

Pre-Close Trading Update

Released : 24/07/2025

RNS Number : 2827S
City of London Investment Group PLC
24 July 2025

City of London Investment Group PLC
24 July 2025

CITY OF LONDON INVESTMENT GROUP PLC
("City of London" or "the Group" or "the Company" or "CLIG")
PRE-CLOSE TRADING UPDATE FOR THE YEAR ENDED 30 JUNE 2025

City of London (LSE: CLIG), a leading specialist asset management group offering a range of institutional and retail products investing primarily in closed-end funds ("CEFs"), provides a pre-close trading update for its financial year ended 30 June 2025. The numbers that follow are unaudited.

Funds under Management (FuM) increased by 5.6% to \$10.8 billion as of 30 June 2025 as compared to \$10.2 billion as of 30 June 2024.

Investment Management Performance

It was broadly a favourable environment for CLIM's investment strategies from a performance perspective and all strategies ended the year ahead of their benchmarks as the table below demonstrates.

CLIM strategy	Performance	Benchmark	Difference
Emerging Markets	+20.3%	+14.8%	+550bps
International Equity	+22.7%	+17.7%	+500bps
Opportunistic Value	+17.5%	+12.8%	+470bps
Listed Private Equity	+16.6%	+8.0%	+860bps

**The above returns are presented as net of fees performance figures. The CLIM Global Emerging Markets strategy is shown against the S&P Emerging Frontier Super Composite BMI Net TR Index, the CLIM Global Developed CEF International Equity Strategy is shown against the MSCI ACWI ex-US Net TR Index, the CLIM Opportunistic Value Strategy is shown against the Blended 50/50 MSCI AWCI/Bloomberg Global Aggregate Bond Index, and the CLIM Listed Private Equity Strategy is compared to an 8% annual hurdle rate. Data is as of 30 June 2025. Past performance is no guarantee of future results.*

Firstly, our strategies have benefited from an improved environment for corporate governance. The last few years since 2022 have been characterised by a period of wide discounts among the universe of closed-end funds in which CLIM primarily sources investments. This has been particularly pronounced in the UK market where outflows from institutional and retail investors alike had resulted in depressed ratings. Such ratings allowed CLIM to accumulate positions at deeply valued price points and to work with boards to take measures to address discounts. Among other factors, these engagements helped provide the catalyst for broad-based actions by boards to narrow discounts on funds held in portfolios. Such event-driven actions included elevated levels of share buybacks, tender offers, mergers, restructurings and, in extreme cases, outright liquidations. CLIM's strategies benefited accordingly.

Secondly, heightened market volatility, particularly since the election of President Trump in late 2024, has provided additional opportunities to benefit from discount volatility, as well as market rotation, as countries, sectors, size and style factors came in and out of favour.

Lastly, outperformance by non-US equities over the last twelve months, after more than a decade of dominance by US stocks, brought new buyers to our largest areas of underlying focus, namely International Equities and Emerging Markets.

The International Equity strategy benefited from increased demand, especially for European and UK large cap exposure as well as International mid and small cap exposure.

Conversely, in addition to the factors highlighted above, the Emerging Markets strategy was meaningfully aided by its allocation to South Korean holding companies which outperformed following the Government's proposed Corporate Value Up program designed to address the "Korea Discount" by promoting capital efficiency, transparent governance and increased shareholder returns.

Likewise, KIM's main strategies performed well over the trailing twelve months.

KIM strategy	Performance	Benchmark	Difference
Growth Balanced	+12.71%	+12.16%	+55bps
Conservative Balanced	+9.2%	+10.07%	-87bps
Tax-Sensitive Fixed Income	+3.17%	+1.10%	+207bps
Taxable Fixed Income	+7.39%	+5.89%	+150bps
Cash Management	+5.96%	+5.67%	+29bps
Equities	+16.80%	+16.33%	+46bps

**The KIM Fixed Income Strategy is shown against the Bloomberg Government/Credit Bond Index, the KIM Tax-Sensitive Fixed Income Strategy is shown against the Bloomberg Municipal Bond Index, the KIM Growth Balanced Strategy is shown against the Blended 40% Bloomberg Government/Credit Bond Index/39% Russell 3000 Index/21% MSCI ACWI ex USA Net TR Index. The KIM Conservative Balanced Strategy is shown against the Blended 60% Bloomberg Government/Credit Bond Index/26% Russell 3000 Index/14% MSCI ACWI ex USA Net TR Index. The KIM Equities Strategy is shown against the Blended 65% Russell 3000 Index/35% MSCI ACWI ex USA Net TR Index. The KIM Cash Management Strategy is shown against the ICE BofA 1-3 Year US Treasury Index.*

The primary contributor to outperformance over the past twelve months has been a modest narrowing of discounts across fixed income and equity closed-end funds. Performance was further enhanced by substantial tender offers executed near net asset value and notable distribution increases among several major holdings.

Special Purpose Acquisition Companies, during their pre-acquisition phase, continue to serve as effective alternatives to T-bills and money market funds within our Cash Management and Fixed Income strategies. While short-term performance remains important, KIM's long-term track record is particularly strong, especially in fixed income. Over the past five years, the Taxable Fixed Income and Tax-Sensitive Fixed Income strategies have exceeded their respective benchmarks by 6.60% and 3.67% per annum.

Flows

Net outflows were weighted more heavily to the first half of the financial year when macroeconomic uncertainty rattled markets. The second half withdrawals were characterised by some profit-taking after very strong performance by our investment teams. This was particularly true in the International Equity and Emerging Markets strategies which saw net outflows of \$387 million and \$372 million, respectively. The Growth and Conservative Balanced strategies (a combination of equity and fixed income) saw net outflows of \$241 million over this period, due primarily to client retirement cash needs. Net investment outflows totaled \$974 million across the Group during the financial year.

New mandates included \$60 million in the Listed Private Equity strategy and \$70 million in the Emerging Markets strategy, with another \$46 million mandate confirmed for August 2025 funding. Net inflows of circa \$84 million combined across the Opportunistic Value, Listed Private Equity, alternatives and Taxable Fixed Income strategies were also recorded.

Persistent discount volatility and strong outperformance of the Group's strategies continue to be the focus of marketing efforts with allocators.

A breakdown FuM by strategy is as follows:

	FuM (\$ million)					
	Jun-24 Actual	Inflows	Outflows	Net Flows	Market & investment performance	Jun-25 (estimate)
CLIM						
Emerging Markets	3,394	91	(463)	(372)	652	3,674
International Equity	2,394	122	(509)	(387)	479	2,486
Opportunistic Value	251	26	-	26	32	309
Listed Private Equity*	174	60	(50)	10	34	218
Other**	104	40	-	40	6	150
	6,317	339	(1,022)	(683)	1,203	6,837
KIM***						
Growth Balanced	1,426	36	(174)	(138)	131	1,419
Conservative Balanced	1,103	45	(148)	(103)	143	1,143
Tax-Sensitive Fixed Income	693	87	(108)	(21)	(144)	528
Taxable Fixed Income	501	58	(50)	8	198	707
Cash Management	108	10	(24)	(14)	7	101
Equities	93	3	(26)	(23)	9	79
	3,924	239	(530)	(291)	344	3,977
	10,241	578	(1,552)	(974)	1,547	10,814

** The Listed Private Equity strategy is to buy high quality private equity funds at discounts in closed-end fund structures traded in listed markets. It was recategorised from Emerging Markets during the year, and the recategorization of existing client assets is not reflected in the Net Flows column for either strategy.*

*** Includes Frontier and alternatives*

*** KIM's FuM has been recategorised into underlying strategies.
Funds under Management figures are rounded

Leadership Update

In June, Mike Edmonds was appointed Chief Investment Officer of CLIM. A highly accomplished investor and City of London veteran, Mike first began his career with the Group in 1992. He brings deep investment expertise, creativity, and an engaging intellectual curiosity-qualities that complement his strong collaborative relationships across our Investment, Research, and Macroeconomic teams.

In his capacity as Chairman, Rian Dartnell continues to work closely with our teams and with the Board to evaluate CEO candidates and consider the Group's future leadership needs. A further announcement will be made in due course. Meanwhile, our entire team is focused on providing strong risk-adjusted returns, enhancing client service excellence, and deepening shareholder engagement. We are also reinforcing our commitment to inclusivity and accountability to position the Group for long-term success.

Dividend

The Board expects the final dividend for the year ended 30 June 2025 to be in line with the previous year.

Following the completion of the year-end audit, the Board will announce the final dividend and results alongside publication of its Accounts for the year ended 30 June 2025 on 16 September 2025.

The Group's Annual General Meeting will be held on 27 October 2025 and the Group expects the dividend payment date to be in November 2025 similar to last year's timing.

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

Rian Dartnell, Chairman
City of London Investment Group PLC
Tel: 001-203-561-0450

Martin Green, James Hornigold, Louisa Waddell
Zeus Capital Limited
Financial Adviser & Broker
Tel: +44 (0)20 3829 5000

This release includes forward-looking statements, which may differ from actual results. Any forward-looking statements are based on certain factors and assumptions, which may prove incorrect, and are subject to risks, uncertainties and assumptions relating to future events, the Group's operations, results of operations, growth strategy and liquidity.

Past performance is no guarantee of future results.

The information contained in this document is intended for information purposes only. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor will any sale of a security occur in any jurisdiction where such an offer, solicitation or sale would be unlawful.

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

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

END

TSTSEAFDDEISEFW