	37%	3,520	100%	37%	3,924	100%	38%
CLIG total	**11,449**		**100%**	**9,224**		**100%**	**9,424**		**100%**	**10,241**		**100%**

Figure 6. Dividend history

	Pence per share			Dividend cover*		Pence per share	
FY	Interim	Final	Total	1yr	Rolling 5yr	Special dividend	Total (inc. special dividend)
2005-06	8.6	–	8.6	1.48	n/a	–	8.6
2006-07	3.0	7.0	10.0	1.99	n/a	–	10.0
2007-08	6.0	13.5	19.5	1.51	n/a	–	19.5
2008-09	5.0	10.0	15.0	1.05	n/a	–	15.0
2009-10	7.0	15.0	22.0	1.28	1.46	–	22.0
2010-11	8.0	16.0	24.0	1.44	1.45	–	24.0
2011-12	8.0	16.0	24.0	1.40	1.34	–	24.0
2012-13	8.0	16.0	24.0	1.04	1.24	–	24.0
2013-14	8.0	16.0	24.0	0.87	1.24	–	24.0
2014-15	8.0	16.0	24.0	1.10	1.17	–	24.0
2015-16	8.0	16.0	24.0	0.96	1.07	–	24.0
2016-17	8.0	17.0	25.0	1.46	1.09	–	25.0
2017-18	9.0	18.0	27.0	1.47	1.17	–	27.0
2018-19	9.0	18.0	27.0	1.30	1.26	13.5	40.5
2019-20	10.0	20.0	30.0	1.01	1.24	–	30.0
2020-21	11.0	22.0	33.0	1.46	1.34	–	33.0
2021-22	11.0	22.0	33.0	1.34	1.32	13.5	46.5
2022-23	11.0	22.0	33.0	1.11	1.24	–	33.0
2023-24	11.0	22.0	33.0	1.01	1.19	–	33.0

Proposed dividend *Excluding special dividends Source: CLIG

Annual results

The Group's FuM increased by 8.8% from $9.4 billion to $10.2 billion, revenue by 1.0% from $65.5 million to $66.2 million, and net client outflows of $320 million. All strategies other than EM had positive relative performance over the financial year.

Profit before profit-share, EIP, share option charge and investment gains* was $39.3 million (2023: $39.0 million), profit before tax was $22.6 million (2023: $22.1 million) and profit after tax was $17.1 million ($17.5 million). Underlying profit after tax was $20.6 million (2023: $21.2 million); the difference to the profit after tax was due to the adjustment of gain on investments and amortisation of intangibles (net of tax). Refer to page 30 for further information.

Inclusive of our regulatory and statutory capital requirements, cash and cash equivalents were $33.7 million (2023: $28.6 million).

As a result of this financial performance, we are happy to announce that the Board has once again recommended a final dividend of 22p per share (2023: 22p), subject to approval by shareholders at the Group's Annual General Meeting (AGM) to be held on 28th October 2024. This would bring the total dividend for the year to 33p per share (2023: 33p). Rolling five-year dividend cover based on underlying profits is 1.19 (2023: 1.24), slightly below our target of 1.20. Please refer to Figure 6 for CLIG's dividend history and our website at **https://clig.com/dividend-cover/** for the dividend cover chart, which provides a template for determining cover based on a number of variables.

The Group changed its presentational currency this year, having reported its FY 2023 results in sterling ahead of a switch to US dollars. Consistent with previous years, the Group's revenue is almost entirely in US dollars, whilst the costs are approximately two-thirds in US dollars and the remaining one third are primarily in sterling. A stronger US dollar improves our profit through making the sterling-incurred costs relatively lower. Conversely, a weaker US dollar relatively increases the weight of those sterling costs as well as the impact of the sterling-denominated dividend, while the US dollar revenue is flat.

The US dollar weakened by an average of 4% during the year as compared to sterling and negatively impacted the Group's profit before profit-share, EIP, share option charge and investment gains* by c.$0.4 million.

*Refer to page 30 for the financial review.

Share Price KPI

CLIG targets a total return (share price plus dividends) to compound annually in a range of 7.5% to 12.5% over a five-year period. For the five years ended 30th June 2024, the total return was 34.7%, or 6.2% annualised (source, Bloomberg). The environment for UK listed asset managers has been negative for the past three years due to the broader shift of underlying investors to passively managed vehicles. We go into additional detail on the underlying investment performance and flows in the Business and Investment Review on page 12, which provides additional information to shareholders on our market positioning.

Cybersecurity

On 19th July 2024, a software update by CrowdStrike impacted machines running Microsoft Windows' operating system. This widespread incident demonstrated the vulnerability of global systems to IT and cybersecurity events. In this case there was no malicious actor involved but there often is, and that constitutes one of the most significant and real risks the company faces. CLIG was well prepared to mitigate the CrowdStrike incident, with our Singapore office providing an early warning system and both the London and US teams working out-of-hours to execute our incident response policy. Consequently, all offices were fully functional by the time the US markets opened, minimising the potential impact.

To mitigate the wider cybersecurity risk, we provide monthly training and education to employees. Additionally, our IT department continues to increase their use of cyber defence tools and procedures, working alongside our third-party cybersecurity vendor who leverage their extensive capabilities to oversee our Security Operations Centre.

Environmental reporting update

In the previous years, we have committed to:

- Continue to develop our understanding of climate-related risk at Board level and across the employee base;
- Identify and review the tools to enhance our understanding of how climate-related risks impact our business;
- Continue to develop our path to a net zero transition; and
- Make a commitment to reach net zero emissions by a particular date, which is 2050 at the latest.

As we reported in our interim statement, CLIG completed its first offset of carbon emissions. The Group purchased carbon credits for the carbon emitted primarily from business travel undertaken by Group employees during the current financial year. CLIG's offset purchases come from the Gold Standard marketplace.

We note recent market developments, specifically from The Integrity Council for the Voluntary Carbon Market and their ongoing carbon-crediting programs that meet the high-integrity criteria set out in its Core Carbon Principles (CCPs). Gold Standard is amongst the programs to become CCP-eligible. For any future offsets, we will also consider CCP labelling. The Group remains open about documenting its emissions and documenting the steps we are taking to avoid, eliminate and reduce where we can, and to offset what we cannot.

One of the perennial themes at CLIG is "constant improvement," and so we look forward to seeing how carbon offset standards evolve and how we can best position ourselves to ensure any offsets we purchase are put towards robust emissions reduction projects.

Please see page 42 for additional information on these important initiatives.

UK Corporate Governance

As readers may be aware, the Financial Reporting Council (FRC) issued the updated UK Corporate Governance Code in January 2024. The new Provision 29 enhanced the responsibility of the Board to not only establish, but also oversee the monitoring of its effectiveness and review the Group's internal control framework. The Board has formally created an Internal Audit (IA) function to support them in meeting the requirements of Provision 29. During the financial year 2024/25, the IA function will carry out a complete mock process, ahead of it being fully operational and in place, with effect from 1st July 2025.

We welcome the recent changes to the UK Listing Rules published by the Financial Conduct Authority (FCA) in July 2024. These changes are intended to make London a more attractive and competitive place for companies to list and raise capital, while maintaining high standards of governance and investor protection.

Mark Dwyer retirement

As announced on 3rd October 2023, CLIM's Chief Investment Officer Mark Dwyer retired from the Company effective 30th June 2024. We are immensely grateful for Mark's leadership and diligence in over two decades with the Group and wish him a long and happy retirement. CLIM's investment leadership now rests with the senior portfolio managers, all of whom have extensive experience with the Group, with an average tenure of nearly twenty years at CLIM.

Closing thoughts

I would like to thank CLIG's employees across our four offices: London, West Chester, Rochester and Singapore. The Board and management recognise the commitment and loyalty shown by our teams in propelling the Group forward and look forward to new challenges in the year ahead.

Tom Griffith
Chief Executive Officer

23rd September 2024

BUSINESS AND INVESTMENT REVIEW

The ability to capture discount volatility of closed-end funds has proved to be a persistent and exploitable inefficiency over the decades, as evidenced by long-term outperformance versus the benchmark at both CLIM and KIM.

Funds under Management (FuM) were $10.2 billion as at 30th June 2024, an increase of 8.8% as compared to $9.4 billion as at 30th June 2023. The main theme for the year was one of steady progress focused on rebuilding the Emerging Markets (EM) performance track record, client retention – including reducing outflows – and cost synergies across the Group.

Flows & performance

Net investment outflows reduced significantly to $26 million in the second half of the financial year, from $294 million in the six months ended 31st December 2023. Net outflows from the EM strategy included a $100 million transfer of a long-term client who reallocated within CLIM from the EM strategy to the International Equity (INTL) strategy, due to their underlying asset allocation decision. An additional promising development is that KIM saw net inflows of $42 million over the second half of the financial year. Figure 1 shows the underlying data of net investment flows over the first and second half of the financial year, to provide context around the shift in sentiment during the year.

The total net investment outflows of $320 million were in large part down to clients reducing their exposure to EM due to ongoing geopolitical volatility. By contrast, INTL strategies attracted more than $150 million in net new inflows over the twelve-month period. Attractive discounts in the strategies continue to be the focus of marketing efforts across the Group's asset classes.

Investment performance was ahead of the benchmark for the majority of the Group's strategies during the financial year. CLIM's INTL, Opportunistic Value (OV) and Frontier Markets outperformed, while EM equity lagged its index over the period. On the EM equity side, we have seen improved relative performance since 1st January 2024, as reflected in Figure 2, showing CLIM vs EM index over the three months, six months and twelve months to 30th June 2024.

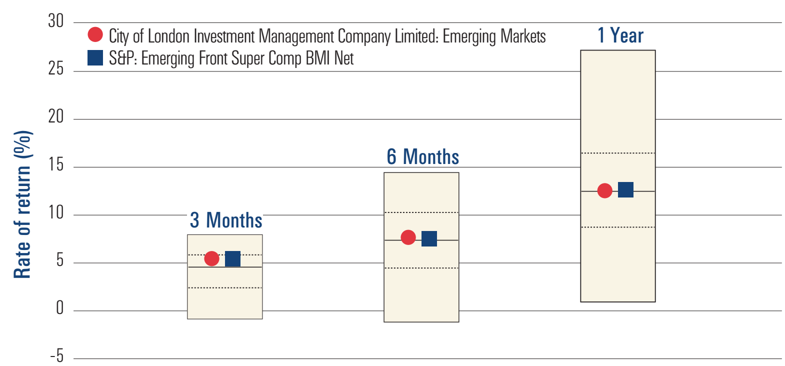
After an operational review, the EM and International REIT strategies were closed due to lack of institutional interest in the asset class.

KIM's Fixed Income strategies, International Equity, Conservative Balanced and Cash Management strategies outperformed their market indices over the period, while the US Equity strategy lagged its benchmark.

Figure 1. Net investment flows ($000's)

	Full year			Half year	
	FYE 2022	FYE 2023	FYE 2024	FY-1H2024	FY-2H2024
CLIM					
Emerging Markets	(315,770)	(205,924)	(424,101)	(171,151)	(252,950)
International	452,554	(50,824)	153,371	(89,815)	243,186
Opportunistic Value	617	34,942	(33,237)	15,015	(48,252)
Frontier	(4,748)	–	–	–	–
Other/REIT	79,133	(5,709)	(12,290)	(2,631)	(9,659)
CLIM total	**211,786**	**(227,515)**	**(316,257)**	**(248,582)**	**(67,675)**
KIM					
Retail	(106,444)	(141,952)	(39,587)	(40,031)	444
Institutional	(3,302)	12,530	35,749	(5,688)	41,437
KIM total	**(109,746)**	**(129,422)**	**(3,838)**	**(45,719)**	**41,881**
CLIG total	**102,040**	**(356,937)**	**(320,095)**	**(294,301)**	**(25,794)**

Figure 2. CLIM vs EM Index over 3, 6 and 12 months to 30th June 2024



	3 Months		6 Months		1 Year	
		Rk		Rk		Rk
☐ 5th percentile	7.85		14.39		27.17	
☐ 25th percentile	5.76		10.18		16.38	
Median	4.48		7.28		12.39	
☐ 75th percentile	2.32		4.38		8.65	
Observations	406		405		402	
■ CLIM Company Limited: Emerging Markets	5.28	34	7.58	47	12.40	50
● S&P: Emerging Front Super Comp BMI Net	5.09	39	6.91	56	13.58	41

PRODUCTS

CLIM

The Emerging Markets CEF strategy utilises CEFs to provide exposure to global emerging markets.

The International Equity CEF strategy utilises CEFs to provide exposure to global developed markets (excluding US).

The Opportunistic Value CEF strategy provides exposure to a variety of asset classes via CEFs with a go anywhere approach. Both taxable and tax-exempt products are available.

The Frontier Emerging Markets CEF strategy is an extension of the EM core equity product focusing on the smallest or pre-emerging markets with high growth potential.

The Listed Private Equity strategy utilises our experience with CEFs to provide exposure to private equity globally.

The Global Equity CEF strategy utilises CEFs to provide exposure to global developed markets (including US).

KIM

The Conservative Balanced and Growth Balanced strategies utilise a combination of CEFs and other securities, providing exposure to fixed income and equities in US and global markets.

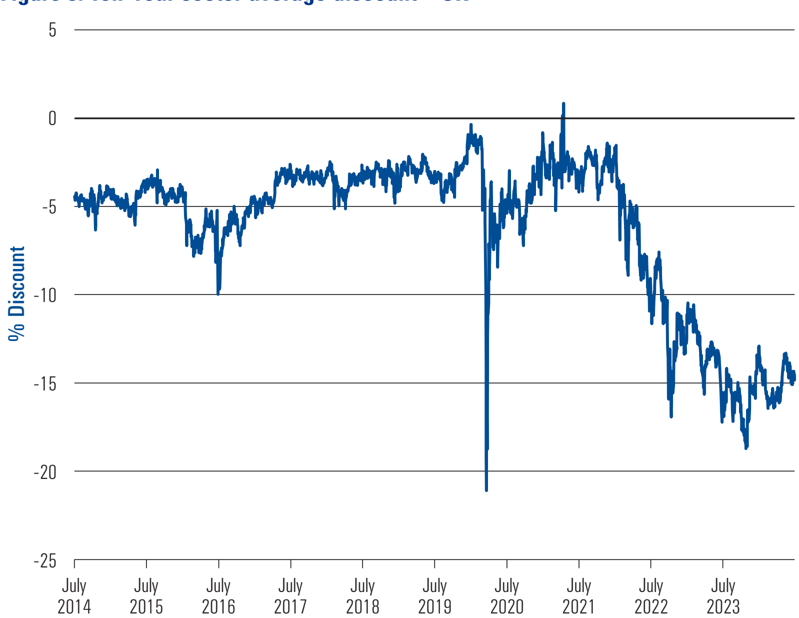
The Tax-sensitive fixed income strategy utilises a combination of CEFs and other securities, providing exposure to US tax-exempt fixed income.

The Taxable fixed income strategy utilises a combination of CEFs and other securities, providing exposure to US taxable fixed income.

The Equity strategy utilises a combination of CEFs and other securities, providing exposure to US and global equity markets.

The Cash Management strategy utilises a combination of CEFs and other securities providing exposure to US short-term fixed income.

Figure 3. Ten-Year sector average discount – UK



Source: Winterflood Securities, Refinitiv, FTSE as at 30 June 2024

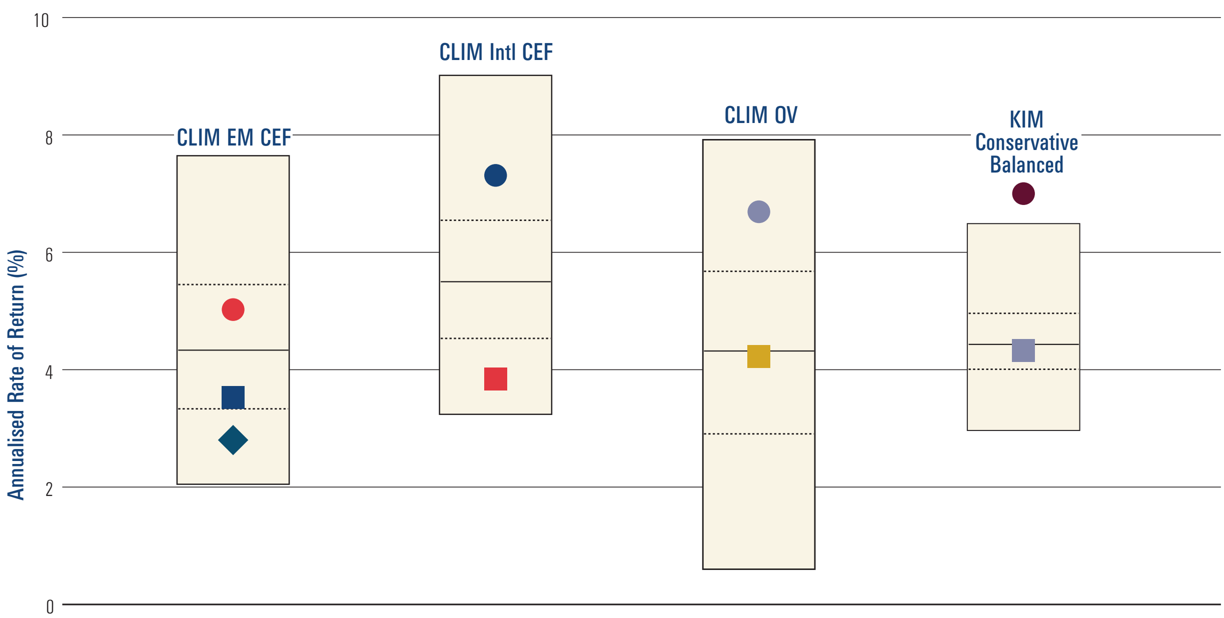
Closed-end fund (CEF) environment and outlook

The Group's two operating subsidiaries, CLIM and KIM, both invest primarily in CEFs for the benefit of their respective clients. The key driver for both CLIM and KIM is their ability to independently successfully capture the discount volatility inherent in CEFs. The ability to capture discount volatility has proved to be a persistent and exploitable inefficiency over the decades, as evidenced by long-term outperformance versus the benchmark at both CLIM and KIM.

The recent discount cycle has been challenging, with a correlated de-rating across asset classes and jurisdictions. Using the UK-listed market as an example, the discount headwinds of the last two and a half years are clear (see Figure 3). To put this in context, the last time the sector traded so cheaply was in the weeks immediately post the collapse of Lehman Brothers in 2008. As of 30th June 2024, there had been a slight recovery to a 14.5% discount. The average discount over the last ten years is 6.1%.

BUSINESS AND INVESTMENT REVIEW
CONTINUED

Figure 4. Ten Year Peer Group Quartile Chart



- CLIM Emerging Markets Global SMA Composite
- CLIM Global Developed CEF International Equity Composite
- CLIM Opportunistic Value Composite
- KIM Conservative Balanced Composite
- S&P: Emerging Front Super Comp BMI Net
- MSCI Index: MSCI ACWI ex-US-ND
- Index: Blended 50/50 MSCI ACWI/Barclays Global Agg Index
- Morningstar Mod Con Tgt Risk TR USD
- MSCI: MSCI EM TR Index Net

*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 Global Emerging Markets SMA Composite, S&P Emerging Frontier Super Composite BMI Net TR, and MSCI EM Net TR Index are shown against the eVestment Global Emerging Markets Equity Universe of which 90.6% 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 92.5% has been updated. The Opportunistic Value Composite and the Blended 50/50 MSCI AWCI/Bloomberg Global Agg Index are shown against the eVestment All Global Balanced/TAA Universe of which 78.2% 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 30th June 2024. Past performance is no guarantee of future results.

Source: eVestment Analytics System, BNY Mellon, City of London Investment Management Company Limited, MSCI, Bloomberg, Morningstar, KIM, S&P

Encouragingly, capital markets have noticed these distortions and are starting to fix them, as they did in 2009. Hedge funds and other fast-moving investors have seen the CEF market as a good opportunity to buy low and sell high, using various levers to shrink discounts. Activist investors have also come back to buy solid assets at distressed prices, in structures that can be unwound. Moreover, Boards are actively taking steps to increase shareholder value and reduce discounts. CEF prices have stopped falling but are still far from their historical levels.

The overall CEF market is thus undergoing a regime change. The valuation dislocation of the last two years and the prolonged relative underperformance of active managers has driven a predictable evolution. Specifically:

- Capital is being retired from the sector, after a fifteen-year net issuance cycle.
- The recent trend of take-privates, wind-downs and mergers & acquisitions is well anchored.
- The evolution of shareholder registers from passive to engaged, and activist shareholders, has increased the pace of both of the above.

All of these represent a necessary condition for a more generalised normalisation in valuations.

Capacity

The Group's return to growth strategy continues to focus its marketing efforts on the consultants that dominate the new business flows in the sector. We calculate there to be c.$6 billion of spare capacity at CLIG in the CEF universe ($4 billion between EM, INTL and OV, $1 billion in US Municipal Bonds, $1.2 billion across US Fixed Income and Equity strategies).

Besides the consultant focus, marketing resources for KIM are geared towards high-net-worth individuals, family offices and the Registered Investment Advisor (RIA) channel in the US.

Aiding this outreach is the fact that CLIM's Global Strategy will have a three-year track record in December 2024, and that CLIM's Listed Private Equity strategy is drawing renewed client interest.

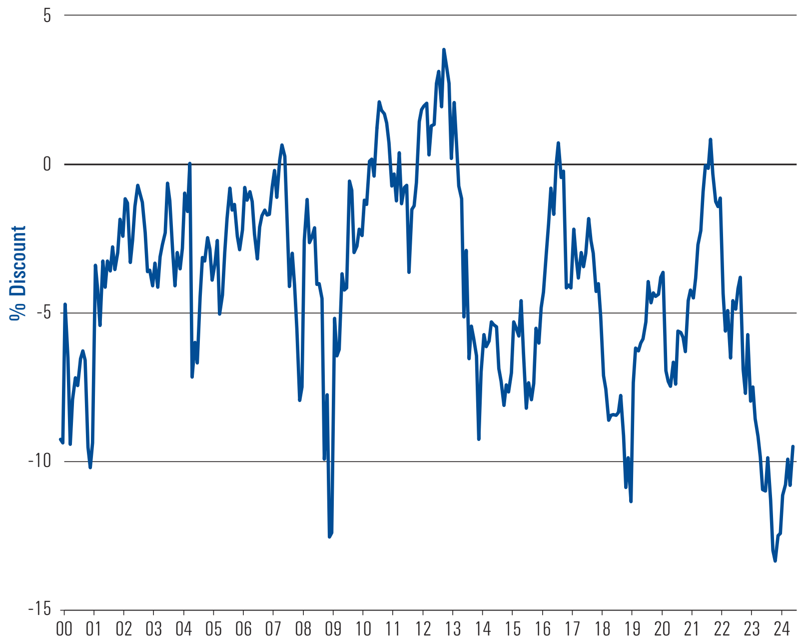
KIM strategies

KIM delivered positive returns in FY 2024, with four of its six strategies outperforming their respective benchmarks by more than 250 bps. KIM clients benefited from its opportunistic exposure to US high yield and municipal bond CEFs, which rallied on the back of a strong economic recovery and narrowing discounts (see Figure 5). KIM also saw gains from its technology and quality factor holdings in US and international equities, as well as from CEF activism and semiconductor-related funds.

The KIM Conservative Balanced composite net investment returns for the rolling one year ended 30th June 2024 were 11.73% vs. 9.12% for the Morningstar US Fund Allocation – 30% to 50% Equity category in USD.

The KIM Growth Balanced composite net investment returns for the rolling one year ended 30th June 2024 were 13.76% vs. 10.93% for the Morningstar Average Balanced Fund category in USD.

Figure 5. Municipal Bond CEF Universe – Average Discount to Net Asset Value



Source: Bloomberg

The KIM Tax-Sensitive Fixed Income composite net investment returns for the rolling one year ended 30th June 2024 were 8.99% vs. 4.36% for the Morningstar Average Municipal Bond Fund category in USD.

The KIM Taxable Fixed Income composite net investment returns for the rolling one year ended 30th June 2024 were 9.30% vs. 4.75% for the Morningstar Average General Bond Fund category in USD.

The KIM Equity composite net investment returns for the rolling one year ended 30th June 2024 were 16.65% vs. 14.72% for the Morningstar 65% Average Domestic Fund/35% Average International Stock Fund category in USD.

The KIM Cash composite net investment returns for the rolling one year ended 30th June 2024 were 5.97% vs. 4.53% for the BOA ML benchmark in USD.

CLIM strategies

CLIM Emerging Markets (EM)

CLIM's EM strategy returned 12.2% net of fees vs. 13.6% for the S&P EM Frontier Super Composite BMI Index, as it lagged the benchmark by 140 bps due to unfavourable country allocation and weak NAV performance. However, we were able to generate positive discount alpha by exploiting the discount volatility and engaging with Boards to improve shareholder value. We saw several mergers, liquidations and buybacks that helped narrow the discounts in our portfolio. We remain optimistic about the prospects for EM equities, which offer attractive valuations and exposure to growth sectors such as artificial intelligence. We believe that our active and opportunistic approach will benefit from a shift in sentiment towards this underappreciated asset class.

BUSINESS AND INVESTMENT REVIEW

CLIM International (INTL)
Developed Markets performed strongly over the last twelve months, led by the US market, which itself was dominated by the "Magnificent Seven" technology and communication services companies namely Apple, Alphabet, Amazon, Meta, Microsoft, Tesla and Nvidia. Nvidia, in particular, garnered much attention as being the leader in providing semiconductor chips for the Large Language Models that underpin artificial intelligence applications. Within non-US markets these themes were played out in companies such as the ASML and Taiwan Semiconductor, which provided strong, if not magnificent, returns. Other market themes included the growth in the use of obesity drugs whereby Denmark's Novo Nordisk and the US's Eli Lilly were the leading providers and whose share prices benefitted accordingly. Among non-US Developed markets, the local Japanese market was also particularly strong, finally surpassing its previous peak in 1989 following the bursting of its asset price bubble and the subsequent decades of deflation, albeit for international investors roughly half of these gains were eroded due the weakness of the Japanese Yen.

CLIM's INTL strategy returned 13.0% net of fees vs. its benchmark MSCI ACWI ex-US Net TR Index which returned 11.6%, outperforming by 140 bps. Country allocation was positive, aided by out of benchmark exposure to the US market, particularly to the technology sector, as well as underweight exposure to European ex-UK markets. Conversely, our underweight exposure to EM, especially tech-heavy Taiwan, detracted from returns. Mid-and-smaller-company exposure also detracted from returns as large caps continued to outperform. Discounts remained historically wide in the INTL universe but was a positive contributor overall as discount narrowing was captured largely through corporate initiatives, such as tender offers, whereby the CEF returns capital to the shareholders at the fund's net asset value.

CLIM's long history of corporate engagement continues to bear fruit for the INTL strategy as we proactively work with CEF Boards to create sustainable discount management policies in a constructive approach focused on creating a fair deal for shareholders and aligned with our long-term approach to investing.

CLIM Opportunistic Value (OV)
The OV strategy delivered strong returns in FY 2024, rising 13.1% net of fees vs. its benchmark Blended 50/50 MSCI ACWI/Barclays Global Agg Index, which returned 9.9%, outperforming by 320 bps. The portfolio benefited from investing in high-conviction, event-driven situations with positive discount alpha and catalysts. The largest gain came from a takeover bid for the Hipgnosis Songs Fund. The strategy is well-positioned to exploit the "Regime Change" theme and attract additional capital. Single-sleeve opportunistic mandates in areas of the fixed income market performed strongly over the period, most notably US High Yield and US Municipal Bond CEF strategies.

OUR BUSINESS MODEL

WHAT WE DO: For many years since the Group was founded, CLIM's expertise was very specific to closed-end funds which offered emerging markets exposure. Over time, CLIM has diversified into a multi-strategy fund manager. KIM became part of the CLIG Group with effect from 1st October 2020.

While we remain both proud and protective of our 'boutique' status, we seek to meet client needs across a suite of products anchored by our core expertise in the global universe of CEFs.

CLIM (INSTITUTIONAL FOCUS)

- Emerging Markets
- International Equity (excluding US)
- Opportunistic Value
- Frontier
- Listed Private Equity
- Global Equity (including US)

KIM (HNW FOCUS)

- Taxable Fixed Income
- Tax-Sensitive Fixed Income
- Equities
- Growth Balanced
- Conservative Balanced
- Cash Management

HOW WE MANAGE: The way in which we manage our business is different too. We are very risk-averse. Profits, margins and costs are carefully managed to provide our employees with appropriate remuneration and shareholders with sustainable dividends.

We support teams. What this means is that we discourage the cult of the individual or 'star' fund manager, believing that the risks associated with a star culture are detrimental to both shareholders and clients.

CLIM (INSTITUTIONAL FOCUS)

- Management team of 13 senior managers
- Average tenure of 14 portfolio managers is 17 years

KIM (HNW FOCUS)

- Management team of 4 senior managers
- Average tenure of 7 portfolio managers is 15 years

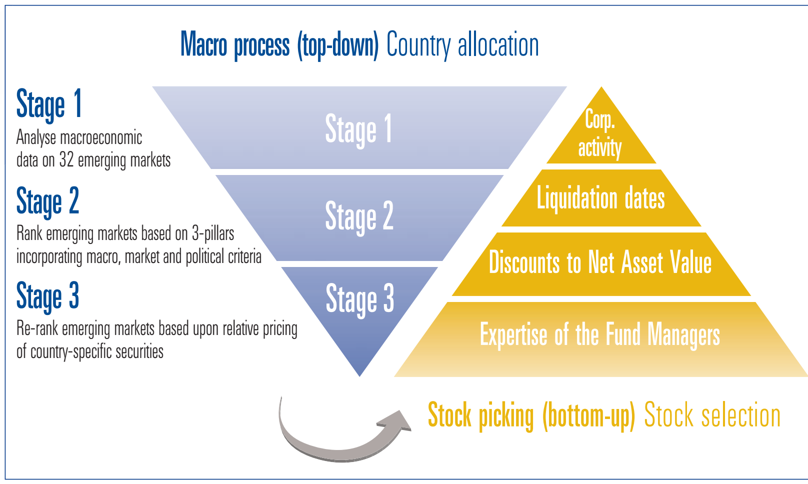
OUR BUSINESS MODEL

CONTINUED

HOW WE DO IT: At **CLIM**, we have developed and nurtured a team investment process that does not rely on 'star' fund managers, but rather upon experienced fund managers using analytical procedures that can produce repeatable and sustainable first or second quartile performance versus our peers.

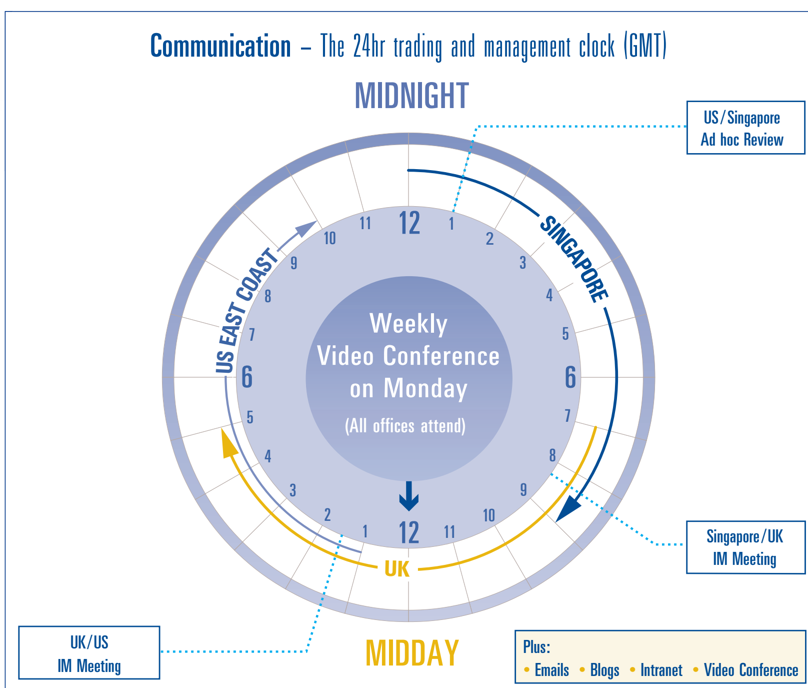
CLIM'S INVESTMENT PROCESS

Our process employs an array of proprietary tools for analysing and identifying value. These quantitative tools supplement both macroeconomic analysis and over thirty years of trading expertise. This process has delivered long-term relative outperformance combined with low volatility relative to our clients' benchmarks through both bull and bear markets.



CLIM'S COMPETITIVE ADVANTAGE

We believe that our approach and philosophy differs significantly from our peers. Our investment process identifies opportunities to capture pricing anomalies in securities trading at a discount to their net asset value. Our resolute focus is on generating consistent investment performance – over time and through economic cycles within a controlled risk environment.



KIM has been an active investment manager since the Company's inception in 1986. With the focus of managing risk, our Investment Committee formulates our economic overview by reviewing the economic cycle, analysing historical valuations, analysing growth and policy prospects, and analysing liquidity and economic momentum.

KIM'S INVESTMENT PROCESS

Once an overview is established, a target investment matrix is then created. Sector weightings, yield curve positioning, and duration targets are guided by this research. Analysts continuously conduct a security-by-security analysis to identify and capitalise on market inefficiencies.

Our focus is on the advantages offered by purchasing securities, particularly CEFs, at a discount. However, we also utilise index-based securities if CEFs are not trading at what we believe are attractive discounts. Once purchased, holdings are analysed on an ongoing basis. KIM continuously monitors key investment variables, as well as corporate governance attributes to assess whether shareholder value is being maximised.

KIM'S COMPETITIVE ADVANTAGE

IN-HOUSE RESEARCH

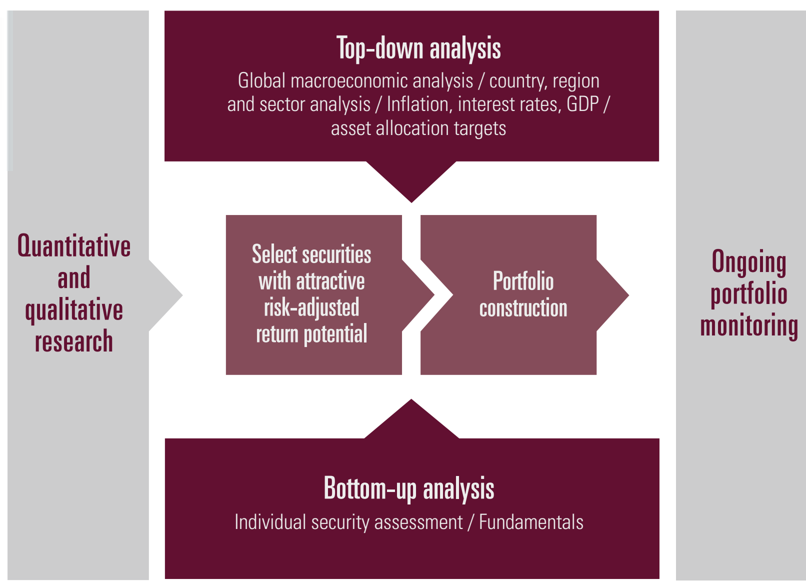
By conducting our own proprietary, in-house research, our strategists, analysts, portfolio managers, and traders work together to generate independent and unbiased ideas.

EXTENSIVE EXPERIENCE

Our insight and extensive experience in closed-end funds identifies opportunities others may miss. It also allows us to avoid pitfalls that others may not be aware of.

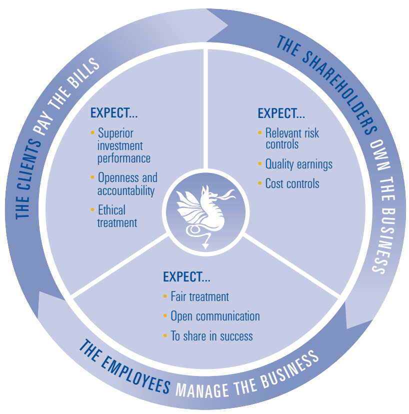
AGILITY

Our Company's size also allows us to capitalise on fundamentally attractive market inefficiencies as they arise.



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.



THE CLIENTS: PAY THE BILLS

Expect: Superior investment performance, Openness and accountability, Ethical treatment.

THE EMPLOYEES: MANAGE THE BUSINESS

Expect: Fair treatment, Open communication, To share in success.

THE SHAREHOLDERS: OWN THE BUSINESS

Expect: Relevant risk controls, Quality earnings, Cost controls.

OUR STRATEGIC GOAL	WHY IT IS IMPORTANT
Outperform	CLIG's two operating subsidiaries are active managers, and their job is to add value over and above a relevant benchmark through an investment cycle which we define as five years.
Retain employees	As shareholders would expect, in a Group that has always used a partnership approach, we take a very long-term view with regard to remuneration.
Increase FuM from long-term investors	The client base of CLIG's two operating subsidiaries is long-term and US based, and includes pension funds, foundations, endowments and other institutional money managers.
Remain open in our dealings with shareholders, available and accountable	We believe that our shareholders have a right to know what to expect from us.
Keep costs down	We keep costs down because we believe that the assets over which we provide stewardship are, by definition, not ours but are owned by CLIG shareholders.
Corporate citizenship	Over the past few years there has been a realisation that corporations have a responsibility both for, and separately within, the community.
Continue to diversify our business	We see this as an important component of our strategy to make the business more robust, manage risk and enhance long-term shareholder return.

HOW WE ARE DOING	LINK TO ADDITIONAL KPIs
CLIM • Our investment horizon is five years, and over this period the three strategies that make up ~99% of CLIM's Funds under Management are mostly outperforming their peers and benchmark. **KIM** • Long and short-term performance remains solid, with the KIM investment process continuing to add value on behalf of clients in the face of volatile markets.	Investment performance page 24.
Our remuneration policy is stress-tested in a number of ways: • We have to deal with volatile earnings, thus our need to keep salaries towards the lower end of market levels. • With four offices (not all of which are in financial centres) in three countries, we have to be aware of different pay scales, policies, costs of living and tax rates.	Employee longevity page 25.
We have always taken great pride in our client retention outreach programme, and remain open and accountable.	Client entity longevity page 25.
We take the opportunity to meet shareholders whenever possible. This might be at one-to-one meetings with our larger institutional holders or at group meetings with advisers and individual shareholders. We try to make all of our announcements clear and accessible. Refer to page 10 for our dividend history and page 22 for our dividend cover chart and dividend policy.	Dividend paid and proposed per share pages 10 and 22.
A stable workforce limits the cost of recruitment and other costs related to employee turnover. We do not work in expensive offices and when we travel we do not stay in five star hotels. Keeping overheads down is good business practice as it provides more money for dividends, bonuses and reserves, and thus assists with relative job security. In addition, efforts are made to limit inter-office air travel. Internal meetings are almost exclusively conducted by video conferencing.	Weighted average net fee rate page 26. Cost/Income ratio page 26.
We encourage employee participation in both local events of national and global charities, as well as local community specific events. Additionally, by the nature of our four-office structure, we are able to offer a wide array of community involvement events to employees, and we have found that a greater variety allows for greater participation throughout the year. In turn, this can also provide for meaningful results as some events will be chosen on a personal level and will have a greater impact for specific employees and their families. These efforts and services work hand in hand to protect cultures and customs not only within the community outreach programmes but also within the workplace.	Refer to details on community contributions referenced within the corporate and social responsibility policy page 36.
The corporate goal of diversifying the Group's income by building strategies complementary to the flagship Emerging Markets (EM) CEF strategy was, and continues to be, a priority. The merger with KIM has allowed that diversification to occur more quickly, as the EM strategy has been reduced to 35% of CLIG as of 30th June 2024. Marketing efforts remain focused on all strategies to grow the business.	FuM and diversification page 27.

*Refer to pages 24 to 27 of explanation of additional KPIs.

OUR STRATEGY AND OBJECTIVES

CONTINUED

Dividends

We have communicated and maintained a policy of distributing a proportion of net profits to shareholders by way of ordinary dividends with a target of 1.2 times (1.2x) coverage ratio over a rolling five-year period based on underlying profits*. This coverage ratio allows for the needs of the three primary stakeholders to be balanced.

SHAREHOLDERS

Receive a predictable and consistent income stream at an attractive yield that drives demand for the shares in the marketplace.

MANAGEMENT/EMPLOYEES

Retain a conservative amount of cash at the corporate level to weather shocks due to the volatility of underlying assets. This allows for management to take advantage of opportunities that arise during periods of market dislocations when competitors and the marketplace are stressed.

CLIENTS

Have confidence that the underlying business which they are investing in will be an ongoing entity with stable ownership/governance/employees.

Dividend policy

This policy was introduced in 2014 and is reviewed every five years. This policy was last reviewed in 2019 and has been reviewed during the current financial year. No changes were proposed.
It was designed to incorporate the required flexibility to deal with the potential volatility of CLIG's income. This is going to be applied with flexibility, with approximately one-third payable as an interim dividend and two-thirds as final dividend.

Details are as follows:

- Dividend cover ratio of c.1.2 times (1.2x) of the underlying earnings on a rolling five-year basis.
- It will be assessed for appropriateness annually.
- This Policy specifically takes into account the implicit volatility in CLIG's earnings as a result of its significant present exposure to emerging markets.
- While the cover is targeted as 1.2x of the underlying earnings, this will continue to be applied flexibly and the annual dividend will approximate to this cover on a rolling five-year average.
- The Board will take into account both the CLIG budget for the next year and market outlook when determining the current year's dividend.

Dividend cover chart

We have provided an illustrative framework on our website at **https://clig.com/dividend-cover/** to enable interested parties to calculate our post-tax profits based upon some key assumptions. The dividend cover chart shows the quarterly estimated cost of a maintained dividend against actual post-tax profits for last year, the current year and the assumed post-tax profit for next financial year based upon assumptions included in the chart.

*This is an Alternative Performance Measure (APM). Please refer to page 30 for more details on APMs.

KEY PERFORMANCE INDICATORS

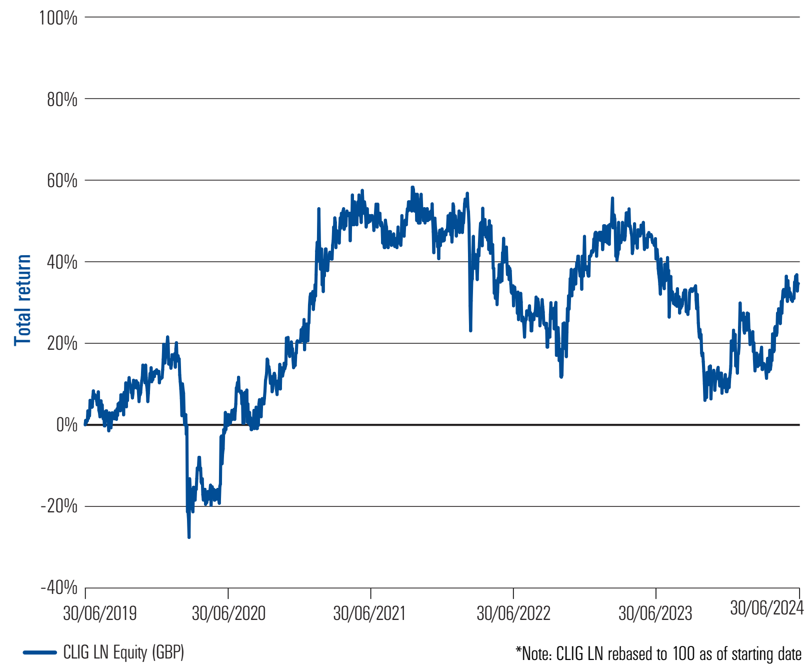
Our focus is to create shareholder value.

We retain the share price KPI to show the total return of CLIG over a market cycle.

The goal of this KPI is for the total return (share price plus dividends) to compound annually in a range of 7.5% to 12.5% over a five-year period. This KPI is meant to stretch the management team, without incentivising managers to take undue levels of risk.

For the five years ended 30th June 2024, CLIG's cumulative total return was 34.7%, or 6.2% annualised. CLIG's management team is monitoring this development, as the broad market declines in the first half of FY 2024 precipitated this underperformance. Since listing in April 2006, the annualised return is 11.8%.

CLIG five-year graph



Source: Bloomberg

KEY PERFORMANCE INDICATORS
CONTINUED

Separate from our main KPI of CLIG's total return (share price plus dividends) over a market cycle, we have selected additional KPIs that we believe will enable shareholders to measure the future viability of CLIG. These are as follows:

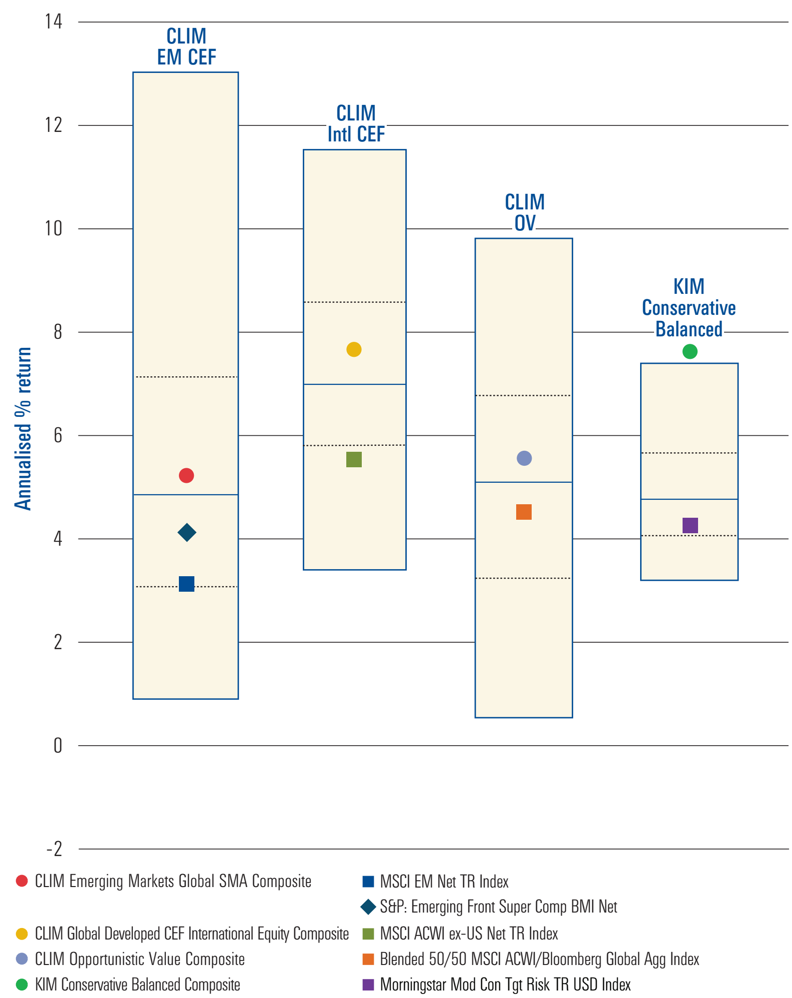
NON-FINANCIAL

1. INVESTMENT PERFORMANCE

Our reputation depends on consistently strong investment performance versus both relevant benchmarks and peers. Outperformance drives client retention and provides the opportunity to expand our client base.

As detailed in the business and investment review, a significant majority of the Group's assets remain ahead of benchmark and in line with peers over the five years.

Five-year peer group* quartile chart



*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 Global Emerging Markets SMA Composite, S&P Emerging Frontier Super Composite BMI Net TR, and MSCI EM Net TR Index are shown against the eVestment Global Emerging Markets Equity Universe of which 90.6% 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 92.5% has been updated. The Opportunistic Value Composite and the Blended 50/50 MSCI AWCI/Bloomberg Global Agg Index are shown against the eVestment All Global Balanced/TAA Universe of which 78.2% 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.

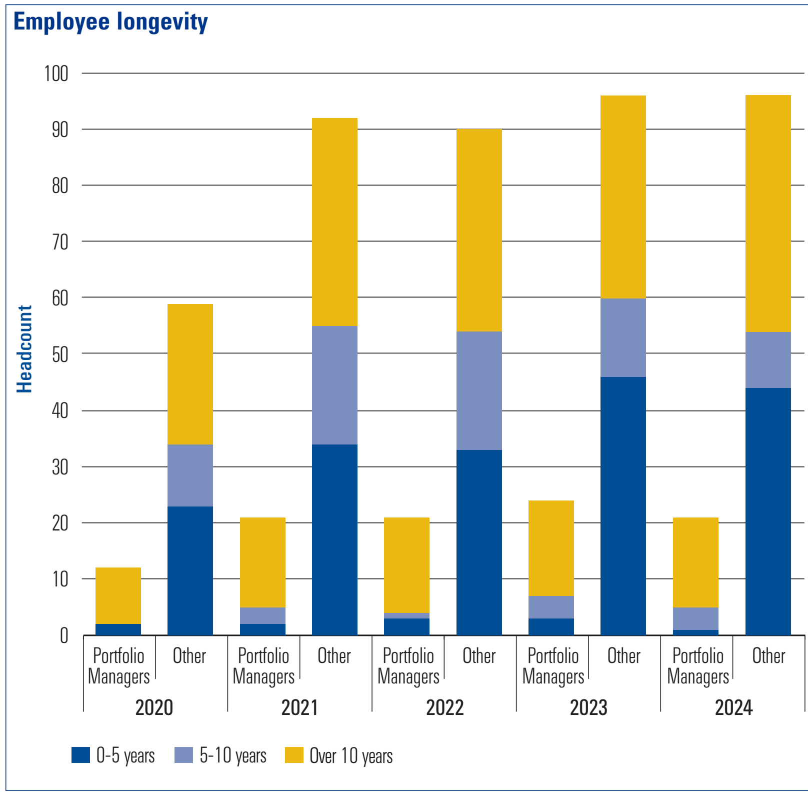
Data is as of 30th June 2024. Past performance is no guarantee of future results.

Source: eVestment Analytics System, BNY Mellon, City of London Investment Management Company Limited, MSCI, Bloomberg, Morningstar, KIM, S&P

2. EMPLOYEE LONGEVITY

Our employees are a major asset. We spend time ensuring that we recruit, develop and retain the right people to complement the team, which in turn helps to create a stable working environment.

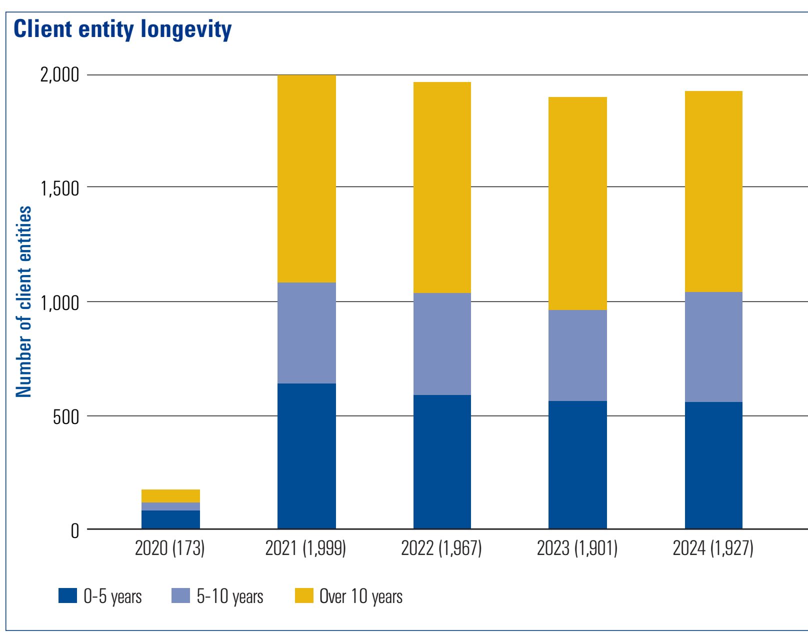
95% of our 21 portfolio managers have worked for Group subsidiary companies for five or more years, and 50% of all employees have worked for Group subsidiary companies for over ten years.



3. CLIENT ENTITY LONGEVITY

We find that stability of investment performance equates to stability of clients, but in addition there needs to be a belief amongst clients that both our investment process will be maintained and that our employees will remain in place.

We have an active client retention programme in place which has both educated and ensured that our clients understand even more about our investment process. As at 30th June 2024, the Group had 884 client entities in the over 10 years category (2023: 938), 482 in 5-10 years (2023: 400) and 561 in 0-5 years (2023: 563).



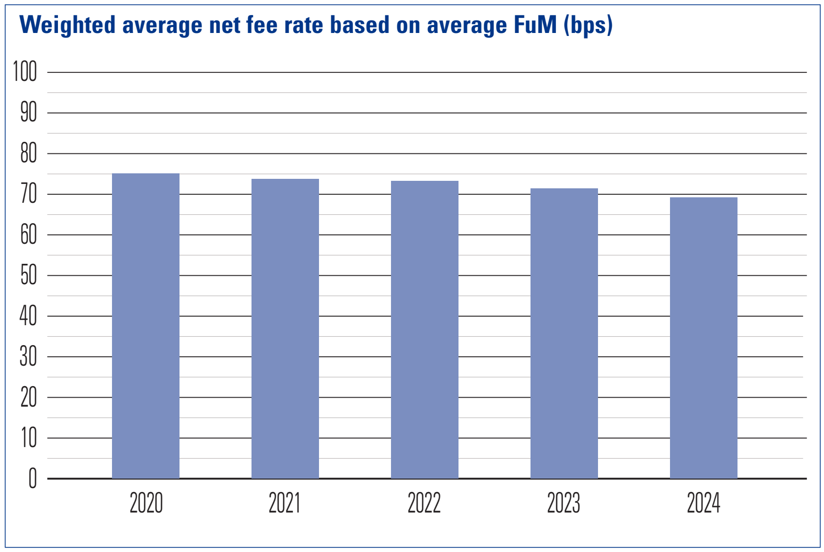
KEY PERFORMANCE INDICATORS
CONTINUED

FINANCIAL

4. WEIGHTED AVERAGE NET FEE RATE

This is the weighted average net fee rate earned by the Group. Changes in fee rates, product and investor mix are the principal factors that impact the weighted average rate. In general, the change is on account of a marginal reduction in the proportion of CLIM's assets in the EM strategy from 61% in 2023 to 56% in 2024.

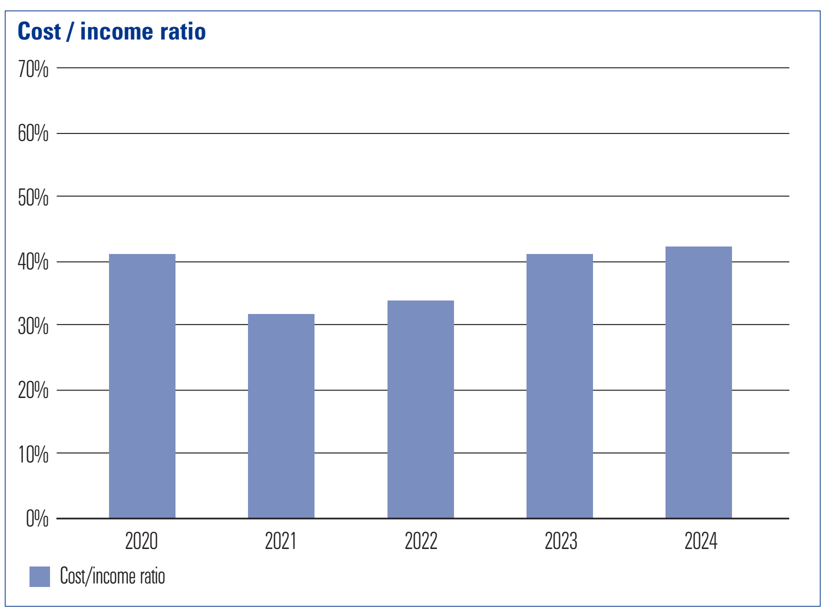
The chart opposite shows the annual net fee income measured as a percentage of the average annual FuM.



5. COST / INCOME RATIO

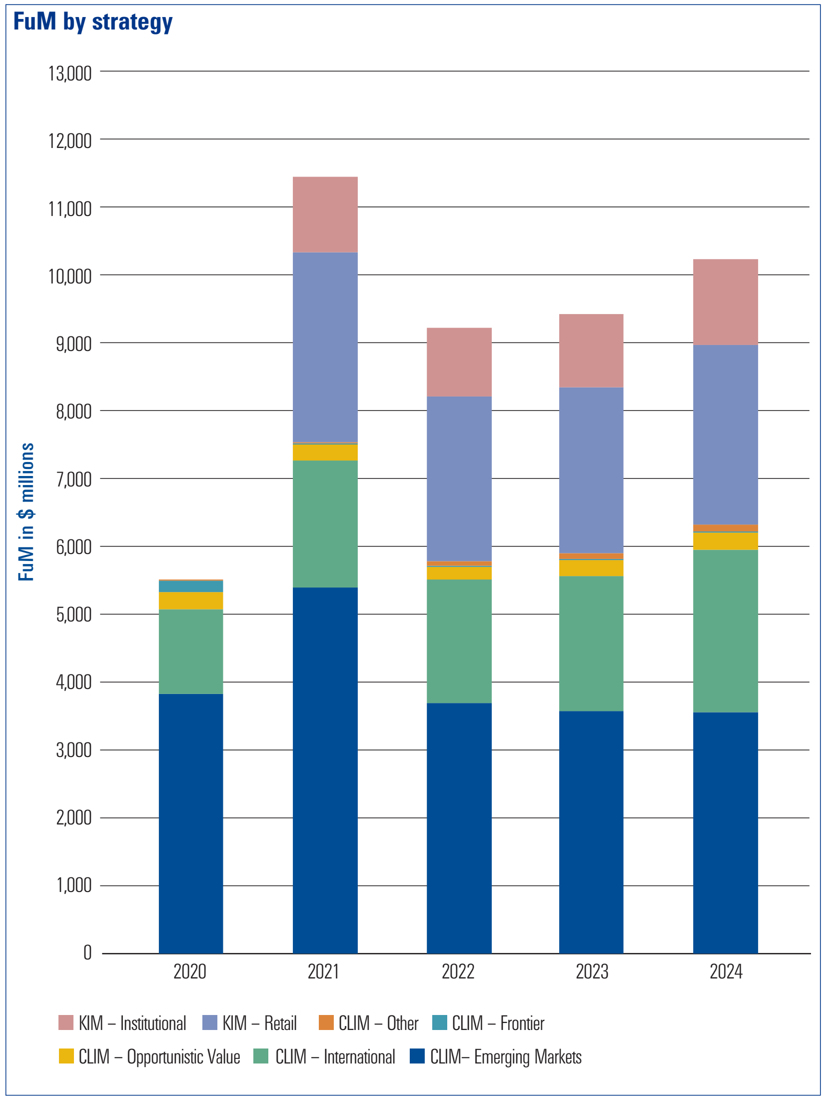
We believe cost control is an important discipline for any business to be successful. We look to balance the cost of growth and development with stakeholder returns.

The cost/income ratio for the Group is based on our total overheads before profit-share, EIP, share options charge and gain on investment to net fee income (as set out on page 30) and was 42% in 2024 as compared to 41% in 2023. The slight increase was due to a combination of US dollar weakening against sterling during the year and inflationary increases in salary and other costs.



6. FuM AND DIVERSIFICATION

The level of FuM is a key driver in the Group's profitability. Our main business development strategy is to diversify our product range. The merger with KIM has allowed that diversification to accelerate. Refer to page 13 for our business outlook.



RISK MANAGEMENT

In the course of conducting our business operations, we are exposed to a variety of risks, including market, liquidity, operational and other current and emerging risks that may be material and require appropriate controls and ongoing oversight.

Group's risk management framework

The CLIG Board has the ultimate responsibility for setting the risk management framework for the Group, including discussing and agreeing what the Group's overall top risks are, which are reviewed by the Board at each scheduled Board meeting.

A Group-level risk register has been established which identifies principal current and emerging risks. The risk register provides a measure of the principal risks and a Red, Amber, Green (RAG) status based on the level of risk, frequency and mitigating controls in place.

CLIM's Risk & Compliance Committee (RCC) and KIM's Compliance Committee have the responsibility of the day-to-day oversight of the risk management process at the respective operating subsidiaries.

CLIM

CLIM's Board has established an RCC, which is co-chaired by CLIM's Head of Compliance and US Chief Compliance Officer. The other members of the RCC are the Executive Directors of CLIM, CLIG and CLIM's COO and CLIG's General Counsel. The purpose of the RCC is to assist the CLIM Board in the oversight, maintenance and development of CLIM's current and emerging risks and compliance frameworks in adherence with its risk appetite.

CLIM's risk management process requires, on a semi-annual basis, that each department/line of business, via a departmental risk assessment, review its current and emerging risks and the business processes that occur in each and assign both an inherent and residual risk rating, as whilst we cannot eliminate all risk, our aim is to proactively identify and manage those risks that have been identified.

The RCC meets quarterly to provide the members with a regular forum at which to ensure any relevant issues are discussed and agreed upon. At its meetings, the RCC reviews management information such as the CLIM risk register, breaches and errors, personal account dealing, other business interests, gifts and hospitality, complaints, AML updates including new clients on-boarded, ongoing screenings, capital adequacy, liquidity, employee training, outsourcing and key regulatory updates, as well as approving new or updated CLIM policies.

The RCC via CLIM's Head of Compliance and US Chief Compliance Officer reports to the CLIG Audit & Risk Committee at each of its four scheduled meetings.

KIM

The KIM Board has established a Compliance Committee which is chaired by KIM's Chief Compliance Officer (KIM CCO) and includes three other members: KIM's Chief Financial Officer; Senior Vice President and Director of Operations; and KIM's Chief Investment Officer/President.

The Committee's purpose is to review and assess the Company's investment adviser compliance programme in the following manner: assist the KIM CCO with administering the investment adviser compliance programme; evaluate the Company's compliance with federal securities laws; monitor compliance with the Company's policies and procedures as set forth in the Compliance Manual and Code of Ethics; oversee and assess the Company's Information Security policy and Business Continuity and Disaster Recovery Plan; oversee and assess the Company's Identity Theft Prevention Programme; and address other matters that the Management Committee deems appropriate.

The Committee meets as often as it may be deemed necessary or appropriate in its judgement, either in person or remotely, and at such times and places as the Committee shall determine; provided, however, that the Committee shall meet at least quarterly in the discharge of its duties. The Committee, via the KIM CCO, reports to CLIG's Audit & Risk Committee at each of its four scheduled meetings.

Internal controls

The Group maintains a comprehensive system of internal controls, including financial, operational and compliance/risk controls.

As mentioned earlier, on a six-monthly basis each department of business within CLIM is required to review and update their individual risk assessment. Additionally, each department of business within CLIM is subject to an annual review by senior management, who are required to identify and report on the key controls pertinent to their responsibilities. The senior management team at KIM is responsible for ensuring adequate internal controls within KIM.

The Audit & Risk Committee reviews the effectiveness of the system of internal controls on an ongoing basis. The Board and the Audit & Risk Committee continue to consider the need for an internal audit function and have concluded that, given the size of the business, the nature of its activities, and the other control mechanisms that are in place, an internal audit function was not required during the year.

Since the year end an internal audit function has been set up to provide independent assurance and to support the Board in complying with the new Principle O of the UK Corporate Governance Code 2024 and its responsibility to maintain the effectiveness of the risk management and internal control framework. Refer to page 68 for further information.

Key risks

The Board has conducted a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This assessment includes continuous monitoring of both internal and external environments to identify new and emerging risks, which in turn are analysed to determine how they can best be mitigated and managed. The primary risk is the potential for loss of FuM as a result of poor investment performance, client redemptions, reputational damage, a breach of mandate guidelines or market volatility. The Group seeks to attract and retain clients through consistent outperformance supplemented by first class client servicing.

In addition to the above key business risk, the Group has outlined what it considers to be its other principal risks, including the controls in place and any mitigating factors.

	PRINCIPAL RISK	CONTROLS / MITIGATION
Key person risk	Risk that key employees across the business leave/significant reliance on a small number of key employees.	Team approach, internal procedures and knowledge sharing. Remuneration packages reviewed as needed to ensure talent/key employees are retained. In addition, the Nomination Committee regularly reviews talent and succession plans for both Board and key senior management positions.
Technology, IT/ cybersecurity and business continuity risks	Risk that technology systems and support are inadequate or fail to adapt to changing requirements; systems are vulnerable to third party penetration or that the business cannot continue in a disaster.	IT monitors developments in this area and ensures that systems are adequately protected. Additional IT spend occurred on both vulnerability awareness, mitigation, and incident response planning. Each subsidiary of the Group has a Disaster Recovery/Business Continuity plan. Our offices maintain backups of local servers, applications and data. Additionally, back-ups are replicated to other offices and/or an external cloud-based provider. Employees across its four offices are able to work remotely, accessing information and maintaining operations.
Material error/ mandate breach	Risk of a material error or investment mandate breach occurring.	Mandate guidelines are coded (where possible) into the order management system by the Investment Management/Compliance teams of each operating subsidiary.
Regulatory and legal risk	Risk of legal or regulatory action resulting in fines, penalties, censure or legal action arising from failure to identify or meet regulatory and legislative requirements in the jurisdictions in which the Group and its operating subsidiaries operate, including those as a result of being a listed entity on the London Stock Exchange. Risk that new regulation or changes to the interpretation of existing regulation affects the Group's operations and cost base.	Compliance teams of each subsidiary monitor relevant regulatory developments – both new regulations as well as changes to existing regulations that impact their respective subsidiary. Implementation is done as practicably as possible taking into account the size and nature of the business. The finance team with the support of CLIG's Company Secretary keeps abreast of any changes to Listing Rules, accounting and other standards that may have an impact on the Group. Finance and both the compliance teams receive regular updates from a variety of external sources including regulators, law firms, consultancies etc.

In addition, there are a number of less significant financial risks outlined in note 24 on pages 136 to 137.

FINANCIAL REVIEW

The Group income statement is presented in line with UK-adopted International Accounting Standards on page 106, but the financial information is reviewed by the management and the Board as shown in the table below. This makes it easier to understand the Group's operating results and shows the profits which is used to calculate Group's profit-share.

Consolidated income for financial years ended 30th June

	2024 $'000	2023 $'000
Gross fee income	69,453	68,725
Commissions	(1,811)	(1,823)
Custody fees	(1,475)	(1,422)
Net fee income	66,167	65,480
Net interest income	1,079	536
Total net income	67,246	66,016
Employee costs	(18,767)	(17,802)
Other administrative expenses	(8,177)	(8,382)
Depreciation and amortisation	(975)	(835)
Overheads before profit-share, EIP, share option charge and gain on investments	(27,919)	(27,019)
Profit before profit-share, EIP, share options charge and gain on investments	39,327	38,997
Profit-share	(10,617)	(10,405)
EIP	(1,506)	(1,518)
Share option charge	(35)	(37)
Gain on investments	1,051	689
Profit before tax and amortisation on intangibles	28,220	27,726
Amortisation of intangibles	(5,599)	(5,599)
Profit before tax	22,621	22,127
Tax	(5,506)	(4,630)
Profit after tax	17,115	17,497

Alternative Performance Measures

	2024 $'000	2023 $'000
Profit before tax	22,621	22,127
Add back/(deduct):		
Gain on investments	(1,051)	(689)
Amortisation of intangibles	5,599	5,599
Underlying profit before tax	27,169	27,037
Tax	(5,506)	(4,630)
Tax effect on adjustments	(1,083)	(1,199)
Underlying profit after tax	20,580	21,208

FuM

FuM as of 30th June 2024 increased by $0.8 billion (8.8%) to $10.2 billion from $9.4 billion at the end of the last financial year. The increase was a result of a combination of investment flows, market movements and performance. Refer to Figure 5 on page 10 – FuM by line of business table within the CEO statement for more details. Average FuM for the year increased by 3.6% from $9.2 billion in FY 2023 to $9.6 billion in FY 2024.

Functional and reporting currency change

The functional currency of the Company and the presentational currency of the Group changed to US dollars with effect from 1st July 2023. Following the change in the Group's presentational currency, the Group's financial statements have been prepared using US dollars. Prior year comparatives have been restated to US dollars using average exchange rate for the period. Refer to note 1.2 in the financial statements on page 111 for further information.

Alternative Performance Measures

The Directors use the following Alternative Performance Measures (APMs) to evaluate the performance of the Group as a whole:

Earnings per share in pence – Earnings per share in US dollars as per the income statement is converted to sterling using the average exchange rate for the period. Refer to note 8 in the financial statements on page 121.

Underlying profit before tax – Profit before tax, adjusted for gain on investments and amortisation of intangibles. This provides a measure of the profitability of the Group for management's decision-making.

Underlying earnings per share in pence – CLIG's shares are quoted and the dividend is declared in sterling. Underlying profit before tax, adjusted for tax as per income statement and tax effect of adjustments, divided by the weighted average number of shares in issue as at the period end. Underlying earnings per share is converted to sterling using the average exchange rate for the period. Refer to note 8 in the financial statements for reconciliation on page 121.

Group income statement and statement of comprehensive income

Revenue

The Group's gross revenue comprises of management fees charged as a percentage of FuM. The Group's gross revenue increased by 1% YoY to $69.5 million (2023: $68.7 million). Increase in revenue is due to higher average FuM during the year, offset by general fee erosion during the year.

Commissions payable of $1.8 million (2023: $1.8 million) relate to fees due to US registered investment advisers for the introduction of wealth management clients, remained at the similar levels as last year.

The Group's net fee income, after custody charges of $1.5 million (2023: $1.4 million), increased by 1% to $66.2 million (2023: $65.5 million). The Group's average net fee margin for FY 2024 was c.69bps as compared to c.72bps for FY 2023.

Net interest income is made up of interest earned on bank deposits and short term investments in treasury money market instruments offset by interest paid on lease obligations. Refer to page 116 for our lease accounting policy and page 119 for details of net interest earned.

Costs

Overheads before profit share, EIP, share option charge and gain on investments for FY 2024 totalling $27.9 million (2023: $27.0 million) were 3% higher than FY 2023, of which c.1% was due to the US dollar weakening against sterling during the year. The US dollar weakened by an average of 4% during the year as compared to sterling and c.32% of the Group's overheads are incurred in sterling.

The Group's cost/income ratio is arrived at by comparing overheads before profit share, EIP, share option charge and gain on investments with net fee income, was 42.2% in FY 2024 as compared to 41.2% in FY 2023.

The largest component of overheads continues to be employee-related at $18.8 million (2023: $17.8 million), an increase of c.5% over last year, out of which c.1% is due to the impact of the US dollar weakening against sterling during the year and salary and associated cost increases with effect from 1st July 2023.

Profit before profit-share, EIP, share options charge and gain on investments was $39.3 million (2023: $39.0 million), an increase of c.1% over the last year.

The total variable profit-share for FY 2024 increased slightly to $10.6 million as compared with $10.4 million in FY 2023 in line with the Profit before profit-share, EIP, share options charge and gain on investments for the year.

The Group's Employee Incentive Plan (EIP) charge for FY 2024 remained the same as FY 2023 at $1.5 million.

Gain on investments

Investment gains of $1.1 million (2023: gain of $0.7 million) relate to the realised and unrealised gains/(losses) on the Group's seed investments and other investments in Special Purpose Acquisition Companies (SPACs). During the year, the Group fully redeemed its seed investments in the two REIT funds and subsequently closed the strategy.

Amortisation of intangibles

Intangible assets relating to direct customer relationships, distribution channels and KIM's trade name recognised on the merger with KIM are being amortised over seven to fifteen years (refer to note 1.8 of the financial statements) and have resulted in an amortisation charge of $5.6 million for the year (2023: $5.6 million). Deferred tax liability on these intangibles as of 30th June 2024 amounted to $7.9 million (2023: $9.2 million) based on the relevant tax rate, which will unwind over the useful economic life of the associated assets. Goodwill amounting to $90.1 million was also initially recognised on the completion of the merger. Refer to note 11 of the financial statements for more details.

Taxation

Profit before tax of $22.6 million (2023: $22.1 million), after a corporation tax charge of $5.5 million (2023: $4.6 million), with an effective rate of 24% (2023: 21%), resulted in profit after tax of $17.1 million (2023: $17.5 million), which is all attributable to the equity shareholders of the Company. The effective tax rate increased during the year due to the higher UK corporation tax rate of 25% effective from April 2023.

Underlying profits

Underlying profit before tax for the year of $27.2 million was marginally higher than the $27.0 million achieved in FY 2023. Underlying profit after tax for the year was 3% lower at $20.6 million when compared to FY 2023 at $21.2 million, which was mainly due to the full year impact of the increase in the UK corporation tax rate.

FINANCIAL REVIEW
CONTINUED

Group statement of financial position

The Group's financial position continues to be strong and liquid, with cash resources of $33.7 million as at 30th June 2024, compared with $28.6 million as at 30th June 2023.

The Group had invested $2.5 million in seeding the Global Equity CEF in December 2021 and $2.5 million in SPACs in March 2022. As at the end of June 2024, these investments were valued at $5.7 million (2023: $4.6 million). During the year, the Group fully redeemed its seed investments in the two REIT funds and the strategy was subsequently closed. Total realised gains recognised on the de-seeding of its investments and its SPACs products was $0.9 million (2023: gain $0.4 million) and unrealised gains of $0.2 million (2023: gain $0.3 million) was taken to the income statement.

The Global Equity CEF fund is assessed to be under the Group's control and is thus consolidated using accounts drawn up as of 30th June 2024. There were no third-party investors, collectively known as the non-controlling interest (NCI) in this fund as of 30th June 2024 (2023: nil).

The Group's right-of-use assets (net of depreciation) amounted to $5.1 million as of 30th June 2024 as compared with $2.5 million as of 30th June 2023. The Group took occupancy of the new US office in West Chester on 1st July 2023 and right-of-use assets amounting to $3.0 million were recognised from that date. The Group also extended its current lease for the Singapore office and additional right-of-use assets of $0.2 million were added as a result of lease modifications with effect from January 2024.

The Employee Benefit Trust (EBT) purchased 318,000 shares (2023: 622,746 shares) at a cost of $1.3 million (2023: $3.1 million) in preparation for the annual EIP awards due at the end of October 2024.

The EIP has had a consistently high level of participation each year since inception (>60% of Group employees), with the first tranche of awards vesting in October 2018. During the year 35.8% (2023: 26.2%) of the shares vesting were sold to help cover the employees' resulting tax liabilities, leading to a very healthy 64.2% (2023: 73.8%) share retention within the Group.

In addition, Directors and employees exercised 47,400 (2023: 23,350) options over shares held by the EBT, raising $0.1 million (2023: $0.1 million) which was used to pay down part of the loan to the EBT.

Dividends paid during the year totalled $19.9 million (2023: $19.4 million). The total dividend of 33p per share comprised: the 22p per share final dividend for FY 2023 and the 11p per share interim dividend for the current year (2023: 22p per share final for FY 2022 and 11p per share interim dividend). The Group's dividend policy is set out on page 22.

The Group is well capitalised, and its regulated entities complied at all times with their local regulatory capital requirements. In the UK, the Group's principal operating subsidiary, CLIM, is regulated by the FCA. As required under the Capital Requirements Directive, the underlying risk management controls and capital position are disclosed on CLIM's website **www.citlon.com**.

Currency exposure

Following the change in the Group's presentational currency with effect from 1st July 2023, the Group's financial results for the year ended 30th June 2024 have been prepared using US dollars.

While Group's revenue and the bulk of its expenses are now aligned in US dollars, c.32% of Group's overheads are incurred in sterling and to a lesser degree Singapore dollars, that are subject to currency rate fluctuations against US dollars.

The Group's currency exposure also relates to its non-US dollar assets and liabilities, which are mostly in sterling. The exchange rate differences arising on their translation into US dollars for reporting purposes each month is recognised in the income statement.

Viability statement

In accordance with the provisions of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three-year period, considering the Group's current position and prospects, Internal Capital Adequacy and Risk Assessment (ICARA) and the potential impact of principal risks and how they are managed as detailed in the risk management report on pages 28 to 29.

Period of assessment

While the Directors have no reason to believe that the Group will not be viable over a longer period, given the uncertainties still associated with the global economic and political factors and their potential impact on financial markets, any longer time horizon assessments are subject to more uncertainty due to external factors.

Considering the recommendations of the Financial Reporting Council in their 2021 thematic review, the Board has therefore determined that a three-year period to 30th June 2027 constitutes an appropriate and prudent timeframe for its viability assessment. This three-year view is also more aligned to the Group's detailed stress testing.

Assessment of viability

As part of its viability statement, the Board has conducted a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This assessment includes continuous monitoring of both internal and external environments to identify new and emerging risks, which in turn are analysed to determine how they can best be mitigated and managed.

The primary risk is the potential for loss of FuM as a result of poor investment performance, reputational damage, client redemptions, breach of mandate guidelines or market volatility. The Directors review the principal risks regularly and consider the options available to the Group to mitigate these risks so as to ensure the ongoing viability of the Group is sustained.

The ICARA is reviewed by the Board and incorporates stress testing based on loss of revenue on the Group's financial position over a three-year period. The Group has performed additional stress tests using several different scenario levels, over a three-year period which are significantly more severe than our acceptable risk appetite, which include:

- a significant fall in FuM;
- a significant fall in net fee margin; and
- combined stress (significant falls both in FuM and net fee margin).

Having reviewed the results of the stress tests, the Directors have concluded that the Group would have sufficient resources in the stressed scenarios and that the Group's ongoing viability would be sustained. The stress scenario assumptions would be reassessed, if necessary, over the longer term. An example of a mitigating action in such scenarios would be a reduction in costs along with a reduction in dividend.

Based on the results of this analysis, the Board confirms it has a reasonable expectation that the Company and the Group will be able to continue in operation and meet their liabilities as they fall due over the next three years.

On that basis, the Directors also considered it appropriate to prepare the financial statements on the going concern basis as set out on page 91.

CORPORATE AND SOCIAL RESPONSIBILITY POLICY

CLIG is committed to maintaining transparent policies regarding the Group's Corporate and Social Responsibilities, and remaining an engaged member of our greater communities.

1. WORKPLACE

Employee welfare

In addition to the statutory obligations, CLIG is committed to maintaining transparent policies in respect of the following:

- recognition of diversity through recruitment and promotion based on merit without regard to ethnicity, gender, religion, sexual orientation, disability, family or marital status, language, national origin, political affiliation, race, age, or any other characteristic protected by law;
- strict adherence to and compliance with the regulatory requirements in force by all employees supported by clear guidelines that enable whistleblowing;
- participation by employees in the Group's activities through share ownership arrangements that encourage employee retention and minimise turnover; and
- ensuring good practices and creating a workplace free of harassment and bullying and in which all individuals are treated with dignity and respect.

Under the UK Corporate Governance Code 2018 (the Code), the Board is required to agree a mechanism to ensure ongoing engagement with the workforce. Rian Dartnell, Chair, has been designated as the Non-Executive Director for employee engagement.

Health and Safety

CLIG is committed to maintaining a high level of Health and Safety (H&S). All UK employees have access through our Group Income Protection policy to an Employee Assistance Programme (EAP), which offers confidential advice on personal and professional matters to employees and members of their immediate family.

Areas covered within the EAP include Mental Health Support, Burnout Prevention, Life Events Counselling, and services related to well-being and healthy living.

Gender diversity

As an employer, CLIG is committed to equality and valuing diversity within its workforce. As noted above, we believe that people should be appointed to their roles based on skills, merit and performance. We recognise that diversity adds value, and our goal is to ensure that our commitments, reinforced by our values, are embedded in our day-to-day working practices.

The gender ratio at the Board level as at 30th June 2024 was 40% female to 60% male. This is compared to 33% female on 31st July 2023, after the retirement of George Karpus from the Board on 31st July 2023.

Of our 117 employees, excluding Non-Executive Directors, 36% are female (2023: 35%), including 24% of senior management including Executive Directors (2023: 25%), and 38% of the remaining employees (2023: 37%).

2024	Female	Male	Total
Executive Director	0	1	1
Senior managers	4	13	17
All other employees	38	61	99
	42	75	117
NEDs	2	2	4
	44	77	121

Work/life balance

As the Group continues to adapt with advancements in technology, changes in culture, and the changing family circumstances of our employees, we try to be fair and flexible while retaining teamwork as one of our core values.

Our management team and the Board continue to engage with the wider workforce on the topic of Work from Home (WFH) during the year. Since the pandemic subsided, we have progressed through the transition back to the office methodically, working with colleagues to find the right balance. Our WFH policy is reviewed on an annual basis, as we continue to work towards finding the right balance for the three primary stakeholders- Employees, Clients, and Shareholders.

The Group has a hybrid WFH policy with effect from 1st July 2024, where employees are provided a bank of flexible WFH days to use during the financial year, pending appropriate coverage on premise by colleagues in their respective departments.

Human rights

CLIG is committed to respecting all human rights. Our operations and practices relevant to the workplace and community are aligned with the United Nations (UN) Universal Declaration of Human Rights.

Learning and development

Our employees are an asset to us. We recognise and support the importance of encouraging all employees to complete professional qualifications relevant to their role, in order to progress and realise their full potential. We partner with our employees and contribute towards their development by sponsoring their studies and providing study leave. This year we have sponsored employees for their CFA. This is in addition to the usual seminars and conferences our employees attend. Mandatory anti-money laundering and Code of Ethics training is provided annually to all employees. Employees also take responsibility for their own development via our annual appraisal process, where they are able to discuss further training where they feel it is necessary. Both subsidiaries transitioned to a new Human Resource Information System (HRIS), with CLIM implementing the system in February 2024 and KIM implementing the system in July 2024. We believe the improved system will provide our colleagues with an improved HR experience.

We continue with the CLIG Security Education Programme (CSEP), which is a multi-faceted cybersecurity training programme that includes online courses and videos via a web-based portal. During the financial year, we conducted an assessment of our colleagues' retention of their training and used the findings to adjust upcoming training to prioritise areas that need additional education. We are proud of our employees' abilities to keep our data safe. Additionally, we use this web-based portal to provide training on Diversity, Equity, and Inclusion topics twice during each financial year.

In addition, we provide the below to all employees:

- internal training on our investment management services;
- awareness sessions on a regular basis to keep employees up to date with relevant aspects of the business; and
- induction programme to all new employees over a period of weeks. It is an ongoing process to ensure new employees settle well into the Group and are confident carrying out the full scope of their duties.

We have Group-wide policies on a range of social issues, including Diversity, Equity & Inclusion, Anti-Slavery & Human Trafficking, Anti-Corruption & Bribery and Whistleblowing.

CLIG's Diversity Working Group which includes the CEO and other employees (including HR) is responsible for:

- reporting and assisting in the implementation of diversity, equity and inclusion-related initiatives;
- researching best practices, discussing issues raised by employees and implementing solutions across the Group; and
- identifying training needs for employees and distributing them via a web-based portal.

Ethics

All CLIG employees are required to act in accordance with their respective Code of Ethics. This lays out minimum standards of conduct to ensure that employees act ethically when dealing with our various stakeholders. It also seeks to ensure that all actual and potential conflicts of interest are identified, mitigated and monitored on an ongoing basis. Any breaches of the Code are reported to the Board of Directors.

2. ENVIRONMENT

Tom Griffith is the Executive Director responsible for the Group's environmental policy.

Environmental policy initiatives

Employees and management of the Group are committed to protect the environment in which we operate. We provide investment management services to our clients which have a relatively modest direct environmental impact. The Group recognises that we must first acknowledge, then measure, and then minimise environmental risks and, wherever commercially possible, improve the Group's overall environmental performance.

The Group continued our engagement with a third-party environmental consultant, ECO3 Partnership Limited (ECO3). ECO3 assists with the production of our shareholder disclosures, and they consult us during the year on initiatives we are undertaking.

A representative list of initiatives completed during the year to help reduce the environmental impact of our activities, is as follows:

- electricity for our West Chester, Pennsylvania office is now sourced by renewable energy;
- carbon offsets were purchased during the year, to offset all group business travel and energy consumed by our Singapore office; and
- investment in further enhancement of our technology solutions to promote regular video conferencing, thereby reducing business travel, where possible.

We support the work undertaken by the TCFD and have produced our detailed response in alignment with its recommendations. To meet the listing requirements under LR 9.8.6, we have included the climate-related financial disclosures consistent with the TCFD recommendation on pages 37 to 45.

CORPORATE AND SOCIAL RESPONSIBILITY POLICY

CONTINUED

3. COMMUNITY

CLIG seeks to encourage employees to regularly participate in community support activities across a wide spectrum of causes that encompass both monetary and non-monetary efforts to help raise awareness. In turn, this fosters a culture of leadership, teamwork and appreciation within our Group and community. Our long-term goals include:

- encouraging employee volunteer work in community activities;
- engaging in programmes that make communities better places to live and work;
- using local suppliers to help support businesses within the community; and
- raising awareness, sharing efforts and encouraging participation via COLeague news, our internal newsletter.

Illustrative list of employees' participation in FY 2024 include:

- United Way Day of Caring, to weed and clean the grounds of a local religious property (US);
- Spring Cleaning Drive for a local homeless shelter (US);
- Socktober Drive to collect new socks for the homeless in advance of the winter months (US);
- Thanksgiving Food Drive for a local food pantry (US);
- Annual Toy Drive during the Holiday season for a local shelter (US);
- Gift cards for the homeless students at the local University (US);
- "Feed a Child This Christmas" bake-off (UK); and
- various athletic achievements and fundraisers to support various causes (US and UK).

As a matter of policy, CLIG does not make donations to any client-related charity, event or activity, or to any political party or candidate.

CEF GOVERNANCE

INDEPENDENT BOARD

CREDIBLE DISCOUNT CONTROL

UNDERLYING PORTFOLIO: OVERALL ESG RISK

EXPOSURE TO ESG ISSUES VS. BENCHMARK

MANAGEMENT OF ESG RISKS VS. RELEVANT BENCHMARK

4. RESPONSIBLE INVESTMENT

Both of CLIG's operating subsidiaries invest primarily in closed-end funds (CEFs). CLIM and KIM are committed to promoting responsible investment.

CLIM's investment process prioritises good governance but it also includes an assessment of the environmental and social policies of the CEFs' underlying securities. We define ESG in the context of stewardship policies by which we are committed to responsible allocation, management and oversight of capital to create long-term value. In the context of a CEF strategy, we have a two-pronged approach to responsible investment:

- We promote effective governance at the CEFs in which our clients are invested, both via their Boards and by engaging with the relevant regulators and policy makers.
- We promote greater transparency from the CEFs of the ESG characteristics of their underlying portfolios.

CLIM is a signatory to the UN-supported Principles for Responsible Investment (PRI). CLIM has partnered with Sustainalytics, a leading independent provider of ESG research. This partnership allows CLIM to receive data to monitor the underlying portfolio of the CEF, and allows CLIM to question the CEF investment manager on their portfolio and stance on ESG issues. We believe good disclosure requirements by the Board to the Investment Manager results in more effective management of ESG risks and therefore better outcomes for our clients.

CLIM's Proxy Voting Record and Annual Stewardship Report are available on our website at: **https://citlon.com/esg-clients/**.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The following pages summarise our Streamlined Energy and Carbon Reporting disclosure and our Task Force for Climate Related Financial Disclosure (TCFD), in line with the Companies (Directors' Report) and Limited Liability Partnerships (Amendment) Regulations 2018 and listing requirement of LR 9.8.6, for the financial year ended 30th June 2024.

1. EXECUTIVE SUMMARY

As a listed company, we disclose environmental initiatives at a Group level in our Annual Report and Accounts.

We have also produced a detailed **2023/24 Annual TCFD & GHG Emissions Report, published in September 2024** to complement our position, which has been included on our website at: https://clig.com/wp-content/uploads/2024/09/Annual-TCFD-GHG-Emissions-Report-June-2024.pdf

In terms of operational emissions reductions, with reference to scopes 1 & 2, the majority of our offices have now transitioned to renewable energy tariffs for electricity, resulting in market-based emissions benefits in the current period. We have also progressed our greenhouse gas (GHG) offsetting strategy for scope 3 business travel emissions.

Key takeaways from our environmental summary this year include:

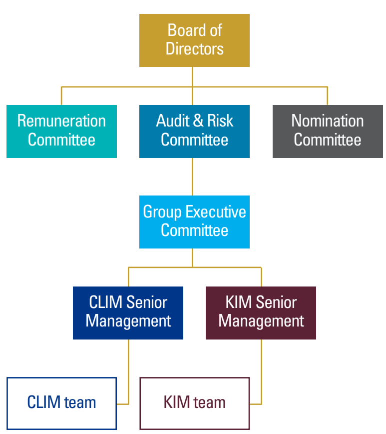
1. **A reduction of 26 tCO_2e scope 1 & 2 market-based emissions.**
2. **An increase of 255 tCO_2e in business travel. To mitigate this, we have purchased verified Gold Standard offsets. Further detail is provided within the relevant section below.**

1.1. Governance

1.1.1. Board oversight

Our Board remains committed to maintaining high standards of corporate governance throughout the group. The oversight and structure of our Governance committees remains unchanged in period. Key personnel changes have been defined in the Director's report and are noted in the Chair's statement.

Figure 1.1. Corporate Governance – Climate risk management



Our approach to overseeing climate-related risks and reporting is summarised within our Audit & Risk Committee (ARC) Terms of Reference, which was revised in February 2024. For further details, please see: https://clig.com/wp-content/uploads/2024/02/AuditRisk-Com-2-24.pdf

1.1.2. Management oversight

There has been no substantive change in the current period. The Group Executive Committee (GEC) oversees the daily responsibilities of the Group's two operating subsidiaries, CLIM and KIM, and this includes the environmental impact of the two businesses. Senior management in KIM and CLIM support the assessment of climate-related risks and opportunities. At CLIM, the oversight includes the portfolio managers who are responsible for implementing stewardship for their respective strategies, with the assistance of a UK based governance and ESG specialist. This ensures a coordinated response where a closed-end fund (CEF) is held across multiple strategies within CLIM.

2. STRATEGY

2.1. Identification of Climate Risks & Opportunities

At investment management level

Our business model remains focused on exploiting discount volatility in CEFs on behalf of our clients to achieve capital growth and outperform relevant benchmark indices as necessary.

Improving CEF governance has been a key objective since our business was founded, but neither CLIM nor KIM select CEFs solely based on their ESG characteristics. Their business models are to implement investment strategies that exploit discount volatility in CEFs.

With respect to CLIM, further details (for non-US persons) regarding our SFDR disclosure are detailed here: https://citlon.com/sustainable-finance-disclosure-regulation-sfdr/

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CONTINUED

CLIM's investment process is driven predominately by capitalising on CEF discount inefficiencies. The ESG characteristics of the underlying CEF portfolios are not the primary reason for selection. However, we appreciate that ESG ratings require consideration, and we therefore encourage CEFs to be more explicit regarding the integration of ESG factors into their investment process. CLIM's research teams conduct annual due diligence on the investment manager of each CEF investment. ESG issues are considered as part of this process, with the assistance of Sustainalytics ESG Risk Ratings. This work is undertaken in order to understand better the sustainability performance of the underlying CEF portfolios.

We appreciate that climate risk may materialise over the short and medium term, and at the Group level, we continue to monitor the landscape of climate-related risk drivers, which may cause us to consider possible future downside risks to our balance sheet and conversely alternative opportunities.

Further details regarding CLIM's Stewardship & Corporate Governance, Voting Record & Press Releases are available within the 'ESG for Clients' section of our website, as well as our Annual Stewardship Report located at: **https://citlon.com/esg-clients/**

At CLIG corporate level

Recognising that climate risk manifests through the physical effects of changing weather patterns and by efforts to reduce and eliminate the GHG emissions that drive those physical risks, we have identified a series of risks, and their associated drivers, across three-time horizons – 1) Short Term which is 0-5 years, 2) Medium Term, which is 5-10 years, and 3) Long Term, which is 10+ years.

- **Physical risks** resulting from climate events and hazards can be subdivided into acute and chronic risks.
  - **Acute physical** risks include weather related or exacerbated events, that are increasing with climate change, such as floods, hurricanes, and wildfires.
  - **Chronic risks** consider gradual, long-term trends such as rising average temperatures and sea levels. The climate modelling of Intergovernmental Panel on Climate Change (IPCC) forecasts increases to both of these categories, which could create physical hazards to business property and other assets in the built and natural environment, as well as indirect impacts from supply chain disruption. Financial performance could also be affected by changes in water availability, extreme temperature changes affecting our premises and operations, as well as the transport needs and safety of our employees.
- **Transition risks** manifest from the transition to a lower-carbon economy. They entail extensive policy, legal and technology risks as well as changes in consumer pressures/preferences to address the mitigation and adaptation requirements to combat climate change.

Transition risks and opportunities are particularly important in the near term, whilst physical risks are increasingly important over longer time horizons, although these will vary by asset class and risk type.

We have commenced a review of potential climate risk exposures, including risk drivers and how they could translate to CLIG across three time horizons. Table 2.1 provides high-level definitions of the climate risk sub-categories considered. A summary of key risks, their drivers and potential transmission routes are illustrated in Table 2.2 and Table 2.3.

Table 2.1. Definitions of climate risk sub-categories (TCFD)

Market	Interest rates	Credit	Liquidity	Strategic	Operational	Technology & resilience	Regulatory compliance	Reputational
Shifts in supply and demand related to climate risk can affect market prices (e.g. consumer preference change)	Governments may implement policies to curb climate change. E.g. interest rates rise to curb inflations due to supply chain disruptions. Additionally, firms may face higher borrowing costs if they are deemed high-risk	Climate risks can affect the creditworthiness of companies, especially those reliant on carbon intensive industries. Potentially leading to higher borrowing costs	Climate change can impair a firms ability to generate revenue, disrupt operations, or reduce asset value making it harder to liquidate assets or secure financing	Involves a firms failure to account for shifts in the market demands towards more sustainable products. E.g. misalignment with with regulations or consumer preference may result in loss of profitability	Firms which are heavily reliant on fossil fuels may find they need to shift their operations to low-carbon alternatives	Adoption of cleaner tech to reduce emissions can pose significant costs to firms who are already invested in high-emitting industries	Constantly evolving regulatory spaces to curb carbon emissions will expose businesses to costs to adapt or penalties if they fail to implement the necessary changes	Firms that are perceived to be detrimental to the climate or who fail to comply with regulations, may suffer reputational damages

Table 2.2. Climate risk exposure over time

Risk Category	Financial risks				Business risks				
Sub-category	Market	Interest rates	Credit	Liquidity	Strategic	Operational	Technology & resilience	Regulatory compliance	Reputational
Short Term (0-5yrs)	Low impact	Low impact	Low impact	Low impact	Low impact	Low impact	Low impact	High impact	Medium impact
Medium Term (5-10 yrs)	Medium impact	Low impact	Low impact	Low impact	Medium impact	Low impact	Medium impact	High impact	Medium impact
Long Term (10+ yrs)	High impact	Low impact	Medium impact	Low impact	High impact	Low impact	Medium impact	High impact	High impact

High impact Medium impact Low impact

Table 2.3. Climate risk drivers and methods of transmission

Risk Category	Sub-category	Risk drivers	Risk driver description	Potential method of transmission to CLIG
Financial risks	Market	Physical & Transitional risks	• Particular market/asset sectoral declines • Market adjustments to pricing of climate risks • Climate event impacts on clients	• Investment product supply and demand shift • Climate risks & opportunities that could impact the value of assets • Reduced revenue from decreased demand for goods/services
	Interest rates	Physical & Transitional risks	• Inflationary pressure could be created by increasing carbon prices & increasing investment demand from climate change	• Potential to increase differentials between geographical zones, and or general interest rate environment • Policy uncertainty could lead to higher investment premiums
	Credit	Physical & Transitional risks	• More stringent criteria resultant from climate driver	• Climate risk could impact client creditworthiness or collateral/assets held by CLIG
	Liquidity	Physical & Transitional risks	• Market condition changes impacting access to stable sources of funding • Drop in deposits from climate impact to BAU models	• Climate disruption could impact client access to capital, creating potential constraints to access capital and/or resulting in declines in their wider asset bases and lower investment • Early exit potential could increase
Business risks	Strategic	Physical & Transitional risks	• Future sustainability drivers or concerns of our clients • Pace of development of green products	• Potential for client sentiment to change over time • Focus on discount volatility may not leverage new investor profiles (consumer generational preference/product shift)
	Operational	Physical & Transitional risks	• Climate resilience of operations	• Increasing frequency or magnitude of climate events may disrupt our operations, increasing potential for operational loss or error • Abrupt and unexpected shifts in energy costs
	Technology & resilience	Physical & Transitional risks	• Acute and chronic physical risks	• Costs to adopt/deploy new practices and processes • The increasing severity of climate events could disrupt operations, our assets and supporting infrastructure • R&D expenditure in new technologies
	Regulatory compliance	Physical & Transitional risks	• Concerns around own or products' GHG footprint, or compliance disclosures	• Increasing legal and regulatory compliance risk associated with climate-sensitive investments and businesses • Potential legal liabilities or litigation increase related to product-based disclosures
	Reputational	Physical & Transitional risks	• Defining and meeting climate commitments • Green product disclosures & labelling • Climate strategy variance across geographical regions	• Changing customer or employee perceptions of our contribution to or detraction from the transition to a lower-carbon economy

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CONTINUED

Climate related transitional opportunities are summarised in Table 2.4.

2.2. Impact of climate risks and opportunities

We acknowledge that the gradual change potential in physical risks is happening now and will only increase over the coming decades.

Transition risk is more time pressing and will likely have a higher impact on CLIG's operations in the short and medium term. We continue to enhance our processes linking the impact of climate related risks and opportunities, presented in Table 2.5 below, to our strategy and financial planning.

2.3. Scenario analysis

As noted previously, neither CLIM nor KIM select CEFs solely based on their ESG characteristics. Their business models are to implement investment strategies that exploit discount volatility in CEFs. Nonetheless, we have considered outline scenarios, more specifically the Network for Greening the Financial System (NGFS) climate scenarios (Orderly, Disorderly, Hot house world, Too little, too late scenarios).

The scenarios generally consider pathways ranging from a positive scenario where climate policies, investment and action are introduced early, and become gradually more stringent, through to scenarios that consider failure and/or a late transition which fails to limit physical risks.

Business-as-usual scenarios, i.e., currently implemented policies, are estimated to lead to a world that is at least 3ºC hotter. The key focus in the industry however is to reach net-zero emissions by around 2050, limiting global warming to 1.5°C above pre-industrial levels. The NGFS scenarios are based upon complex modelling of physical and socio-economic systems. A summary of the outline scenarios considered are:

Current policies: assumed that only currently implemented policies are preserved, leading to high physical risks. Emissions peak in 2080 leading to 3°C of warming which will cause severe physical risks.

Delayed transition: assumed global annual emissions peak in 2030 before declining, followed by stringent climate policy implementation to limit warming to below 2°C.

Below 2°C: assumes that climate policy will continue to increase in stringency over time with immediate implementation. Giving a 67% chance of limiting global warming to below 2°C. Although this sub-scenario assumes increasingly climate policy intensity it is not as stringent as 'Net Zero 2050'.

Net Zero 2050: is an ambitious scenario that limits global warming to 1.5°C through strict climate policy implementation coupled with rapid technological innovation to reach net zero by 2050.

The NGFS scenarios provide a useful framework for understanding how different pathways could impact the environment, financial markets and global economy. The scenarios emphasise the importance of timely and coordinated climate policies to minimise both transition and physical risks and highlight the significant economic and financial consequences of delayed or insufficient action.

As noted previously, our focus remains on relative investment performance. We manage client assets relative to a benchmark, but do not screen out investments based on sustainability risks. Our clients do not instruct us to manage against a benchmark that has an ESG screen. Consideration of

Table 2.4. Climate opportunities

Opportunity category	Climate related opportunities
Market & offering	• Potential medium to long-term access to new markets • Ability to diversify business activities • Shift in consumer preferences
Resilience	• Participation in renewable energy programs (market-based) and adoption of energy efficiency measures • On site renewable energy generation
Reputational	• Reputational benefits resulting in increased demand for goods/services, and own approach towards GHG mitigation
Operational efficiency	• Move to more efficient buildings or refurbishment of existing • Reduced operational usage and consumption – water, materials and waste • Transportation policy changes and humanitarian offsetting of necessary flights for business travel

Table 2.5. Financial impacts and opportunities from climate risk

Risk category	Financial impacts	Financial opportunities
Market	• Reduced demand for services due to shift in consumer preferences • Further abrupt and unexpected shifts in energy costs • Change in revenue mix and sources, resulting in decreased revenues • Re-pricing of underlying assets (e.g., land and fund valuations)	• Increased revenues through access to new markets • Increased market resilience due to diversified investment opportunities
Operational	• Increased operating costs (e.g., from higher compliance costs or increased insurance premiums & costs to reduce emissions trajectory) • Write-offs, asset impairment, or early retirement of assets due to policy changes	• Reduced operating costs (e.g., payback through energy efficiency measures and reduced operational demand/consumption) • Benefits from optimised workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
Reputational	• Reduced revenue from decreased demand for services • Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) • Reduction in capital availability	• Reputational benefits resulting in increased demand for our services

the scenarios does however ensure that we are not blindsided by the economic impacts of climate change and supports more informed decision-making.

3. RISK MANAGEMENT

3.1 Materiality

A critical focus within CLIG is listening to our stakeholders, particularly our clients, to meet their investment requirements.

Materiality considers the threshold at which issues become sufficiently important to our investors and stakeholders, that should be reported publicly.

When assessing materiality, we consider how the Group is affected by climate change, as well as the Group's own impact on the climate. We appreciate that the needs of our stakeholders, and indeed the developing sustainability reporting frameworks, will evolve over time. We will continue to assess our approach to materiality so that we continue to report on what is of relevance to our clients and stakeholders. The impact from climate change, at present, relates primarily to our operational impact.

Our focus remains on relative investment performance. We manage client assets relative to a benchmark, but do not screen out investments based on sustainability risks.

3.2. Identifying and assessing climate risks

We have reviewed key risks outlined within the Carbon Disclosure Project (CDP) and within the TCFD documentation. We continue to develop our materiality determination processes.

A list of applicable risks to CLIG have been defined and codified to support further assessment on an ongoing basis. Further detail is presented within our Annual TCFD & GHG Emissions Report.

3.3. Managing climate related risks

We continue to develop our approach to help integrate climate-related risk into our decision process at the Group level. Climate risk remains an emerging risk, but it is not currently considered a significant risk for the Group.

3.4. Integration into risk management processes

We will consider reviewing the manner in which we have introduced the management of climate risk into our Group level risk management framework.

Consideration will be given as to whether we could enhance our risk management processes with the integration of specific climate risk training, strategic planning or processes and controls. Any material climate risks and opportunities identified will be actioned as necessary on an ongoing basis. We have a fiduciary duty to oversee our client's assets which they have entrusted us to manage.

ESG is considered at the level of both the CEF corporate and the underlying CEF portfolio. CLIM is a large investor in CEFs and at the corporate level prioritises governance factors over underlying portfolio ESG issues when assessing a potential holding prior to purchase.

In 2023, 65 CEF portfolios were analysed (64 in 2022) using Sustainalytics data, representing 71% of CLIM's FuM at the calendar year end (vs 70%). In those CEF portfolios that were analysed, Sustainalytics covers 94% of the underlying securities on a size weighted basis.

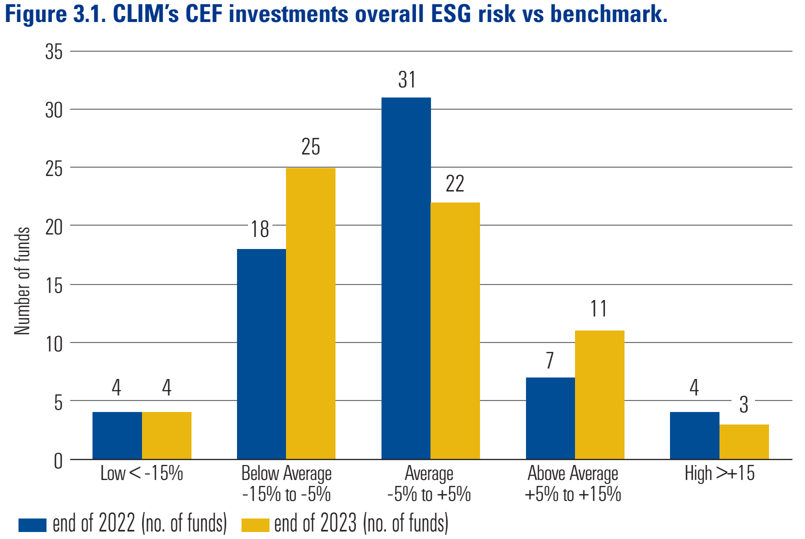
Sustainalytics does not cover unlisted companies and has limited small cap coverage. Small cap securities tend to score poorly which, in CLIM's view, often reflects their weaker disclosure and a relative lack of resources available to develop relevant policies as opposed to poor ESG practices. Lower scores for smaller companies are not necessarily indicative of higher ESG risk. Given the fixed capital structure, CEF investment strategies generally have longer investment horizons and a majority employ active, fundamental, bottom-up processes that favour opportunities in smaller companies. Accordingly, CLIM's CEF portfolios are typically overweight smaller and mid cap securities.

Overall ESG risk for all CLIM portfolios as at end December 2023, using Sustainalytics, was 2.9% lower than their respective benchmarks. By strategy, overall ESG risk for the EM strategy was 2.2% below benchmark and for the international equity and opportunistic value strategies it was 4.1% lower. Weighted average carbon intensity in those CEF investments which made the relevant disclosures was over 40% lower than their respective benchmarks. CLIM does not set targets for these measures.

Figure 3.1 illustrates the distribution of securities held in client portfolios as at end 2023, according to their overall ESG risk compared to their specific benchmark.

Please also refer to our Responsible Investment Statement and further detail of our own risk management approach on our website. Further information is also provided in our Annual Stewardship Report: **https://citlon.com/wp-content/uploads/2024/03/AnnualStewardshipReport3-24.pdf**

Figure 3.1. CLIM's CEF investments overall ESG risk vs benchmark.



Overview | Strategic report | Governance | Financial statements | Shareholder information

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
CONTINUED

4. METRICS AND TARGETS

4.1. Alignment with strategy and risk management

The following section relates to our own operational footprint.

In terms of reducing our scope 2 market-based emissions, the electricity procured for our London office is underpinned by Renewable Energy Guarantees of Origin. Our Rochester office is supplemented by renewable energy credits for wind power generated in New York State. From February 2024 onwards, our West Chester, Pennsylvania office has been, and will continue to be, supported by renewable energy credits, purchased from solar and wind resources. Our Singapore office will be reviewed at the end of the current tenancy.

In terms of offsetting our carbon emissions, in December 2023, we completed our first purchase of verified offsets from Gold Standard. Our first batch of offsets from Gold Standard's allocation methodology will fund projects with additionality and permanence, that will save 173 tonnes of CO_2e emissions from being released into the atmosphere. At year end, we purchased offsets to a further 287 tonnes of CO_2e.

The benefits and emissions reductions from these programmes can be seen within our Scope 2 market-based emissions.

4.2. Carbon offsets and credits

We have purchased carbon credits from the Gold Standard carbon crediting programme to offset our business travel emissions. Towards the end of 2023, 173 carbon credits were purchased for a variety of climate projects, and we have purchased a total of 460 credits during the financial year, including a small contingency (which would in effect offset the utilities emissions from our Singapore office). This will offset all our business travel, including flights, mileage and hotel stays.

Figure 4.1. Key sustainable development goals relevant to our carbon offset programme

Table 4.1. Details of our Gold Standard Carbon offsetting projects

Project name	Project location	Project category	Relevant Sustainable Development Goal
100 MW Solar Power Plant	Maharashtra, India	Renewable Energy	• Affordable and Clean Energy • Decent Work and Economic Growth • Climate Action
Improved cookstoves for Conservation	Makera Gallery Forest, Rwanda	Land Use Activities and Nature-based Solutions	• Good Health and Wellbeing • Affordable and Clean Energy • Climate Action
WithOneSeed Community Forest Program	Democratic Republic of Timor-Leste, South East Asia	Community-based Energy Efficiency	• Zero Hunger • Life on Land • Climate Action

Our purchased offset projects demonstrate additionality and permanence, ensuring that they are impactful and sustainable over time. Each carbon project used in our offsetting strategy meets at least three of the UN Sustainable Development Goals.

By purchasing carbon credits from the Gold Standard Carbon Crediting programme, we aim to have a positive impact on the following Sustainable Development Goals in consultation with ECO3 Partnership Ltd: Zero Hunger, Good Health and Wellbeing, Gender Equality, Affordable and Clean Energy, Decent Work and Economic Growth, Climate Action, and Life on Land.

4.3. Footprint & SECR summary

As expected, 97% of our estimated emissions (scopes 1-3) come from Scope 3 (pre-offset). Our top three emissions are:

- **Business travel**
- **Purchased goods and services**
- **Employee commuting and homeworking**

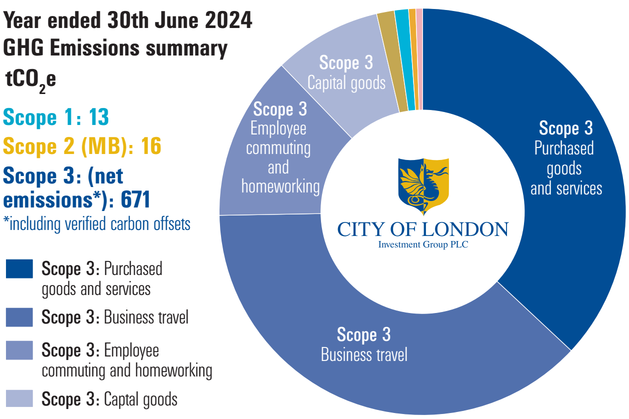
Our Scope 1 & 2 emissions have decreased by 26 tCO_2e since our previous reporting period (using a market-based methodology), resultant from the purchase of green energy contracts/credits.

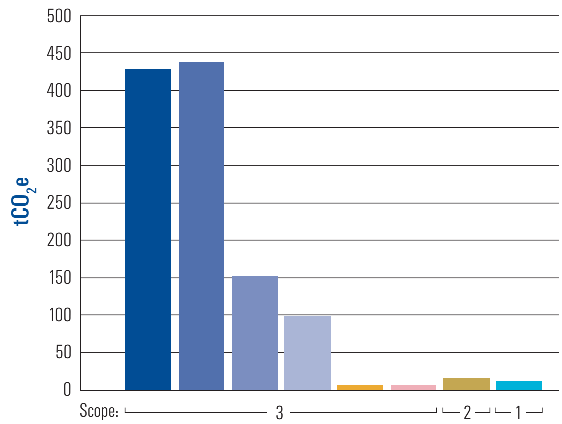
A summary of our assessed emissions is shown in Figure 4.2.

Figure 4.2. CLIG – Scopes 1-3 GHG emissions summary.

Year ended 30th June 2024
GHG Emissions summary
tCO_2e

Scope 1: 13
Scope 2 (MB): 16
Scope 3: (net emissions*): 671
*including verified carbon offsets



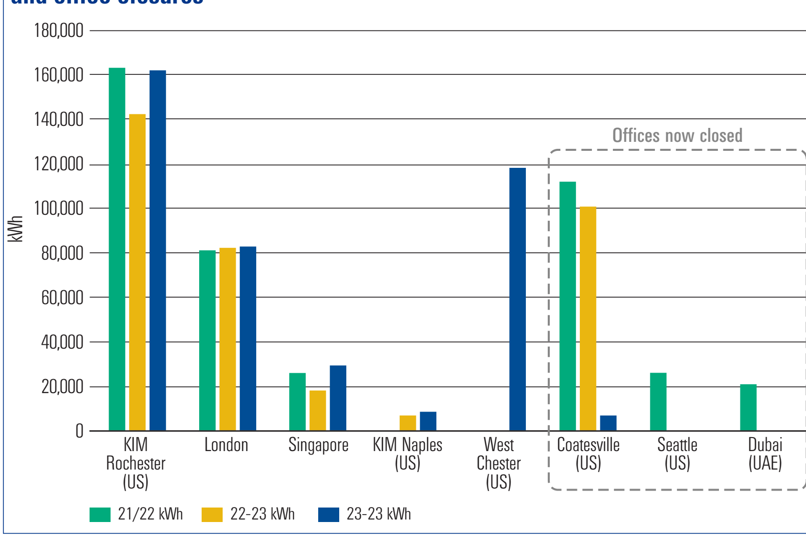


Scope	Emissions type	Scope 3 category	Indicator name	Year ended 30th June 2024	Year ended 30th June 2023
Scope 1 – Total direct GHG emissions			**Scope 1 Total (tCO_2e Global)**	13.06	6.91
Scope 1	Direct	N/A	Company facilities – Stationary Combustion (gas) (Non-UK only)	13.06	6.91
	Direct	N/A	Company vehicles	–	–
	Direct	N/A	Fugitive Emissions	–	–
Scope 2 – Indirect energy related emissions			**Scope 2 (market-based) sub-total (tCO_2e Global)**	16.32	48.19
Scope 2	Indirect	N/A	Purchased electricity for own use (location-based) (UK)	17.15	16.55
	Indirect	N/A	Purchased electricity for own use (location-based) (Non-UK)	72.02	55.93
	Indirect	N/A	Purchased electricity for own use (market-based) (UK)	0.00	0.00
	Indirect	N/A	Purchased electricity for own use (market-based) (Non-UK)	16.32	48.19
Scopes 1 & 2 Total			**Scopes 1 & 2 (market-based) sub-total (tCO_2e Global)**	29.38	55.10
Scope 3 – Indirect emissions			**Scope 3 total (tCO_2e Global)**	1,131.03	1,039.58
	Carbon offsets	6	Verified carbon offsets purchased and retired in period (offset of business travel plus contingency)	(460.00)	
			Scope 3 net total (tCO_2e Global)	671.03	
	Upstream	1	Purchased goods and services	428.59	533.27
	Upstream	2	Capital goods	100.11	134.65
	Upstream	3	Fuel & energy related activities (not included in scope 1 and scope 2)	6.57	3.80
	Upstream	5	Water & Waste generated in operations	6.25	6.25
	Upstream	6	Business travel	437.86	183.01
	Upstream	7	Employee commuting & homeworking	151.65	178.61

4.3.1. Energy consumption summary

We have used a financial control boundary. The energy consumption used to calculate emissions for Scopes 1 & 2 has increased in period from 388,589 kWh to 479,594 on the current period. This was driven by the concurrent closure of Coatesville and the opening of our larger West Chester office, as well as an increase in consumption at our Rochester and Singapore offices. Our West Chester office allows for Renewable Energy Credits to be purchased, and is in a location that is accessible to employees by bike, public transportation, or walking, in addition to automobiles. The Coatesville office was only accessible by automobiles. Our consolidation strategy, and the associated energy consumption trends are shown below.

Figure 4.3. CLIG – Year on year comparison of electricity consumption and office closures



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CONTINUED

Figure 4.4. CLIG – Year on year comparison of scopes 1 & 2 energy consumption

Scopes 1 & 2 energy consumption		Units	Indicator	Year ended 30th June 2024	Year ended 30th June 2023
Scope 1	Direct	kWh	Company facilities- Stationary Combustion (gas)* (Non-UK only)	72,033	38,129
	Direct	kWh	Company vehicles	–	–
	Direct	kWh	Fugitive Emissions*	–	–
Scope 2	Indirect	kWh	Purchased electricity for own use (UK)	82,848	82,444
	Indirect	kWh	Purchased electricity for own use (Non-UK)	324,713	268,016
Scope 1 & 2 total	Direct & Indirect	kWh	All 5 categories	479,594	388,589

4.3.2. Scope 1 & 2 comparison with base year

Our Scope 1 & 2 market-based emissions have reduced by 26 tCO_2e from last year, as a result of the following measures:

- Procurement of a green electricity contract for our London office.
- Purchase of wind energy credits for our Rochester office (US).
- Purchase of Renewable Energy Credits (RECs) for our West Chester office (US).

Our associated Scope 1 & 2 intensity ratio has reduced from 0.91 tonnes CO_2e/FTE in our revised base year (y/e 2022), to 0.25 tonnes CO_2e/FTE this year, with a reference value of 118 FTE in period.

4.3.3. Footprint commentary

Operational Scope 1 & 2 (location-based) emissions increased by 23% from the previous year, primarily due to increased energy consumption noted previously. As noted above, we implemented a series of emissions reduction initiatives which have resulted in a reduction of 26 tCO_2e in our market-based emissions.

Business travel significantly increased in period as a result of a focus on marketing efforts and additional meetings with clients and prospects. We also held our Group Strategy Meeting for all Group employees and our Board in September 2023 after a gap of four years.

Figure 4.5. CLIG – Year on year comparison of Scopes 1 & 2 combined (tCO_2e).

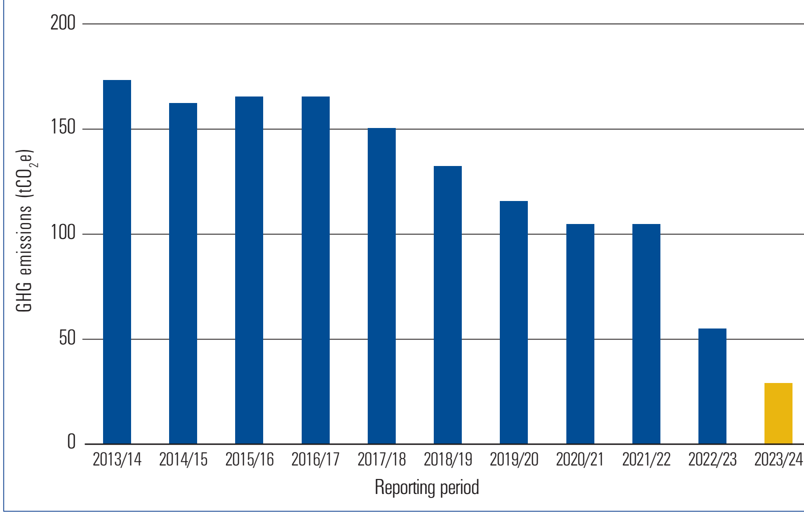
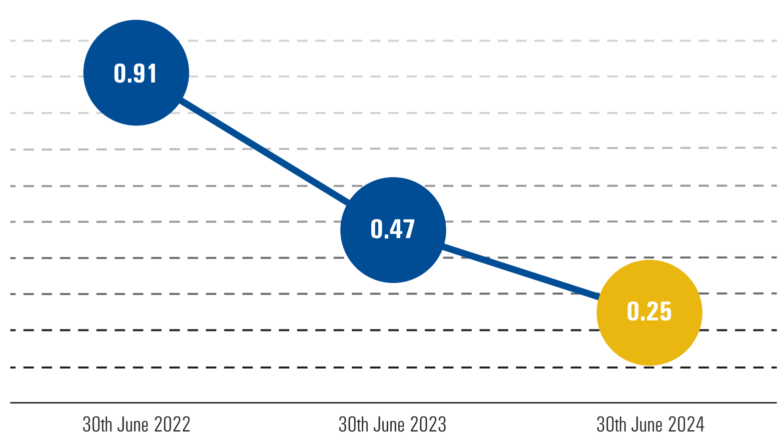


Figure 4.6. CLIG market-based Scopes 1 & 2 intensity ratios (tCO_2e/FTE)



To offset the impact of the increased business travel, the Group implemented a carbon offset programme as described previously, and as shown in figure 4.7. The small contingency of carbon credits is also highlighted. Air travel accounts for 98% (428 tCO_2e) of all business travel emissions.

4.4. Targets and future actions

Limiting the average global temperature rise to 'well below 2°C above pre-industrial levels' and pursuing efforts to limit the rise to 1.5°C above pre-industrial levels, in line with the Paris Agreement, is a critical challenge facing the global economy. Our net zero target considers alignment with the UK's legally binding requirement to reduce its greenhouse gas emissions by 100% from 1990 levels. The net zero target for the UK was defined in the Climate Change Act 2008 (2050 Target Amendment) Order 2019.

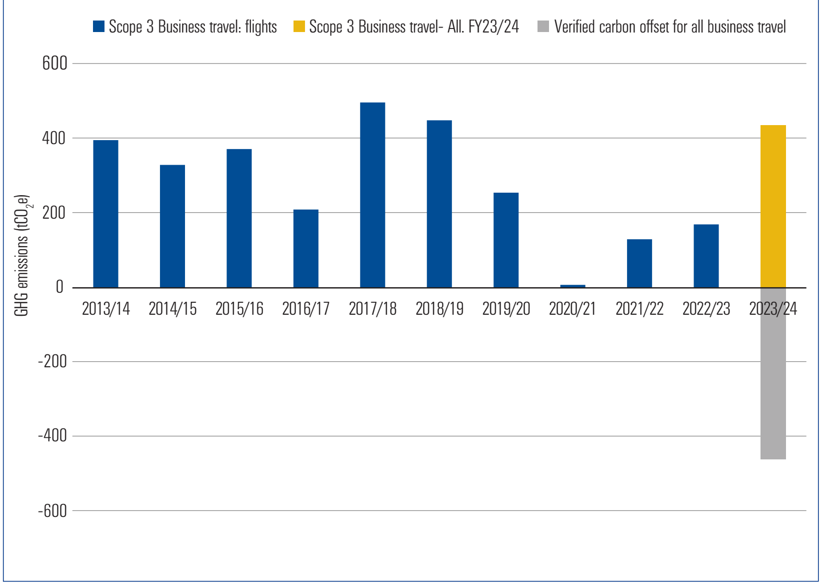
We are targeting operational net zero by 2050 at the latest. We will be developing a Group climate strategy that will set out our near-term 2030 and long-term 2050 net zero targets. This will consider the actions we are taking across various climate pillars. Implementation of our operational decarbonisation strategy will be led by our Group Executive Committee and representatives from CLIM & KIM, and overseen by the ARC.

Operational net zero targets under consideration

1. **Pillar 1** – Reduce absolute Scope 2 (market-based) GHG emissions to 0 by 2027.

2. **Pillar 2** – Reduce absolute Scope 1 & 2 (location-based) greenhouse gas (GHG) emissions by 40-50% by 2030 from a 2022 baseline. We are actively considering the role of appropriate and practicable low and zero carbon technologies (LZCs) at our sites to support the reduction of our Scope 1 & 2 emissions, and associated energy consumption.

Figure 4.7. Business travel flight history & verified carbon offsets in period



3. **Pillar 3** – Reducing and offsetting business travel with additionality and permanence. Due to our geographical spread and client base, we are reviewing our policies. Our approach will consider reducing what we can in the first instance, and then offsetting necessary business travel through verified schemes, such as Gold Standard. We note recent market developments, specifically from The Integrity Council for the Voluntary Carbon Market and their ongoing carbon-crediting programs that meet the high-integrity criteria set out in its Core Carbon Principles (CCPs). Gold Standard is amongst the programs to become CCP-eligible. Any future offsets procured will also consider CCP labelling. The group remains open about documenting its emissions and documenting the steps we are taking to avoid, eliminate and reduce where we can, and to offset what we cannot. One of the perennial themes at CLIG is constant improvement, and so we look forward to seeing how carbon offset standards evolve and how we can best position ourselves to ensure any offsets we purchase are put towards robust emissions reduction projects.

4. **Pillar 4** – We will consider implementing KPIs and annual reductions in our Scope 3 emissions. This may include the volume and quantity of our operational waste, material usage and water consumption. We appreciate that this will require a level of engagement with our supply/value chain to reduce these emissions. It will support our stewardship role in promoting sustainability throughout our business operations.

SECTION 172 (1) STATEMENT

Section 172 (1) of the Companies Act 2006 requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in so doing, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly to all shareholders of the Company.

As part of its decision-making process, the Board considers a broad range of stakeholders; however, it is acknowledged that, in balancing different perspectives, it may not always be possible to deliver everyone's desired outcome. Refer to pages 58 to 59 for our engagement with various stakeholders.

The Board fulfils its duties in collaboration with the senior management teams of its two operating subsidiaries as detailed on page 17, who manage the day-to-day operations of the business along with the Executive Director and the Group Executive Committee, the Company's extensive corporate responsibility activities as set out on pages 34 to 36 and through the application of the corporate governance framework as set out in the governance report on page 60.

The relationship with the three key stakeholders of our business (Clients, Employees, Shareholders) has been expressly acknowledged by the Board since CLIG first became a public company in 2006 and has been a key feature of every Annual Report ever since (see page 20).

Signed on behalf of the Board of Directors of City of London Investment Group PLC.

Tom Griffith
Chief Executive Officer

23rd September 2024

Should shareholders have any questions with regard to the content of this report, they are welcome to email us at ***investorrelations@citlon.co.uk****, but we will not be able to answer any questions of a price-sensitive nature.*

GOVERNANCE

Contents

CHAIR'S INTRODUCTION

> "A solid governance framework and appropriate processes are well-embedded throughout the Group, and we continue to enhance our arrangements where we identify opportunities to do so."

Rian Dartnell Chair

On behalf of the Board, I am pleased to introduce the Company's corporate governance report for this year which sets out our corporate governance framework and how we have complied with the UK Corporate Governance Code.

CLIG's keen focus on corporate governance has continued through the year. We have continued to strengthen the reporting relationship between the Group Executive Committee, begun to embed the recent changes to the Board and Committees and discussed succession planning.

Board composition

Following Barry Aling's retirement last October I took on the role of Chair of the Board. Shortly afterwards at the start of March, we were pleased to welcome Sarah Ing as an Independent Non-Executive Director to the Board. Sarah has been appointed as a member on all our committees and will soon become Chair of our Remuneration Committee. I have taken up the Chair of the Nomination Committee on a temporary basis.

Tazim Essani has confirmed that she will not be seeking re-election as a Director of the Company at the forthcoming 2024 Annual General Meeting on 28th October 2024. The search for a new independent Non-Executive Director is progressing well with a shortlist of candidates being considered by the Board. I would like to convey our appreciation to Tazim for her many contributions.

Diversity and inclusion

Last year we reported that a key priority of the Board and Nomination Committee was to actively consider diversity initiatives. We are pleased to be able to confirm that as at 30th June 2024 we have met two of the three diversity targets set by Listing Rule 9.8.6 R(9)(a). Full details can be found on page 65 of the Nomination Committee Report. We are committed to having a Board that is diverse and balanced but, we are also aware of the challenges of finding a diverse group of candidates with the skills and experience for our business. We seek to draw on as wide a pool of talent as possible.

It remains our firm intention to comply fully with best practice in respect of independence, diversity and inclusion both on the Board and throughout the Group. Compliance will need to be achieved in a way that ensures an appropriate level of continuity and aligns with the needs of CLIG's business.

The Company's Board and Committee Diversity Policy and its objectives can be found on the Company's website: www.clig.co.uk and our detailed statement on diversity can be found in the Nomination Committee report.

Succession planning

Succession planning shall remain a key priority for the Nomination Committee with a particular focus on the process for identifying a new Chair to replace me in due course and a new independent Non-Executive Director to replace Tazim Essani who will not be seeking re-election at the AGM in October 2024. As mentioned, we are progressing with the selection of a new NED to join the Board. Further details can be found in the Nomination Committee report on page 62.

UK Corporate Governance Code

During the year, the Group was fully compliant with the provisions of the UK Corporate Governance Code.

Please refer to pages 54 and 55 for more information.

Board performance

The Board reviewed its own performance and effectiveness along with that of its Committees and individual Directors, with the results and feedback from the Directors due to be discussed at the Board meeting in October.

An update on the outcomes and actions from the 2024 performance will be available in our next Annual Report. Further details about the 2024 process can be found on page 61.

Culture, purpose, values and strategy

The Board is responsible for setting the Group's purpose, values and strategy and strives to set a positive tone from the top, leading by example and acting with integrity. During the year, the Board visited the Group's offices in the UK and US. We value being able to engage with employees in this way as it provides a valuable opportunity for us to gauge the culture of the Group in a more practical and direct way, in addition to the regular monitoring of performance at Board meetings. Further details on the Group's culture, purpose and values can be found on page 57 and detail on the Group's strategy can be found on pages 20 to 22.

Looking ahead

A solid governance framework and appropriate processes are well-embedded throughout the Group, and we continue to improve where we identify opportunities to do so. At each meeting, our Company Secretary provides the Board with updates on relevant legal, governance and regulatory matters and ably supports the Directors as necessary.

We have a Board and management team keenly focused on taking advantage of opportunities and addressing periodic challenges in the interests of all of our stakeholders.

I am grateful to my Board colleagues and the CLIG team for their care and commitment.

Rian Dartnell
Chair of the Board
23rd September 2024

BOARD OF DIRECTORS

CHAIR

Rian Dartnell

CHAIR OF THE BOARD

N R

Date of appointment:
1st October 2020
Aggregate tenure: >9 years

Experience
Rian Dartnell is the Managing Partner of PAXIS Key Holdings and works with endowment, foundation and family relationships to identify and monitor exceptional managers and investments. He also serves as a Trustee, Adviser, or Investment member for high quality family, endowment and institutional investors. Rian served as a Non-Executive Director on the Group Board from June 2011 to July 2016.

External listed directorships: none

Contributes to the Board: strong leadership; extensive experience of asset management industry; experienced investor; and financial and emerging markets knowledge.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Peter Roth

SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR

A N R

Date of appointment:
1st June 2019
Tenure: >5 years

Experience
Peter Roth has more than 40 years of experience in the financial services industry. He has held senior executive positions with Fox-Pitt, Kelton and Keefe, Bruyette & Woods. Peter currently serves as Managing Partner of Rothpoint Group LLC, a New York based consulting firm focusing on the financial services industry. He also serves as a trustee of the Guggenheim Credit Income Fund and is chairman of the audit committee and a member of the nominating and governance committee and independent trustee committee. Peter is also a Director of the Stone Point Credit Corporation and is the Chairman of the audit committee and member of the nomination and governance committee. He also serves on the Board of St Mary's Healthcare System for Children where he chairs the finance committee and serves on the executive, nomination and development committees.

External listed directorships: none

Contributes to the Board: experienced investor; extensive knowledge of financial services industry; Audit Committee Chair experience; and wide-ranging governance experience.

Tazim Essani

INDEPENDENT NON-EXECUTIVE
DIRECTOR

A N R

Date of appointment:
1st February 2021
Tenure: >3 years

Experience
Tazim Essani has over 30 years of experience in executive roles at Close Brothers Group plc, Santander UK plc and GE Capital. She has a significant track record in strategy and M&A in financial services in the UK and internationally covering integration, management transition and realization of synergy benefits.

External listed directorships: None

Contributes to the Board: extensive knowledge of financial services industry; leadership; strategic consulting; and strong entrepreneurial skills.

A Audit & Risk Committee
N Nomination Committee
R Remuneration Committee
Committee Chair

INDEPENDENT NON-EXECUTIVE DIRECTORS

Sarah Ing

INDEPENDENT NON-EXECUTIVE DIRECTOR

A N R

Date of appointment:
1st March 2024
Aggregate tenure: *<1 year*

Experience
Sarah is a qualified chartered accountant with over 30 years of experience in the financial services sector including audit, corporate finance, investment banking and asset management. She is an experienced NED in quoted financial services companies. Previously, Sarah founded and ran an investment management business and was also a top-rated equity research analyst covering the financial sector. She is the Chair of the Remuneration Committee at CMC Markets plc, Chair of the Audit and Risk Committee at XPS Pensions Group plc and at Marex Group plc she is senior independent Director and Chair of the Audit and Compliance Committee.

External listed directorships: *Non-Executive Director - CMC Markets plc, XPS Pensions Group plc and Marex Group plc.*

Contributes to the Board: *extensive knowledge of financial services industry; leadership; Audit Committee & Remuneration Committee Chair; and wide-ranging governance experience.*

EXECUTIVE DIRECTOR

Tom Griffith

CHIEF EXECUTIVE OFFICER

Date of appointment:
1st June 2004
Aggregate tenure: *>20 years*

Experience
Tom was the Deputy Chief Executive Officer and COO of the firm before becoming CEO in March 2019. Prior to joining City of London 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.

External listed directorships: *none*

Contributes to the Board: *strong entrepreneurial leadership; asset management experience; proven track record implementing successful business strategies; and Board experience.*

BOARD ACTIVITIES

BOARD AND COMMITTEE MEETING AND ATTENDANCE

	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee
Number of scheduled meetings	6	5	4	4
Current Directors				
Executive Directors				
Tom Griffith	6/6	–	–	–
Non-Executive Directors				
Barry Aling [1]	2/2	–	–	–
Jane Stabile [2]	5/5	–	3/3	3/3
George Karpus [3]	1/1	–	–	–
Peter Roth	6/6	5/5	4/4	4/4
Rian Dartnell	6/6	2/2	1/1	4/4
Tazim Essani	6/6	5/5	4/4	4/4
Sarah Ing [3]	1/1	2/2	1/1	1/1

Notes:
- Includes scheduled meeting dates that have taken place up until the financial year ended 30th June 2024.

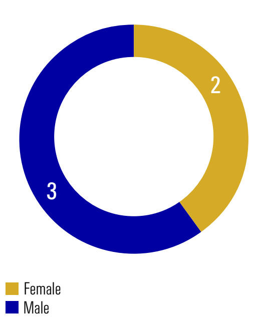
1) Barry Aling retired from the Board on 23rd October 2023.
2) Jane Stabile retired from the Board on 29th February 2024.
3) George Karpus retired from the Board on 31st July 2023.
4) Sarah Ing was appointed to the Board on 1st March 2024.

TOTAL BOARD AND COMMITTEE MEETINGS

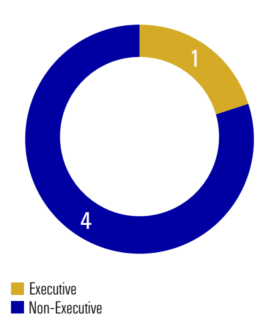
Board	6
Audit & Risk Committee	5
Nomination Committee	4
Remuneration Committee	4

BOARD STATISTICS*

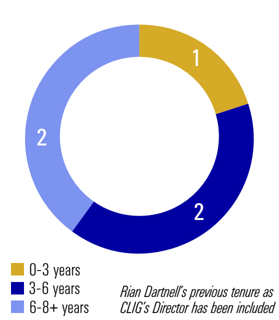
Gender balance



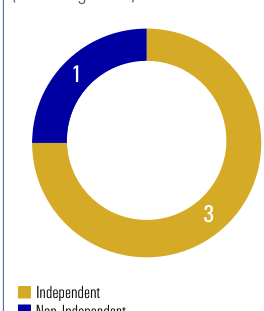
Executive vs. Non-Executive



Tenure



Independent vs. Non-Independent
(excluding Chair)



CORPORATE GOVERNANCE ARRANGEMENTS

Compliance with the UK Corporate Governance Code

The Board applies and reports against the UK Corporate Governance Code 2018 (the Code), a copy of which can be found at **www.frc.org.uk**.

This report has been structured to assist shareholders and other stakeholders to interpret the Company's application of the Code principles. Appropriate cross-references are made where relevant information is disclosed outside of the corporate governance report.

Throughout the financial year ended 30th June 2024 the Company complied with all the provisions of the Code. Further details can be found on pages 54 to 55.

The role of the Board

The Board is responsible for promoting the Company's long-term success. It achieves this by setting the Group's strategy and monitoring delivery against it. Further details can be found on pages 20 to 22. Group strategy is guided by the Company's purpose and values, further details of which can be found on page 57.

Matters reserved to the Board

The Board operates a policy of matters formally reserved for its decision, which includes items that are material in delivering on the Group's strategy and purpose. These matters include:

- Setting the Company's values and standards and monitoring progress against them.
- Approval of strategic aims and objectives.
- Approval of budgets, capital expenditure and changes to the Group's capital structure.
- Ensuring a sound system of internal controls and risk management.
- Approval of financial results and trading updates.
- Approval of dividends and review of dividend policy.
- Approval of workforce policies.

The full schedule of matters reserved can be found on the Company's website: **www.clig.co.uk**.

Board meetings

The Group Chief Financial Officer prepares an agenda for each Board meeting in conjunction with the Company Secretary, Chief Executive Officer and Chair of the Board. Agendas are structured to allow sufficient time for discussion and debate, and to ensure that the Board covers all items it needs to in order to discharge its duties.

Conflicts of interest

On appointment, Directors are required to disclose conflicts of interest to the Company. Details of existing conflicts of interest are tabled at each Board meeting and Directors are asked to provide updates where required. Conflicts of interest are also verified as part of year-end reporting.

Director time commitment and external appointments

Director time commitments are assessed annually by the Nomination Committee. Directors are required to disclose any significant commitments upon appointment and all external appointments must be approved by the Board before they are accepted.

BOARD ACTIVITIES
CONTINUED

Application of Code Principles

The table below provides an explanation of how the Board has applied the Code Principles during the year ended 30th June 2024.

CODE PRINCIPLE	SUMMARY
BOARD LEADERSHIP AND COMPANY PURPOSE	
A	A successful Company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. *The role of the Board is set out on page 53. The section 172 (1) statement on page 46 explains how the Directors carry out their duty to promote the long-term success of the Company, taking into account the outcome of engagement with key stakeholders.*
B	The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture. *Please see page 57 for a summary of the Group's culture, purpose, values and pages 20 to 22 for strategy.*
C	The Board should ensure that the necessary resources are in place for the Company to meet its objectives, and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed. *The Board's role in ensuring the Group has the necessary resources is stated on page 60. The Audit & Risk Committee report on pages 66 to 69 includes a description of the Group's approach to risk management and internal control.*
D	In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties. *Commentary about stakeholder engagement can be found on pages 58 to 59.*
E	The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. *The approval of workforce policies is a matter reserved to the Board. Please see page 58 for more details on the Board's role in relation to workforce policies and whistleblowing.*
DIVISION OF RESPONSIBILITIES	
F	The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. He or she should demonstrate effective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information. *Information about the Chair's role and responsibilities can be found on page 60. Details of the Chair's tenure and succession plans can be found on 63.*
G	The Board should include an appropriate combination of Executive and Non-Executive (and in particular, Independent Non-Executive) Directors, such that no one individual or small group of individuals dominates the Board's decision-making. There should be a division of responsibilities between the leadership of the Board and the executive leadership of the Company's business. *The composition of the Board is kept under review. A description of the division of responsibilities between the Board and the Group Executive Committee can be found on page 60.*
H	Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge and strategic guidance, offer specialist advice, and hold management to account. *Expectations about time commitment and the duties of the role are set on appointment and the Chair of the Board provides support to the Non-Executive Directors as necessary thereafter. Please see pages 52 and 61 for additional commentary.*
I	The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. *Information about the Company's Board performance evaluation, which includes a review of Board processes, can be found on page 61.*

CODE PRINCIPLE	SUMMARY
COMPOSITION, SUCCESSION AND EVALUATION	
J	Appointments to the Board should be subject to a formal, rigorous and transparent procedure and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. *The approach to Board appointments and succession planning and the Board Diversity policy are described on pages 63 to 65.*
K	The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed. *The Board reviews the balance of skills and experience needed as part of its discussions on succession planning. See page 63 for more information.*
L	Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively. *Information about the annual Board evaluation and the individual evaluation of Directors can be found on page 61.*
AUDIT, RISK AND INTERNAL CONTROL	
M	The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements. *The Board monitors the need for an internal audit function and the policies and processes in place to ensure the independence and effectiveness of the external auditor. Further details can be found in the Audit & Risk Committee Report on pages 66 to 69.*
N	The Board should present a fair, balanced and understandable assessment of the Company's position and prospects. *The Audit & Risk Committee and the Board consider whether the annual report is fair, balanced and understandable and the appropriate statement is included on page 67.*
O	The Board should establish procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. *Disclosures on the Company's internal control and risk management systems are included in the Audit & Risk Committee Report on pages 66 to 69 and in the Directors' Report on page 93.*
REMUNERATION	
P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to Company purpose and values, and be clearly linked to the successful delivery of the Company's long-term strategy. *The Remuneration Committee considers the alignment of rewards policies with long-term strategy. Refer to pages 70 to 71.*
Q	A formal and transparent procedure for developing policy on executive remuneration and determining Director and senior management remuneration should be established. No Director should be involved in deciding their own remuneration outcome. *Details about the operation of the Remuneration Committee are included in the Chair of the Remuneration Committee's Annual Statement and the Annual Report on Remuneration on pages 70 to 85.*
R	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances. *The Remuneration Committee exercises appropriate discretion when authorising remuneration outcomes, as described in the Annual Report on Remuneration on pages 75 to 85.*

BOARD ACTIVITIES

CONTINUED

The Board discharges its duties through an annual programme of meetings. Some key areas of focus during the financial year are shown below.

STRATEGY AND PERFORMANCE

- Received and discussed regular reports from the Executive Director and senior management on performance.
- Reviewed and approved Group strategy and KPIs, as set out on pages 20 to 27.
- Reviewed culture, purpose and values and alignment with culture.

FINANCIAL OVERSIGHT

Dividends

- Reviewed the Company's dividend policy.
- Considered and declared an interim dividend of 11p per share for payment on 28th March 2024.
- Considered and recommended a final dividend of 22p per share for payment on 7th November 2024.

External reporting

- Upon the recommendation of the Audit & Risk Committee, reviewed and approved full and half year results and the Annual Report and Accounts.
- Reviewed and approved quarterly trading statements.

Budget and financial resource

- Reviewed and approved the 2023/2024 Group budget.

AUDIT, RISK AND INTERNAL CONTROL

- Oversaw the audit tender process.
- Reviewed and approved the Internal Capital and Risk Assessment (ICARA).
- Reviewed systems of risk management and internal control.
- Approved the going concern statement and assessment of viability.
- Carried out a robust assessment of the Company's principal and emerging risks.

LEGAL AND GOVERNANCE

Succession and appointments

- The Board considered proposals from the Nomination Committee for transition of the Chair's role.

Annual General Meeting

- Held an AGM.

Governance

- Considered reports from the Committee Chairs.
- Approved various Group policies.
- Assessed the Group's compliance with corporate governance guidelines and regulation.

The Board is responsible for setting the Company's purpose, values and strategy, and for satisfying itself that these and its culture are aligned.

The Board reviewed its purpose, values and methods for assessing and monitoring culture in September 2024.

PURPOSE

The Group exists for the mutual benefit of our three primary stakeholders: Clients, Employees and Shareholders.

VALUES

- **The Clients pay the bills** – Clients expect superior investment performance, openness and accountability, and ethical treatment.
- **The Employees manage the business** – Employees expect fair treatment, open communication and to share in the success of the Group.
- **The Shareholders own the business** – Shareholders expect relevant risk and cost controls, quality earnings and within the bounds of prudential balance sheet management, regular dividend distributions.

CULTURE

The Board is responsible for setting the cultural tone of the Group by way of clear policies, procedures and codes which set out, and aim to ensure attainment of, stakeholder expectations. By setting an appropriate cultural framework the Board's goal is to empower employees to deliver consistently and sustainably against the strategy it sets.

New employees receive an induction including coaching on the Company's Code of Ethics, which covers behavioural expectations around topics such as bribery and corruption, conflicts of interest, insider dealing, confidentiality, personal securities account dealing, inclusion, gifts and hospitality and delegated levels of authority.

The Board receives updates on employee retention, an important indicator that the Board has succeeded in embedding a positive culture. The Group boasts a very low level of employee turnover with high levels of reported employee satisfaction. Employee retention remains a key cornerstone of the Group's strategy and is one of the Group's additional key performance indicators. Further details on strategy can be found on pages 20 to 22 and additional key performance indicators can be found on pages 24 to 27.

The Board receives regular updates from CLIM's Head of Compliance and KIM's Chief Compliance Officer, which contain details of policy breaches, including in relation to the Code of Ethics. The Board monitors such breaches closely with a view to taking action should the reported issues indicate a trend as opposed to an exception.

The Board also reviews and assesses the Group's culture by directly engaging with the employees at both operating subsidiaries. The following are some examples of such engagement that have taken place during the financial year and up to the date of the Annual Report:

September 2023 Group Strategy Meeting in West Chester, PA
- Spent over two days with all Group employees participating in a mix of formal presentations, social and team building events

October 2023 AGM and Board meetings in London
- Board visit to London office
- Board's informal interaction with all UK employees

April 2024 Board meeting in West Chester, PA
- CLIM & KIM employee presentations to Board
- Board's informal interaction with all CLIM's US employees

Refer to pages 58 to 59 for details of the Board's engagement with various stakeholders.

STAKEHOLDER ENGAGEMENT

The Board must act in a way that promotes the success of the Company for the benefit of shareholders, whilst having due regard to its wider stakeholders.

Details of the Board and wider Group's engagement with its stakeholders are set out below and the s172 (1) statement can be found on page 44.

Key stakeholders

CLIENTS

Key considerations

- Ensure client needs are understood and met.
- Ensure transparency on key issues related to investment products, including investment performance, regulatory requirements and ESG considerations.
- Clear communication.

How the Board engaged

- Received regular reports providing updates on client relationships, including details of client calls and engagement.

SHAREHOLDERS

Key considerations

- Ensure that shareholder interests and concerns are understood and addressed.
- Ensure transparency on key issues and provide clear communications.

How the Board engaged

- Annual General Meeting.
- Regular in-person/video conference meetings with shareholders.

How the business engaged

- Video conference presentations and in-person/virtual roadshows around results announcements.

STATEMENT OF VOTING AT GENERAL MEETING

Provision 4 of the UK Corporate Governance Code

At the Company's AGM held on 23rd October 2023, sixteen resolutions were proposed to shareholders with Resolutions 5 to 8, 11 and 13 to 16 receiving less than 80% approval. Since the AGM the Board has pursued a strategy of engagement with the controlling shareholder group and have had a series of constructive meetings. We have also been engaging with our other shareholders and, as always, plan to maintain transparency in our ongoing dialogue.

EMPLOYEES

Key considerations

- Ensure employees have an ongoing opportunity to share ideas and raise issues with senior management and the Board of Directors.
- Develop employee expertise and provide opportunities for advancement.
- Ensure that employees are supported in their lives outside of their work in order to support their families' and communities' well-being (see page 34 for further detail on employee welfare).

How the Board engaged

- Board meetings are held at Company offices to provide employees with the opportunity for informal interaction with the Board.
- Regular site visits take place.
- Board's informal interaction with all Group employees in Group's Strategy Meeting in September 2023.
- Board's informal interaction with employees from various offices in October 2023 and April 2024.
- The Board keeps workforce policies under review to ensure they are consistent with the Group's values and support the Company's long-term success.

How the business engaged

- Refer to page 34 for employee welfare policies.

Workforce engagement

Provision 5 of the UK Corporate Governance Code

The Board is required to agree a mechanism for ensuring ongoing engagement with the workforce and has designated Rian Dartnell, the Chair of the Board, as the Non-Executive Director in charge of employee engagement. This role entails championing strength of communication between the Board and employees, and ensuring appropriate opportunities are created for employees to give feedback.

Whistleblowing

Provision 6 of the UK Corporate Governance Code

The Company's whistleblowing mechanism enables the workforce to report concerns anonymously. The Board receives details about reports received pursuant to this mechanism at each scheduled meeting and ensures that a proportionate and independent investigation and follow up action is taken in relation to all reports.

Since the year end an external third party whistleblowing reporting service is being set up, in addition to the existing advice hotline, which will provide a secure, independent and confidential channel for employees to report concerns, demonstrating our commitment to ethical behaviour and transparency.



Other stakeholders

THE ENVIRONMENT

Key considerations
- The Group is dedicated to ensuring that the environment is protected.

How the Board engaged
- Receives reports regarding the Group's carbon footprint and sustainability data.
- Refer to disclosures recommended by TCFD on pages 37 to 45.

How the business engaged
- Continued our engagement with a third-party environment consultant to enhance our climate-related disclosures on environmental risks and opportunities.
- The Group endeavours to limit its carbon footprint through a series of Group-wide initiatives with an aim to reduce absolute levels of emissions and waste volumes as detailed on pages 35 and 37 to 45.
- We utilise Sustainalytics to ensure that the investment process supports ESG initiatives. Refer to page 36 in relation to responsible investment.
- Refer to disclosures recommended by TCFD on pages 37 to 45.

OUR COMMUNITIES

Key considerations
- The Group is dedicated to ensuring that we are good citizens in the communities in which we have offices.

How the Board engaged
- The Board challenged the Group to review engagement in local areas, in the form of internships and outreach.

How the business engaged
- Community outreach and support efforts are a key element of our ongoing business operations. Further details can be found on page 36.

REGULATORS

Key considerations
- Ensure that the Group complies with all relevant regulatory requirements.
- Proactively monitor changes in regulatory requirements and ensure the Group makes changes as required.

How the Board engaged
- Received and challenged regular reports from finance and compliance.

How the business engaged
- Each operating subsidiary has a compliance function which is integral to investment management and client functions and reports to the Board.

VENDORS

Key considerations
- Ensure that vendors adopt and execute data security practices consistent with internal Group policies.
- Ensure that arms-length relationships exist in order to protect client and shareholder interests.

How the Board engaged
- Received and challenged regular reports from operations.

How the business engaged
- Vendor relationships are managed by senior management with responsibilities clearly enumerated.
- ESG considerations are applied to all vendors.
- Expense authorisations are approved by an Executive Director, after considering the rationale for choosing a vendor.

CONSIDERATION OF STAKEHOLDERS IN DECISION-MAKING

Key considerations

Dividends

The Board approved an interim dividend of 11p which was paid on 28th March 2024 and is recommending a final dividend of 22p, making a total of 33p for the year.

CORPORATE GOVERNANCE FRAMEWORK

There is a clear division of responsibilities between the Board and its Committees. Each role is clearly defined and distinct.

BOARD OF DIRECTORS

Chaired by Rian Dartnell

Roles and responsibilities

- Establishes the Company's purpose, values and strategy, satisfying itself that these and its culture are aligned.
- Ensures that the Group's financial structure, resources, talent and culture support its objectives and long-term success.
- Oversees the framework for risk management and internal control.
- Maintains engagement with stakeholders.

GROUP EXECUTIVE COMMITTEE (GEC)

Chaired by Tom Griffith

Comprised of four members – Carlos Yuste, Dan Lippincott, Deepranjan Agrawal and Tom Griffith.

Roles and responsibilities

- Provides executive oversight of the Group's operating businesses and day-to-day management of the Group.

AUDIT & RISK COMMITTEE

Chaired by Peter Roth

Comprised exclusively of three Independent Non-Executive Directors.

Roles and responsibilities

- Oversees financial reporting, audit and risk.

See page 66 for the Audit & Risk Committee report.

NOMINATION COMMITTEE

Chaired by Rian Dartnell

Comprised exclusively of four Independent Non-Executive Directors.

Roles and responsibilities

- Oversees Board composition, succession planning and governance matters.

See page 62 for the Nomination Committee report.

REMUNERATION COMMITTEE

Chaired by Tazim Essani

Comprised exclusively of four Independent Non-Executive Directors.

Roles and responsibilities

- Oversees Group remuneration policy and strategy ensuring there is an appropriate linkage between strategy and reward.

See page 70 for the Remuneration Committee report.

BOARD ROLES

Chair

- Leads the Board and ensures its effectiveness.
- Supports the CEO in the execution of duties and providing constructive challenge.
- Works closely with Executive and Non-Executive Directors, and facilitates a culture of open, robust and effective debate.
- Ensures that the Board maintains effective communications with shareholders and other stakeholders.
- Ensures stakeholder interests are considered in Board's decision-making.

Chief Executive Officer

- Responsible for executive management of the Group.
- Formulates and recommends Group strategy for Board approval and responsible for execution of approved strategy.
- Runs the business within appropriate delegated authorities, risk management and internal controls.
- Communicates and embeds a shared purpose, sets business values and builds management talent.
- Develops an effective relationship with the Chair and leverages the knowledge of Non-Executive Directors.

Senior Independent Director

- Provides a sounding board for the Chair and, if required, acts as an intermediary between Directors and shareholders.
- Leads the annual evaluation of the Chair's performance.
- Leads the search for the appointment of a successor to the roles of Chair of the Board and Chair of the Nomination Committee, where required.
- Available as an additional point of contact for shareholders and other stakeholders if they feel matters raised have not been appropriately dealt with by the Chair and CEO.

Non-Executive Director

- Bring a broad external perspective, independent judgement and objectivity to the Board's decision making and discussions.
- Challenge and support Executive Director in the development and implementation of the strategy and objectives of the Company.
- Take responsibility for monitoring the performance of Executive Directors.
- Other responsibilities include determining appropriate levels of remuneration, overseeing succession planning and ensuring financial controls and risk management systems are robust.

BOARD EVALUATION

UPDATE ON 2023/4 EVALUATION PROCESS

The Board continues to review its own performance and effectiveness and that of its Committees and individual Directors on an annual basis. The 2023/24 effectiveness review was sponsored by Rian Dartnell, Chair of the Nomination Committee, and facilitated by the Company Secretary during May 2024.

The 2023/24 review was again conducted by way of a questionnaire. The questions remained broadly similar to those used in the 2022/23 review to allow a comparison of results over time. Each Director was asked to complete the questionnaire and the responses were collated into a report by the Company Secretary for review by the Board.

As the Company is not a constituent of the FTSE 350, the Board determined that it would not undertake an externally facilitated Board evaluation in 2023/24 but the need for a periodic external perspective will remain under review by the Board.

Overall, the results of the 2023/24 evaluation were positive and showed that the Board continued to perform effectively.

Questionnaire topics included:

- Strategy
- The Board and stakeholders
- Board discussion and processes
- Risk, internal control and the Audit & Risk Committee
- Succession and the work of the Nomination Committee
- The Remuneration Committee
- The role of the Chair

OUTCOMES

The outcomes of the 2023/24 Board effectiveness review will be discussed by the Board at its meeting in October 2024. The Board will then confirm any key priorities and agree actions to be taken during the year.

2023/24 Evaluation Process

The 2023/24 evaluation process followed a similar approach to that used in 2022/23 and was again internally facilitated by the Company Secretary. Rian Dartnell was sponsor of the process. A questionnaire was sent to each Director for completion by mid-June and the responses were collated into a report which will be considered by the Board at its October 2024 Board meeting. An update of the outcomes form the 2024 performance review will be provided in the 2024/25 Annual Report.

Individual Directors

The individual skills, time commitment and independence of each Director, are assessed annually and the Board confirmed that each Director continues to contribute effectively to the Board both within and outside of Board meetings.

Chair of the Board

The Non-Executive Directors met in April 2024 without Rian Dartnell, Chair of the Board present to discuss his performance. It was concluded that the Chair had continued to lead the Board well, facilitating open dialogue and encouraging the participation of all Directors. The Non-Executive Directors were also appreciative of Mr. Dartnell's contribution to the Board as its Chair since October 2023. Additionally, during the year the Chair held meetings with the Non-Executive Directors twice without management present.

NOMINATION COMMITTEE REPORT

"Board composition is well-balanced at this stage and each of our NEDs brings complementary skills and perspectives."

Rian Dartnell Chair of the Nomination Committee

COMMITTEE MEMBERSHIP
Rian Dartnell (Chair)
Tazim Essani
Peter Roth
Sarah Ing

I am pleased to present the Nomination Committee report for the year ended 30th June 2024.

The committee is functioning well. Peter Roth continues his diligent work as the Senior Independent Director and Chair of the Audit & Risk Committee. Sarah Ing will soon become Chair of the Remuneration Committee, succeeding Tazim Essani. With Jane Stabile's retirement last February, I became Chair of the Nomination Committee. Tom Griffith is CLIG's CEO and represents Executive Management on the Board.

I would like to thank Jane Stabile again for her service as a Non-Executive Director (NED), as well as Chair of our Nomination Committee. Jane was instrumental in recruiting Sarah Ing to our Board and we have already benefitted from Sarah's judgment and experience. I am pleased that the Nomination Committee identified a strong set of candidates for us to consider for our future needs. Tazim Essani has advised that she will be stepping down as a Director of the Company and relinquishing her role as Chair of the Remuneration Committee. This will be effective from the close of the forthcoming 2024 Annual General Meeting. As we search for a new independent Non-Executive Director, we will ensure that the Board continues to be well-balanced and each of our NEDs brings complementary skills and perspectives.

It has been a busy year in the Nomination Committee. As part of our planning process, we engaged with a number of shareholders on the subject of our Board composition and solicited their thoughts on my tenure on the Board. Our discussions included our Controlling Shareholder, several of our largest shareholders and a mix of smaller shareholders. The clear feedback was of support for our current Board and a preference for continuity at this important time for the company.

My current tenure on the Board began 31st October 2020 putting me in my fourth year as a NED for CLIG. I did, however, serve as a NED from 2011 to 2016, having resigned then due to a particularly demanding time in my full-time employment. I maintained almost no contact with CLIG during the four interim years from 2016 to 2020. In 2020, I was approached and asked to consider rejoining the Board to assist with oversight of the merger with KIM. In addition to the merger, it is worth noting that CLIG evolved a great deal in the interim years I was not on the Board. CLIG's Founder retired, there was a transition of Board Chairs and Tom Griffith was promoted to CEO.

It is the view of the Board that I should seek re-election as Chair. I would be happy to serve and agree that more time would be beneficial to continue with our strategic plans as well as communicate and work with our shareholders. I agree that this is a pragmatic step that would foster continuity during an eventful and active period for your Company.

I am grateful to my colleagues on the Nomination Committee for their continued diligence and support.

Rian Dartnell
Chair of the Nomination Committee
23rd September 2024

KEY ROLES AND RESPONSIBILITIES

- Monitor the structure, size and composition of the Board and its principal Committees.
- Oversee succession planning for Board and senior management roles.
- Identify and nominate candidates to fill Board vacancies.
- Review time commitment for Non-Executive Directors.
- Approve Directors for re-appointment at the end of their terms and at Annual General Meetings.
- Review results of annual Board effectiveness reviews.
- Approve Directors' external appointments.

Full terms of reference of the Committee can be found on the Company's website: **www.clig.co.uk**.

Committee composition and attendance

The Committee held four scheduled meetings during the year. Attendance details for scheduled meetings can be found on page 52. The Committee comprises of four Independent Non-Executive Directors. At the invitation of the Committee, meetings are regularly attended by the Executive Director. Other members of senior management are invited to attend and present at meetings from time to time. The Company Secretary is secretary to the Committee.

COMMITTEE ACTIVITIES

Terms of reference

The Committee reviewed its terms of reference in April 2024 and recommended minor changes.

Succession planning

The Committee kept the Board and senior management succession plans during the year under review.

Succession and contingency plans have been formulated to cover the following scenarios:

- Emergencies.
- Unplanned departures.
- Planned departures.

To support sound succession planning at the Board level, the Committee reviewed the current and remaining tenure of each Non-Executive Director through to the year 2030, in order to plan for the succession in terms of diversity, experience and skills. To support this evaluation, we created a skills and experience matrix to evaluate how the composition of the Board might change with any new Non-Executive Director appointed.

During the year, Rian Dartnell was appointed Chair of the Board. A new independent Non-Executive Director was appointed in March 2024 to replace Jane Stabile.

Board and Committee evaluation

During the year, the Committee reviewed the process for the annual Board effectiveness evaluation. It was agreed that the questionnaire-based approach used in the previous years worked well and would again form the basis of the Board effectiveness evaluation in 2024. Full details of the Board evaluation process can be found on page 61.

Director induction and ongoing training

A formal induction process is in place for new Directors, which aims to:

- familiarise Directors with the Group's business, departments and processes;
- cover the role, duties and responsibilities of Directors of a UK listed company; and
- facilitate engagement with employees.

Comprehensive and tailored programmes are formulated for each Director, depending on their individual background and experience. New Directors meet members of the Board, including the Chair, as well as Heads of Departments from around the business. They are given documentation providing key information related to the Group, including financial performance, Board policies and procedures and governance matters. These documents remain available to Directors as a continuing point of reference.

The ongoing training needs of Directors are kept under review and training sessions are planned as necessary.

Board size and composition

The size of the current Board is in-line with the size of the firm, with three independent Non-Executive Directors, one Executive Director who is also the CEO and our Chair of the Board.

We feel that the size of the Board has been effective and appropriate and intend to keep the Board at the same level, with the exception of recruiting an additional independent Non-Executive Director in due course, bearing in mind the length of our Chair of the Board's tenure.

Post year end

Since year-end Tazim Essani has advised that she will be stepping down as a Director of the Company and relinquishing her role as Chair of the Remuneration Committee. This will be effective from the close of the forthcoming 2024 Annual General Meeting. The Board is in discussions to appoint a new independent Non-Executive Director and will provide a further update in due course.

NOMINATION COMMITTEE REPORT

CONTINUED

Appointment of Directors

A formal, rigorous and transparent process is in place for the recruitment of new Directors. Appointments are made on merit against objective criteria, with due regard to the importance of promoting diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths. During the year the Company recruited a new Non-Executive Director. An independent external recruiter (Sapphire Partners), who has no connections with the Company or individual directors, was appointed. Following a clear process, in February the Committee recommended to the Board for approval the appointment of Sarah Ing as an Independent Non-Executive Director.

All Directors are subject to annual re-election by shareholders at the Company's Annual General Meeting. The Committee makes recommendations to the Board regarding the election or re-election of Directors following consideration of Directors' time commitments, independence and tenures. At the meeting in April 2024 it was agreed that all Directors seek re-election at the 2024 AGM with the exception of Sarah Ing who will seek election following her appointment to the Board earlier in the year.

Diversity and inclusion

The Board is committed to ensuring that its membership reflects diversity in its broadest sense, with a diverse range of demographics, skills, experience, race, age, gender, educational and professional backgrounds and other relevant personal attributes being reflected on the Board. The Company's Board and Committee Diversity Policy is regularly reviewed. Following review by the Committee in April 2024, the current policy was approved by the Board in September 2024. Company's Board and Committee Diversity Policy and its objectives can be found on the Company's website: www.clig.co.uk

It remains a key area of focus for the Committee to consider the Company's approach to diversity among the Board and senior management. Details of the gender breakdown across the Group can be found in the Strategic Report on page 34.

The Company remains committed to fostering diversity when making future Board appointments.

APPOINTMENT PROCESS FOR NEW DIRECTORS

1. Draw up an initial list of role requirements
2. Appoint an executive search agency, where necessary
3. Draw up long- and short-lists of candidates with support from the search consultant to conduct screening interviews and take up references
4. Short-listed candidates interviewed by a number of Directors and discussion had as to which candidates to take forward
5. Feedback gained from candidates and second interviews undertaken
6. Nomination Committee members conduct detailed references
7. Review undertaken of actual or potential conflicts of interest and assessment of the proposed Directors' existing commitments
8. Recommendation made to the Board regarding appointment

NEW STATEMENT ON DIVERSITY

Listing Rule 9.8.6 R(9)(a) requires the Company to report on whether it has met specified diversity targets. The specific diversity targets are to ensure that at least 40% of the Board are women, at least one of the senior Board positions (Chair, CEO, CFO and SID) is a woman and that at least one Director is from a minority ethnic background, requiring companies to report on a 'comply or explain' basis. As at 30th June 2024 and at the date of publication of this report, the Company has met two of these targets as one Director is from a minority ethnic group, and there are two female Directors on the Board which represents 40%. Currently none of the senior Board positions are held by a female Director.

The Directors remain aware of the changes to the Listing Rules and have been able to make changes as soon as the opportunity arose with the appointment of a new Non-Executive Director, Sarah Ing. Whilst there are no further changes to the composition of the Board planned, the members will ensure that when there is an opportunity to meet the final target, they will do so.

The Nomination Committee has not formally set any diversity targets but is mindful of the target set by the FTSE Women Leaders Review to achieve 40% female representation by 2025 and is pleased to confirm that it has now met this target. The tables below report our data on the gender identity and ethnic diversity of the Board, senior Board positions and executive management, based on the data we collect from individuals when joining the Company.

Gender representation data

	Number of Board Members	Percentage of Board Members	Number of Senior Positions on Board (CEO, CFO[1], SID & Chair)	Number in executive management[2]	Percentage of executive management[2]
Men	3	60%	3	4	100%
Women	2	40%	0	0	0

Ethnicity representation data

	Number of Board Members[1]	Percentage of Board Members[1]	Number of Senior Positions on Board[1]	Number in executive management[2]	Percentage of executive management[2]
White British or other White (including minority-white groups)	4	80%	3	3	75%
Asian/Asian British	1	20%	0	1	25%

1 The CFO is not a Board Director but is a member of executive management.

2 We regard our Group Executive Committee as executive management for the purposes of LR 9.8.6. CEO is a member of the Group Executive Committee.

AUDIT & RISK COMMITTEE REPORT

"In response to the publication of the new UK Corporate Governance Code 2024, the Committee has focused its attention on a number of the main changes which shall affect audit, risk and control (specifically Principle O and Provision 29). Preparations are already underway to address these changes so as to ensure compliance with the new Code."

Peter Roth Chair of the Audit & Risk Committee

COMMITTEE MEMBERSHIP
Peter Roth (Chair)
Tazim Essani
Sarah Ing

I am pleased to present the report of the Audit & Risk Committee (the Committee) for the year ended 30th June 2024, setting out how the Committee has discharged its duties.

It has once again been a busy year for the Committee and I can confirm that it has fulfilled its responsibilities through activities taken during the year, as set out on pages 67 to 69. Sarah Ing joined the CLIG Board and the Audit & Risk Committee on 1st March 2024. She is a qualified chartered accountant with over thirty years of experience including audit, corporate finance, investment banking and asset management. The Committee's key areas of focus during the year were as follows:

Audit Tender

Following much discussion earlier in the year it was agreed that we would undertake an audit tender which would be overseen by the Committee. The process that took place in the first few months of 2024 saw a short list of candidates being considered, and the Board was pleased to confirm in March 2024 that Grant Thornton UK LLP would be appointed as external auditor with immediate effect for the year ended 30th June 2024. RSM UK Audit LLP, who had been the Company's auditors since 2018 resigned by mutual agreement with the Company. We thank RSM UK Audit LLP for their significant contribution as CLIG's auditor over recent years. The Committee is satisfied that both firms have adequately managed the handover to ensure a smooth transition.

Change of functional and presentation currency

As mentioned in my letter last year, the functional currency of the Company and the presentational currency of the Group changed to US dollars with effect from 1st July 2023. Following the change in the Group's presentational currency, the Group's interim results for the six-month period ended 31st December 2023 and these annual results have been prepared using US dollars as the presentational currency.

Risk Management and Internal Control Framework

During the year an overview of the current risk management and internal control framework was once again reviewed by the Committee along with details of the long-standing process already in existence for the ongoing maintenance of the framework through an external and internal monitoring and testing program.

In response to the publication of the new UK Corporate Governance Code 2024, the Committee has focused its attention on a number of the main changes which shall affect audit, risk and control (specifically Principle O and Provision 29). Preparations are already underway to address these changes so as to ensure compliance with the new Code. A deep dive on the changes that would come into effect was held by the Committee. Undertaking this review so early on will ensure the Committee has sufficient time to introduce and enhance our internal controls and risk management framework ahead of the new disclosures to be reported in the Group's 2026 Annual Report and Accounts. We look forward to sharing these details with you in next year's annual report.

Environmental and Climate Risk

In relation to environmental and sustainability policy, the Committee discussed a carbon offsetting proposal which was new for the Group. The members discussed the proposed approach and considered any risks that may be associated with it, following which they gave their approval. Environmental initiatives were also tabled for discussion at Committee meetings.

Cybersecurity

Cybersecurity continues to be a critical focal area for the Committee, with updates being presented during the year. I am pleased to confirm that a Group Chief Information Security Officer (CISO) role was created to further support our work to put in place a robust risk framework in respect of cybersecurity.

My thanks go to my fellow Committee members for their continued insight and support in what has been a busy year for the Committee.

Peter E Roth

Peter Roth
Chair of the Audit & Risk Committee
23rd September 2024

KEY ROLES AND RESPONSIBILITIES

Financial and narrative reporting

- Monitor the integrity of the financial statements of the Company and report to the Board on significant financial reporting issues and judgements.
- Review the content of the Annual Report and Accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable.
- Considered the half year report for six months ended December 2023.

External audit

- Make recommendations to the Board regarding the appointment/re-appointment of the external auditor.
- Oversee the relationship with the external auditor.
- Assess the external auditor's independence and objectivity, including oversight of the policy on non-audit services.
- Assess the effectiveness of the external audit.

Risk management and internal control

- Review the adequacy and effectiveness of the Company's systems of risk management and internal control.
- Review and approve statements to be included in the annual report regarding risk management and internal control, principal and emerging risks and the viability statement.
- Consider the need for an internal audit function.

Compliance, speaking up and fraud

- Review the adequacy and security of the Company's whistleblowing arrangements, and procedures related to fraud, bribery and money laundering.

Full terms of reference of the Committee can be found on the Company's website: **www.clig.co.uk**.

Committee composition and attendance

Five Committee meetings were held during the year, all of which were fully attended by all Committee members. As of June 2024, the Committee comprises three Independent Non-Executive Directors. All members have extensive knowledge of the asset management industry and the analytical tools used in the appraisal of Company reports and accounts. The Chair of the Committee, Peter Roth, has recent and relevant experience serving on audit committees in the financial services industry. At the invitation of the Committee, meetings are regularly attended by the Chair of the Board, the Executive Director, the Chief Financial Officer and the external auditor. Other members of senior management are invited to attend and present at meetings from time to time.

FINANCIAL AND NARRATIVE REPORTING

The Committee reviews the Group financial statements, including half and full year results and the Annual Report and Accounts, and makes recommendations to the Board for approval. The Committee is responsible for reviewing the significant financial judgements, key assumptions and estimates employed by management, an analysis of which can be found in the table on the following page. As part of the review, the Committee satisfies itself that the policies set out in note 1 of the financial statements on pages 111 to 117 are appropriate.

Task-Force on Climate-Related Financial Disclosures (TCFD)

The Committee continued its increased scrutiny and challenge around the disclosure requirements relating to climate change and publication of our TCFD report. In line with the previous year, our external environmental consultant (ECO3) was retained during the year to help the Group in preparing its 2024 TCFD report (included within this Annual Report).

Fair, balanced and understandable

The Committee reviewed the Annual Report and Accounts for the year ended 30th June 2024 and concluded that they are representative of the year and present a fair, balanced and understandable overview, providing the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

Viability and going concern

The Committee concluded that a three-year assessment period continued to be appropriate and recommended the viability statement to the Board for approval (Refer to page 32 for viability statement). The Committee also reviewed the going concern disclosure (see page 91) and recommended to the Board that the Group had adequate resources to continue in operational existence for the foreseeable future and that it was appropriate for the financial statements to be prepared on a going concern basis.

Significant financial judgements, key assumptions and estimates

The following table sets out the key accounting issues and judgements reviewed and monitored by the Committee during the year in accordance with UK Corporate Governance Code provision 26.

AUDIT & RISK COMMITTEE REPORT

CONTINUED

SIGNIFICANT JUDGEMENTS, KEY ASSUMPTIONS AND ESTIMATES	COMMITTEE ACTIONS
Goodwill Goodwill for the Group's cash generating unit is tested for impairment annually by assessing that its recoverable amount is not less than its carrying value. Recoverable amount of an asset is the greater of its 'fair value less cost of disposal' or its 'value in use'. This requires estimates concerning future cash flows, financial multiples, growth rates and associated discount rates.	The services of an independent valuation consultant, Kroll Advisory Limited ('Kroll') was retained during the year to perform an assessment of impairment as of 30th April 2024. The Committee considered Kroll's report outlining the methodology for the impairment assessment and challenged the assumptions underpinning the goodwill valuation model including cash flow projections, multiples, discount rates and any other inputs. The Committee also considered whether there were any significant changes or indicators of impairment in the period from the assessment date to 30th June 2024. Further details can be found in note 11 of the financial statements on page 124.

OTHER

Terms of reference

The Committee reviewed its terms of reference in February 2024 and recommended some minor changes.

Committee evaluation

An internal Board and Committee evaluation exercise was carried out in May and June 2024. This was by way of a questionnaire issued to each Board member, a section of which was devoted to the performance of the Audit & Risk Committee. Full details of the Board evaluation process can be found on page 61.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Audit & Risk Committee

The Committee is responsible for assisting the Board in maintaining an effective internal control environment. To achieve this objective, the Committee receives regular reports on compliance and internal control procedures from CLIG's General Counsel, the US Chief Compliance Officer, CLIM's Head of Compliance, KIM's Chief Compliance Officer and CLIG's management. The Group maintains a Group risk register which is kept under review by the Group Executive Committee.

CLIM's Risk & Compliance Committee (RCC) and KIM's Compliance Committee have responsibility for the day-to- day oversight of the risk management process at the respective operating subsidiaries. They are also tasked with identifying any areas of perceived risk exposure for their respective subsidiaries.

For the year ended 30th June 2024, the Committee is satisfied that the risk register has been appropriately amended and maintained.

Internal audit function

The Committee continued to review and consider the need for an internal audit function. It remains satisfied that the objectives and activities of an internal audit function are sufficiently fulfilled by the Group's current systems of risk management and internal control, as described above, and considering the current size and complexity of the business, that a stand-alone function was not required during the year.

During the year the Committee discussed the amended UK Corporate Governance Code 2024 Provision O and Provision 29, which will come into force in 2026. It was agreed to address the new requirements as necessary during the course of the next year and to keep the need for an internal audit function under review and to appropriately challenge and debate the topic.

Since the year end an internal audit function has been set up to provide independent assurance and to support the Board in complying with the new Principle O of the UK Corporate Governance Code 2024 and its responsibility to maintain the effectiveness of the risk management and internal control framework. This will be supported by a software to help establish systems and aid business processes and internal controls testing and remediation.

EXTERNAL AUDIT

RSM UK Audit LLP (RSM) was the Company's appointed external auditor for a period during the year. During that time RSM attended each scheduled meeting of the Committee during the year and reported on the status of the Group external audit process. RSM performed the review of the half yearly report for six-month period ended 31st December 2023.

Keeping RSM partner's (Geoff Wightwick) forthcoming retirement in mind, during the year it was agreed by the Board to undertake an audit tender. Following a comprehensive tender process, the Committee recommended Grant Thornton UK LLP (GT) due to the depth of their relevant financial services practice in auditing similar sized companies to CLIG. The Committee had agreed to recommend, and the Board subsequently approved in February 2024, a proposal to request that RSM resign, and GT be appointed as auditor for the full year to 30th June 2024.

The Committee met privately with both external auditors at each meeting to allow for any concerns to be flagged by the external auditor. No such concerns were flagged during the year.

Rotation

The Statutory EU Audit Directive (the Directive) sets out rules for public interest entities audit firm tenure and rotation and the provision of non-audit services.

After RSM serving as Group's auditor for six consecutive years, the Company undertook an audit tender in the current financial year and appointed GT as the Group auditor for the year ended 30th June 2024. This is therefore GT's first year of serving as auditor. In order to comply with the Directive, the Company intends to undertake an audit tender at least every ten years. There are no contractual obligations that restrict the Committee's choice of external auditor.

Assessment of external audit effectiveness

The Committee makes an annual assessment of the performance of the external auditor and the effectiveness of the audit process. This assessment is based on the Committee's interactions with, and observations of, the external auditor. The Committee concluded that the effectiveness of the external audit process carried out by RSM was satisfactory and that their independence and objectivity were sufficiently maintained. Therefore, the Committee recommended to the Board the re-appointment of RSM at the Company's next Annual General Meeting. However, as discussed earlier, after the Annual General Meeting, the Board decided to undertake an audit tender and appointed GT as the Group's auditor for the full year to 30th June 2024.

The disclosures provided within this report constitute the Company's statement of compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Independence and objectivity

Both the Committee and the external auditor have policies and procedures designed to protect the independence and objectivity of the external auditor. During the year, the Committee was provided with a number of assurances by the external auditor regarding the checks and balances in place to safeguard independence and objectivity. Overall, the Committee has concluded that GT remains independent.

Non-audit services policy

The Company's non-audit services policy sets out a list of non-audit services that the external auditor is either permitted or prohibited from providing to the Group. The policy places a requirement for all non-audit services that the external auditor is engaged for to be approved in advance as follows:

Value of non-audit service	Approver
Up to £50,000	Chair of the Audit & Risk Committee
£50,001 and above	Audit & Risk Committee

The policy further mandates that the total fees for non-audit services provided by the external auditor to the Group shall be limited to no more than 70% of the average of the statutory audit fee for the Company, of its controlled undertakings and of the consolidated financial statements paid to the external auditor in the last three consecutive financial years.

Pursuant to the policy, the Committee undertakes to seek annually from the external auditor information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those regarding the rotation of audit partners and staff.

External auditor fee

During the year, the Committee reviewed and approved the external auditor's fee. Refer to note 5 of the financial statements on page 119 for fees paid to the Company's auditors in the year ended 30th June 2024.

CHAIR OF THE REMUNERATION COMMITTEE'S ANNUAL STATEMENT

"The Committee believes that our approach to executive remuneration remains appropriate, supports the Company's culture and circumstances and aligns well with shareholder interests."

Tazim Essani Chair of the Remuneration Committee

COMMITTEE MEMBERSHIP

Tazim Essani (Chair)

Rian Dartnell

Peter Roth

Sarah Ing

KEY ROLES AND RESPONSIBILITIES

- Determine policy for Directors' remuneration and set remuneration for the Chair, Executive Director and senior management.
- Establish remuneration schemes aligning Executive Director with shareholder interests.
- Review workforce remuneration and related policies.

Full terms of reference of the Committee can be found on the Company's website: **www.clig.co.uk**.

On behalf of our Board and the Remuneration Committee, I am pleased to present our report for the year ended 30th June 2024.

Our Remuneration Policy aims to maintain a consistent and balanced approach to compensation that recognises individual and team contributions that support CLIG's goals and objectives. As always, the Group aims to maintain a long-term focus on its remuneration to ensure an equitable and sustainable plan. This Remuneration Report has three parts: this Annual Statement, the Remuneration Overview which explains our policy and our Annual Report on Remuneration which sets out how the policy has been applied during the year.

As noted in both the Chair and CEO statements, the business climate over the last year has been mixed with a tough first half and then increased positive momentum through the second half. As discounts have narrowed flows have improved with positive relative performance across all strategies other than EM. The CLIG team approach, not just across investment management but through client service, IT and operations was once again in evidence as Group FuM ended the year at over $10 billion.

Code compliance

Our Remuneration Policy and arrangements comply with the requirements of the UK Corporate Governance Code (Code). The statement of compliance with the UK Corporate Governance Code is set out on page 53.

Group key performance indicator

The Group key performance indicator (KPI) targets a total return (share price plus dividends) to compound annually in a range of 7.5% to 12.5% over a five-year period. This KPI applies to employees and the Executive Director alike and is a key cornerstone of our inclusive and team-based culture, helping to create a common goal for the Group. As noted in the CEO's Statement on page 10, for the five years ended 30th June 2024, the total return was 34.7%, or 6.2% annualised (source, Bloomberg). Since listing in April 2006, the annualised return has been 11.8%. The share price underperformance largely being driven by broader market factors rather than reflecting CLIG specific concerns. As mentioned, CLIG's investment performance has been good and flows are on an improving trend.

Remuneration outcomes

In setting remuneration, the Committee has taken this into careful consideration and reflected it in the Executive Director's salary which was unchanged on 2023 and his profit-share which was down 7% (on constant currency). Page 75 sets out the single figure total remuneration for the Executive Director of $857,631 (2023: $911,317). Variable pay for the wider employee base was held broadly flat to last year in recognition of the good underlying business performance.

Directors' Remuneration Policy

The Directors' Remuneration Policy (the Policy) was last put to a binding shareholder vote at the AGM in October 2022 and passed with a vote of 97.7%. The Policy will remain in force until the 2025 AGM. More detail on how the Policy was implemented during the year can be found on pages 75 to 79.

And finally…

The Committee believes that our approach to executive remuneration remains appropriate, supports the Group's culture and circumstances and aligns well with shareholder interests. We engaged with our largest shareholders during the 2022 remuneration policy review which was overwhelmingly supported by shareholders. No further specific discussions in relation to remuneration have been requested or taken place during the year. We are always happy to discuss our approach to remuneration with shareholders and would be happy to answer any shareholder questions about the work of the Committee.

Tazim Essani
Chair of the Remuneration Committee

23rd September 2024

REMUNERATION OVERVIEW

REMUNERATION OVERVIEW

Executive Director remuneration components

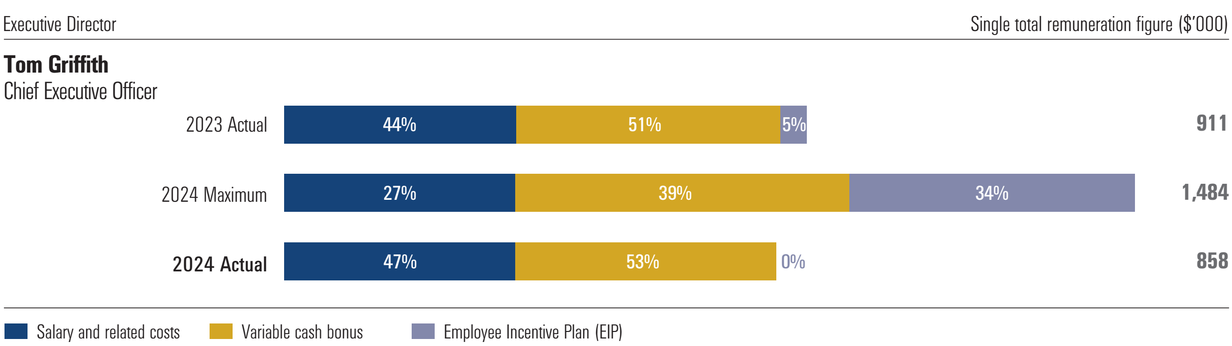
	Remuneration	2022 Remuneration Policy
Fixed	Base salary	Aligns with pay adjustments for the wider employee population
	Fees	Market competitive
	Benefits	Market competitive
	Pension	No higher than workforce contribution
Variable	Profit-share	Maximum of 2.5 times aggregate salary and fees
	Employee Incentive Plan	One times match on profit-share waived (up to 30% of profit-share earned)
	Share options	No further ESOP awards will be granted to the Executive Director
Governance	Share ownership guidelines	200% of salary (in and post-employment)
	Malus and clawback	Profit-share and EIP up to 24 months after payment/vesting date

Executive Director remuneration outcomes

Executive Directors' single total remuneration figures

The chart below compares the single total remuneration figures for FY 2024 for the CEO with the maximum total remuneration that could be awarded under the Directors' Remuneration Policy as per 30th June 2023 illustrative reward scenario and the single total remuneration figures for FY 2023.

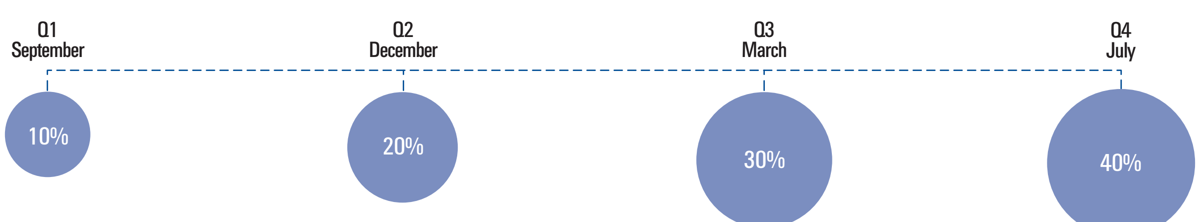
Single total remuneration figures



Assumptions:

1) Based on FY2023 and FY2024 actual results. Comparative period amounts have been restated to US dollars using average exchange rate in the relevant period.
2) 2024 maximum is the level of remuneration that could have been received in FY2024 in accordance with Group's Director's remuneration policy as included in FY 2023's illustrative reward scenario (converted in USD using average exchange rate). This reflects the minimum remuneration plus the maximum bonus opportunity as detailed in the future policy table. The maximum variable cash bonus has been adjusted by the maximum amount of the bonus that can be waived, which in turn is matched by the Company and the total is shown as EIP.
3) Under the Directors' remuneration policy, the EIP awards once awarded, will vest one-fifth per annum over a five-year period, and from October 2024 onwards over a five-year period with one-third vesting each year for the third, fourth and fifth anniversaries following grant.

Profit-share payment schedule – financial year 1st July 2023 – 30th June 2024



Fee income is received on both a monthly and quarterly basis.

Profit-share payments during the year are based on **forecasted annual profit determined using quarterly results**. The fourth and largest payment is made once the final results are known.
Percentage splits are therefore **approximate**.

For Executive Director, 10% of this payment is deferred until September

CLIG KPI'S RELATIONSHIP TO OUR DIRECTORS' REMUNERATION POLICY

Our Group's interplay between the legitimate needs of our various constituents is exemplified by the relationship between our KPI and our Directors' Remuneration Policy. In order to understand our corporate culture and the tone from the top, one must understand this key relationship.

CLIG share price total return: *best measurement of management*	We continue to believe that a **key measure of the management team is the long-term total return of the shares of the Company they manage.** Our business model is very simple. We receive fees for managing client assets against a benchmark index.
Volatility of earnings	Although the business is simple, a large part of the assets are in a volatile asset class – EM. As a result of this volatility our FuM and, therefore, our future **fee income are difficult to predict with any level of accuracy.**
Management team KPI (See page 23 for further details)	This volatility is also why total return of CLIG over a market cycle which is defined as a rolling five-year period has been selected as the KPI. This **KPI presents a challenge** for the management team to achieve, **without incentivising managers to take undue risks.** We have a conservative approach to risk. We do not charge performance fees and there is no debt on our balance sheet. As a specialist in CEFs, the universe of EM equity investment options is capacity constrained. To address this constraint we have added strategies by market segment that take advantage of our expertise in CEFs. This enables us to grow FuM for clients who support our investment philosophy, which drives increased fee revenues on a more predictable scale.
Main business driver: *outperformance*	As an active investment manager, our job is to beat the relevant benchmark through an investment cycle, which we define as five years. We believe that our approach and philosophy differs significantly from our peers. Our investment process identifies opportunities to capture pricing anomalies in securities trading at a discount to their net asset value. Our resolute focus is on generating consistent **investment performance** – over time and through economic cycles within a controlled risk environment.
Delivered through: *team approach*	We have developed and nurtured a **team investment process** which does not rely on "star" fund managers, but rather upon experienced fund managers using a disciplined analytical process that can produce repeatable and sustainable first or second quartile performance versus our peers.
Business managed through: *team approach*	**We support teams and a team approach across the Group.** What this means is that we discourage the cult of the individual, believing that the **risks associated with a star culture are detrimental to both shareholders and clients.**
Results in: *FuM, fee income and profitability* **Leads to:** *dividends, retained earnings and share price*	If we do our job well, our **FuM and fee income can grow over time.** Proactively managing operating costs is the lever that allows us to maintain profitability levels. Profits lead to shareholder value **through dividends, retained earnings and the CLIG share price increases.**

REMUNERATION OVERVIEW
CONTINUED

CLIG KPI'S RELATIONSHIP TO OUR DIRECTORS' REMUNERATION POLICY CONTINUED

Profit-share pool aligns employees compensation with shareholder value

Employees are compensated through a combination of salary and profit-share. Salaries are a fixed cost and are managed to account for the volatility of earnings. **The profit-share pool is fixed at a maximum of up to 30% of operating profit of the Group and aligns employees' variable income component of total compensation with Group profitability and shareholder value.**

EIP further aligns employees with shareholder value

All employees are offered the opportunity to defer a portion of their annual profit-share allocation to purchase CLIG shares through the Employee Incentive Plan (EIP). The Company matches the employees' deferral 100%. Both the employee deferral and Company matching amounts vest over a three-year period in equal amounts each year. These amounts vest annually over a five-year period for Executive Director from FY 2021. As per the current Directors' Remuneration Policy, for the Executive Director, these amounts will vest one-third each year after the 3rd, 4th and 5th anniversaries of grant from FY 2023. **Employee share purchases and the vesting schedule further align them with long-term shareholder value.**

Volatility of earnings requires flexibility

Rather than making large numbers of employees redundant during market downturns and negatively impacting the business, the variable component of compensation can take the brunt of reduced revenues. Maintaining a high ratio of variable pay for all employees, but in particular for Directors, underscores the message that we are a team and rewards should be reduced when the Group underperforms. **Variable pay can be adjusted in line with profitability.**

Profit-share pool provides single focus

On balance, when markets are good, employees share in the increased profits of the Group. We accomplish this through profit sharing. Ingrained in our culture is the belief that all employees contribute to the success of the Group. The Portfolio Manager may have made the right decision on the investment, but he or she was able to do so because the data was correct, the systems were running properly, compliance applied the correct constraints, and so on.

Individual appraisals and evaluation

Allocation of profit-share is a management responsibility. We operate in an open office environment. **While annual appraisals are completed,** the open office environment provides for daily, honest feedback through interactions between colleagues. This allows for an **ongoing, real-time evaluation of a number of variable factors that influence performance.**

Individual KPIs are not appropriate for CLIG due to our team-based environment

Individual KPIs are not relevant to a business that employs a team-based approach to operating a business, which in many respects is similar to a partnership. In fact, individual KPIs would not only be divisive, but would introduce unnecessary risks. Our team approach to managing the business, with a profit-share pool based on operating profit, aligns the constituents of our business, as summarised below:

Clients expect superior investment performance. Long-term investment performance drives FuM and revenue growth over time. The clients pay the bills.

Employees expect to share in the success of the Group as they provide the investment performance that generates the earnings, while managing risks and controlling costs to ensure their sustainability. Employees manage the business. Employees' and Directors' compensation are in alignment with our corporate culture, and these are taken into account when setting the policy for Directors' compensation.

Shareholders expect appropriate risk and cost controls to help deliver quality earnings and dividends. The shareholders own the business.

ANNUAL REPORT ON REMUNERATION

The information provided within the Annual Report on Remuneration has been audited where indicated and summarises how the Directors' remuneration policy was implemented during the financial period under review, as well as setting out total remuneration figures and rationales.

Committee composition and attendance

The Committee comprises of four Independent Non-Executive Directors: Rian Dartnell, Sarah Ing, Peter Roth and Tazim Essani serving as Chair. The Committee is focused on maintaining the entrepreneurial can-do team-based culture of the Group, while at the same time continuing to deepen its processes. Our goal is to be a balanced Group, managing investment mandates with consistent long-term outperformance while empowering a culture of inclusion and an atmosphere in which colleagues strive to do their best work.

The Committee held four meetings during the year. Committee Members' attendance details can be found on page 52. Meetings are regularly attended by the Executive Director and the Chief Financial Officer, at the Committee's invitation. Other members of senior management are invited to attend and present at meetings from time to time. No executives participate in any discussion regarding their own remuneration.

This section of the Report is made up of four parts:
1) Single total figure of remuneration
2) Future implementation
3) Further remuneration disclosures
4) Governance disclosures

The Directors' Remuneration Policy is summarised in the future Policy table on pages 86 to 88 and will govern all future remuneration to be awarded to Directors.

1) SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The table below shows the single total figure of remuneration for the Executive Director in relation to the financial year ending 30th June 2024 relative to the previous financial year ended 30th June 2023.

		Fixed pay				Variable pay						
	2023/2024	Director fees $	Salary/ advisory fee $	Pension $	[1] Taxable benefits $	Profit-share $	Waived profit-share $	[2] EIP share awards $	[3] Dividend equivalent EIP vesting $	Total $	Total fixed $	Total variable $
Current Directors												
Executive Director												
Tom Griffith	2024	44,012	288,040	36,005	9,879	458,500	–	–	21,195	857,631	377,936	479,695
	2023[8]	42,098	289,229	36,154	11,864	483,582	(23,345)	46,690	25,045	911,317	379,345	531,972
Non-Executive Directors												
Rian Dartnell	2024	100,429	–	–	1,219	–	–	–	–	101,648	101,648	–
	2023[8]	64,049	–	–	225	–	–	–	–	64,274	64,274	–
Peter Roth	2024	80,479	–	–	9,039	–	–	–	–	89,518	89,518	–
	2023[8]	71,567	–	–	12,124	–	–	–	–	83,691	83,691	–
Tazim Essani	2024	66,293	–	–	–	–	–	–	–	66,293	66,293	–
	2023[8]	50,518	–	–	–	–	–	–	–	50,518	50,518	–
Sarah Ing[4]	2024	18,518	–	–	–	–	–	–	–	18,518	18,518	–
	2023[8]	–	–	–	–	–	–	–	–	–	–	–
Past Directors												
Barry Aling[5]	2024	32,585	–	–	–	–	–	–	–	32,585	32,585	–
	2023[8]	95,623	–	–	–	–	–	–	–	95,623	95,623	–
George Karpus[6]	2024	4,658	–	–	–	–	–	–	–	4,658	4,658	–
	2023[8]	50,517	26,219	–	1,262	–	–	–	–	77,998	77,998	–
Jane Stabile[7]	2024	47,270	–	–	8,452	–	–	–	–	55,722	55,722	–
	2023[8]	64,049	–	–	–	–	–	–	–	64,049	64,049	–
Total	**2024**	**394,244**	**288,040**	**36,005**	**28,589**	**458,500**	**–**	**–**	**21,195**	**1,226,573**	**746,878**	**479,695**
	2023[8]	438,421	315,448	36,154	25,475	483,582	(23,345)	46,690	25,045	1,347,470	815,498	531,972

Notes:
(1) See explanation on benefits on page 76.
(2) The EIP share awards relate to the waived bonus plus a 100% match by the Company. The combined amount is the value of the awards that will be awarded in October following the year end. For non-UK Directors, the value is subject to movement as a result of currency translation.
(3) This represents dividend equivalent on EIP shares vested during the year.
(4) Sarah Ing joined the board on 1st March 2024
(5) Barry Aling ceased to be a Director of the Company with effect from 23rd October 2023
(6) George Karpus ceased to be a Director of the Company with effect from 31st July 2023
(7) Jane Stabile ceased to be a Director of the Company with effect from 29th February 2024
(8) Comparative period amounts have been restated to US dollars using average exchange rate for the period.

ANNUAL REPORT ON REMUNERATION
CONTINUED

1) SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED) CONTINUED

Non-Executive Director fees

	(1,2) 2024 £	(1,3) 2023 £
Base fee for services as a Non-Executive Director	44,000	44,000
Supplemental fee for services as Chair of the Board	40,000	40,000
Supplemental fee for services as Chair of a Committee	12,500	12,500
Supplemental fee for services as Senior Independent Director	7,500	7,500

Notes:
(1) Base fees and supplemental fees are set in sterling and thus have been not converted to US dollars
(2) Base fees and supplemental fees for services as Chair of the Board and Committees and the Senior Independent Director are due to be reviewed with effect from 1st January 2025 in line with Director's Remuneration Policy.
(3) Base fees and supplemental fees for services as Chair of the Board and Committees and the Senior Independent Director were increased with effect from 1st January 2023. The increase reflects the time undertaken in fulfilling their roles.

Commentary on single total figure table
The Remuneration Committee satisfied itself that the single total figures of remuneration for each Director are appropriate.

A commentary on each element of the Directors' fixed and variable remuneration is set out below.

a) Fixed pay
Salary/advisory fee
The Executive Director's salary is kept at the lower end of what may be described as market average to allow the Group to manage fixed remuneration costs. A high proportion of total remuneration is provided by way of variable pay, allowing for remuneration to be trimmed in a timely fashion if market events threaten to impact profitability.

Tom Griffith's CEO salary (including Director's fee) was $332,500 (FY 2023: $332,500) and he did not receive a pay rise during the year (no pay rise in FY 2023 either). His salary is paid in US dollars but was reported in sterling in FY 2023. His FY 2023 salary has been converted back to US dollars at the average rate for FY 2023. The difference between FY 2024 and FY 2023 is due to the weaker US dollar to sterling during the current year as compared to last year.

Further, as approved at the 2019 AGM, a separate Director's fee has been carved out from the CEO's current salary to reflect his Director/governance duties. In both FY 2023 and FY 2024 this was £35,000 per annum.

Pension
All employees*, including the Executive Director, are entitled to membership of the Group's defined contribution pension arrangements. Contributions are capped at 12.5% of annual salary. Employer contributions in respect of the Executive Director was 12.5% for the period under review.

* As per the merger agreement, compensation and benefits for KIM employees remain consistent with pre-merger practices of KIM.

Benefits
Taxable benefits relate to private medical insurance for the Executive Director and his dependants. It should be noted that although the Group offers private medical insurance to all employees it is not considered a taxable benefit for those resident in the US.

Taxable benefits for Non-Executive Directors relate to reimbursed accommodation expenses whilst attending UK Board and Committee meetings. The amounts shown are grossed up in the Group accounts for the tax due on these benefits.

1) SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED) CONTINUED

b) Variable pay

Profit-share

The Company operates a profit-share plan for all employees, including the Executive Director, that is linked to Group profitability. Profit-share constitutes a large part of employee and Executive Director's remuneration – being variable, it can be adjusted in line with profitability and can therefore account for inherent volatility in earnings. A maximum profit-share of up to 30% of the pre-profit-share, pre-tax, operating profit has been allocated as per Group's Remuneration Policy. Such allocation may be reduced infrequently as a result of an assessment of the projected intermediate term financial performance of the Group, and consistent with our fundamental objective of an appropriate balance of interests among all stakeholders, including clients, employees and shareholders.

Measuring performance

We are focused on fostering a team approach across the Group, discouraging the 'cult of the individual' and the risks associated with a star culture. The Group therefore takes the view that individual KPIs are not appropriate for a business that employs a team-based approach, and that individual KPIs could prove divisive and introduce unnecessary risk. Refer to pages 73 to 74 for information about the relationship of the overall CLIG KPI to our remuneration policy.

The profit-share pool aligns employees and the Executive Director's variable income with Group profitability. Both employees and the Executive Director are therefore incentivised to drive Group profitability. Driving Group profit leads to shareholder value by way of dividends, retained earnings and Company share price increases.

The Executive Director's performance is appraised annually by the Chair reflecting feedback gathered from board members and senior leaders across the business. Discretion is applied appropriately, with bonus awards being adjusted upwards or downwards depending on the outcome of the annual performance appraisal.

In the case of market downturns due to extenuating circumstances not linked to poor individual performance, the Committee can use its discretion to reduce profit-share awards for employees and the Executive Director. Being the more accountable parties, the Executive Director and Group Executive Committee members take a larger proportion of the reduction in comparison with other employees.

See 'Executive Director remuneration outcomes' on page 72 for details of profit-share awards for FY 2024 compared with the illustrative reward scenario disclosed in the FY 2023 Annual report on remuneration.

Deferred profit-share payment

Profit-share in the fourth quarter of each financial year is calculated based upon an estimate of full year operating profits, and there is the possibility that the actual audited results could be below expectation. The Executive Director therefore has up to 10% of his fourth quarter's profit-share award deferred to the following quarter in order that the award can be adjusted based upon the final audited results. See profit-share payment schedule on page 72. The table below sets out the amount deferred for payment once the financial statements have been audited and approved.

	2024		2023[1]	
Deferred profit-share payments	$	% of annual award	$	% of annual award
Tom Griffith	21,742	5%	21,050	4%

Note:
(1) Comparative period amounts have been restated to US dollars using average exchange rate in the relevant period.

This amount is included in the profit-share reported in the single total figure of remuneration table on page 75.

ANNUAL REPORT ON REMUNERATION

CONTINUED

1) SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED) CONTINUED

Employee Incentive Plan

Summary of Employee Incentive Plan (EIP) interests

The EIP was approved by shareholders at the October 2016 AGM and adopted by the Group in December 2016. It is open to employees of all Group companies, including the Executive Director. Participants are invited to waive up to 20% (or up to 30% if there is headroom within the cap agreed by shareholders) of their annual profit-share in return for the right to participate in the EIP for the relevant financial year. Under the EIP, participants are granted Restricted Share Awards (RSAs) over shares in the Company equal in value to two times the amount they have waived.

Due to the high level of employee elections, participation had to be scaled back this year across the Group. In order to encourage maximum employee participation, and ownership of CLIG shares, the Executive Director elected to reduce his participation in the EIP for FY 2024 to 0% of the profit-share so that employees were not scaled below 10%.

For the Executive Director, the RSAs vest one-third each year over a three-year period following grant for the awards made up until October 2020 and one-fifth each year over a five-year period following grant for awards made from October 2021 onwards. As per the 2022 Remuneration Policy, for the awards to be made in October 2024 and onwards, the RSAs for Executive Director will vest in three equal instalments after the third, fourth and fifth anniversaries following grant.

These awards accrue an amount equal to the dividend that the Director would have received had they owned the shares from the date of grant. The dividend equivalent paid on shares vested during the year is disclosed in the single total figure of remuneration table on page 75.

The RSAs are subject to forfeiture upon termination. For further details see the future policy table on pages 86 to 88.

EIP Restricted Share Awards

Director	Date of Award	Awards held 30th June 2023	Awarded during the year	Vested during the year	Awards held 30th June 2024	Market price on date of award £	Market price on date of vesting £	Vesting period From	Vesting period To
Tom Griffith	26/10/2020	13,373		(13,373)	–	4.0280	3.01	26/10/2020	26/10/2023
	26/10/2021	7,334		(1,833)	**5,501**	5.2450	3.01	26/10/2021	26/10/2026
	26/10/2022	15,352		(3,070)	**12,282**	3.5950	3.01	26/10/2022	26/10/2027
	26/10/2023		11,750		**11,750**	3.3040		26/10/2023	26/10/2028
		36,059	11,750	(18,276)	**29,533**				

(1) The number of shares awarded is calculated using the ten day average share price on the day prior to award.

1) SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED) CONTINUED

Summary of share option plan interests

The Company operates an Employee Share Option Plan which is open to employees of all Group companies and which, prior to changes made to the Company's Directors' Remuneration Policy at the 2022 AGM, was open to Executive Directors who worked more than 25 hours per week, provided they did not have a material interest in the Company, that is to say the ability to control more than 25% of the ordinary share capital. During the year, no options over ordinary shares of the Company were granted to any employees.

	Number of options										
	Held 2023	Exercised during the period	Lapsed during the period	Granted during the period	Held 2024	Exercise price £	Price at grant £	Face value at grant £	Vesting period	Vesting date	Expiry date
Tom Griffith	17,000	(17,000)	–	–	–	2.55	2.5	–	3 yrs	30/1/17	30/1/24
	23,500	–	–	–	23,500	3.52	3.52	82,720	3 yrs	19/6/18	19/6/25
Total	40,500	(17,000)	–	–	23,500						

The closing market price of the Company's ordinary shares at 30th June 2024 was £3.70 (2023: £4.04) and the price moved during the year between a low of £3.01 to a high of £4.24 (2023: low £3.44 high £4.70).

2) FUTURE IMPLEMENTATION

The Directors' Remuneration Policy on pages 86 to 88 was approved by shareholders at the 2022 AGM and will also apply for the next financial year.

The Executive Director will continue to receive fixed elements of salary, Director fee, taxable benefits and pension, and the variable element of profit-share.

The base salary (including Director's fee) with effect from 1st July 2024 for Tom Griffith is US$332,500. There is no change in Tom's base salary as compared to last year. The annual profit-share will have a maximum value of 250% of base salary (including Director's fee). The maximum cash profit-share will be adjusted by the maximum amount of profit-share that can be waived (30%), which in turn is matched by the Company.

The current fee arrangements for Non-Executive Directors for FY 2025 are shown on page 77. Non-Executive Director' biennial fee review process is next due to occur on 1st January 2025.

ANNUAL REPORT ON REMUNERATION

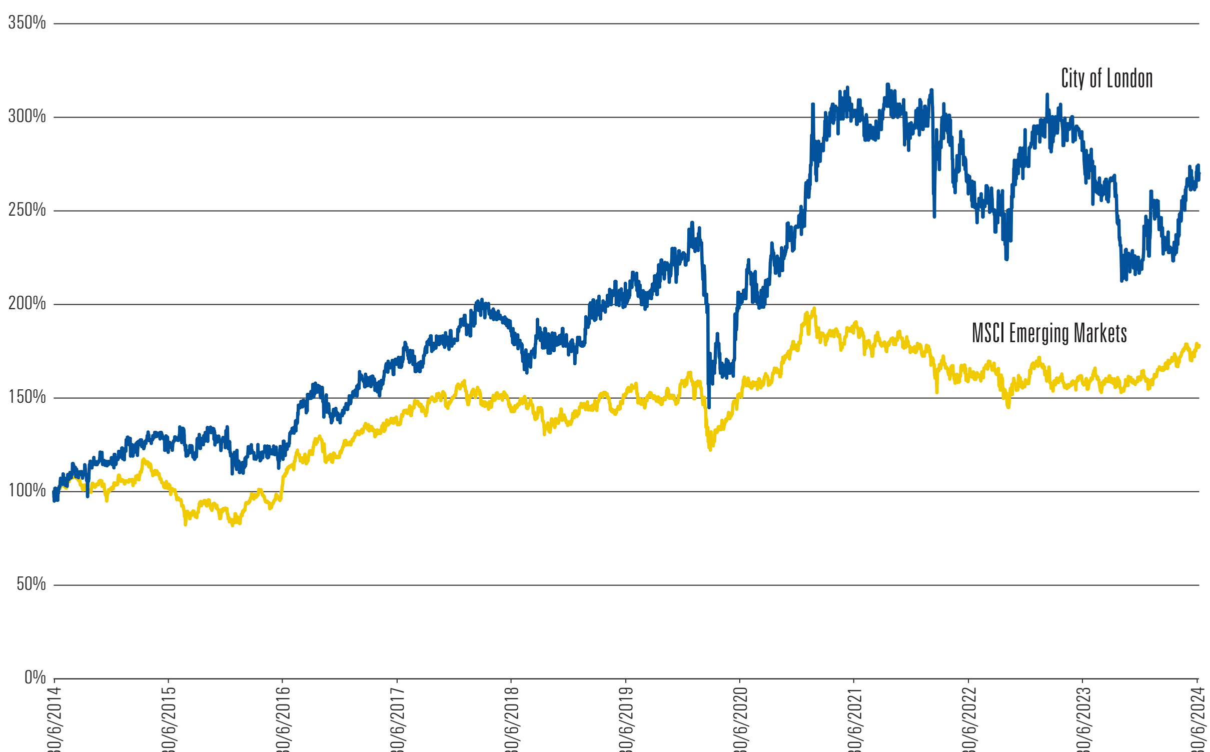
CONTINUED

3) FURTHER REMUNERATION DISCLOSURES

Total shareholder return

The following graph illustrates the total shareholder return of a holding in the Company against an appropriate index for the ten years to 30th June 2024. We have chosen the MSCI Emerging Markets T/R Net Index which is calculated on a total return basis, i.e. assuming reinvestment of dividends.

Total shareholder return (dividends reinvested) for ten years to 30th June 2024 (GBP)



Source: *Bloomberg.*

3) FURTHER REMUNERATION DISCLOSURES CONTINUED

Chief Executive Officer single figure of remuneration

The following table shows the change in total remuneration for the Chief Executive Officers, Barry Olliff (CEO 1) and Tom Griffith (CEO 2) during the ten years to 30th June 2024. This table is included for the purpose of comparison against total shareholder return as detailed above.

	Year to 30th June 2015 $	Year to 30th June 2016 $	Year to 30th June 2017 $	Year to 30th June 2018 $	Year to 30th June 2019 Prorated (1) $	Year to 30th June 2020 $	Year to 30th June 2021 $	Year to 30th June 2022 $	Year to 30th June 2023 $	Year to 30th June 2024 $
Single total figure (2)										
CEO 1	1,265,894	1,133,422	1,317,497	1,108,646	812,642	–	–	–	–	–
CEO 2	–	–	–	–	274,427	986,930	1,108,754	1,161,999	911,317	857,631
Annual bonus (as % of current cap) (3)										
CEO 1	85%	84%	84%	84%	74%	–	–	–	–	–
CEO 2	–	–	–	–	88%	64%	79%	84%	58%	55%
EIP – % of maximum opportunity (4)										
CEO 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CEO 2	–	–	–	–	100%	100%	100%	100%	100%	n/a

Notes:

(1) Barry Olliff stepped down as CEO on 1st March 2019, being replaced by Tom Griffith. Barry Olliff remained on the Board, serving as Non-Independent Non-Executive Director until his retirement from the Board on 31st July 2022. Tom Griffith's total remuneration received in accordance with this role is not detailed here but can instead be found in the total single figure of remuneration table on page 75.

(2) Comparative period amounts have been restated to US dollars using average exchange rate in the relevant period.

(3) In 2015 the Directors Remuneration Policy was amended to include a cap on bonuses paid to Directors and Barry Olliff's cap was set at 5% of operating profits pre-bonus and EIP. The cap on Tom Griffith's bonus was 2.5% of operating profit pre-bonus and EIP until 30th June 2019 and was changed to 250% of salary and base fee for the year ended 30th June 2020 onwards.

(4) As detailed in the single total figure commentary on page 76, EIP awards are made on the basis of the amount of the bonus that has been waived in the scheme year. These awards vest based on continued service and therefore have been shown at 100% in the table. Tom Griffith did not participate in 2024 EIP scheme year to make room for other employees to participate. As he did not do a waiver, his EIP has been shown as n/a.

ANNUAL REPORT ON REMUNERATION

CONTINUED

3) FURTHER REMUNERATION DISCLOSURES CONTINUED

Annual percentage change in the remuneration of Directors and employees

The table below shows the change in Director and employee salary/fees, benefits and profit-share over the preceding two years.

The average change for employees as a whole is given using a per capita figure based on the average number of employees for the period.

	Salary/fees %			Benefits %			Profit-share %		
	2024 (1) %	2023(2) %	2022(3) %	2024 (1) %	2023(2) %	2022(3) %	2024 (1) %	2023(2) %	2022(3) %
Employees (4)	6%	16%	8%	9%	21%	6%	0%	8%	3%
Executive Director									
Tom Griffith (5)	0%	0%	1%	-3%	11%	-3%	-7%	-27%	1%
Non-Executive Directors (6)									
Rian Dartnell	50%	6%	47%	n/a	n/a	n/a	n/a	n/a	n/a
Peter Roth	8%	8%	8%	n/a	n/a	n/a	n/a	n/a	n/a
Tazim Essani	25%	5%	135%	n/a	n/a	n/a	n/a	n/a	n/a
Sarah Ing (6)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes – Only current Directors are included in the above analysis:

(1) 2024 – June 2024 month end exchange rate has been applied to GBP payments for the two accounting periods 2023 to 2024 to eliminate the impact of FX movements.

(2) 2023 – June 2023 month end exchange rate has been applied to USD payments for the two accounting periods 2022 to 2023 to eliminate the impact of FX movements.

(3) 2022 – June 2022 month end exchange rate has been applied to USD payments for all two accounting periods 2021 to 2022 to eliminate the impact of FX movements.

(4) Based on average cost per employee. The increases during the year are due to full year cost of replacing relationship managers and assistants, primarily due to retirements, and the full year impact of restoring employee health care benefits at KIM.

(5) % increase in FY 2022 reflects the full impact of the mid-year salary increase on 1st January 2021 in FY 2021. There was no change in salary in FY 2023.

(6) Sarah Ing joined the Board on 1st March 2024 and thus not analysed.

Relative importance of spend on pay

The table below shows the overall expenditure on employee remuneration and shareholder distributions and the percentage change between the current and previous period.

	2024 $'000	2023 $'000	Change %
Total employee spend (1)	30,925	29,762	4%
Average headcount (number)	116	116	0%
Profit after tax (1)	17,115	17,497	-3%
Dividends relating to the period (1)(2)	20,430	19,357	6%
Dividend per share (pence)	33p	33p	0%

Note:

(1) Comparative period amounts have been restated to US dollars using average exchange rate in the relevant period.

(2) The current period includes an estimate of the final dividend based on the number of qualifying shares as at 30th June 2024 excluding those held in the employee benefit trust. The Board are recommending a final dividend of 22p per share (2023: 22p), which would make the total for the year 33p per share (2023: 33p). This is subject to shareholder approval at the AGM in October. The prior period estimate has been restated to include the actual final dividend paid.

A breakdown of the employee spend can be found in note 3 to the financial statements on page 118.

4) GOVERNANCE DISCLOSURES

Payments to past Directors

No payment or transfer of assets was made during the financial period to any past Director of the Company.

Payments for loss of office

There were no termination payments made to any person who has served as a Director during the financial period.

Directors' interests

Beneficial interest of the Directors and their families in the shares of the Company at the period end were as follows:

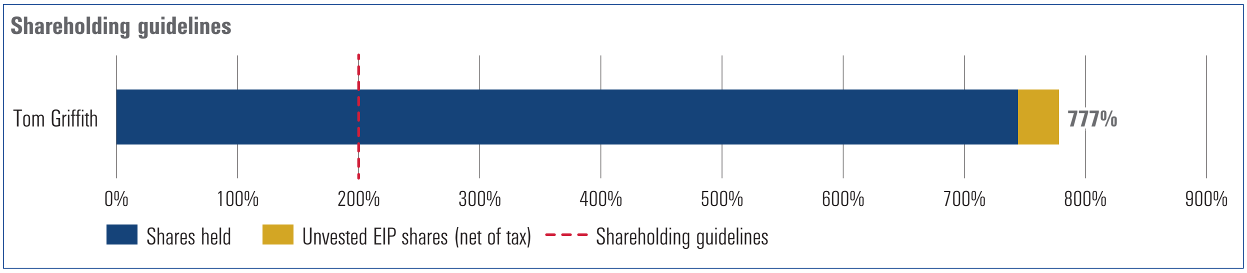
	Ordinary shares of 1p each		Restricted share awards of 1p each	
	2024	2023	2024	2023
Executive Director				
Tom Griffith	527,614	492,338	29,533	36,059
Non-Executive Directors				
Rian Dartnell	50,000	50,000	–	–
Peter Roth	5,000	5,000	–	–
Tazim Essani	5,350	5,350	–	–
Sarah Ing (1)	10,000	n/a	–	n/a
Past Directors				
Barry Aling (2)	n/a	184,300	n/a	–
George Karpus (3)	n/a	18,371,205	n/a	–
Jane Stabile (4)	n/a	5,000	n/a	–

Notes:
(1) Sarah Ing joined the Board on 1st March 2024.
(2) Barry Aling ceased to be a Director of the Company with effect from 23rd October 2023.
(3) George Karpus ceased to be a Director of the Company with effect from 31st July 2023.
(4) Jane Stabile ceased to be a Director of the Company with effect from 29th February 2024.

Executive Director shareholding guidelines

The Executive Director is required to hold shares equivalent in value to 200% of salary within a five-year period from date of appointment. The below illustration shows the Executive Director's share ownership against this target as at 30th June 2024.

To reduce the impact of share price volatility on this calculation, the closing share price of £3.70 for the financial year ended 30th June 2024 has been used.



ANNUAL REPORT ON REMUNERATION

CONTINUED

4) GOVERNANCE DISCLOSURES CONTINUED

Remuneration Committee

The Executive Director does not attend during discussions regarding his own remuneration.

Details of attendance by members of the Remuneration Committee are set out on page 52.

Dividends received by Directors and their families from holdings of shares in the Company during the financial year were as follows:

	2024 [1] £	2022 [1] £
Executive Director		
Tom Griffith	166,352	157,088
Non-Executive Directors		
Rian Dartnell	16,500	16,500
Peter Roth	1,650	1,650
Tazim Essani	1,766	1,766
Sarah Ing [2]	n/a	n/a
Past Directors		
Barry Aling [3]	n/a	60,819
George Karpus [4]	n/a	6,062,498
Jane Stabile [5]	1,100	1,650

Notes:
(1) Dividend is declared in sterling and thus the amounts have been not converted to US dollars.
(2) Sarah Ing joined the Board on 1st March 2024.
(3) Barry Aling ceased to be a Director of the Company with effect from 23rd October 2023.
(4) George Karpus ceased to be a Director of the Company with effect from 31st July 2023.
(5) Jane Stabile ceased to be a Director of the Company with effect from 29th February 2024.

Statement of voting at the last Annual General Meeting (AGM)

The table below shows the votes on the Directors' Remuneration Report, and Policy, at the AGM held on 23rd October 2023.

	Votes For*	% For	Votes Against	% Against	Total Votes**
Directors' Remuneration Report					
2023	18,331,222	93.59	1,256,199	6.41	19,587,421
Directors' Remuneration Policy					
2022	16,231,003	97.67	387,513	2.33	16,818,516

* Includes discretionary votes.
** Excludes votes withheld.

Consideration of employment conditions elsewhere in the Group

The Group has always adopted a partnership approach so in essence this policy is consistent with that applied across the Group. As noted on page 82, average salary change for employees was 6% in FY 2024 as compared to 0% for the Executive Director, reflecting the strong contribution from employees and the impact of missing our group KPI as referred to on page 70.

While employees were not directly consulted on the Directors' remuneration, the Group remuneration policy is available to all employees and any feedback or concerns are welcomed.

Terms of reference

The Committee reviewed its terms of reference in March 2024 and recommended minor administrative changes to the Board for approval.

Compliance with Provision 40 of the UK Corporate Governance Code

CLARITY	
Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	Executive Director remuneration is aligned to employee remuneration, meaning that both parties have common goals and incentives. The Group remuneration policy is available to all employees and any feedback or concerns are welcomed. The simplicity of Directors' remuneration assists in effective engagement with shareholders.
SIMPLICITY	
Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Policy for Executive Director remuneration is extremely simple and straightforward, with fixed remuneration consisting of salary, Director fees, taxable benefits and pensions, and variable pay consisting of the profit-share plan and Employee Incentive Plan. There are no complex individual KPIs – Executive Director simply share in the operating profit that their performance helps to generate over the course of the financial year.
RISK	
Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	There are no individual KPIs that introduce the behavioural risks that can arise from target-based forms of incentive. The appropriate risk and cost controls necessary to deliver high quality earnings and dividends, and thus increased the profit-share pool, robustly aligns the interests of Executive Director, employees and shareholders.
PREDICTABILITY	
The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	Due to its simplicity, both fixed and variable Executive Director remuneration is very predictable. See page 72 for 2024 remuneration outcomes for Executive Director, plus a forecast for 2025, on page 89.
PROPORTIONALITY	
The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	The Group's simple approach to remunerating its Director means that it is impossible for poor performance to be rewarded. If the Company's operating profit is down, then so is the pool from which the Director profit-share are paid and Employee Incentive Plan shares are matched. The Executive Director has a greater impact on the Group than other employees, therefore holds himself more accountable in instances of market downturns, and therefore has his profit-share participation adjusted accordingly.
ALIGNMENT TO CULTURE	
Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The Group has an inclusive and team-based culture. The Executive Director and employees have a common KPI tied to their variable remuneration, being operating profit, a metric that shareholders value due to its potential to provide increased distributions and an increase in the Company's share price. This alignment of interests is consistent with the Group's purpose, to exist for the mutual benefit of its three primary stakeholders: clients, employees and shareholders, as well as its values. Further detail on the Group's culture, purpose and values can be found on page 57.

DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy (the Policy) was last put to a binding shareholder vote at the AGM in October 2022 and passed with a vote of 97.7% in favour. The policy will remain in force until the 2025 AGM unless material changes are proposed in the intervening period. An overview of the Policy is provided below.

Policy table

The following table sets out the principal components of the Policy.

Component and purpose	Operation	Maximum opportunity	Performance measures and targets	Recovery
EXECUTIVE DIRECTOR				
Base salary (fixed pay)				
To pay a fair base salary, commensurate with the size of the business and the individual's role and experience.	Reviewed annually, with changes, if any, generally effective 1st January or 1st July. The Committee considers salaries in the context of an overall package with regard to market data, Group performance and individual experience and performance. Adjustments may be made at other times to reflect a change of responsibility.	The annual pay review does not guarantee an increase. The Committee considers it important to keep fixed costs under tight control and as such salaries are at the lower end of what may be described as market average. There is no set maximum salary, however, the Committee is guided by market data/practice when setting pay awards and the average level of increase across the workforce.	Not applicable.	Not applicable.
Base fee (fixed pay)				
Provides a fee allocation to cover UK Director duties.	The fees are equivalent to the Non-Executive Directors' base fee. These are reviewed periodically with the last review effective from January 2023. It is Company's intention to review these fees every two years.	As this fee relates specifically to the Executive Directors' governance duties, it is capped at no more than the Non-Executive Directors' base fee. The aggregate annual fees for Executive and Non-Executive Directors are limited to £450,000.	Not applicable.	Not applicable.
Pension (fixed pay)				
To provide defined contribution pension arrangements to assist with recruitment and retention.	Employer contributions are made to defined contribution pension arrangements or equivalent cash allowances are paid, subject to local practice in the relevant country.	The maximum defined pension contribution or cash equivalent is 12.5% per annum of base salary. It is no higher than the defined pension contribution level of the wider employee workforce.	Not applicable.	Not applicable.
Other benefits (fixed pay)				
To provide market competitive fringe benefits.	Currently benefits offered include: life insurance, medical insurance (or a contribution towards the cost), disability insurance, sabbatical, paid holiday and travel season ticket loans. Executives will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms. Additional benefits may be provided if required, for example to support international relocation.	These benefits represent a small element of the overall remuneration package and as such are not subject to a specific cap. Directors are entitled to 30 days paid holiday, in addition to public holidays.	Not applicable.	Benefits are provided up to termination of employment and any outstanding travel season ticket loan is repayable in full.
Profit-share (variable pay)				
To incentivise and reward Directors for their contribution to the corporate goals outlined in the strategic report.	The Company operates a profit-share plan for all employees, including the Executive Director, which is linked to the Group's profitability, allocating a maximum of up to 30% of pre-profit-share, pre-tax, operating profit for this purpose. Profit-share awards are made by the Board following recommendations by the Remuneration Committee. Profit-share is paid quarterly in September (approximately 10% of the estimated annual bonus), December (20%), March (30%) and July (40%). A minimum of 10% of the July payment is deferred until September once the financial statements have been audited and approved.	The maximum payment for an Executive Director is capped at 2.5 times the aggregate of salary and fees.	Profit-share is not subject solely to individual performance conditions and are paid in cash. The Board believes that this profit-share scheme has worked well in motivating employees at all levels within the Company and that this is demonstrated by the high employee retention rates experienced by the Group.	See malus and clawback section below.

Component and purpose	Operation	Maximum opportunity	Performance measures and targets	Recovery
EXECUTIVE DIRECTOR continued				
Employee Incentive Plan (Plan)				
To encourage and reward loyalty, and to align the long-term interests of Directors with that of shareholders and clients. The Plan is designed to work in line with the Group's current annual bonus policy.	The Plan is open to employees of all existing Group companies and Executive Director. Participants will initially be invited to waive up to 20% of their annual profit-share in return for the right to participate in the Plan for the financial year. Under the Plan, they will be granted Restricted Share Awards (RSAs) in the Company equal in value to two times the amount they have waived. The number of RSAs (shares) is calculated based on the average share price over the ten days preceding the grant date. The RSAs for Executive Director will vest in equal instalments after the 3rd, 4th and 5th anniversaries following grant. The RSAs are funded 50% by waived profit-share and 50% by the Company.	Depending on the level of participation, if there is headroom, employees and Executive Director will be offered the opportunity to increase their participation up to 30% of their annual bonus. Awards held until they vest will receive a dividend equivalent payment, equal to the amount that they would have received has they been entitled to dividends from the date of grant. In the event of a change of control of the Company, the RSAs relating to the waived bonus will vest in full on an accelerated basis. Only a prorated number of the Company matching RSAs will vest on an accelerated basis according to the number of days elapsed since grant over the total vesting period.	Not applicable.	See malus and clawback section.
Malus and clawback				
To provide a way of recovering payments where there have been exceptional negative events.	The Committee can seek to recover the annual bonus and EIP in the exceptional event of: misstatement or misleading representation of performance; a material error; a significant failure of risk management and control; reputational damage; or serious misconduct of an individual.	The Committee has discretion to determine the amount of any award which it seeks for malus and/or clawback.	Not applicable.	Up to 24 months after payment/vesting.
Minimum shareholding				
Guidance to encourage Director share ownership and ensure alignment of their long-term interests with that of shareholders.	The Committee will monitor the Executive Directors' share ownership and participation in the EIP annually to ensure they are on track to meet the minimum shareholding requirement within the desired timeframe. Shares that count towards these guidelines include shares that are owned outright, vested and unvested EIP shares (on a net of tax basis). In addition a post-employment shareholding requirement applies. The Executive Director is required to hold the lower of 200% of their base salary or the value of shares held by the Executive Director at the date of termination of employment. Only awards granted and shares vested thereof after the introduction of this policy in September 2021 will count against the post cessation guideline. All awards granted or vested or shares acquired before the implementation of the policy (September 2021) are excluded. The Committee retains discretion to allow for the sale of shares by the Executive Director before the second anniversary of termination of employment in the event of exceptional circumstances.	The Committee expects the Executive Director to build up a shareholding of at least 200% of salary within a five-year period.	Not applicable.	Not applicable.

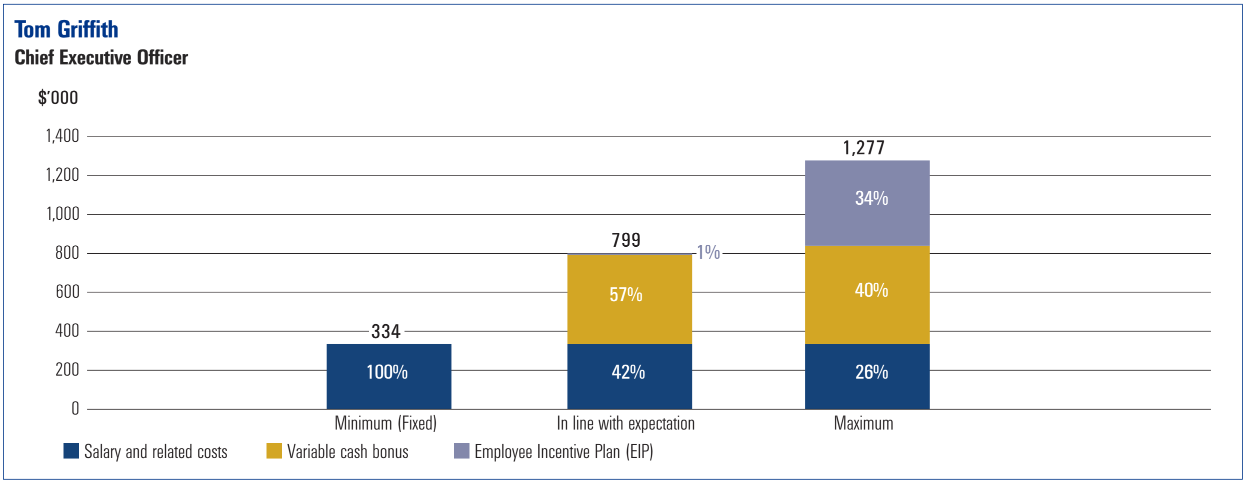
DIRECTORS' REMUNERATION POLICY

CONTINUED

Component and purpose	Operation	Maximum opportunity	Performance measures and targets	Recovery
NON-EXECUTIVE DIRECTORS				
Fees				
To pay a fair fee, commensurate with the skills, experience and time required to undertake the role.	Fees are normally reviewed every two years taking into account factors such as the time commitment and contribution of the role and market levels in companies of a comparable size and complexity. Adjustments may be made at other times to reflect a change of responsibility. Fees for Non-Executive Directors may include a base fee and additional fees for further responsibilities (for example chair-ship of Board committees or holding the office of Senior Independent Director or taking up significant additional responsibility). Fees are paid monthly or quarterly in arrears, depending on the Director's preference.	The aggregate annual fees for Non-Executive Directors are limited to £310,000 in the Company's Articles of Association.	Not applicable.	Not applicable.
Expenses				
To enable the Non-Executive Directors to perform their duties.	All reasonable travelling, hotel and other expenses properly incurred in the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the shareholders may be repaid.	Expenses are not subject to a specific cap but they must be reasonable and appropriate. The Company may settle any tax incurred.	Not applicable.	Not applicable.

Reward scenarios

The chart below illustrates the level of remuneration that would be received by the Director in accordance with the Group Directors' remuneration policy in the year ending 30th June 2025, provided all components of remuneration remain the same as they currently are.



Assumptions:

1) Based on FY2024 results.
2) Minimum – reflects salary as of 1st July 2024, and current pension and taxable benefits, as disclosed in the single figure remuneration table.
3) In line with expectation – reflects the minimum remuneration plus bonus and total EIP awards as disclosed in the single figure remuneration table. It includes expected dividend equivalent payments due on vesting EIP awards.
4) Maximum – reflects the minimum remuneration plus the maximum bonus opportunity as detailed in the future policy table on pages 86 to 88. The maximum variable cash bonus has been adjusted by the maximum amount of bonus that can be waived (30%), which in turn is matched by the Company and the total is shown as EIP. **For FY2025, the Company has however capped the maximum amount of bonus that can be waived at 10% but that has not been taken into consideration for the purpose of this analysis.** It includes expected dividend equivalent payments due on vesting EIP awards.
5) Under the current remuneration Policy, the EIP awards once awarded, will vest one-third per annum from the end of the third year after participation. This means that RSAs will not vest in years one and two. RSAs will vest one-third each in years three, four and five.

The above reward scenario chart is not a projection and is being provided for guidance only. This chart is based on future remuneration scenarios for the year ending June 2025.

Share price impact

Directors' remuneration is not linked to performance targets or measures relating to more than one financial year. Hence no illustrations are shown in respect of the impact on the Director's remuneration outcomes based on future share price movements.

Recruitment of new Directors

The structure of the package offered to new Directors mirrors that offered to current Directors under the Directors' remuneration policy as detailed in the policy table. The base salary positioning will take into consideration a number of factors including external market forces, the nature of the role, and the experience, calibre and background of the new Directors. Pension contributions, profit-share and EIP participation will not exceed the levels set out in the Policy table.

In addition, the Group may pay compensation to new Directors for remuneration the individual has forfeited in order to take up the role at CLIG. The Committee may offer additional cash and/or share-based buyout awards when it considers these to be in the best interests of the Company (and therefore shareholders) to take account of remuneration given up at the individual's former employer.

DIRECTORS' REMUNERATION POLICY

CONTINUED

This includes the use of awards made under 9.4.2 of the Listing Rules. Such awards would be capped at a reasonable estimate of the value foregone and would reflect, as far as possible, the delivery mechanism, time horizons and whether performance requirements are attached to that remuneration. Shareholders will be informed of any such payments at the time of appointment and/or in the next published Annual Report. For internal appointments, any outstanding share awards held may continue to vest on their original terms.

For external and internal appointments, the Committee may agree that the Company will meet appropriate relocation and/or incidental expenses as appropriate.

For the appointment of a new Chair or Non-Executive Director, the fee arrangement would be set in accordance with the approved Remuneration Policy.

Service contracts and letters of appointment and policy on payments for loss of office

Executive Director

In line with general market practice, the Executive Director's service contract is based on a rolling twelve-month period. Termination of any service contract requires twelve months written notice by either party, and the Company may terminate the contract with immediate effect with or without cause by making a payment in lieu of notice, typically in monthly instalments equal to the value of one year's base salary only.

No bonus shall be payable for any time after the Director has given or received notice of termination.

In respect of the EIP, in the event of termination before the normal vesting date, the RSAs funded by the waived bonus will be repaid at the lower of the value of those shares on the date of award and the date of forfeiture. The Company-funded RSAs will be forfeited upon termination, except in the case of a good leaver, where there will be an entitlement to a prorated amount. A good leaver is a Director who leaves due to ill health or disability, sale of the business, on retirement, through redundancy or in other special circumstances approved by the Remuneration Committee (acting fairly and reasonably).

Non-Executive Directors

Non-Executive Directors do not have service contracts, but are engaged under letters of appointment. As with the Executive Director, they are required to stand for re-election annually in accordance with the UK Corporate Governance Code.

Details of service contracts and letters of appointment are below:

Name	Date of appointment	Notice period from Company	Notice period from Director	Provision of compensation
Executive Director				
Tom Griffith	31st March 2020	One year	One year	One year's salary
Non-Executive Directors				
Rian Dartnell	30th September 2020	Six months	Six months	Six months' fees
Tazim Essani	20th January 2021	Six months	Six months	Six months' fees
Peter Roth	1st June 2019	Six months	Six months	Six months' fees
Sarah Ing	1st March 2024	Six months	Six months	Six months' fees

Consideration of shareholders' views

The Committee greatly values and has considered the views of shareholders and proxy advisers in developing this Remuneration Policy.

DIRECTORS' REPORT

The information contained in the sections of this Annual Report and Accounts identified below forms part of this Directors' report:

DISCLOSURE	LOCATION
Strategic report	Pages 4 to 46
Group's corporate governance arrangements	Pages 49 to 90
Statement of compliance with 2018 UK Corporate Governance Code	Page 53 of Corporate Governance report
Future business developments	Pages 4 to 16 of the Strategic report
Greenhouse gas emissions	Page 43 of the TCFD report
People, culture and employee engagement	Pages 57 to 59
Financial risk management objectives and policies	Note 24 to the Financial Statements – pages 136 to 137
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Note 24 to the Financial Statements – pages 136 to 137
Statement of Directors' responsibilities	Page 94
Directors' interests	Page 83 of the Directors' remuneration report
s172 Statement	Page 46 of the Strategic report
Stakeholder engagement in key decisions	Pages 58 to 59
Corporate responsibility	Pages 34 to 36

The Directors' report together with the strategic report on pages 4 to 46 form the management report for the basis of DTR 4.1.5R.

Principal activity

City of London Investment Group PLC is the holding company for its two principal operating subsidiaries: City of London Investment Management Company Limited (CLIM) and Karpus Investment Management (KIM). Both CLIM and KIM act as investment managers with a total of $10.2 billion (2023: $9.4 billion) funds under management as at 30th June 2024.

Going concern

The Directors' report should be read in conjunction with the governance report on pages 49 to 90 and the strategic report on pages 4 to 46, which together provide a commentary on the operations of the Group and include factors likely to affect its future development as well as relevant key performance indicators and principal risks and how they are managed, using the information available to the date of these financial statements.

During the year to 30th June 2024, the Group had no external borrowings and is wholly funded by equity. As at 30th June 2024, cash and cash equivalents were $33.7 million (2023: $28.6 million). Accordingly, the Directors are satisfied that the Group and Parent Company have adequate resources to meet their business needs for the foreseeable future, and the Financial Statements have therefore been prepared on the going concern basis. Please see page 33 for the viability statement.

Results and dividend

The results of the Group for the year to 30th June 2024, together with details of amounts transferred to reserves, are set out on pages 106, 108 and 109. The Company has paid dividends of $19.9 million during the period (2023: $19.4 million). The final dividend for the year to 30th June 2024 of 22p per share (2023: 22p) has been proposed, payable on 7th November 2024, subject to shareholder approval, to shareholders who are on the register of members on 4th October 2024. Refer to page 22 for dividend policy.

Annual General Meeting

The Company's AGM will be held at 11.30am on 28th October 2024 at 77 Gracechurch Street, London EC3V 0AS. All resolutions will be taken on a poll and, accordingly, you are asked to vote by the means as set out in the Notes of the Notice of meeting.

DIRECTORS' REPORT

CONTINUED

Directors

The Directors of the Company who held office during the year are:

Rian Dartnell	*(Chair)*
Tom Griffith	*(Chief Executive Officer)*
Peter Roth	*(Senior Independent Director and Independent Non-Executive Director)*
Tazim Essani	*(Independent Non-Executive Director)*
Sarah Ing	*(Independent Non-Executive Director) (appointed on 1st March 2024)*
Barry Aling	*(Chair) (stepped down on 23rd October 2023)*
Jane Stabile	*(Independent Non-Executive Director) (stepped down on 29th February 2024)*
George Karpus	*(Non-Executive Director) (stepped down on 31st July 2023)*

The biographical details of the current Directors of the Company are given on pages 50 to 51, whilst the roles are on page 60.

Directors' indemnity arrangements

The Company maintains appropriate Directors' and Officers' insurance. The Directors also have the benefit of the indemnity provisions in the Company's Articles of Association. These provisions, which are qualifying third party indemnity provisions as defined by s236 of the Companies Act 2006 were in force throughout the year and are currently in force.

Powers of Directors

Subject to the Company's Articles, UK legislation and any Directions given by special resolution, the business of the Company is managed by the Directors and they may exercise all the powers of the Company. Provisions relating to the issuing of shares are included in the Articles and shareholders are asked each year at the Company's AGM to renew the Directors' authorities to issue shares.

Share capital

As at 30th June 2024, the issued share capital of the Company was 50,679,095 (2023: 50,679,095) fully paid ordinary shares of 1p each, carrying one vote per share and a right to dividends, amounting to \$643,777 (£506,791) (2023: \$827,501 (£506,791)). There are no restrictions on the transfer of shares.

Following completion of the merger with KIM, the Company entered a relationship agreement with the 'Controlling Shareholder Group' which regulates the ongoing relationship between the Company and the Controlling Shareholder Group. The members of the Controlling Shareholder Group agreed to limit their voting rights at any shareholder meeting, including the Annual General Meeting, to the lower of: (i) the number of shares held by them; and (ii) 24.99% of the votes cast on any resolution by all shareholders.

Own shares

The Company is, until the date of the next AGM on 28th October 2024, generally and unconditionally authorised to buy back up to 5,067,910 of its own ordinary shares of nominal value £0.01, representing approximately 10% of the Company's issued share capital. In the year under review, the Company purchased and cancelled nil shares (2023: nil).

The number of own shares purchased by the Company's Employee Benefit Trust during the year was 318,000 (2023: 622,746). The number of own shares held by the Trust as at 30th June 2024 was 1,829,637 (2023: 1,989,355), of which 238,500 shares (2023: 290,900) were subject to options in issue. The Trust has waived its entitlement to receive dividends in respect of the shares held. The trust will abstain from voting on resolutions that concern a change of control in the Company.

The Trust also holds 1,133,649 shares (2023: 1,003,944) in custody for employees under the terms of the Employee Incentive Plan, see the Directors' remuneration report on page 78 for further details of the plan.

Substantial shareholdings

At 31st August 2024, the Company had been notified of the following interests of 3% or more in the Company's ordinary shares:

Name of shareholder	Number of voting rights	% of total voting rights held
Aberforth Partners LLP	2,560,745	5.1
George Karpus	15,948,201	31.5

Conflict of interests

There are no potential conflicts of interest between any duties owed by the Directors or senior managers to the Company and their private interests and/or other duties; and no arrangements or understandings with any of the shareholders of the Company, clients, suppliers or others pursuant to which any Director or senior manager was selected to be a Director or senior manager. The Company tests regularly to ensure awareness of any future potential conflicts of interest and related party transactions.

Political donations

The Company did not make any political donations or incur any political expenditures to candidates or political campaigns during the period.

Engagement with Employees Statement

The Company is exempted from some reporting requirements, as it has not employed more than 250 employees in the UK during the year under review.

Auditors

The auditors for the financial year were Grant Thornton UK LLP. Each of the persons who are Directors at the time when this report is approved has confirmed that:

(a) so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) each Director has taken all the steps that ought to have been taken as a Director, including making appropriate enquiries of fellow Directors and the Company's auditors for that purpose, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Internal control and risk management

The Audit & Risk Committee has responsibility for overseeing the framework for risk management and internal control and ensuring it functions appropriately.

The Group also has a robust financial controls framework designed to provide assurance that proper accounting records are adequately maintained and that information used within the business and for external publication is reliable and free from material misstatement. This includes segregation of duties, balance sheet reconciliations, and quarterly compliance checks on revenue recognition.

The Board reviews the effectiveness of the system of internal control annually and this process is subsequently evaluated by the Audit & Risk Committee.

The Board is also responsible for the Internal Capital and Risk Assessment (ICARA) document, as required by the UK regulator, which summarises the Group's risk management framework and regulatory capital requirements.

A detailed description of the risk management framework and the principal risks identified is set out on pages 28 to 29.

Shareholder relations

Engagement with shareholders is of paramount importance to the Group. The Directors, including on occasions the Senior Independent Non-Executive Director and the Chair of the Board, endeavour to meet with large shareholders at least twice annually, generally following interim and final results announcements. Following these meetings, the Directors report back to the Board. All of the Directors aim to attend the Annual General Meeting either in person or by video conference.

Approved by the Board of Directors and signed on behalf of the Board.

Tom Griffith
Chief Executive Officer
23rd September 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic report, the Directors' report, the Directors' remuneration report and the Financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under Company law and are required under the Listing Rules of the Financial Conduct Authority to prepare Group financial statements in accordance with UK-adopted International Accounting Standards. The Directors have elected under Company law to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 50 and 51 confirm that, to the best of each person's knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the City of London Investment Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

For and on behalf of the Board

Tom Griffith
Chief Executive Officer
23rd September 2024

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY OF LONDON INVESTMENT GROUP PLC

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of City of London Investment Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th June 2024, which comprise of the Consolidated Income Statement, Consolidated and Company Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated and Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30th June 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Determining the appropriateness of the group and parent company's going concern policy and procedures under the relevant accounting framework;
- Assessing the adequacy of disclosures concerning the basis of preparation of the financial statements and going concern;
- Assessing the accuracy of the prior year forecast and the underlying data used in management's forecasts;
- Inspecting management's going concern assessment and assessing its appropriateness by applying relevant sensitivities to the underlying assumptions and the conclusions made;
- Evaluating the reasonableness of the income forecasts prepared by management, including the assumptions used and level of headroom available in terms of cash resources;
- Obtaining an understanding of the liquidity position of the group and parent company;

- Considering the robustness of the forecasts to potential changes in underlying key assumptions;
- Obtaining an understanding of how management has assessed the impact of geopolitical events and market conditions in relation to ongoing global macroeconomic factors in their forecasts;
- Assessing disclosures included in the financial statements in relation to the impact of macroeconomic uncertainties and geopolitical events such as the impact of the Russian invasion of Ukraine, rising inflation and geopolitical instability in the Middle East; and
- Identifying applicable subsequent events and discussing their implications with management.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties and geopolitical events, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Overview of our audit approach

GrantThornton

Overall materiality:

Group: $1,131,064 which represents 5% of the group's profit before tax.

Parent company: $1,074,511, which represents approximately 1% of the parent company's net assets, capped at 95% of Group materiality.

Key audit matters were identified as:

- Management fees (same as previous year); and
- Impairment of goodwill and intangible assets (same as previous year).

The auditor's report for the year ended 30th June 2023 included no key audit matters that have not been reported as key audit matters in our current year's report.

Scope:

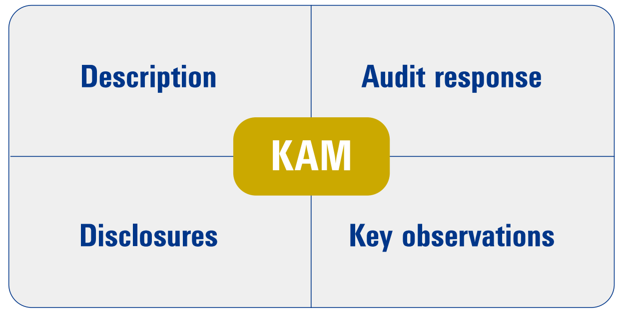
The group is comprised of the parent company and seven subsidiaries, and we have performed an audit of the financial information of the components using component materiality (full scope audit) on three components, specific audit procedures on one component and analytical procedures at group level on three components.

INDEPENDENT AUDITOR'S REPORT

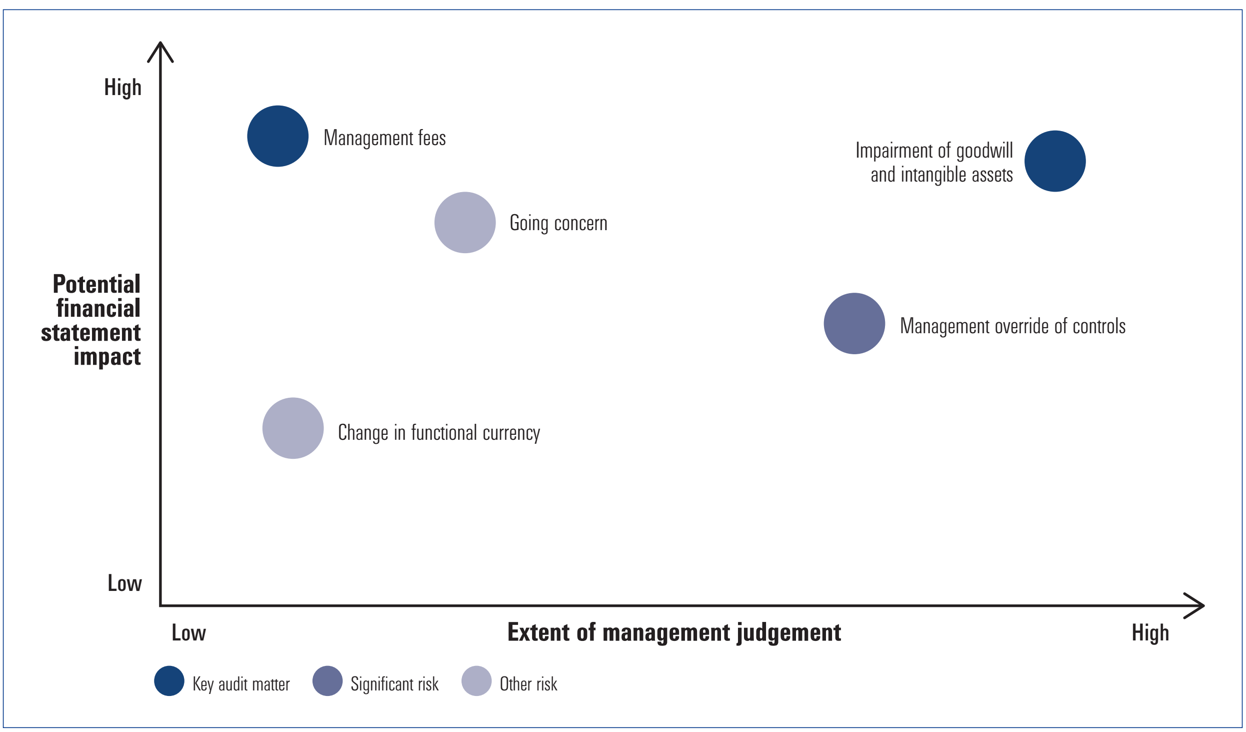
CONTINUED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Key Audit Matter – Group	How our scope addressed the matter – Group
Management fees We identified occurrence of management fees as one of the most significant assessed risks of material misstatement due to fraud and error. As described in the accounting policies on page 116 management fees of $69,452,706 (note 2) are based on a percentage of Funds under Management in accordance with the respective management agreements. There is a risk of management fee income being overstated as a result of fees being inappropriately recognised. Whilst the computation of fees is not inherently complex or judgemental, revenue is material in the context of the financial statements as a whole and it is therefore determined to be a key audit matter.	In responding to the key audit matter, we performed the following audit procedures: • assessing whether the Group's accounting policy for recognition of management fees is in accordance with UK-adopted international accounting standards; • independently confirmed third party custodian records of the relevant month-end Net Asset Value (NAV), and checked that the correct fund values had been used to calculate the fee; • for a sample of management fees selected from the revenue listing we agreed the key inputs into the management fee calculation to the Investment Management Agreements (IMA) and recalculated the expected management fee based on the NAV and fee income percentage as documented in the IMA; • for a sample of outliers identified by our Audit Data Analytics software based on pre-set expectations, we agreed the items to agreements and invoices; and • considered the design and implementation of controls over the inputs and calculation of management fee income with a sample tested to evidence review and approval of the management fee calculation.
Relevant disclosures in the Annual Report	**Our results**
Financial statements: Note 1.17, Revenue recognition The group's accounting policy on management fees, is shown in note 1.17 to the financial statements and related disclosures are included in note 2.	Our testing did not identify any material misstatements in the management fees recognised during the year.

INDEPENDENT AUDITOR'S REPORT

CONTINUED

Key Audit Matter – Group	How our scope addressed the matter – Group
Impairment of goodwill and intangible assets We identified impairment of goodwill and intangible assets as one of the most significant assessed risks of material misstatement due to error. Goodwill of $90,072,110 and intangible assets, including customer relationships, distribution channels and the trade name, arising on acquisition of $32,761,000 as set out in note 11 are included in the consolidated Statement of Financial Position at 30th June 2024. Management is required by IAS 36 'Impairment of assets' to perform an annual impairment review for goodwill and for finite-life intangible assets where there are indicators of impairment. The test for impairment compares the carrying value of the cash generating unit to which the assets are allocated to their recoverable amount which is the higher of their fair value less costs of disposal or value in use. Calculating the recoverable amount requires management judgement as set out in the accounting policies in note 1.4 and the disclosures in note 11. The headroom in the impairment assessment is sensitive to changes in key assumptions (see note 11) and thus we consider this to represent a key audit matter.	In responding to the key audit matter, we performed the following audit procedures: • assessed whether the Group's accounting policy for the impairment of goodwill and intangible assets is in accordance with UK-adopted international accounting standards and is compliance with the requirements of IAS 36; • recalculated the fair value less costs of disposal (FVLCD) for mechanical accuracy and consistency with the requirements of IAS 36; • considered the appropriateness of management's assessment of the allocation of goodwill and intangible assets to a cash generating unit; • assessed the reasonableness of comparable companies used in the market comparable approach; • challenged management on key assumptions used in the fair value model including selected AUM and EBITDA multiples, calibration to the original transaction date and comparison against market comparables; • challenged management on key assumptions used in the Value In Use (VIU) model, including medium and long-term growth rates and discount rates; • worked with our internal valuation specialists to determine the appropriateness of the impairment assessment and accuracy of supporting data used in the fair value estimate; • evaluated the sensitivity analysis prepared by management; • considered the qualifications, credentials and independence of the valuation expert engaged by management; and • assessed the completeness and accuracy of disclosures within the financial statements.
Relevant disclosures in the Annual Report	**Our results**
Financial statements: Note 1.9, Impairment of goodwill and other assets The group's accounting policy on the impairment of goodwill and intangibles, is shown in note 1.9 to the financial statements and related disclosures are included in note 11.	Our testing did not identify impairment in the goodwill and intangibles during the year and we are satisfied that the impairment review has been carried out in accordance with the requirements of IAS 36.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

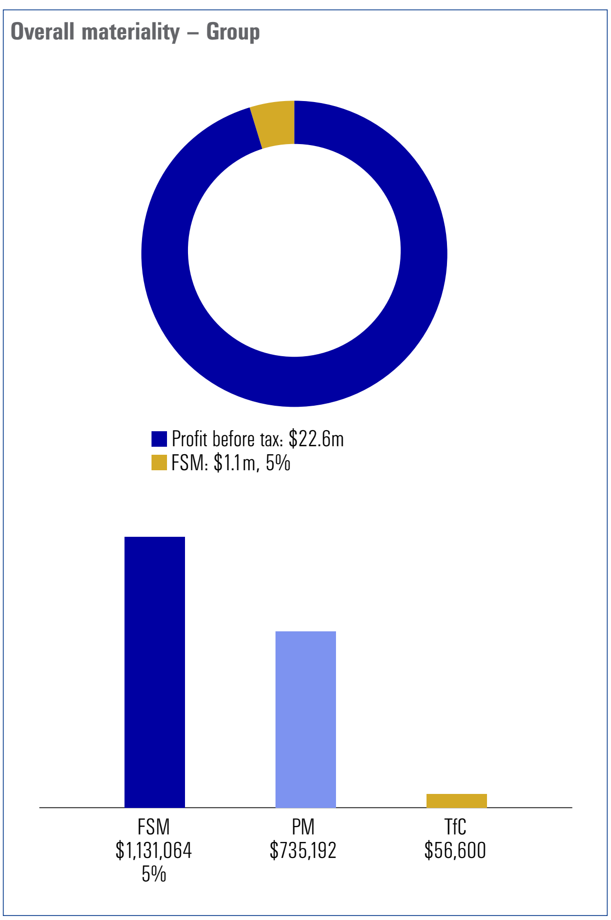
Materiality was determined as follows:

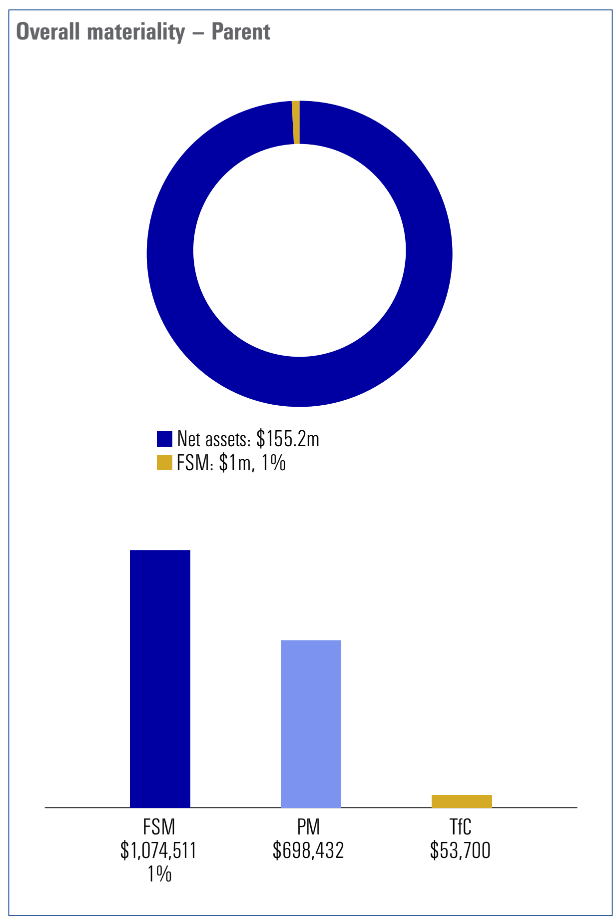
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	$1,131,064 (2023: £937,000), which represents 5% of profit before tax.	$1,074,511 (2023: £528,500), which represents 1% of net assets (2023: 0.44%), capped at 95% of Group materiality.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • profitability is considered to be a key benchmark monitored by management and investors as the investors return is based on profit. Materiality for the current year is higher than the level that was determined for the year ended 30 June 2023 to reflect an increase in the management fees received during the year.	In determining materiality, we made the following significant judgements: • net assets is considered to be a key benchmark as the entity primarily exists to hold and manage its investments in trading subsidiaries. Materiality for the current year is higher than the level that was determined for the year ended 30 June 2023 to reflect an appropriate change from prior year in the percentage of net assets chosen.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	$735,192 (2023: £703,000), which is 65% (2023: 75%) of financial statement materiality.	$698,432 (2023: £396,000), which is 65% (2023: 75%) of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • the work performed reviewing the predecessor auditor's work noted that there were no material audit adjustments, and through our understanding obtained from planning procedures and meetings with management to date, we understand it to be a non-complex investment management business. As a result of this it is considered appropriate to use a performance materiality of 65%.	In determining performance materiality, we made the following significant judgements: • the work performed reviewing the predecessor auditor's work noted that there were no material audit adjustments, and through our understanding obtained from planning procedures and meetings with management to date, we understand it to be a non-complex investment management business. As a result of this it is considered appropriate to use a performance materiality of 65%.

INDEPENDENT AUDITOR'S REPORT
CONTINUED

Materiality measure	Group	Parent company
Communication of misstatements to the audit and risk committee	We determine a threshold for reporting unadjusted differences to the audit and risk committee.	
Threshold for communication	\$56,600 (2023: £46,800), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	\$53,700 (2023: £26,425), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.





FSM: Financial statement materiality, **PM:** Performance materiality, **TfC:** Threshold for communication to the audit and risk committee.

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- The engagement team obtained an understanding of the group and its environment, including group-wide controls and assessed the risks of material misstatement at the group level.
- The engagement team obtained an understanding of relevant internal controls at both the group and subsidiaries. This included obtaining an understanding of the internal controls and assessing whether they are designed and implemented effectively.

Identifying significant components

- The group audit team evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined, as a percentage of the group's revenue and profit before taxation as well as considering qualitative factors, such as a component's specific nature or circumstances.
- Three components (Parent Company and two subsidiaries) were identified as significant components.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- Performance of full-scope audits of the financial information using component materiality of City of London Investment Group PLC (Parent Company), Karpus Management Inc and City of London Investment Management Company Limited. These full-scope audits included the work on the identified key audit matters as described in the Key Audit Matter section above.
- Analytical procedures at group level using group materiality were performed for four components and for one component we audited one or more account balances, classes of transactions or disclosures of the component.

Performance of our audit

- Our full scope procedures gave a coverage of 100% of the Group's total income, 95% of the Group's total assets and 86% of the Group's profit before tax.
- We made visits to the Finance team in London, who are the central finance team for the group including overseas subsidiaries, to assess the control environment and to aid fieldwork procedures. The Group consists of components based in the United Kingdom, United States of America and Singapore.
- The Group's trading subsidiary in the United States of America was subject to a full scope audit to component overall materiality because the component was assessed as significant to the Group based on its individual financial significance and the nature of the significant risks identified. The group audit team carried out analytical procedures at Group level on the overseas subsidiary based in Singapore.

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT
Full-scope audit	3	95%	100%	86%
Specified audit procedures	1	3%	0%	0%
Analytical procedures	4	2%	0%	14%
Total	8	100%	100%	100%

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT
CONTINUED

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

- We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.
- Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:
  - the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 91;
  - the directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate as set out on page 91;
  - the director's statement on whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities set out on page 91;
  - the directors' statement on fair, balanced and understandable set out on page 67;
  - the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 29;
  - the section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on page 93; and
  - the section describing the work of the audit committee set out on page 93.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 94, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- we obtained an understanding of the legal and regulatory frameworks applicable to the group and parent company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were Financial Services and Markets Act 2000 (FSMA 2000) legislation and those that relate to the financial reporting framework, being UK-adopted international accounting standards, the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority (the 'FCA');

- we enquired of the directors and management to obtain an understanding of how the group and parent company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through reading the minutes of Board and Audit Committee meetings;
- we assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- these audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- the engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the group and parent company operates;
  - understanding of the legal and regulatory frameworks applicable to the company.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the City of London Investment Group audit committee on 15th May 2024 to audit the financial statements for the year ending 30th June 2024. Our total uninterrupted period of engagement is one year, covering the year ended 30th June 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

23rd September 2024

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2024

	Note	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Revenue			
Gross fee income	2	69,453	68,725
Commissions payable		(1,811)	(1,823)
Custody fees payable		(1,475)	(1,422)
Net fee income		66,167	65,480
Administrative expenses			
Employee costs	3(b)	30,925	29,762
Other expenses		8,177	8.382
Depreciation and amortisation		6,574	6,434
		(45,676)	(44,578)
Operating profit	5	20,491	20,902
Finance income	6a	1,460	700
Finance expense	6b	(381)	(164)
Gain on investments	6c	1,051	689
Profit before taxation		22,621	22,127
Income tax expense	7	(5,506)	(4,630)
Profit for the period		17,115	17,497
Profit attributable to:			
Equity shareholders of the parent		17,115	17,497
Basic earnings per share (cents)	8	35.1	35.8
Diluted earnings per share (cents)	8	34.4	35.2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2024

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Profit for the period	17,115	17,497
Other comprehensive income: Items that may be subsequently reclassified to profit or loss if specific conditions are met		
Foreign currency translation differences	(1)	1,432
Total comprehensive income for the period	17,114	18,929
Attributable to:		
Equity shareholders of the parent	17,114	18,929

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

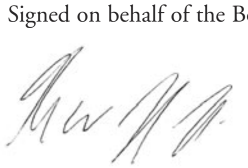
30TH JUNE 2024

	Note	Group			Company		
		30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2022 (restated) $'000	30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2022 (restated) $'000
Non-current assets							
Property and equipment	9	1,128	921	623	227	280	302
Right-of-use assets	10	5,076	2,524	2,946	925	1,152	1,321
Intangible assets	11	122,853	128,462	134,053	20	30	22
Other financial assets	12	5,750	10,020	9,054	134,283	139,150	133,328
Deferred tax asset	13	1,879	1,162	1,164	313	332	272
		136,686	143,089	147,840	135,768	140,944	135,245
Current assets							
Trade and other receivables	14	8,380	8,090	7,913	3,654	3,860	6,309
Current tax receivable		167	–	–	2,426	981	1,379
Cash and cash equivalents	15	33,738	28,569	27,617	20,381	14,779	8,427
		42,285	36,659	35,530	26,461	19,620	16,115
Current liabilities							
Trade and other payables	16	(10,432)	(10,733)	(11,523)	(5,519)	(5,239)	(4,566)
Lease liabilities	17	(526)	(251)	(484)	(284)	(44)	(148)
Current tax payable		–	(1,009)	(655)	–	–	–
Creditors, amounts falling due within one year		(10,958)	(11,993)	(12,662)	(5,803)	(5,283)	(4,714)
Net current assets		31,327	24,666	22,868	20,658	14,337	11,401
Total assets less current liabilities		168,013	167,755	170,708	156,426	155,281	146,646
Non-current liabilities							
Lease liabilities	17	(5,207)	(2,498)	(2,686)	(964)	(1,257)	(1,250)
Deferred tax liability	18	(9,162)	(9,789)	(11,158)	(256)	(311)	(277)
Net assets		153,644	155,468	156,864	155,206	153,713	145,119
Capital and reserves							
Share capital	19	644	828	828	644	828	828
Share premium account	20	2,866	4,080	4,080	2,866	4,080	4,080
Merger relief reserve	19	128,984	131,188	131,188	128,984	131,188	131,188
Investment in own shares	20	(9,227)	(13,162)	(11,883)	(9,227)	(13,162)	(11,883)
Share option reserve	20	187	748	739	187	740	714
EIP share reserve	20	2,046	2,246	1,943	2,046	2,246	1,943
Foreign currency translation reserve	20	(1,011)	(6,697)	(8,129)	466	(4,732)	(10,866)
Capital redemption reserve	20	33	52	52	33	52	52
Retained earnings	20	29,122	36,185	38,046	29,207	32,473	29,063
Attributable to: Equity shareholders of the parent		153,644	155,468	156,864	155,206	153,713	145,119
Total equity		153,644	155,468	156,864	155,206	153,713	145,119

As permitted by section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The Parent Company's profit for the financial period amounted to $20,445k (2023: $22,754k).

The Board of Directors approve and authorise for issue these financial statements on 23rd September 2024.

Signed on behalf of the Board of Directors of City of London Investment Group PLC, company number 2685257.



Tom Griffith
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30TH JUNE 2024

	Share capital $'000	Share premium account $'000	Merger relief reserve $'000	Investment in own shares $'000	Share option reserve $'000	EIP share reserve $'000	Foreign currency translation reserve $'000	Capital redemption reserve $'000	Retained earnings $'000	Total attributable to shareholders $'000
As at 30th June 2022 (restated)	828	4,080	131,188	(11,883)	739	1,943	(8,129)	52	38,046	156,864
Profit for the period	–	–	–	–	–	–	–	–	17,497	17,497
Other comprehensive income	–	–	–	–	–	–	1,432	–	–	1,432
Total comprehensive income	–	–	–	–	–	–	1,432	–	17,497	18,929
Transactions with owners										
Share option exercise	–	–	–	88	(10)	–	–	–	10	88
Purchase of own shares	–	–	–	(3,078)	–	–	–	–	–	(3,078)
Share-based payment	–	–	–	–	36	1,174	–	–	–	1,210
EIP vesting/forfeiture	–	–	–	1,711	–	(871)	–	–	–	840
Deferred tax on share options	–	–	–	–	(17)	–	–	–	(1)	(18)
Current tax on share options	–	–	–	–	–	–	–	–	5	5
Deferred tax on leases	–	–	–	–	–	–	–	–	6	6
Dividends paid	–	–	–	–	–	–	–	–	(19,378)	(19,378)
Total transactions with owners	–	–	–	(1,279)	9	303	–	–	(19,358)	(20,325)
As at 30th June 2023 (restated)	828	4,080	131,188	(13,162)	748	2,246	(6,697)	52	36,185	155,468
Effect of change in functional currency	(184)	(1,214)	(2,204)	2,861	(578)	(46)	5,687	(19)	(4,303)	–
As at 1st July 2023	644	2,866	128,984	(10,301)	170	2,200	(1,010)	33	31,882	155,468
Profit for the period	–	–	–	–	–	–	–	–	17,115	17,115
Other comprehensive income	–	–	–	–	–	–	(1)	–	–	(1)
Total comprehensive income	–	–	–	–	–	–	(1)	–	17,115	17,114
Transactions with owners										
Share option exercise	–	–	–	154	(9)	–	–	–	9	154
Purchase of own shares	–	–	–	(1,315)	–	–	–	–	–	(1,315)
Share-based payment	–	–	–	–	35	1,039	–	–	–	1,074
EIP vesting/forfeiture	–	–	–	2,235	–	(1,193)	–	–	–	1,042
Deferred tax on share options	–	–	–	–	(9)	–	–	–	(22)	(31)
Current tax on share options	–	–	–	–	–	–	–	–	27	27
Dividends paid	–	–	–	–	–	–	–	–	(19,889)	(19,889)
Total transactions with owners	–	–	–	1,074	17	(154)	–	–	(19,875)	(18,938)
As at 30th June 2024	644	2,866	128,984	(9,227)	187	2,046	(1,011)	33	29,122	153,644

COMPANY STATEMENT OF CHANGES IN EQUITY

30TH JUNE 2024

	Share capital $'000	Share premium account $'000	Merger relief reserve $'000	Investment in own shares $'000	Share option reserve $'000	EIP share reserve $'000	Foreign currency translation reserve $'000	Capital redemption reserve $'000	Retained earnings $'000	Total attributable to shareholders $'000
As at 30th June 2022 (restated)	828	4,080	131,188	(11,883)	714	1,943	(10,866)	52	29,063	145,119
Profit for the period	–	–	–	–	–	–	–	–	22,754	22,754
Other comprehensive income	–	–	–	–	–	–	6,134	–	–	6,134
Total comprehensive income	–	–	–	–	–	–	6,134	–	22,754	28,888
Transactions with owners										
Share option exercise	–	–	–	88	(10)	–	–	–	9	87
Purchase of own shares	–	–	–	(3,078)	–	–	–	–	–	(3,078)
Share-based payment	–	–	–	–	36	1,174	–	–	–	1,210
EIP vesting/forfeiture	–	–	–	1,711	–	(871)	–	–	–	840
Current tax on share options	–	–	–	–	–	–	–	–	3	3
Deferred tax on leases	–	–	–	–	–	–	–	–	22	22
Dividends paid	–	–	–	–	–	–	–	–	(19,378)	(19,378)
Total transactions with owners	–	–	–	(1,279)	26	303	–	–	(19,344)	(20,294)
As at 30th June 2023 (restated)	828	4,080	131,188	(13,162)	740	2,246	(4,732)	52	32,473	153,713
Effect of change in functional currency	(184)	(1,214)	(2,204)	2,861	(579)	(46)	5,200	(19)	(3,815)	–
As at 1st July 2023	644	2,866	128,984	(10,301)	161	2,200	468	33	28,658	153,713
Profit for the period	–	–	–	–	–	–	–	–	20,445	20,445
Other comprehensive income	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	–	–	–	20,445	20,445
Transactions with owners										
Share option exercise	–	–	–	154	(9)	–	–	–	(1)	144
Purchase of own shares	–	–	–	(1,315)	–	–	–	–	–	(1,315)
Share-based payment	–	–	–	–	35	1,039	–	–	–	1,074
EIP vesting/forfeiture	–	–	–	2,235	–	(1,193)	–	–	–	1,042
Deferred tax on share options	–	–	–	–	–	–	–	–	(6)	(6)
Foreign exchange translation	–	–	–	–	–	–	(2)	–	–	(2)
Dividends paid	–	–	–	–	–	–	–	–	(19,889)	(19,889)
Total transactions with owners	–	–	–	1,074	26	(154)	(2)	–	(19,896)	(18,952)
As at 30th June 2024	644	2,866	128,984	(9,227)	187	2,046	466	33	29,207	155,206

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2024

		Group		Company	
	Note	30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2024 $'000	30th June 2023 (restated) $'000
Cash flow from operating activities					
Cash flow from operating activities					
Profit before taxation		22,621	22,127	1,675	776
Adjustments for:					
Depreciation of property and equipment	9	293	274	97	92
Depreciation of right-of-use assets	10	672	553	227	215
Amortisation of intangible assets	11	5,609	5,607	10	8
Loss on disposal of property and equipment		–	1	–	–
Share-based payment charge	3b	35	37	4	4
EIP-related charge		1,438	1,267	581	549
Gain on investments	6c	(1,051)	(689)	(323)	(115)
Interest receivable	6a	(1,460)	(700)	(898)	(252)
Interest payable	6b	24	–	24	–
Interest payable on leased assets	6b	357	164	17	92
Translation adjustments		29	(328)	149	22
Cash generated from operations before changes in working capital		28,567	28,313	1,563	1,391
(Increase)/decrease in trade and other receivables		(302)	154	880	3,662
Increase/(decrease) in trade and other payables		365	(296)	3,038	2,832
Cash generated from operations		28,630	28,171	5,481	7,885
Interest received	6a	1,460	700	898	252
Interest payable	6b	(24)	–	(24)	–
Interest paid on leased assets	6b	(357)	(164)	(17)	(92)
Taxation paid		(8,122)	(5,772)	(3,857)	(1,876)
Net cash generated from operating activities		21,587	22,935	2,481	6,169
Cash flow from investing activities					
Dividends received from subsidiaries		–	–	19,150	22,131
Purchase of property and equipment and intangibles	9/11	(500)	(578)	(44)	(74)
Purchase of non-current financial assets	12	(4,594)	(1,356)	–	–
Proceeds from sale of current financial assets		9,997	1,356	5,203	–
Net cash generated from/(used in) investing activities		4,903	(578)	24,309	22,057
Cash flow from financing activities					
Ordinary dividends paid	21	(19,889)	(19,378)	(19,889)	(19,378)
Purchase of own shares by employee share option trust		(1,315)	(3,078)	(1,315)	(3,078)
Proceeds from sale of own shares by employee benefit trust		154	88	154	88
Payment of lease liabilities	17(c)	(231)	(476)	(48)	(149)
Net cash used in financing activities		(21,281)	(22,844)	(21,098)	(22,517)
Net increase/(decrease) in cash and cash equivalents		5,209	(487)	5,692	5,709
Cash and cash equivalents at start of period		28,569	27,617	14,779	8,427
Cash held in funds		–	77	–	–
Effect of exchange rate changes		(40)	1,362	(90)	643
Cash and cash equivalents at end of period		33,738	28,569	20,381	14,779

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

1. SIGNIFICANT ACCOUNTING POLICIES

City of London Investment Group PLC (the Company) is a public limited company which listed on the London Stock Exchange on 29th October 2010 and is domiciled and incorporated in the United Kingdom under the Companies Act 2006.

1.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The Group and Company financial statements have been prepared under the historical cost convention, except for certain financial assets that are reported at fair value. The Group and Company financial statements have been prepared on a going concern basis.

The principal accounting policies adopted are set out below and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Changes in presentational and functional currency

With effect from 1st July 2023, the Group has changed its presentational currency from sterling to US dollars, to mirror the primary economic environment that it operates in. This change will provide investors and other stakeholders greater transparency of the Group's performance and reduced foreign exchange volatility on its income and costs.

The change in the Group's presentational currency to US dollars has resulted in a change in the parent company's primary economic environment. Dividend streams from its subsidiaries are now received and retained by the parent company in US dollars. Hence, all the parent company's income is now in US dollars and a large portion of its costs are also in US dollars. As a result, the parent company's functional currency has changed to US dollars with effect from 1st July 2023.

In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the change in presentational currency has been applied retrospectively, whereas the change in functional currency has been applied prospectively with effect from 1st July 2023.

Certain elements of historical financial information have been restated in US dollars and form the basis of the comparative financial information included in these financial statements for the year ended 30th June 2024.

In accordance with the provisions of IAS 21, the Effects of Changes in Foreign Exchange Rates, due to the change in presentational currency, comparative financial information has been restated from sterling to US dollars as follows:

- assets and liabilities in non-US denominated currencies were translated into US dollars at the rate of exchange at the relevant balance sheet date;
- non-US dollar income statements and cash flows were translated into US dollars at average rates of exchange for the relevant period;
- share capital, share premium and all other equity items were translated at the historical rates prevailing on 1st June 2007, the date of transition to IFRS or the subsequent rates prevailing on the date of each relevant transaction or average rates as relevant; and
- the cumulative foreign exchange translation reserve was set to zero on 1st June 2007, the date of transition to IFRS, and this reserve has been restated on the basis that the Group has reported in US dollars since that date.

The change in functional currency has been applied prospectively. Share capital, share premium and all other equity items were translated at the closing rate of exchange on 30th June 2023 for the relevant entities.

1.3 New or amended accounting standards and interpretations

The Group has adopted all the new or amended accounting standards and interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current reporting period. Any new or amended accounting standards that are not mandatory have not been early adopted.

Amendments to IAS 12 – Income taxes published in May 2021 were adopted as from 1 July 2023. The amendments require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments typically apply to transactions where assets and liabilities are recognised from a single transaction, such as leases for the lessee and decommissioning and restoration obligations.

An adjustment has been made to recognise a deferred tax asset on the present value of lease liabilities and a deferred tax liability on the right of use assets. The adjustment have been made retrospectively in 2022 and resulted in a net increase in reserves of $50k for the Group and $15k for the company.

There are no new or amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements that would be expected to have a material impact on the Group's consolidated financial statements when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.4 Accounting estimates and assumptions

The preparation of these financial statements in conformity with UK-adopted International Accounting Standards requires management to make estimates and judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Whilst estimates are based on management's best knowledge and judgement using information and financial data available to them, the actual outcome may differ from those estimates.

The most significant areas of the financial statements that are subject to the use of estimates and judgments are noted below:

Impairment of Goodwill

The recognition of goodwill in a business combination and subsequent impairment assessments are based on significant accounting estimates. Note 11 details our estimates and assumptions in relation to the impairment assessment of goodwill.

1.5 Investment in subsidiaries

Investments in subsidiaries in the Company only accounts are stated at cost less, where appropriate, provision for impairment.

1.6 Basis of consolidation

The consolidated financial statements are based on the financial statements of the Company and all of its subsidiary undertakings. The Group's subsidiaries are those entities which it directly or indirectly controls. Control over an entity is evidenced by the Group's ability to exercise its power in order to affect any variable returns that the Group is exposed to through its involvement with the entity. The consolidated financial statements also incorporate the results of the business combination using the acquisition method. The acquiree's identifiable net assets are initially recognised at their fair values at the acquisition date. The results of the acquired business are included in the consolidated statement of comprehensive income from the date on which control is obtained.

When assessing whether to consolidate an entity, the Group evaluates a range of control factors as defined under IFRS 10 Consolidated financial statements, namely:

- the purpose and design of the entity;
- the relevant activities and how these are determined;
- whether the Group's rights result in the ability to direct the relevant activities;
- whether the Group has exposure or rights to variable returns; and
- whether the Group has the ability to use its power to affect the amount of its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The Group's subsidiary undertakings as at 30th June 2024 are detailed below:

City of London Investment Group PLC holds a controlling interest in the following:

Subsidiary undertakings	Activity	Controlling interest	Country of incorporation
City of London Investment Management Company Limited	Management of funds	100%	UK
City of London US Investments Limited	Holding company	100%	UK
Karpus Management Inc. (aka – Karpus Investment Management)	Management of funds	100%	USA
Global Equity CEF Fund	Delaware Statutory Trust Fund	100%	USA

City of London Investment Management Company Limited holds 100% of the ordinary shares in the following:

City of London Investment Management (Singapore) PTE Ltd	Management of funds	Singapore
City of London Latin America Limited	Dormant Company	UK

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

City of London US Investments Limited holds 100% of the ordinary shares in the following:

Subsidiary undertakings	Activity	Country of incorporation
City of London US Services Limited	Service company	UK

The registered addresses of the subsidiary companies are as follows:

City of London Investment Management Company Limited City of London US Investments Limited City of London US Services Limited City of London Latin America Limited	77 Gracechurch Street, London EC3V 0AS, UK
City of London Investment Management Company (Singapore) PTE Ltd	20 Collyer Quay, #10-04, Singapore 049319
Karpus Management Inc.	183 Sully's Trail, Pittsford, New York 14534, USA
Global Equity CEF Fund	4005 Kennett Pike, Suite 250, Greenville, DE 19807, USA

City of London Latin America Limited is dormant and Karpus Management Inc. are not subject to audit.

1.7 Property and equipment

For all property and equipment depreciation is calculated to write off their cost to their estimated residual values by equal annual instalments over the period of their estimated useful lives, which are considered to be:

Short leasehold property improvements	–	over the remaining life of the lease
Furniture and equipment	–	four to ten years
Computer and telephone equipment	–	four to ten years

1.8 Intangible assets

Intangible assets acquired separately are initially recognised at cost. Intangible assets acquired through a business combination other than goodwill, are initially measured at fair value at the date of the acquisition.

(i) Goodwill

Goodwill arises through a business combination. Goodwill represents the excess of the purchase consideration paid over the fair value of the identifiable assets, liabilities and contingent liabilities of the business at the date of the acquisition. Goodwill is measured at cost less accumulated impairment losses. Goodwill on acquisition is allocated to a cash generating unit (CGU) that is expected to benefit from the acquisition, for the purpose of impairment testing. The CGU to which goodwill is allocated represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is identified as a group of assets generating cash inflows which are independent from cash inflows from other Group cash generating assets and are not larger than the Group's operating segments.

(ii) Direct customer relationships and distribution channels

The fair values of direct customer relationships and distribution channels acquired in the business combination have been measured using a multi-period excess earnings method. These are amortised on a straight line basis over the period of their expected benefit, being a finite life of ten years for direct customer relationships and a finite life of seven years for distribution channels.

(iii) Trade name

The fair value of the trade name acquired in the business combination has been measured using a relief from royalty method. This is amortised on a straight line basis over the period of its expected benefit, being a finite life of fifteen years.

(iv) Software licences

Software licences are capitalised at cost and amortised on a straight line basis over the useful life of the asset. Costs are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs also include directly attributable overheads. The estimated useful life over which the software is depreciated is between four to ten years. Software integral to a related item of hardware equipment is accounted for as property and equipment. Costs associated with maintaining computer software programs are expensed to the income statement as incurred.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.9 Impairment of goodwill and other assets
Goodwill arising on acquisition is not subject to annual amortisation and is tested annually for impairment, or more frequently if changes in circumstances indicate a possible impairment. The Group annually reviews the carrying value of its CGU to ensure that those assets have not suffered from any impairment loss. The review compares the recoverable amount of the CGU to which goodwill is allocated against its carrying amount. Where the recoverable amount is higher than the carrying amount, no impairment is required. The recoverable amount is defined as the higher of (a) fair value less costs of disposal or (b) value in use, which is based on the present value of future cash flows expected to derive from the CGU.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Other assets are tested for impairment whenever management identifies any indicators of impairment.

Any impairment loss is recognised immediately through the income statement.

1.10 Business combinations
The Group accounts for business combinations using the acquisition method. A business combination is determined where in a transaction, the asset acquired and the liabilities assumed constitute a business.

The consideration transferred on the date of the transaction is measured at fair value as are the identifiable assets acquired and liabilities assumed. Intangible assets are recognised separately from goodwill at the acquisition date only when they are identifiable.

1.11 Financial instruments
Financial instruments are only recognised in the financial statements and measured at fair value when the Group becomes party to the contractual provisions of the instrument.

Under IFRS 9 Financial Instruments, financial assets are classified as either:

- amortised at cost;
- at fair value through the profit or loss; or
- at fair value through other comprehensive income.

Financial liabilities must be classified at fair value through profit or loss or at amortised cost.

The Group's investments in securities are classified as financial assets or liabilities at fair value through profit or loss. Such investments are initially recognised at fair value, and are subsequently re-measured at fair value, with any movement recognised in the income statement. The fair value of the Group's investments is determined as follows:

- Shares traded in active markets – priced using the quoted closing price
- Unlisted seed capital investments in funds – priced using net asset value at the reporting date

The consolidated Group assesses and would recognise a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a twelve-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next twelve months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Under the expected credit loss model, impairment losses are recorded if there is an expectation of credit losses, even in the absence of a default event. This model is applicable to assets amortised at cost or at fair value through other comprehensive income. The assets on the Group's balance sheet to which the expected loss applies to are fees receivable. At the end of each reporting period, the Group assesses whether the credit risk of these trade receivables has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.12 Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and on-demand deposits with an original maturity of three months or less from inception, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.13 Trade payables
Trade payables are measured at initial recognition at fair value and subsequently measured at amortised cost.

1.14 Current and deferred taxation
The Group provides for current tax according to the tax regulations in each jurisdiction in which it operates, using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, deferred tax is not accounted for if it arises from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the accounting nor the taxable profit or loss.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. The tax rates used are those that have been enacted, or substantively enacted, by the end of the reporting period. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly as part of other comprehensive income, in which case the deferred tax is also dealt with as part of other comprehensive income. For share-based payments, where the estimated future tax deduction exceeds the amount of the related cumulative remuneration expense, the excess deferred tax is recognised directly in equity.

1.15 Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)
Amendments to IAS 12 – Income taxes published in May 2021 were adopted as from 1 July 2023. The amendments require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments typically apply to transactions where assets and liabilities are recognised from a single transaction, such as leases for the lessee and decommissioning and restoration obligations.

An adjustment has been made to recognise a deferred tax asset on the present value of lease liabilities and a deferred tax liability on the right of use assets. The adjustment have been made retrospectively in 2022 and resulted in a net increase in reserves of $50k for the Group and $15k for the company.

1.16 Share-based payments
The Company operates an Employee Incentive Plan (EIP) which is open to all employees in the Group. Awards are made to participating employees over shares under the EIP where they have duly waived an element of their annual profit-share before the required waiver date, in general before the start of the relevant financial year.

The awards are made up of two elements: Deferred Shares and Bonus Shares. The Deferred Shares represent the waived profit-share and the Bonus Shares represent the additional award made by the Company as a reward for participating in the EIP. Awards will vest (i.e. no longer be forfeitable) over a three-year period with one-third vesting each year for all employees, other than Executive Directors of CLIG. Awards granted from October 2021 onwards for the Executive Directors of CLIG will vest (i.e. no longer be forfeitable) over a five-year period with one-fifth vesting each year, and from October 2024 onwards over a five-year period with one-third vesting each year for the third, fourth and fifth anniversaries following grant.

The full cost of the Deferred Shares is recognised in the year to which the profit-share relates. The value of the Bonus Shares is expensed on a straight line basis over the period from the date the employees elect to participate to the date that the awards vest. This cost is estimated during the financial year and at the point when the actual award is made, the share-based payment charge is re-calculated and any difference is taken to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The Company operates an Employee Share Option Plan. The fair value of the employee services received in exchange for share options is recognised as an expense. The fair value has been calculated using the Black-Scholes pricing model, and is being expensed on a straight line basis over the vesting period, based on the Company's estimate of the number of shares that will actually vest. At the end of the three-year period when the actual number of shares vesting is known, the share-based payment charge is re-calculated and any difference is taken to the profit or loss.

1.17 Revenue recognition

Revenue is recognised within the financial statements based on the services that are provided in accordance with current investment management agreements (IMAs). The fees are charged as a percentage of Funds under Management. The performance obligations encompassed within these agreements are based on daily/monthly asset management of funds. Payment terms are monthly/quarterly in advance or in arrears. The Group has an enforceable right to the payment of these fees for services provided, in accordance with the underlying IMAs.

For each contract, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of services promised.

1.18 Commissions payable

A portion of the Group's revenue is subject to commissions payable under third party marketing agreements. Commissions payable are recognised in the same period as the revenue to which they relate.

1.19 Foreign currency translation

The functional and presentational currency of the company and all its subsidiaries is US dollars.

Transactions in currencies other than the relevant group entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the profit or loss for the year.

1.20 Leases

The total outstanding lease cost, discounted at the Group's weighted average incremental borrowing rate to its present value, is shown as a lease liability in the statement of financial position. The payment of the lease charge is allocated between the lease liability and an interest charge in the income statement.

On recognition of the lease liability, the associated asset is shown as a right-of-use asset. This is further adjusted for any lease payments made prior to adoption and any future restoration costs as implicit within the lease contract. The resulting total value of the right-of-use asset is depreciated on a straight line basis over the term of the lease period

The Group re-measures the lease liability whenever:

- there is a change in the lease term;
- there is a change in the lease payments; and
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

Where there is a change in the lease term or lease payments, the lease liability is re-measured by discounting the revised lease payments at the current or revised discount rate depending on the nature of the event. Where the lease liability is re-measured, a corresponding adjustment is made to the right-of-use assets.

Where extension/termination options exists within a lease, the Group would assess at the lease commencement date as to whether it is reasonably certain that it will exercise these options. The Group would reassess these options if there was a significant event or significant change in circumstances within its control, which would warrant the Group with reasonable certainty to exercise these options.

Payments in relation to short-term leases, those that are less than twelve months in duration continue to be expensed to the income statement on a straight line basis. At the end of the year, all of the Group's leases were recognised as right-of-use assets.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.21 Pensions

The Group operates defined contribution pension schemes covering the majority of its employees. The costs of the pension schemes are charged to the income statement as they are incurred. Any amounts unpaid at the end of the period are reflected in other creditors.

2. SEGMENTAL ANALYSIS

The Directors consider that the Group has only one reportable segment, namely asset management, and hence only analysis by geographical location is given.

	USA $'000	Canada $'000	UK $'000	Europe (ex UK) $'000	Other $'000	Total $'000
Year to 30th June 2024						
Gross fee income	66,885	1,465	–	1,001	102	69,453
Non-current assets:						
Property and equipment	901	–	205	–	22	1,128
Right-of-use assets	4,030	–	925	–	121	5,076
Intangible assets	122,833	–	20	–	–	122,853
Year to 30th June 2023 (restated)						
Gross fee income	66,110	1,414	–	1,121	80	68,725
Non-current assets:						
Property and equipment	641	–	264	–	16	921
Right-of-use assets	1,319	–	1,152	–	53	2,524
Intangible assets	128,432	–	30	–	–	128,462

3. EMPLOYEES

	Group		Company	
(a) Average number of persons employed by the Group in the period:	Year to 30th June 2024 Number	Year to 30th June 2023 Number	Year to 30th June 2024 Number	Year to 30th June 2023 Number
Investment Management/Research	39	40	18	19
Performance and Attribution	5	5	–	–
Business Development/Marketing	16	14	1	1
Client Services	15	15	2	2
Administration, Accounts and Settlements	43	42	10	8
	118	116	31	30

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3. EMPLOYEES CONTINUED

(b) The aggregate employment costs of employees and Directors were:	Group Year to 30th June 2024 $'000	Group Year to 30th June 2023 (restated) $'000	Company Year to 30th June 2024 $'000	Company Year to 30th June 2023 (restated) $'000
Wages and salaries	14,881	13,934	4,611	4,298
Profit sharing payments	9,588	9,458	3,062	3,086
Social security costs	1,956	1,857	1,046	999
Defined contribution pension costs	2,110	1,892	511	458
EIP-related charges	1,438	1,464	631	683
Share options charge	35	37	4	4
Other staff costs	917	1,120	259	281
	30,925	29,762	10,124	9,809

4. DIRECTORS

Directors' emoluments comprise:	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Emoluments (excluding pension contributions and awards under share option schemes)	1,141	1,214
EIP participation	–	23
Pension contributions	36	36
EIP-related charges	33	48
Gains on exercise of share options	12	–
Other taxable benefits ^	28	26
	1,250	1,347
Social security costs	35	40
	1,285	1,387

	Year to 30th June 2024 Number	Year to 30th June 2023 Number
Number of Directors on whose behalf pension contributions were paid during the period	1	1
Number of Directors who exercised share options during the period	1	–

Highest paid Director's remuneration:	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Emoluments (excluding pension contributions and awards under share option schemes)	791	792
EIP participation	–	23
Pension contributions	36	36
EIP-related charges	33	48
Gains on exercise of share options	12	–
Other taxable benefits ^	10	12
	882	911
Social security costs	21	22
	903	933

(^) The regulations require us to disclose taxable benefits. Health insurance is offered to all employees but is not considered a taxable benefit in all countries. For comparative purposes, we have based our calculations on all health insurance costs incurred, whether a taxable benefit or not.

Further details relating to Directors' emoluments can be found in the Remuneration report on pages 70 to 90.

5. OPERATING PROFIT

The operating profit is arrived at after charging:	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Depreciation of property and equipment	293	274
Depreciation of right-of-use assets	672	553
Amortisation of intangible assets	5,609	5,607
Auditor's remuneration:		
– Statutory audit of the parent and consolidated financial statements	149	132
– Statutory audit of subsidiaries of the Company	134	100
– Audit related assurance services	62	36
Short-term lease expense	21	18

6a. FINANCE INCOME

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Interest on cash and cash equivalents	1,460	700

6b. FINANCE EXPENSE

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Interest payable on lease liabilities	357	164
Interest payable other	24	–
	381	164

6c. GAIN ON INVESTMENTS

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Unrealised gain on investments	180	305
Realised gain on investments	871	384
	1,051	689

NOTES TO THE FINANCIAL STATEMENTS

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7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge on ordinary activities:	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Current tax:		
UK corporation tax at 25% (2023: 19%) based on the profit for the period	5,417	4,225
Double taxation relief	(887)	(1,074)
Change in tax rate to 25%	–	157
Adjustments in respect of prior years	(7)	106
UK tax total	4,523	3,414
Foreign tax	2,453	3,188
Adjustments in respect of prior years	(123)	(600)
Foreign tax total	2,330	2,588
Total current tax charge	6,853	6,002
Deferred tax:		
UK – origination and reversal of temporary differences	68	(5)
Foreign – origination and reversal of temporary differences	(1,415)	(1,367)
Total deferred tax credit	(1,347)	(1,372)
Total tax charge in income statement	5,506	4,630

(b) Factors affecting tax charge for the current period:

The tax charge on profit for the year is different to that resulting from applying the standard rate of corporation tax in the UK – 25% (prior year – 19%). The differences are explained below:

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Profit on ordinary activities before tax	22,621	22,127
Tax on profit from ordinary activities at the standard rate	(5,655)	(4,204)
Effects of:		
Unrelieved foreign tax at rates different to those of the UK	(166)	(1,051)
Income ineligible for tax	75	315
Capital allowances greater than/(less than) depreciation	98	(26)
Prior period adjustments	129	494
Change in tax rate to 25%	–	(157)
Other	13	(1)
Total tax charge in income statement	(5,506)	(4,630)

8. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit for the period attributable to the equity shareholders of the parent divided by the weighted average number of ordinary shares in issue for the period ended 30th June 2024.

As set out in the Directors' report on page 92 the Employee Benefit Trust held 1,829,637 (2023: 1,989,355) ordinary shares in the Company as at 30th June 2024. The Trustees of the Trust have waived all rights to dividends associated with these shares. In accordance with IAS 33 Earnings per share, the ordinary shares held by the Employee Benefit Trust have been excluded from the calculation of the weighted average number of ordinary shares in issue.

The calculation of diluted earnings per share is based on the profit for the period attributable to the equity shareholders of the parent divided by the diluted weighted average number of ordinary shares in issue for the period ended 30th June 2024.

Reported earnings per share

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Profit attributable to the equity shareholders of the parent for basic earnings	17,115	17,497

	Number of shares	Number of shares
Issued ordinary shares as at 1st July	50,679,095	50,679,095
Effect of own shares held by EBT	(1,875,340)	(1,842,182)
Weighted average shares in issue	48,803,755	48,836,913
Effect of movements in share options and EIP awards	978,997	892,422
Diluted weighted average shares in issue	49,782,752	49,729,335
Basic earnings per share (cents)	35.1	35.8
Diluted earnings per share (cents)	34.4	35.2
Basic earnings per share (pence)**	27.8	30.2
Diluted earnings per share (pence)**	27.3	29.6

** Average exchange rate for the year used to convert from cents to pence.

Underlying earnings per share*

Underlying earnings per share is based on the underlying profit after tax*, where profit after tax is adjusted for gain on investments, amortisation of intangibles and their relating tax impact.

Underlying profit for calculating underlying earnings per share

	Year to 30th June 2024 $'000	Year to 30th June 2023 (restated) $'000
Profit before tax	22,621	22,127
Add back/(deduct):		
– (Gain) on investments	(1,051)	(689)
– Amortisation on acquired intangibles	5,599	5,599
Underlying profit before tax	27,169	27,037
Tax expense as per the consolidated income statement	(5,506)	(4,630)
Tax effect of fair value adjustments	261	145
Unwinding of deferred tax liability	(1,344)	(1,344)
Underlying profit after tax for the calculation of underlying earnings per share	20,580	21,208
Underlying earnings per share (cents)	42.2	43.4
Underlying diluted earnings per share (cents)	41.3	42.6
Underlying earnings per share (pence)**	33.5	36.5
Underlying diluted earnings per share (pence)**	32.8	35.8

* This is an Alternative Performance Measure (APM). Please refer to the Financial Review for more details on APMs.
** Average exchange rate for the year used to convert from cents to pence.

NOTES TO THE FINANCIAL STATEMENTS

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9. PROPERTY AND EQUIPMENT

	30th June 2024				30th June 2023 (restated)			
	Furniture and equipment $'000	Computer and telephone equipment $'000	Short leasehold improve-ments $'000	Total $'000	Furniture and equipment $'000	Computer and telephone equipment $'000	Short leasehold improve-ments $'000	Total $'000
Group								
Cost								
At start of period	491	2,021	877	3,389	490	2,216	788	3,494
Currency translation	–	–	–	–	(24)	(142)	(104)	(270)
Additions	62	210	228	500	161	207	195	563
Disposals	–	(53)	(439)	(492)	(136)	(260)	(2)	(398)
At close of period	553	2,178	666	3,397	491	2,021	877	3,389
Accumulated depreciation								
At start of period	209	1,677	582	2,468	354	1,944	574	2,872
Currency translation	–	–	–	–	(37)	(152)	(91)	(280)
Charge for the period	52	201	40	293	28	145	101	274
Disposals	–	(52)	(440)	(492)	(136)	(260)	(2)	(398)
At close of period	261	1,826	182	2,269	209	1,677	582	2,468
Net book value								
At close of period	292	352	484	1,128	282	344	295	921
Company								
Cost								
At start of period	284	650	171	1,105	272	624	163	1,059
Additions	3	37	4	44	–	56	3	59
Disposals	–	(53)	–	(53)	–	(57)	(2)	(59)
Currency translation	–	–	–	–	12	27	7	46
At close of period	287	634	175	1,096	284	650	171	1,105
Accumulated depreciation								
At start of period	175	547	103	825	147	522	89	758
Charge for the period	23	60	14	97	21	59	12	92
Disposals	–	(53)	–	(53)	–	(57)	(2)	(59)
Currency translation	–	–	–	–	7	23	4	34
At close of period	198	554	117	869	175	547	103	825
Net book value								
At close of period	89	80	58	227	109	103	68	280

10. RIGHT-OF-USE ASSETS

	30th June 2024			30th June 2023 (restated)		
	Property leases $'000	Office equipment leases $'000	Total $'000	Property leases $'000	Office equipment leases $'000	Total $'000
Group						
Cost						
At start of period	4,474	82	4,556	4,181	82	4,263
Currency translation	–	–	–	293	–	293
Lease additions	3,012	89	3,101	–	–	–
Lease modifications	150	–	150	–	–	–
Disposals	(239)	(82)	(321)	–	–	–
At close of period	7,397	89	7,486	4,474	82	4,556
Depreciation charge						
At start of period	1,969	63	2,032	1,280	38	1,318
Currency translation	–	–	–	161	–	161
Charge for the period	649	23	672	528	25	553
Disposals	(214)	(80)	(294)	–	–	–
At close of period	2,404	6	2,410	1,969	63	2,032
Net book value						
At close of period	4,993	83	5,076	2,505	19	2,524
Company						
Cost						
At start of period	2,058	–	2,058	1,973	–	1,973
Currency translation	–	–	–	85	–	85
At close of period	2,058	–	2,058	2,058	–	2,058
Depreciation charge						
At start of period	906	–	906	652	–	652
Charge for the period	227	–	227	215	–	215
Currency translation	–	–	–	39	–	39
At close of period	1,133	–	1,133	906	–	906
Net book value						
At close of period	925	–	925	1,152	–	1,152

As at the period end, the Group's right-of-use assets consisted of four property leases and one office equipment lease. The current lease periods range between two and fourteen years, with the average remaining term being 6.9 years. Expenses in relation to short-term leases are shown in note 5. During the period, the Group has entered into two property leases and one equipment lease. The Group extended its current lease for the Singapore office and additional right-of-use assets of $0.2 million were added as a result of lease modifications with effect from January 2024.

Details of lease liabilities are shown in note 17.

NOTES TO THE FINANCIAL STATEMENTS

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11. INTANGIBLE ASSETS

	30th June 2024						30th June 2023
	Goodwill $'000	Direct customer relationships $'000	Distribution channels $'000	Trade name $'000	Long-term software $'000	Total $'000	Total (restated) $'000
Group							
Cost							
At start of period	90,072	46,052	6,301	1,405	914	144,744	144,692
Additions	–	–	–	–	–	–	15
Currency translation	–	–	–	–	–	–	37
At close of period	90,072	46,052	6,301	1,405	914	144,744	144,744
Amortisation charge							
At start of period	–	12,665	2,476	257	884	16,282	10,639
Currency translation	–	–	–	–	–	–	36
Charge for the period	–	4,605	900	94	10	5,609	5,607
At close of period	–	17,270	3,376	351	894	21,891	16,282
Net book value:							
At close of period	90,072	28,782	2,925	1,054	20	122,853	128,462
Company							
Cost							
At start of period	–	–	–	–	112	112	93
Additions	–	–	–	–	–	–	15
Currency translation	–	–	–	–	–	–	4
At close of period	–	–	–	–	112	112	112
Amortisation charge							
At start of period	–	–	–	–	82	82	71
Charge for the period	–	–	–	–	10	10	8
Currency translation	–	–	–	–	–	–	3
At close of period	–	–	–	–	92	92	82
Net book value	–	–	–	–	20	20	30

Goodwill, direct customer relationships, distribution channels and trade name acquired through business combination relate to the merger with KIM on 1st October 2020.

Impairment

Goodwill acquired through the business combination is in relation to the merger with KIM and relates to the acquired workforce and future expected growth of the cash generating unit (CGU).

The Group has carried out an annual review of the carrying value of the CGU to which the goodwill is allocated to see if it has suffered any impairment. Management also considered whether there were any indicators of impairment of other intangible assets. The Group had assessed the recoverable amount of the CGU by its value in use and found that it was less than the carrying value owing to a higher discount rate and reduced growth forecasts due to changes in market conditions. The Group thus reassessed the recoverable amount by its fair value (Fair Value) less cost of disposal (FVLCOD), which exceeds the carrying value. The Fair Value is based on the Market Comparable Method (or "Comparable Company Analysis") that indicates the value of KIM by comparing it to publicly traded companies in a similar line of business. An analysis of the trading multiples of comparable companies yields insight into investor perceptions and, therefore, the value of the subject company i.e., the value of KIM.

11. INTANGIBLE ASSETS CONTINUED

FuM and EBITDA multiples were selected and applied to the historical and forecasted metrics of KIM. The multiples were evaluated and selected based on the relative growth potential, operating margins and risk profile of KIM vis-a-vis the publicly traded comparable companies and also to reflect the degree of control and lack of marketability of the interest held in KIM. As such, FuM multiple of 3.5% and EBITDA multiples of 9.0x and 10.0x (calendar year 2023 and 2024, respectively) were selected based on the Comparable Company Analysis prior to concluding the Fair Value of KIM on a weighted average basis. This Fair Value is classified within Level 3 of IFRS 13 fair value hierarchy.

The Group's forecasts are based on its most recent and current trading activity and on current financial budgets for twelve months that are approved by the Board. The key assumptions underlying the budgets are based on the most recent trading activity with built in organic growth, revenue and cost margins. The annual growth rate used for extrapolating revenue forecasts was 1.3% and for direct costs was 3.0% based on the Group's expectation of future growth of the business.

The goodwill impairment assessment date of 30th April 2024 was different to the current reporting date. The performance of the CGU is reviewed for the period between the assessment date and the reporting date to determine whether any changes in circumstances or impairment indicators have occurred since the assessment date. Following our review, it was determined that there were no changes in circumstances or impairment indicators that would require the CGU to be impaired at the reporting date.

The recoverable amount of the CGU exceeded the carrying amount of the CGU at 30th April 2024 by $9,496k (2023: $5,697k).

Sensitivity analysis was applied to the selected multiples to measure the impact on the headroom in existence under the current impairment review. The following table shows the extent to which each of the selected multiples will be required to be changed in isolation for the recoverable amount of this CGU to be equal to its carrying amount. This highlights that further adverse movements in the selected multiples would be required before an impairment would be recognised. The below sensitivities make no allowance for mitigating actions that management would take if such market conditions persisted.

	2024	
	From	To
EV / December LYM FuM – (USD Mn)	3.5%	2.5%
EV / CY 2024 FuM – (USD Mn)	3.5%	2.6%
EV / CY 2023 EBITDA Post Bonus	10.0x	7.4x
EV / CY 2024 EBITDA Post Bonus	9.0x	6.4x

The Directors and management have considered and assessed possible changes to other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

The Group's forecasted FuM and EBITDA are most sensitive to the movements in the global financial markets because they have a direct impact on the CGU's results. The potential impact of the current uncertainties on global financial markets cannot be reliably estimated and if these result in a sustained period of weakness in financial markets this could result in a future impairment.

Based on the recoverable amount, using the fair value model, no impairment was required at 30th June 2024.

12. OTHER FINANCIAL ASSETS (NON-CURRENT)

Group	30th June 2024 Unlisted investments $'000	30th June 2024 Listed investments $'000	30th June 2024 Total $'000	30th June 2023 (restated) Unlisted investments $'000	30th June 2023 (restated) Listed investments $'000	30th June 2023 (restated) Total $'000
At start of period	2,431	7,589	10,020	2,214	6,840	9,054
Additions	–	4,594	4,594	–	1,356	1,356
Disposals	(2,537)	(7,091)	(9,628)	–	(973)	(973)
Fair value gains	156	608	764	217	366	583
At close of period	50	5,700	5,750	2,431	7,589	10,020

1) Differences to unrealised gain/(loss) on investments shown in note 6c are on account of net assets (cash, receivable and payables) of consolidated Global Equity CEF fund being included within the respective balance sheet line and the impact of currency translation on unlisted investments.

Company	30th June 2024 Unlisted investments $'000	30th June 2024 Investment in subsidiary undertakings $'000	30th June 2024 Total $'000	30th June 2023 (restated) Unlisted investments $'000	30th June 2023 (restated) Investment in subsidiary undertakings $'000	30th June 2023 (restated) Total $'000
At start of period	2,431	136,719	139,150	2,214	131,114	133,328
Additions	–	50	50	–	214	214
Disposals	(2,537)	(2,536)	(5,073)	–	(13)	(13)
Fair value gains	156	–	156	217	5,404	5,621
At close of period	50	134,233	134,283	2,431	136,719	139,150

The additions and disposals in investments in subsidiary undertakings include the allocation of share-based payments from the Company to its subsidiaries under IFRS 2 Share-based payments.

All Group companies are listed in note 1.6.

13. DEFERRED TAX ASSET

Group	Share-based payments $'000	Other $'000	Total $'000
At 30th June 2022 (restated)	444	37	481
Other movements*	–	683	683
Revised 30th June 2022	444	720	1,164
Credited/(charged) to income statement	61	(36)	25
Charged to equity	(17)	–	(17)
Currency translation	5	(1)	4
Other movements*	–	(14)	(14)
At 30th June 2023 (restated)	493	669	1,162
Credited to income statement	23	724	747
Charged to equity	(30)	–	(30)
At 30th June 2024	486	1,393	1,879

13. DEFERRED TAX ASSET CONTINUED

Company	Share-based payments $'000	Other $'000	Total $'000
At 30th June 2022 (restated)	6	–	6
Other movements*	–	266	266
Revised 30th June 2022	6	266	272
Credited to income statement	1	–	1
Other movements*	–	59	59
At 30th June 2023 (restated)	7	325	332
Credited/(charged) to income statement	1	(14)	(13)
Charged to equity	(6)	–	(6)
At 30th June 2024	**2**	**311**	**313**

* This is the first year of applying the amendments of IAS12. This requires the recognition of deferred tax assets and liabilities relating to IFRS16 leases. Adjustments have been made retrospectively in FY 2022, to recognise the deferred tax asset on the present value of lease liabilities (Group $683k, Company $266k), and a deferred tax liability on the value of right of use assets (Group $634k, Company $251k). The net impact of these adjustments resulted in a net increase in retained earnings (Group $50k and Company $15k) (Refer note 1.3).

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2024 $'000	30th June 2023 (restated) $'000
Trade receivables	310	108	–	–
Accrued income*	6,131	5,834	–	–
Amounts owed by Group undertakings	–	–	3,102	3,155
Other receivables	246	416	148	235
Prepayments	1,693	1,732	404	470
	8,380	8,090	3,654	3,860

* comprises of accrued fee revenue as at the year-end.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2024 $'000	30th June 2023 (restated) $'000
Cash held with banks	1,689	2,697	140	495
Short-term notice deposits	1,288	10,633	–	1,905
Short-term treasuries/money market funds	30,761	15,162	20,241	12,379
Cash held by consolidated entities	–	77	–	–
	33,738	28,569	20,381	14,779

16. TRADE AND OTHER PAYABLES

	Group		Company	
	30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2024 $'000	30th June 2023 (restated) $'000
Trade payables	2	22	–	–
Sundry payables	129	90	5	–
Amounts owed to Group undertakings	–	–	1,803	1,145
Other taxation and social security	196	201	180	179
Accruals and deferred income*	10,105	10,420	3,531	3,915
	10,432	10,733	5,519	5,239

* comprises primarily of profit-share payable at the year-end and EIP liabilities.

17. LEASE LIABILITIES AND COMMITMENTS

	Group		Company	
a) Lease liabilities	30th June 2024 $'000	30th June 2023 (restated) $'000	30th June 2024 $'000	30th June 2023 (restated) $'000
Lease liabilities				
Current	526	251	284	44
Non-current	5,207	2,498	964	1,257
	5,733	2,749	1,248	1,301

	Group		Company	
b) Lease maturities	Present value of minimum lease payments $'000	Undiscounted minimum lease payments $'000	Present value of minimum lease payments $'000	Undiscounted minimum lease payments $'000
Within one year	526	916	284	336
In the second to fifth year inclusive	2,075	3,248	964	947
After five years	3,132	4,361	–	–
	5,733	8,525	1,248	1,283

The total cash outflow in respect of lease liabilities for the period to 30th June 2024 was $588k (2023: $640k).

c) Liabilities from financing activities	Group $'000	Company $'000
Lease liabilities as at 30th June 2022 (restated)	3,170	1,398
Cash flows	(476)	(149)
Currency translations	55	52
Lease liabilities as at 30th June 2023 (restated)	2,749	1,301
Cash flows	(231)	(48)
New and modified leases	3,224	–
Currency translations	(9)	(5)
Lease liabilities as at 30th June 2024	5,733	1,248

18. DEFERRED TAX LIABILITY

Group	Right-of-use assets $'000	Intangible assets $'000	Other financial assets $'000	Total $'000
At 30th June 2022 (restated)	22	10,550	(48)	10,524
Other movements*	634	–	–	634
Revised 30th June 2022	656	10,550	(48)	11,158
Credited to income	(4)	(1,340)	–	(1,344)
Charged to equity – currency translation	1	(4)	(2)	(5)
Other movements*	(20)	–	–	(20)
At 30th June 2023 (restated)	633	9,206	(50)	9,789
Debited to income	2	(1,343)	106	(1,235)
Other movements*	608	–	–	608
At 30th June 2024	1,243	7,863	56	9,162

Company	Right-of-use assets $'000	Intangible assets $'000	Other financial assets $'000	Total $'000
At 30th June 2022 (restated)	22	–	4	26
Other movements*	251	–	–	251
Revised 30th June 2022	273	–	4	277
Credited to income	(4)	–	–	(4)
Charged to equity – currency translation	1	–	–	1
Other movements*	37	–	–	37
At 30th June 2023 (restated)	307	–	4	311
Debited to income	2	–	–	2
Other movements*	(57)	–	–	(57)
At 30th June 2024	252	–	4	256

* This is the first year of applying the amendments of IAS12. This required the recognition of deferred tax assets and liabilities relating to IFRS16 leases. Adjustments have been made retrospectively in FY 2022, to recognise the deferred tax asset on the present value of lease liabilities (Group $683k, Company $266k), and a deferred tax liability on the value of right of use assets (Group $634k, Company $251k). The net impact of these adjustments resulted in a net increase in retained earnings (Group $50k and Company $15k) (Refer note 1.3).

19. SHARE CAPITAL AND MERGER RELIEF RESERVE

Group and Company	Share capital $'000	Merger relief reserve $'000
At start and end of period 50,679,095 ordinary shares of 1p each	644	128,984

20. RESERVES

Share premium account – used to record the issue of share capital at a premium to nominal value.

Merger relief reserve – created on the business combination.

Investments in own shares – balance with trustees in relation to employee benefit schemes.

Share option reserve – provision for outstanding options in relation to employee share option scheme.

EIP share reserve – provision for Company contribution to EIP employee benefit scheme.

Foreign currency translation reserve – impact of the change in presentational and functional currency.

Capital redemption reserve – created on the cancellation of share capital and reflects the value of share capital redeemed by the Company.

Retained earnings – includes all current and prior year retained profits and losses.

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21. DIVIDEND

	30th June 2024 $'000	30th June 2023 (restated) $'000
Dividends paid:		
Interim dividend of 11p per share (2023: 11p)	6,840	6,472
30th June 2023 of 22p per share (2022: 22p)	13,049	12,906
	19,889	19,378

A final dividend of 22p per share (gross amount payable $14,098k; net amount payable $13,589k*) has been proposed, payable on 7th November 2024, subject to shareholder approval, to shareholders who are on the register of members on 4th October 2024.

*Difference between gross and net amounts is due to shares held at EBT that do not receive dividend. Year end fx rate 1.2645 was used to translate the proposed amounts from sterling to US dollars.

22. SHARE-BASED PAYMENTS

(a) The estimated fair value of options which fall under IFRS 2, and the inputs used in the Black-Scholes model to calculate those values at fair value, are as follows:

Date of grant	Expiry date	Expected life (yrs)	Risk-free rate	Share price at grant (£)	Exercise price (£)	Volatility	Dividend yield	Estimated Fair value (£)	Number originally granted
31/03/2022	31/03/2032	6.5	1.4678%	4.86	4.795	35.7981%	6.79%	0.8037	18,500

The expected share price volatility is based on historical volatility over the past 6.5 years. The expected life of the options has been assumed to be 6.5 years based upon the empirical evidence available.

The risk-free rate has been assumed to be represented by the yield to maturity at the date of grant of a UK Gilt Strip, with term to maturity equal to the expected life of the option.

(b) All share options granted are equity settled. The number and weighted average exercise price of share options for each of the following groups is as follows:

	Year to 30th June 2024		Year to 30th June 2023	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at the beginning of the period	290,900	4.15	328,750	4.11
Granted during the period	–	–	–	–
Forfeited during the period	5,000	5.04	14,500	5.04
Exercised during the period	47,400	2.55	23,350	3.04
Outstanding at the end of the period	238,500	5.07	290,900	4.15
Exercisable at the end of the period	220,000	4.43	136,400	3.18
The weighted average share price at the date of exercise for share options exercised during the period was		3.11		4.34

The total share-based payment for the period is a charge of $35k (2023: charge of $37k). For outstanding share options the exercise price ranged between £3.52 and £5.04 (2023: between £2.55 and £5.04), and their weighted average contractual life was 4.7 years (2023: 4.9 years).

22. SHARE-BASED PAYMENTS CONTINUED

(c) The Group introduced an Employee Incentive Plan (EIP) in 2016/17 which is open to employees of all Group companies and Executive Director, details of the EIP can be found in the Directors' Remuneration Report.

Awards are made to participating employees over shares under the EIP where they have duly waived an element of their annual profit-share before the required waiver date.

Awards under the EIP are made up of two elements: Deferred Shares and Bonus Shares. The Deferred Shares represent the waived profit-share and the Bonus Shares represent the additional award made by the Company as a reward for participating in the EIP.

The Deferred Shares are treated as cash settled and the full cost is recognised in the income statement in the year of service. The Bonus Shares are treated as equity settled and as such their estimated fair value is spread over the period from the time the employee elects to participate, to when the award vests (i.e. no longer forfeitable). This will be re-calculated when the awards are granted and any amount under or over the estimated value will be recognised through the income statement at that point in time. The estimated fair value of the Bonus Share awards is based on the cash equivalent at the time of award.

	Vesting date	Estimated charge £'000s	Actual charge £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	Total £'000s
Awards granted October 2020														
Bonus Shares tranche 1	Oct-21	242	241	103	103	35	–	–	–	–	–	–	–	241
Bonus Shares tranche 2	Oct-22	242	240	72	72	72	24	–	–	–	–	–	–	240
Bonus Shares tranche 3	Oct-23	242	240	55	55	56	56	18	–	–	–	–	–	240
		726	721	230	230	163	80	18	–	–	–	–	–	721
Awards granted October 2021														
Bonus Shares tranche 1	Oct-22	289	281	–	88	154	39	–	–	–	–	–	–	281
Bonus Shares tranche 2	Oct-23	289	281	–	88	81	85	27	–	–	–	–	–	281
Bonus Shares tranche 3	Oct-24	289	281	–	88	41	65	66	21	–	–	–	–	281
Bonus Shares tranche 4	Oct-25	33	32	–	8	4	6	6	6	2	–	–	–	32
Bonus Shares tranche 5	Oct-26	33	32	–	9	2	8	4	4	4	1	–	–	32
		933	907	–	281	282	203	103	31	6	1	–	–	907
Awards granted October 2022														
Bonus Shares tranche 1	Oct-23	360	360	–	–	112	197	51	–	–	–	–	–	360
Bonus Shares tranche 2	Oct-24	360	361	–	–	113	105	108	35	–	–	–	–	361
Bonus Shares tranche 3	Oct-25	360	361	–	–	111	55	85	83	27	–	–	–	361
Bonus Shares tranche 4	Oct-26	52	52	–	–	13	6	10	10	10	3	–	–	52
Bonus Shares tranche 5	Oct-27	52	52	–	–	14	3	8	8	8	8	3	–	52
		1,184	1,186	–	–	363	366	262	136	45	11	3	–	1,186
Awards granted October 2023														
Bonus Shares tranche 1	Oct-24	338	313	–	–	–	108	162	43	–	–	–	–	313
Bonus Shares tranche 2	Oct-25	338	312	–	–	–	108	80	93	31	–	–	–	312
Bonus Shares tranche 3	Oct-26	338	314	–	–	–	108	37	73	73	23	–	–	314
Bonus Shares tranche 4	Oct-27	5	4	–	–	–	1	1	1	–	1	–	–	4
Bonus Shares tranche 5	Oct-28	4	4	–	–	–	1	–	1	–	–	1	1	4
		1,023	947	–	–	–	326	280	211	104	24	1	1	947
Awards expected to be granted October 2024														
Bonus Shares tranche 1	Oct-25	188	–	–	–	–	–	80	80	28	–	–	–	188
Bonus Shares tranche 2	Oct-26	188	–	–	–	–	–	56	56	56	20	–	–	188
Bonus Shares tranche 3	Oct-27	188	–	–	–	–	–	44	44	43	42	15	–	188
		564	–	–	–	–	–	180	180	127	62	15	–	564
Total EIP charge				230	511	808	975	843	558	282	98	19	1	4,325

Note: The amount of the EIP charge is stated in sterling, as at the point of vesting the sterling amount charged will be used to off-set the share awards.

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23. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company and its subsidiary undertakings carry out transactions with related parties as defined under IAS 24 Related Party Disclosures. Material transactions are set out below.

(i) Transactions with key management personnel

Key management personnel are defined as Directors (both Executive and Non-Executive) of City of London Investment Group PLC.

(a) Details of compensation paid to the Directors as well as their shareholdings in the Group and dividends paid are provided in the Remuneration report on pages 65, 83 and 84 and in note 4.

(b) One of the Group's subsidiaries manages funds for some of its key management personnel, for which it receives a fee. All transactions between key management and their close family members and the Group's subsidiary are on terms that are available to all employees of that Company. The amount received in fees during the year was $7k. There were no fees outstanding as at the year-end.

(c) A close member of a key management's personnel provides professional services to the Group. The amount paid during the period for these services were $43k. The amount outstanding at the year-end was $11k.

(ii) Person with significant influence

One of the Group's subsidiaries manages funds for a person with significant influence based on his shareholding in the Group. The amount of fees received by the Group during the period was $81k (2023: $70k).

(iii) Summary of transactions and balances

During the period, the Company received from its subsidiaries $13,308k (2023: $13,172k) in respect of management service charges and dividends of $19,150k (2023: $22,131k).

Amounts outstanding between the Company and its subsidiaries as at 30th June 2024 are given in notes 14 and 16.

24. FINANCIAL INSTRUMENTS

The Group's financial assets include cash and cash equivalents, investments and other receivables. Its financial liabilities include accruals, lease liabilities and other payables. The fair value of the Group's financial assets and liabilities is materially the same as the book value.

(i) Financial instruments by category

The tables below show the Group and Company's financial assets and liabilities as classified under IFRS 9 Financial Instruments:

Group

30th June 2024 Assets as per statement of financial position	Financial assets at amortised cost $'000	Assets at fair value through profit or loss $'000	Total $'000
Other non-current financial assets	–	5,750	5,750
Trade and other receivables	6,687	–	6,687
Cash and cash equivalents	33,738	–	33,738
Total	40,425	5,750	46,175

24. FINANCIAL INSTRUMENTS CONTINUED

Liabilities as per statement of financial position	Financial liabilities at amortised cost $'000	Liabilities at fair value through profit or loss $'000	Total $'000
Trade and other payables	10,236	–	10,236
Current lease liabilities	526	–	526
Non-current lease liabilities	5,207	–	5,207
Total	15,969	–	15,969

30th June 2023 (restated)

Assets as per statement of financial position	Financial assets at amortised cost $'000	Assets at fair value through profit or loss $'000	Total $'000
Other non-current financial assets	–	10,020	10,020
Trade and other receivables	6,259	99	6,358
Cash and cash equivalents	28,569	–	28,569
Total	34,828	10,119	44,947

Liabilities as per statement of financial position	Financial liabilities at amortised cost $'000	Liabilities at fair value through profit or loss $'000	Total $'000
Trade and other payables	10,532	–	10,532
Current lease liabilities	251	–	251
Non-current lease liabilities	2,498	–	2,498
Total	13,281	–	13,281

Company

30th June 2024

Assets as per statement of financial position	Investment in subsidiaries $'000	Financial assets at amortised cost $'000	Assets at fair value through profit or loss $'000	Total $'000
Other non-current financial assets	131,733	2,500	50	134,283
Trade and other receivables	–	3,250	–	3,250
Cash and cash equivalents	–	20,381	–	20,381
Total	131,733	26,131	50	157,914

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24. FINANCIAL INSTRUMENTS CONTINUED

Liabilities as per statement of financial position	Financial liabilities at amortised cost $'000	Liabilities at fair value through profit or loss $'000	Total $'000
Trade and other payables	5,339	–	5,339
Current lease liabilities	284	–	284
Non-current lease liabilities	964	–	964
Total	6,587	–	6,587

30th June 2023 (restated) Assets as per statement of financial position	Investment in subsidiaries $'000	Financial assets at amortised cost $'000	Assets at fair value through profit or loss $'000	Total $'000
Other non-current financial assets	131,719	5,000	2,431	139,150
Trade and other receivables	–	3,300	90	3,390
Cash and cash equivalents	–	14,779	–	14,779
Total	131,719	23,079	2,521	157,319

Liabilities as per statement of financial position	Financial liabilities at amortised cost $'000	Liabilities at fair value through profit or loss $'000	Total $'000
Trade and other payables	5,060	–	5,060
Current lease liabilities	44	–	44
Non-current lease liabilities	1,257	–	1,257
Total	6,361	–	6,361

(ii) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- **Level 1:** fair value derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** fair value derived from inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** fair value derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

24. FINANCIAL INSTRUMENTS CONTINUED

The fair values of the financial instruments are determined as follows:

- Investments for hedging purposes are valued using the quoted bid price and shown under level 1.
- Investments in own funds are determined with reference to the net asset value (NAV) of the fund. Where the NAV is a quoted price the fair value is shown under level 1, where the NAV is not a quoted price the fair value is shown under level 2.
- Forward currency trades are valued using the forward exchange bid rates and are shown under level 2.
- Unlisted equity securities are valued using the net assets of the underlying companies and are shown under level 3.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Group

30th June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Investment in other non-current financial assets	5,700	50	–	5,750
Total	5,700	50	–	5,750

30th June 2023 (restated)	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Investment in other non-current financial assets	7,589	2,431	–	10,020
Foreign currency trades	–	99	–	99
Total	7,589	2,530	–	10,119

Company

30th June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment in other non-current financial assets	–	50	–	50
Forward currency trades	–	–	–	–
Total	–	50	–	50

30th June 2023 (restated)	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment in other non-current financial assets	–	2,431	–	2,431
Foreign currency trades	–	90	–	90
Total	–	2,521	–	2,521

There were no financial liabilities at fair value at any of the reported periods.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

24. FINANCIAL INSTRUMENTS CONTINUED

Level 3
Level 3 assets as at 30th June 2024 are nil (2023: nil).

Where there is an impairment in the investment in own funds, the loss is reported in the income statement. No impairment was recognised during the current or preceding year.

(iii) Foreign currency risk
Almost all of the Group's revenues, and a significant part of its expenses, are denominated in US dollars. However, expenses related to UK and Singapore offices are denominated in sterling and Singapore dollars respectively, which give rise to net asset balances in currencies other than US dollars.

As at 30th June 2024, significant net asset balances included within the Group's net asset balances were (£413k) (2023: £4,755k) denominated in sterling, C$520k (2023: C$494k) in Canadian dollars and SGD1,676k (2023: SGD1,943k) in Singapore dollars.

Had the US dollar strengthened or weakened against these currencies as at 30th June 2024 by 10%, with all other variables held constant, the Group's net assets and profit before tax would have increased or decreased (respectively) by $109k (2023: $785k). 10% represents management's assessment of the reasonably possible change in foreign exchange rate.

(iv) Market risk
Changes in market prices, such as foreign exchange rates and equity prices will affect the Group's income and the value of its investments.

Where the Group holds investments in its own funds categorised as unlisted investments, the market price risk is managed through diversification of the portfolio. A 10% increase or decrease in the price level of the funds' relevant benchmarks, with all other variables held constant, would result in an increase or decrease of approximately nil (2023: $0.2 million) in the value of the investments and profit before tax.

The Group's Global Equity CEF fund has been consolidated as a controlled entity, and therefore the securities held by the fund are reported in the consolidated statement of financial position under investments. At 30th June 2024, all those securities were listed on a recognised exchange. A 10% increase or decrease in the price level of the securities would result in a gain or loss respectively of approximately $0.3 million (2023: $0.5 million) to the Group.

The Group is also exposed to market risk indirectly via its Funds under Management, from which its fee income is derived. To hedge against potential losses in fee income, the Group may look to invest in securities or derivatives that should increase in value in the event of a fall in the markets. The purchase and sale of these securities are subject to limits established by the Board and are monitored on a regular basis. The investment management and settlement functions are totally segregated.

The profit from hedging recognised in the Group income statement for the period is nil (2023: nil).

24. FINANCIAL INSTRUMENTS CONTINUED

(v) Credit risk

The majority of debtors relate to management fees due from funds and segregated account holders. As such, the Group is able to assess the credit risk of these debtors as minimal. For other debtors a credit evaluation is undertaken on a case by case basis.

The Group has zero experience of bad or overdue debts.

The majority of cash and cash equivalents held by the Group are with leading UK and US banks. The credit risk is managed by carrying out regular reviews of each institution's credit rating and of their published financial position. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

(vi) Liquidity risk

The Group's trade and other sundry payables are immaterial and thus the liquidity risk is minimal. In addition, the Group's investments in funds that it manages can be liquidated immediately if required.

(vii) Interest rate risk

The Group has no borrowings, and therefore has no exposure to interest rate risk other than that which attaches to its interest earning cash and cash equivalents balances. The Group's strategy is to maximise the amount of cash which is maintained in interest bearing accounts and short-term treasuries/money market funds, and to ensure that those accounts attract a competitive interest rate. At 30th June 2024, the Group held $33,738k (2023: $28,569k) in cash balances, of which $33,245k (2023: $27,515k) was held in bank accounts, short-term deposits and short-term treasuries/money market funds, which attract variable interest rates. The effect of a 100 basis points increase/decrease in interest rates on the Group's net assets would not be material.

(viii) Capital risk management

The Group manages its capital to ensure that all entities within the Group are able to operate as going concern and exceed any minimum externally imposed capital requirements. The capital of the Group and Company consists of equity attributable to the equity holders of the Parent Company, comprising issued share capital, share premium, retained earnings and other reserves as disclosed in the statement of changes in equity.

The Group's operating subsidiary company in the UK, City of London Investment Management Company Ltd is subject to the minimum capital requirements of the Financial Conduct Authority (FCA) in the UK. This subsidiary held surplus capital over its requirements throughout the period.

The Group is required to undertake an Internal Capital and Risk Assessment, which is approved by the Board. The objective of this is to ensure that the Group has adequate capital to enable it to manage risks which are not adequately covered under the Pillar 1 requirements. This process includes stress testing for the effects of major risks, such as a significant market downturn, and includes an assessment of the Group's ability to mitigate the risks.

SHAREHOLDER INFORMATION

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the AGM of the Company will be held on 28th October 2024 at 77 Gracechurch Street, London EC3V 0AS at 11:30am to consider and, if thought appropriate, pass the following resolutions, all of which will be proposed as ordinary resolutions.

Voting

In order to save paper we no longer post hard copy Proxy Forms, and encourage shareholders to vote online by logging on to **www.signalshares.com** and following the instructions given. CREST members may also use the CREST electronic proxy appointment service to submit their proxy appointment in respect of the AGM. Full details regarding voting can be found in the Further Notes to the Notice of the AGM on pages 142 to 144.

Please note that all Proxy Forms and appointments must be received by 11:30am on Thursday 24th October 2024.

Voting on the business of the meeting will be conducted by way of a poll. The results of voting on the resolutions will be posted on the Company's website as soon as practicable after the AGM.

Ordinary Resolutions

Reports and Accounts

1. To receive the Directors' Report and the accounts of the Company for the year ended 30th June 2024.

Directors' remuneration report

2. To approve the Directors' Remuneration Report for the year ended 30th June 2024, set out on pages 75 to 85 of the Annual Report and Accounts for the year ended 30th June 2024.

Dividend

3. To declare a final dividend of 22p per Ordinary Share of 1p each in the Company (Ordinary Share) for the year ended 30th June 2024, payable on 7th November 2024 to members on the register as at 4th October 2024.

Directors

4. To re-elect Thomas Griffith as a Director.
5. To re-elect Rian Dartnell as a Director.
6. To re-elect Peter Roth as a Director.
7. To elect Sarah Ing as a Director.

Auditors

8. To re-appoint Grant Thornton UK LLP as auditors of the Company, to hold office from the conclusion of this AGM until the conclusion of the next AGM at which accounts are laid before the Company.

9. To authorise the Audit & Risk Committee of the Company to fix the remuneration of the auditors.

Special Resolutions

Employee benefit trust

10. That the trustees of City of London Employee Benefit Trust (the EBT) be and are hereby authorised to hold ordinary shares in the capital of the Company from time to time, for and on behalf of the Employee Share Ownership Plan and Employee Incentive Plan, up to a maximum in aggregate equal to 10% of the issued Ordinary Share capital of the Company.

By order of the Board

Prism Cosec Limited
Company Secretary

23rd September 2024

Registered in England and Wales No. 02685257
Registered Office: 77 Gracechurch Street, London EC3V 0AS

EXPLANATORY NOTES TO THE NOTICE OF AGM

The notes on the following pages give an explanation of the proposed resolutions

Resolutions 1 to 9 are proposed as ordinary resolutions. For each of these resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 10 is proposed as a special resolution. For this resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Report and Accounts

The first item of business is the receipt by the shareholders of the Directors' report and the accounts of the Company for the year ended 30th June 2024. The Directors' Report, the accounts, and the Report of the Company's auditors on the accounts and on those parts of the Directors' remuneration report that are capable of being audited, are contained within the 2024 Annual Report.

Resolution 2: Directors' remuneration report

Resolution 2 seeks shareholder approval of the Directors' remuneration report for the year ended 30th June 2024, which is set out on pages 75 to 85 of the 2024 Annual Report. The Company's auditors, Grant Thornton UK LLP, have audited those parts of the Directors' remuneration report that are required to be audited and their report may be found on pages 96 to 105 of the 2024 Annual Report. The vote on this resolution is advisory in nature and Directors' remuneration is not conditional on the passing of this resolution.

Resolution 3: Dividend

Resolution 3 seeks approval for a final dividend of 22p per ordinary share for the year ended 30th June 2024 (Final Dividend). If approved by shareholders, the Final Dividend will be paid on 7th November 2024 to all shareholders on the register at the close of business on 4th October 2024.

Resolutions 4 to 7: Election and Re-election of Directors

The Company's Articles of Association (Articles) require all Directors to stand for re-appointment at each AGM. Therefore, and in line with provision 18 of the UK Corporate Governance Code, all Directors are submitting themselves for election or re-election by shareholders with the exception of Tazim Essani who shall be stepping down as a Director with effect from the close of the AGM.

The Board carries out a review of the independence of its Directors on an annual basis. In considering the independence of the Independent Non-Executive Directors proposed for re-appointment, the Board has taken into consideration the guidance provided by the UK Corporate Governance Code. Accordingly, the Board considers Rian Dartnell, Peter Roth and Sarah Ing to be independent (the Independent Directors).

On 1st October 2020, the Company completed its merger with Karpus Management Inc. (KIM). Pursuant to the merger, the KIM stockholders received shares in the Company capable of being voted at meetings of the shareholders of the Company.

Due to familial relationships, certain of the KIM stockholders are regarded as controlling shareholders and form part of a Controlling Shareholder Group holding, in aggregate, 19,145,215 shares, being 37.8% of the Company's issued share capital, and consisting of: George W. Karpus, Karin Popham Anello, Katie Popham McCormick, William Popham, Alana Heahl, Nicholas Kuszlyk, Douglas Kuszlyk, Barbara Kuszlyk, Donald Heahl, Deborah Haehl, Alexandria Haehl, Dianna Kuszlyk and Rodd Riesenberger (the 'Controlling Shareholder Group').

Under the Listing Rules, because the Controlling Shareholder Group together control in concert more than 30% of the voting rights of the Company (even though they have agreed to limit their voting rights as noted in note 21 of Further Notes to this Notice of AGM), the appointment or re-election of any Independent Director by shareholders must be approved by a majority vote of both:

(i) the shareholders of the Company; and

(ii) the independent shareholders of the Company (that is the shareholders of the Company entitled to vote on the election of Directors who are not part of the Controlling Shareholder Group).

Resolutions 5 to 7 are therefore being proposed as ordinary resolutions which all shareholders may vote on, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of the resolution (as a proportion of the total votes of independent shareholders cast on the resolution) to determine whether the second threshold referred to in (ii) above has been met. The Company will announce the results of the resolutions on this basis as well as announcing the results of the ordinary resolutions of all shareholders.

Under the Listing Rules, if a resolution to re-appoint an Independent Director is not approved by a majority vote of both the shareholders as a whole and the independent shareholders of the Company at the AGM, a further resolution may be put forward to be approved by the shareholders as a whole at a meeting which must be held more than 90 days after the date of the first vote but within 120 days of the first vote. Accordingly, if any of resolutions 5 to 7 are not approved by a majority vote of the Company's independent shareholders at the AGM, the relevant Director(s) will be treated as having been re-appointed only for the period from the date of the AGM until the earlier of: (i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM but within 120 days of the AGM, to propose a further resolution to re-appoint him or her; (ii) the date that is 120 days after the AGM; and (iii) the date of any announcement by the Board that it does not intend to hold a second vote.

In the event that the Director's re-appointment is approved by a majority vote of all shareholders at a second meeting, the Director will then be re-appointed until the next AGM. The Company is also required to provide details of:

(i) any previous or existing relationship, transaction or arrangement between an Independent Director and the Company, its Directors, any controlling shareholder or any associate of a controlling shareholder;

(ii) why the Company considers the proposed Independent Director will be an effective Director;

(iii) how the Company has determined that the proposed Director is an Independent Director; and

(iv) the process by which the Company has selected each Independent Director.

This is set out below:

Previous/existing relationships: The Company has received confirmation from each of the Independent Directors that, except as disclosed below, there is no existing or previous relationship, transaction or arrangement that the Independent Directors have or have had with the Company, its Directors, any controlling shareholder or any associate of a controlling shareholder.

Effectiveness: Biographical details of each Director seeking re-appointment, appear on pages 50 to 51 of this document. The biographical details also set out each Independent Director's experience. The Board considers, following a formal Board performance evaluation, that each Director seeking re-appointment continues to contribute effectively and to demonstrate commitment to his or her role.

This consideration of effectiveness is based on, amongst other things, the business skills, industry experience, business model experiences and other contributions individuals may make (including diversity considerations), both as an individual and also in contributing to the balance of skills, knowledge and capability of the Board as a whole, as well as the commitment of time for Board and Committee meetings and other duties.

Independence: As previously stated, each Independent Director's independence was determined by reference to the relevant provisions of the 2018 UK Corporate Governance Code. The Board also considers that each of the Independent Directors is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

Selection: For the selection of Independent Directors, recruitment consultants are engaged to assist in conducting a thorough search to identify suitable candidates. The selection process involves, amongst other things, giving the recruitment consultants a detailed brief of the desired candidate profile against objective criteria and a rigorous process of interviews and assessments is then carried out. The Nomination Committee is responsible in each case for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies.

Resolution 8: Re-appointment of auditors

The auditors of a company must be appointed or re-appointed at each general meeting at which the accounts are laid. Resolution 8 proposes, on the recommendation of the Audit & Risk Committee, the re-appointment of Grant Thornton UK LLP as the Company's auditors, until the conclusion of the next general meeting of the Company at which accounts are laid.

Resolution 9: Remuneration of auditors

This resolution seeks shareholder consent for the Company's Audit & Risk Committee to set the remuneration of the auditors.

Resolution 10: Employee Benefit Trust (EBT)

In accordance with the Investment Association's Principles of Remuneration, the prior approval of shareholders should be obtained before 5% or more of the Company's issued share capital is held on behalf of the EBT.

Your Board of Directors therefore seeks the approval of shareholders by ordinary resolution to permit the trustees of the EBT to hold a maximum of 10% of the Company's issued ordinary share capital from time to time. Your Directors believe that granting such approval would be in the best interests of shareholders because it will offer the opportunity to align more closely the interests of employees and shareholders, will extend the Company's opportunities with respect to attracting new talent and will promote confidence in the stability of the Company's investment process from a client perspective.

FURTHER NOTES

Entitlement to attend and vote

1. Only those shareholders registered in the Company's register of members as at close of business on 24th October 2024, or, if this meeting is adjourned, at close of business on the day which is two business days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Entry to the AGM, security arrangements and conduct of proceedings

2. If any shareholders or their proxies intend to attend the meeting in person, we request that they advise the Company at least 48 hours in advance of the meeting by email to **investorrelations@citlon.co.uk**.

   Our website, **www.clig.com**, contains the latest information for shareholders and will be updated before the AGM should there be any changes to the arrangements set out above. Where appropriate, we will notify shareholders of the change via a Regulatory Information Service announcement as early as is possible before the date of the meeting.

Website giving information regarding the meeting

3. A copy of this Notice of AGM and other information regarding the meeting, including the information required by section 311A of the 2006 Act, can be found at **www.clig.com**. Shareholders may not use any electronic address provided in either this Notice of AGM or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.

Appointment of proxies

4. Hard copy Proxy Forms are not being issued this year to save paper, however shareholders can request a hard copy directly from the registrar, Link Group, on +44 (0)371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales.

5. Although shareholders are entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at the AGM, shareholders are encouraged to appoint the Chair of the meeting as their proxy. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

   The appointment of a proxy does not preclude a shareholder from attending and voting in person at the AGM.

6. In the case of joint holders, any one holder may vote. If more than one holder is present at the meeting, only the vote of the senior will be accepted, seniority being determined in the order in which the names appear on the register. A space has been included in the Proxy Form to allow members to specify the number of shares in respect of which that proxy is appointed. Shareholders who return the Proxy Form duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their shares. Where appointing multiple proxies, shareholders should indicate on each Proxy Form the name of the proxy they wish to appoint and the number of Ordinary Shares in respect of which the proxy is appointed. All Proxy Forms should be returned together.

   Shareholders can also appoint multiple proxies by logging on to **www.signalshares.com** and completing the online instructions.

7. To appoint a proxy, either: (a) deposit the Proxy Forms, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), with the Company's Registrar, Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL; or (b) lodge the proxy appointment using the CREST Proxy Voting Service in accordance with note 12 below; or (c) lodge online proxies, in accordance with note 10 below, in each case so as to be received no later than 48 hours (excluding non-working days) before the time of the holding of the AGM or any adjournment thereof.

   Please note that all Proxy Forms and appointments, whether postal or electronic, must be received by 11:30am on 24th October 2024.

Corporate representatives

8. A corporation that is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share. Corporate shareholders are encouraged to complete and return a Proxy Form appointing the Chair of the meeting to ensure their votes are included in the poll.

Nominated persons

9. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the 2006 Act (Nominated Persons). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Voting

10. The website address for online voting is **www.signalshares.com**. You will need your Shareholder Reference Number to log in and follow the instructions to lodge your votes.

    You can vote either:

    - by logging on to **www.signalshares.com** and following the instructions;
    - requesting a hard copy form of proxy directly from the registrars, Link Group, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales; or
    - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

Total voting rights

11. The total number of issued ordinary shares in the Company on the Latest Practicable Date, is 50,679,095. As described in note 21, the Controlling Shareholder Group's voting is capped at the lower of (i) the number of shares held by them; and (ii) 24.99% of the votes cast on any resolution by all shareholders. Therefore, the total number of votes exercisable as at the Latest Practicable Date is 42,039,568.

CREST proxy instructions

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournments thereof) by following the procedures described in the CREST Manual (available via **www.euroclear.com**). CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

13. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in note 7, above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

14. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

    The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Proxy appointment via Proxymity

15. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged 48 hours prior to the time appointed for the Meeting in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Automatic poll voting

16. Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the London Stock Exchange once the votes have been counted and verified.

FURTHER NOTES

CONTINUED

Publication of audit concerns

17. Under section 527 of the 2006 Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish, on a website, a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 the 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

Right to request circulation or resolutions

18. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date which is six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Questions

19. All shareholders will have the opportunity to ask questions at the AGM.

Documents on display

20. Copies of Directors' service contracts or letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) and at the AGM until the end of the meeting.

Controlling Shareholder Group

21. Following completion of the merger with KIM, the Company entered into a relationship agreement with the Controlling Shareholder Group which regulates the ongoing relationship between the Company and the Controlling Shareholder Group. The members of the Controlling Shareholder Group agreed to limit their voting rights at any shareholder meeting, including the Annual General Meeting, to the lower of: (i) the number of shares held by them; and (ii) 24.99% of the votes cast on any resolution by all shareholders.

COMPANY INFORMATION

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Zeus Capital
10 Old Burlington Street
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Auditors
Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Bankers
The Royal Bank of Scotland plc
London City Office
62-63 Threadneedle Street
London
EC2R 8LA

Registrar
Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

By phone on 0871 664 0300 from the UK and +44 371 664 0300 from overseas. *(Calls cost 12 pence per minute plus network extras. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9am to 5:30pm Mon – Fri, excluding public holidays in England and Wales).*

By email:
enquiries@linkgroup.co.uk

Company registered office
City of London Investment Group PLC
77 Gracechurch Street
London
EC3V 0AS

Company registration number
2685257

Company Secretary
Prism Cosec Ltd
enquiries@prismcosec.com

Financial calendar

Ex-dividend date for the final dividend	3rd October 2024
Final dividend record date	4th October 2024
First quarter FuM announcement	21st October 2024
AGM	28th October 2024
Final dividend payment	7th November 2024
Second quarter FuM announcement	20th January 2025
Half year results and interim dividend announcement	25th February 2025
Ex-dividend date for the interim dividend	27th February 2025
Interim dividend record date	28th February 2025
Interim dividend payment	3rd April 2025
Third quarter FuM announcement	22nd April 2025
Year end	30th June 2025

For further information, please visit our website **www.clig.co.uk**

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