

## THE CITY OF LONDON INVESTMENT TRUST PLC

### Unaudited Results for the Half-Year Ended 31 December 2023

This announcement contains regulated information

#### INVESTMENT OBJECTIVE

The Company's objective is to provide long-term growth in income and capital, principally by investment in equities listed on the London Stock Exchange. The Board fully recognises the importance of dividend income to shareholders.

#### PERFORMANCE

	As at 31 December 2023	As at 30 June 2023
Net asset value ("NAV") per ordinary share	401.7p	385.2p
Premium	2.0%	3.1%
Net asset value per ordinary share (debt at fair value)	406.0p	391.2p
Premium (debt at fair value)	0.9%	1.5%
Ordinary share price	409.5p	397.0p
Gearing (debt at par value)	5.3%	6.2%

	Six months to 31 December 2023	Six months to 31 December 2022
Dividends per share	10.1p	10.0p

<b>Dividend yields</b>	As at 31 December 2023	As at 30 June 2023
The City of London Investment Trust plc	4.9%	5.1%
FTSE All-Share Index (Benchmark)	3.8%	3.7%
AIC UK Equity Income sector	4.7%	4.3%
IA UK Equity Income OEIC sector	4.5%	4.8%

Sources: Morningstar Direct, LSEG Datastream

<b>Total return performance to 31 December 2023</b>	<b>6 months</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
	%	%	%	%	%
NAV <sup>1</sup>	6.5	6.5	34.4	40.3	73.2
Share price <sup>2</sup>	5.8	4.8	28.1	36.3	70.0
FTSE All-Share Index (Benchmark)	5.2	7.9	28.1	37.7	68.2
AIC UK Equity Income sector <sup>3</sup>	5.0	7.8	25.8	39.4	74.7
IA UK Equity Income OEIC sector <sup>4</sup>	6.9	7.1	24.0	32.7	57.8

Sources: Morningstar Direct, Janus Henderson, LSEG Datastream

<sup>1</sup> Net asset value per ordinary share total return with debt at fair value (including dividends reinvested)

<sup>2</sup> Share price total return using mid-market closing price

<sup>3</sup> AIC UK Equity Income sector size weighted average NAV total return (shareholders' funds)

<sup>4</sup> The Investment Association ("IA") peer group average is based on mid-day NAV whereas the returns of the investment trust are calculated using close of business NAV

# INTERIM MANAGEMENT REPORT

## CHAIRMAN'S STATEMENT

### Introduction

City of London achieved a 6.5% net asset value total return during the six months to 31 December 2023 against a backdrop of falling inflation and market expectations that interest rates have peaked.

### The Markets

Although economic growth slowed, the main developed countries appear to have avoided a significant downturn, with employment remaining at high levels. Inflation fell by more than expected, especially towards the end of the period, with investors anticipating cuts to interest rates by central banks globally during 2024. The 10-year gilt yield, which was 4.4% at the beginning of July, ended 2023 at 3.5%.

The UK equity market returned 5.2%, as measured by the FTSE All-Share Index, with medium-sized and small companies slightly outperforming larger peers. The best performing sector was real estate investment trusts, reflecting the downward move in gilt yields, followed by technology, in line with trends overseas. Some more defensive sectors, such as food & beverage and health care, were notable underperformers.

### Net Asset Value Total Return

City of London's net asset value total return was 6.5% - higher than the FTSE All-Share Index (5.2%) and the AIC UK Equity Income sector average (5.0%), but behind the IA UK Equity Income OEIC sector average (6.9%). The negative impact of the fall in gilt yields on the fair value of the Company's fixed interest debt detracted performance by 34 basis points. It should be noted, however, that the £30 million 2.67% 2046 and £50 million 2.94% 2049 secured notes, both issued in recent years, provide borrowings at fixed low interest rates for investment in equities by City of London over the next quarter of a century.

Stock and sector selection contributed by 171 bps. The underweight positions in pharmaceuticals and AstraZeneca were respectively the biggest sector and stock contributors. The second biggest sector impact arose from being overweight in real estate investment trusts, with Land Securities a notable stock contributor. The biggest detracting sector was food producers, with Nestlé a detractor over the six months. The second biggest detracting sector was aerospace and defence, where the Company missed out on the rise in Rolls Royce (which was not held) but benefited from its position in BAE Systems. Other notable stock contributors were 3i, whose main asset is its shareholding in Action, a fast-growing discount retailer in Europe, and Round Hill Music Royalties Fund, which was taken over. The biggest detracting stock was St James's Place, which announced changes in the structure of its customer fees.

### Earnings and Dividends

Earnings per share rose marginally compared with the same six-month period last year, from 8.79p to 8.80p. Special dividends, received and accounted as income, were down from £2.4 million to £0.9 million. The trend in ordinary dividends received was similar to City of London's last financial year, with cuts from mining companies being offset by increases from banks and oil companies.

City of London has declared two interim dividends to date of 5.05p each in respect of this financial year. The Company's diverse portfolio, strong cash flow and revenue reserve give the Board confidence that, in line with its objective to provide long-term income and capital growth, it will be able to increase the total annual dividend for the 58th consecutive year. The quarterly dividend rate will be reviewed by the Board before the third interim dividend is declared in April 2024.

### Management Fee and Expenses

The investment management fee rate was last reviewed in 2019. Since then, the Company has grown its net assets under management by 48%, from £1,360 million to £2,019 million, partly due to the issue of 143 million shares. The Board has agreed with the Company's investment manager, Janus Henderson, to reduce the investment management fee rate from 0.325% to 0.300% with effect from 1 January 2024. The consequence of this change is that the ongoing charge, which represents the investment management fee and other administrative non-interest related expenses as a percentage of shareholder funds, is expected to be lower for this financial year than last year, when it was 0.37%. The Board continues rigorously to review costs to ensure that City of London's ongoing charge remains low compared with other investment trusts and discretionary (non-tracker) managed equity investment products. Furthermore, in the event that net assets under management exceed £3,000 million, the management fee on any such excess will be reduced to 0.275%.

### Material Events and Transactions during the Period

A total of 5.3 million new shares, raising £21 million were issued during the six months to 31 December 2023. The proceeds were invested across the portfolio. The Board is continuing its stated policy, subject to prevailing

circumstances, of considering issuance of new shares within a narrow band relative to net asset value. As at 29 December 2023 (the last dealing day during the six months), the Company's share price was trading at a premium of 0.9% to NAV (with debt at fair value). As at 13 February 2024 (the last practicable date before printing this report), the Company's share price was trading at a discount of 0.6% to NAV (with debt at fair value).

Three new holdings were bought during the six months. Burberry is a luxury British fashion company with around half of its stores in the Asia Pacific region. Hilton Foods is a packer and distributor of meat products, with operations in the UK, Europe and Australasia. The purchase of ENI, the international oil and gas company, was financed by the sale of Woodside, the Australian company with a focus on liquified natural gas. Complete sales were also made in Cisco, the information technology and networking services company; Ferguson, the US building products distributor; Sanofi, the pharmaceutical company; and Round Hill Music Royalties Fund, which was taken over.

### **Delisting from New Zealand Stock Exchange**

The Company's ordinary shares have a primary listing on the London Stock Exchange and a secondary listing on the New Zealand Stock Exchange (NZX Main Board). Shareholdings on the New Zealand register now only represent 1.2% of the Company's total shares in issue and the costs of maintaining the listing have been steadily increasing. The Board considers that these costs, together with the administrative and compliance burdens of maintaining the secondary listing in New Zealand, have become disproportionate to the benefits of maintaining that listing and relative to the percentage of shares involved. After careful consideration, the Board has therefore resolved to delist the shares from the NZX Main Board from 21 March 2024. Shares on the New Zealand register will be automatically transferred to the UK register, which already has a number of shareholders with addresses in New Zealand.

### **The Board**

The Board is delighted to announce that Sally Lake will be joining the Board on 1 August 2024. Sally is currently Group Finance Director of Beazley plc, the FTSE 100 specialist insurance company, but will be stepping down from that role later in 2024. She has wide ranging experience of financial markets, risk management and the operational challenges facing listed companies. She will succeed Samantha Wren as Audit Committee Chair following the Company's Annual General Meeting in October, when Samantha will retire after serving nine years on the Board.

### **Outlook for the Six Months to 30 June 2024**

The tightening of monetary policy in 2022 and 2023 by the world's leading central banks is expected to lead to a further reduction in the rate of inflation. A significant slowdown in economic activity, however, appears unlikely as consumers continue to draw down excess savings from the Covid lockdowns and employment statistics remain relatively buoyant. Although it is generally accepted that interest rates have now peaked, market expectations for cuts may be exaggerated given continuing wage increases and "quantitative tightening" by central banks. There are also considerable risks resulting from the current war in the Middle East, with a widening conflict, such as the recent hostilities in the Red Sea area, raising the prospect of further political and economic turbulence including the disruption of supply chains and destabilisation of energy markets, as observed already in the Ukraine conflict.

UK equities remain attractively valued relative to overseas equivalents. This has encouraged further takeovers of UK companies by private equity firms and foreign businesses, including the acquisition of Round Hill Music Royalties Fund from the Company's portfolio. There has subsequently been a bid in January 2024 for Wincanton, another of City of London's investee companies, from a large French private company. More takeovers can be expected while the discounted value of UK equities relative to global peers persists. Although the prospect of political change in the UK may weigh on equity valuations until after the general election, the compelling dividend yields from many companies effectively "pay investors to hold on" and should help to mitigate the downside risks of current uncertainties.

**Sir Laurie Magnus CBE**  
**Chairman**  
**16 February 2024**

## FORTY LARGEST INVESTMENTS

<b>Company</b>	<b>Market value 31 December 2023 £'000</b>	<b>Company</b>	<b>Market value 31 December 2023 £'000</b>
Shell	86,360	Glencore	37,768
BAE Systems	84,398	IG	32,917
RELX	79,016	Land Securities	32,597
HSBC	76,883	TotalEnergies	32,026
Unilever	71,241	Schroders	31,813
AstraZeneca	65,178	Nestlé	27,261
3i	61,710	Reckitt Benckiser	27,100
British American Tobacco	60,804	Severn Trent	25,760
BP	58,735	Barclays	25,758
Tesco	57,499	St. James's Place	24,552
Rio Tinto	56,667	Munich Re	23,471
Diageo	55,978	NatWest	23,465
M&G	53,376	Holcim	22,452
Imperial Brands	51,937	Merck	20,952
SSE	48,256	Novartis	20,793
National Grid	46,340	Sage	20,050
Phoenix	46,191	Swire Pacific	19,876
Legal & General	42,687	Persimmon	19,841
Lloyds Banking	40,072	Taylor Wimpey	18,896
GlaxoSmithKline	39,518	Anglo American	18,228

These investments total £1,688,422,000 or 79.4% of the portfolio.

Convertibles and all classes of equity in any one company are treated as one investment.

## SECTOR EXPOSURE

As a percentage of the investment portfolio excluding cash

	<b>%</b>
Financials	26.0
Consumer Staples	18.8
Industrials	12.5
Energy	9.0
Health Care	8.1
Consumer Discretionary	7.0
Utilities	6.5
Basic Materials	5.8
Real Estate	3.0
Telecommunications	2.4
Technology	0.9
<b>Total</b>	<b>100.0</b>

Source: Janus Henderson

## SECTOR BREAKDOWN OF INVESTMENTS

	Valuation 31 December 2023 £'000	Valuation 31 December 2023 £'000
<b>ENERGY</b>		
<b>Oil, Gas and Coal</b>		
Shell	86,360	
BP	58,735	
TotalEnergies <sup>1</sup>	32,026	
ENI <sup>1</sup>	13,258	
	<u>190,379</u>	
<b>Total Energy</b>	<b>190,379</b>	
<b>BASIC MATERIALS</b>		
<b>Chemicals</b>		
Victrex	5,327	
Johnson Matthey	5,093	
	<u>10,420</u>	
<b>Industrial Metals and Mining</b>		
Rio Tinto	56,667	
Glencore	37,768	
Anglo American	18,228	
	<u>112,663</u>	
<b>Total Basic Materials</b>	<b>123,083</b>	
<b>INDUSTRIALS</b>		
<b>Aerospace and Defence</b>		
BAE Systems	84,398	
	<u>84,398</u>	
<b>Construction and Materials</b>		
Holcim <sup>1</sup>	22,452	
Ibstock	12,423	
Marshalls	6,985	
	<u>41,860</u>	
<b>Industrial Engineering</b>		
Vesuvius	12,030	
	<u>12,030</u>	
<b>Electronic and Electrical Equipment</b>		
IMI	12,209	
Morgan Advanced Materials	11,320	
Rotork	5,663	
XP Power	3,126	
	<u>32,318</u>	
<b>General Industrials</b>		
Swire Pacific <sup>1</sup>	19,876	
Siemens <sup>1</sup>	14,694	
Smiths Group	10,575	
DS Smith	9,526	
Mondi	8,451	
	<u>63,122</u>	
<b>Industrial Transportation</b>		
Wincanton	8,215	
	<u>8,215</u>	
<b>Industrial Support Services</b>		
Hays	13,978	
PayPoint	10,380	
	<u>24,358</u>	
<b>Total Industrials</b>	<b>266,301</b>	
<b>CONSUMER STAPLES</b>		
<b>Beverages</b>		
Diageo	55,978	
Britvic	12,607	
Coca-Cola <sup>1</sup>	10,167	
	<u>78,752</u>	
<b>Food Producers</b>		
Nestlé <sup>1</sup>	27,261	
Tate & Lyle	10,167	
Hilton	8,000	
	<u>45,428</u>	
<b>Personal Goods</b>		
Burberry	6,372	
	<u>6,372</u>	
<b>Personal Care, Drug and Grocery Stores</b>		
Unilever	71,241	
Tesco	57,499	
Reckitt Benckiser	27,100	
	<u>155,840</u>	
<b>Tobacco</b>		
British American Tobacco	60,804	
Imperial Brands	51,937	
	<u>112,741</u>	
<b>Total Consumer Staples</b>	<b>399,133</b>	
<b>HEALTH CARE</b>		
<b>Medical Equipment and Services</b>		
Smith & Nephew	11,847	
	<u>11,847</u>	
<b>Pharmaceuticals and Biotechnology</b>		
AstraZeneca	65,178	
GlaxoSmithKline	39,518	
Merck <sup>1</sup>	20,952	
Novartis <sup>1</sup>	20,793	
Johnson & Johnson <sup>1</sup>	12,787	
	<u>159,228</u>	
<b>Total Health Care</b>	<b>171,075</b>	

	Valuation 31 December 2023 £'000
<b>CONSUMER DISCRETIONARY</b>	
<b>Retailers</b>	
Kingfisher	11,070
Halfords	5,979
DFS	3,045
	<u>20,094</u>
<b>Media</b>	
RELX	79,016
	<u>79,016</u>
<b>Household Goods and Home Construction</b>	
Persimmon	19,841
Taylor Wimpey	18,896
	<u>38,737</u>
<b>Travel and Leisure</b>	
La Française des Jeux <sup>1</sup>	8,527
Young	3,080
	<u>11,607</u>
<b>Total Consumer Discretionary</b>	<b>149,454</b>
<b>TELECOMMUNICATIONS</b>	
<b>Telecommunications Service Providers</b>	
Deutsche Telekom <sup>1</sup>	15,502
Vodafone	13,024
Orange <sup>1</sup>	12,944
Verizon Communications <sup>1</sup>	10,348
	<u>51,818</u>
<b>Total Telecommunications</b>	<b>51,818</b>
<b>UTILITIES</b>	
<b>Electricity</b>	
SSE	48,256
	<u>48,256</u>
<b>Gas, Water and Multi-utilities</b>	
National Grid	46,340
Severn Trent	25,760
United Utilities	12,708
Pennon	4,133
	<u>88,941</u>
<b>Total Utilities</b>	<b>137,197</b>

	Valuation 31 December 2023 £'000
<b>FINANCIALS</b>	
<b>Banks</b>	
HSBC	76,883
Lloyds Banking	40,072
Barclays	25,758
NatWest	23,465
Nationwide Building Society	
10.25% Var Perp CCDS	8,385
	<u>174,563</u>
<b>Investment Banking and Brokerage Services</b>	
3i	61,710
M&G	53,376
IG	32,917
Schroders	31,813
St. James's Place	24,552
Rathbones	15,570
	<u>219,938</u>
<b>Life Insurance</b>	
Phoenix	46,191
Legal & General	42,687
Prudential	10,644
	<u>99,522</u>
<b>Non-life Insurance</b>	
Munich Re <sup>1</sup>	23,471
Beazley	11,473
Hiscox	8,959
Direct Line Insurance	8,646
Sabre Insurance	7,182
	<u>59,731</u>
<b>Total Financials</b>	<b>553,754</b>
<b>REAL ESTATE</b>	
<b>Real Estate Investment Trusts</b>	
Land Securities	32,597
Segro	15,955
British Land	15,580
	<u>64,132</u>
<b>Total Real Estate</b>	<b>64,132</b>
<b>TECHNOLOGY</b>	
<b>Software and Computer Services</b>	
Sage	20,050
	<u>20,050</u>
<b>Total Technology</b>	<b>20,050</b>
<b>TOTAL INVESTMENTS</b>	<b>2,126,376</b>

<sup>1</sup> Overseas listed

All classes of equity in any one company are treated as one investment.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Geopolitical
- Global pandemics
- Portfolio and market price
- Dividend income
- Investment activity, gearing and performance
- Tax and regulatory
- Operational

Information on these risks and how they are managed is given in the Annual Report for the year ended 30 June 2023. In the view of the Board, these principal risks and uncertainties at the year end remain and are as applicable to the remaining six months of the financial year as they were to the six months under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that, to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 "Interim Financial Reporting".
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

**On behalf of the Board**

**Sir Laurie Magnus CBE**

**Chairman**

**16 February 2024**

## INCOME STATEMENT

	(Unaudited) Half-year ended 31 December 2023			(Unaudited) Half-year ended 31 December 2022			(Audited) Year ended 30 June 2023		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	-	92,532	92,532	-	29,737	29,737	-	(27,111)	(27,111)
Income from investments held at fair value through profit or loss	46,388	-	46,388	43,544	-	43,544	101,747	-	101,747
Other interest receivable and similar income	185	-	185	129	-	129	224	-	224
<b>Gross revenue and capital gains/(losses)</b>	<b>46,573</b>	<b>92,532</b>	<b>139,105</b>	<b>43,673</b>	<b>29,737</b>	<b>73,410</b>	<b>101,971</b>	<b>(27,111)</b>	<b>74,860</b>
Management fee	(961)	(2,242)	(3,203)	(886)	(2,068)	(2,954)	(1,844)	(4,304)	(6,148)
Other administrative expenses	(468)	-	(468)	(459)	-	(459)	(860)	-	(860)
<b>Net return/(loss) before finance costs and taxation</b>	<b>45,144</b>	<b>90,290</b>	<b>135,434</b>	<b>42,328</b>	<b>27,669</b>	<b>69,997</b>	<b>99,267</b>	<b>(31,415)</b>	<b>67,852</b>
Finance costs	(737)	(1,535)	(2,272)	(766)	(1,604)	(2,370)	(1,621)	(3,416)	(5,037)
<b>Net return/(loss) before taxation</b>	<b>44,407</b>	<b>88,755</b>	<b>133,162</b>	<b>41,562</b>	<b>26,065</b>	<b>67,627</b>	<b>97,646</b>	<b>(34,831)</b>	<b>62,815</b>
Taxation on net return/(loss)	(201)	-	(201)	(427)	-	(427)	(1,406)	-	(1,406)
<b>Net return/(loss) after taxation</b>	<b>44,206</b>	<b>88,755</b>	<b>132,961</b>	<b>41,135</b>	<b>26,065</b>	<b>67,200</b>	<b>96,240</b>	<b>(34,831)</b>	<b>61,409</b>
<b>Return/(loss) per ordinary share</b> (note 2)	<b>8.80p</b>	<b>17.67p</b>	<b>26.47p</b>	<b>8.79p</b>	<b>5.57p</b>	<b>14.36p</b>	<b>20.14p</b>	<b>(7.29p)</b>	<b>12.85p</b>

The total columns of this statement represent the Company's Income Statement, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2023 (unaudited)	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 July 2023	124,339	1,053,061	2,707	691,463	44,322	1,915,892
Net return on ordinary activities after taxation	-	-	-	88,755	44,206	132,961
Issue of 5,310,000 new ordinary shares	1,328	19,563	-	-	-	20,891
Dividends paid	-	-	-	-	(50,759)	(50,759)
<b>At 31 December 2023</b>	<b>125,667</b>	<b>1,072,624</b>	<b>2,707</b>	<b>780,218</b>	<b>37,769</b>	<b>2,018,985</b>
Half-year ended 31 December 2022 (unaudited)	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 July 2022	114,910	909,143	2,707	726,294	43,603	1,796,657
Net return on ordinary activities after taxation	-	-	-	26,065	41,135	67,200
Issue of 16,560,000 new ordinary shares	4,140	61,342	-	-	-	65,482
Dividends paid	-	-	-	-	(46,657)	(46,657)
<b>At 31 December 2022</b>	<b>119,050</b>	<b>970,485</b>	<b>2,707</b>	<b>752,359</b>	<b>38,081</b>	<b>1,882,682</b>
Year ended 30 June 2023 (audited)	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 July 2022	114,910	909,143	2,707	726,294	43,603	1,796,657
Net (loss)/return after taxation	-	-	-	(34,831)	96,240	61,409
Issue of 37,715,000 new ordinary shares	9,429	143,918	-	-	-	153,347
Dividends paid	-	-	-	-	(95,521)	(95,521)
<b>At 30 June 2023</b>	<b>124,339</b>	<b>1,053,061</b>	<b>2,707</b>	<b>691,463</b>	<b>44,322</b>	<b>1,915,892</b>

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 December 2023 £'000	(Unaudited) 31 December 2022 £'000	(Audited) 30 June 2023 £'000
<b>Investments held at fair value through profit or loss</b> (note 6)			
Listed at market value in the United Kingdom	1,861,318	1,717,798	1,734,695
Listed at market value overseas	265,058	300,628	299,605
Investment in subsidiary undertakings	347	347	347
	<b>2,126,723</b>	2,018,773	2,034,647
<b>Current assets</b>			
Debtors	9,541	8,664	10,823
Cash at bank	1,753	-	-
	<b>11,294</b>	8,664	10,823
<b>Creditors:</b> amounts falling due within one year	<b>(3,387)</b>	(29,172)	(13,956)
<b>Net current assets/(liabilities)</b>	<b>7,907</b>	(20,508)	(3,133)
<b>Total assets less current liabilities</b>	<b>2,134,630</b>	1,998,265	2,031,514
<b>Creditors:</b> amounts falling due after more than one year	<b>(115,645)</b>	(115,583)	(115,622)
<b>Net assets</b>	<b>2,018,985</b>	1,882,682	1,915,892
<b>Capital and reserves</b>			
Called-up share capital (note 3)	125,667	119,050	124,339
Share premium account	1,072,624	970,485	1,053,061
Capital redemption reserve	2,707	2,707	2,707
Other capital reserves (note 4)	780,218	752,359	691,463
Revenue reserve	37,769	38,081	44,322
<b>Equity shareholders' funds</b>	<b>2,018,985</b>	1,882,682	1,915,892
<b>Net asset value per ordinary share - basic and diluted</b> (note 5)	<b>401.66p</b>	395.36p	385.22p

The accompanying notes are an integral part of these financial statements.

## NOTES

### 1. Accounting Policy – Basis of Preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for “Financial Statements of Investment Trust Companies and Venture Capital Trusts”, issued in July 2022.

For the period under review, the Company’s accounting policies have not varied from those described in the Annual Report for the year ended 30 June 2023. These financial statements have been neither audited nor reviewed by the Company’s auditors.

As an investment fund, the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all of the entity’s investments are highly liquid and are carried at market value; and where a statement of changes in equity is provided.

### 2. Return per Ordinary Share

	(Unaudited) Half-year ended 31 December 2023 £'000	(Unaudited) Half-year ended 31 December 2022 £'000	(Audited) Year ended 30 June 2023 £'000
The return per ordinary share is based on the following figures:			
Revenue return	44,206	41,135	96,240
Capital return/(loss)	88,755	26,065	(34,831)
<b>Total</b>	<b>132,961</b>	67,200	61,409
Weighted average number of ordinary shares in issue for each period			
	502,285,221	467,917,477	477,932,402
Revenue return per ordinary share	8.80p	8.79p	20.14p
Capital return/(loss) per ordinary share	17.67p	5.57p	(7.29p)
<b>Total return per ordinary share</b>	<b>26.47p</b>	14.36p	12.85p

The Company does not have any dilutive securities, therefore, the basic and diluted returns per share are the same.

### 3. Share Capital

During the half-year ended 31 December 2023, 5,310,000 new ordinary shares were issued for total proceeds of £20,891,000 (half-year ended 31 December 2022: 16,560,000 new ordinary shares issued for total proceeds of £65,482,000; year ended 30 June 2023: 37,715,000 new ordinary shares issued for total proceeds of £153,347,000). The number of ordinary shares in issue at 31 December 2023 was 502,664,868 (31 December 2022: 476,199,868; 30 June 2023: 497,354,868). There were no shares in treasury at 31 December 2023 (31 December 2022 and 30 June 2023: nil).

### 4. Other Capital Reserves

At 31 December 2023, the other capital reserves are made up of the capital reserve arising on investments sold which was £362,881,000 (31 December 2022: £316,480,000; 30 June 2023: £344,587,000) and is distributable and the capital reserve arising on revaluation of investments held which was £417,337,000 (31 December 2022: £435,879,000; 30 June 2023: £346,876,000) which is not distributable.

### 5. Net Asset Value per Ordinary Share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £2,018,985,000 (31 December 2022: £1,882,682,000; 30 June 2023: £1,915,892,000) and on 502,664,868 ordinary shares (31 December 2022: 476,199,868; 30 June 2023: 497,354,868) being the number of ordinary shares at the period end.

## 6. Financial Instruments

The financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value or the Statement of Financial Position amount is a reasonable approximation of fair value (debtors and creditors falling due within one year).

The table below sets out fair value measurements of the investments using the FRS 102 fair value hierarchy.

### Financial assets at fair value through profit or loss at 31 December 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	2,126,376	-	347	2,126,723
<b>Total</b>	<b>2,126,376</b>	<b>-</b>	<b>347</b>	<b>2,126,723</b>

### Financial assets at fair value through profit or loss at 31 December 2022

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	2,018,426	-	347	2,018,773
<b>Total</b>	<b>2,018,426</b>	<b>-</b>	<b>347</b>	<b>2,018,773</b>

### Financial assets at fair value through profit or loss at 30 June 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	2,034,300	-	347	2,034,647
<b>Total</b>	<b>2,034,300</b>	<b>-</b>	<b>347</b>	<b>2,034,647</b>

### Financial liabilities

The secured notes, preference stocks and preferred ordinary stock are carried in the Statement of Financial Position at par.

At 31 December 2023, the aggregate fair value of the preferred and preference stock was £2,276,000 (31 December 2022: £2,635,000; 30 June 2023: £2,635,000).

At 31 December 2023, the fair value of the secured notes was estimated to be £91,658,000 (31 December 2022: £86,591,000; 30 June 2023: £83,313,000).

The fair value of the secured notes is calculated using a discount rate which reflects the yield on a UK gilt of similar maturity plus a suitable credit spread.

The preference stocks and preferred ordinary stock are categorised as Level 1 in the fair value hierarchy. The secured notes are categorised as Level 3 in the fair value hierarchy.

### Fair value hierarchy categories

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: The unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

The valuation techniques used by the Company are explained in the accounting policies in note 1 in the Company's Annual Report for the year ended 30 June 2023.

## 7. Transaction Costs

Purchase transaction costs for the half-year ended 31 December 2023 were £390,000 (half-year ended 31 December 2022: £538,000; year ended 30 June 2023: £1,105,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the half-year ended 31 December 2023 were £23,000 (half-year ended 31 December 2022: £17,000; year ended 30 June 2023: £34,000).

## 8. Dividends

A first interim dividend of 5.05p per ordinary share was paid on 30 November 2023. The second interim dividend of 5.05p per ordinary share (declared on 7 December 2023) will be paid on 29 February 2024 to shareholders on the register on 26 January 2024. The Company's shares went ex-dividend on 25 January 2024.

## 9. Related Party Transactions

Other than the relationship between the Company and its Directors, the provision of services by Janus Henderson is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there have been no material transactions with this related party affecting the financial position of the Company during the period under review.

## 10. Going Concern

The assets of the Company consist of securities that are readily realisable. The Directors have also considered the aftermath of the Covid-19 pandemic and the risks arising from the current geo-political conflicts, including cash flow forecasting, a review of covenant compliance including the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. They have concluded that the Company has adequate resources to meet its financial obligations, including the repayment of the bank overdraft, as they fall due for a period of at least twelve months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

## 11. Comparative Information

The financial information contained in this half-year report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The figures and financial information for the year ended 30 June 2023 are extracted from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

## 12. General Information

### Company Status

The City of London Investment Trust plc is a UK domiciled investment trust company.

ISIN number / SEDOL: ordinary shares: GB0001990497 / 0199049

London Stock Exchange (TIDM) Code: CTY

New Zealand Stock Exchange Code: TCL

Global Intermediary Identification Number (GIIN): S55HF7.99999.SL.826

Legal Entity Identifier (LEI): 213800F3NOTF47H6AO55

### Company Registration Number

**UK:** 34871

**New Zealand:** 1215729

### Registered Office

201 Bishopsgate, London EC2M 3AE

### Directors and Secretary

The Directors of the Company are Sir Laurie Magnus CBE (Chairman), Samantha Wren (Audit Committee Chair), Clare Wardle (Senior Independent Director), Robert Edward (Ted) Holmes and Ominder Dhillon.

The Corporate Secretary is Janus Henderson Secretarial Services UK Limited, represented by Sally Porter, ACG.

**Website**

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at [www.cityinvestmenttrust.com](http://www.cityinvestmenttrust.com).

**13. Half-Year Report**

An abbreviated version of the half-year report, the 'Update', will be posted to shareholders in late February 2024. The Update will also be available on the Company's website [www.cityinvestmenttrust.com](http://www.cityinvestmenttrust.com) or in hard copy from the Company's registered office.

For further information please contact:

Job Curtis  
Fund Manager  
The City of London Investment Trust plc  
Telephone: 020 7818 4367

Dan Howe  
Head of Investment Trusts  
Janus Henderson Investors  
Telephone: 020 7818 4458

Harriet Hall  
PR Director, Investment Trusts  
Janus Henderson Investors  
Telephone: 020 7818 2919

*Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.*