Company Number: 34871

THE CITY OF LONDON INVESTMENT TRUST PLC

Report for the half year ended 31 December 2022

(unaudited)

www.cityinvestmenttrust.com

LEGAL ENTITY IDENTIFIER: 213800F3NOTF47H6AO55

THE CITY OF LONDON INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 31 December 2022

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 2022	As at 30 June 2022
Net asset value ("NAV") per ordinary share	**395.4p**	390.9p
Premium	**3.8%**	2.5%
Net asset value per ordinary share (debt at fair value)	**400.9p**	393.5p
Premium (debt at fair value)	**2.4%**	1.8%
Ordinary share price	**410.5p**	400.5p
Gearing (debt at par value)	**7.2%**	7.1%

Dividend yields	**As at 31 December 2022**	As at 30 June 2022
The City of London Investment Trust plc	**4.8%**	4.9%
FTSE All-Share Index (Benchmark)	**3.6%**	3.5%
AIC UK Equity Income sector	**4.5%**	4.2%
IA UK Equity Income OEIC sector	**4.5%**	4.2%

Sources: Morningstar Direct, Bloomberg

Total return performance to 31 December 2022	**6 months %**	**1 year %**	**3 years %**	**5 years %**	**10 years %**
NAV[1]	4.5	5.1	8.8	18.4	105.1
Share price[2]	5.1	9.4	7.9	19.0	101.3
FTSE All-Share Index (Benchmark)	5.1	0.3	7.1	15.5	88.2
AIC UK Equity Income sector[3]	5.1	-2.4	5.8	16.2	108.6
IA UK Equity Income OEIC sector[4]	3.8	-2.2	3.1	10.8	84.5

Sources: Morningstar Direct, Janus Henderson, Refinitiv Datastream

1 Net asset value per ordinary share total return with debt at fair value (including dividends reinvested)
2 Share price total return using mid-market closing price
3 AIC UK Equity Income sector size weighted average NAV total return (shareholders' funds)
4 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 is reporting a 4.5% net asset value total return for the six months to 31 December 2022 despite continuing turbulence in global markets and a brief period of unprecedented political volatility in the UK.

The Markets
During the six months under review, UK inflation reached a 40-year high, driven by spiralling energy prices. The UK base rate, which was 1.25% at the end of June, was increased four times by the Bank of England, ending at 3.5% in December and with a further rise to 4.0% in the New Year. The 10-year Gilt yield, which was 2.2% in June, rose to 4.5% in September, partly due to rising inflation but also the unfunded tax cuts which were announced by the Truss government. The situation was made worse by a steep depreciation in the value of sterling and by selling from some pension funds to pay margin calls on derivative products. By the end of December, the 10-year Gilt yield had fallen back to 3.7% and the fall in sterling had reversed, with the new Sunak administration pursuing a more conventional fiscal policy. The trend of increasing inflation and tightening monetary policy also prevailed overseas with, for example, the US 10-Year Treasury yield rising from 2.9% to 3.9%. In contrast, UK equities were resilient, producing a return of 5.1%, as measured by the FTSE All-Share Index, helped by a strong performance from the mining sector (in anticipation of the reopening of the Chinese economy) and the oil and gas sector.

Net Asset Value Total Return
City of London's net asset value total return was 4.5%, slightly behind the FTSE All-Share and the AIC UK Equity Income average, but ahead of the IA UK Equity Income OEIC sector average. In terms of attribution, gearing contributed positively by 95 basis points (bps) due to the beneficial effect of the rise in Gilt yields on the fair value of the secured notes we have issued in recent years. The £30 million 2.67% 2046 and £50 million 2.94% 2049 notes provide borrowings at fixed low interest rates for City of London, for the next quarter of a century, to finance investment in equities.

Stock and sector selection detracted by 147 bps, with being underweight in mining the largest sector detractor and not owning Glencore, the mining company, the biggest stock detractor. The next biggest stock detractors were our stakes in Persimmon, the housebuilder, and Verizon, the US telecommunications company. The best stock contributor was Munich Re, the reinsurer, followed by TotalEnergies, the oil company, and Swire Pacific, the Hong Kong-based conglomerate.

Earnings and Dividends
Earnings per share fell by 1.7%, compared with the same six month period last year, from 8.94p to 8.79p. A principal reason was the reduction in dividends from our stakes in mining companies Rio Tinto, Anglo American and BHP, reflecting lower prices of some commodities, such as iron ore. On the other hand, there were pleasing increases from the banks and oil companies in the portfolio, including special dividends from NatWest and TotalEnergies. In total, special dividends of £2.4 million were received and accounted as income, representing 5.5% of gross revenue.

City of London has declared two interim dividends of 5.00p each so far during this financial year. The Company's diverse portfolio, strong cash flow and revenue reserve give the Board confidence that it will be able, in line with its objective to provide shareholders with long-term income and capital growth, to increase the total annual dividend for the fifty-seventh consecutive year. The quarterly dividend rate will be reviewed by the Board before the third interim is declared in March 2023.

Expenses
The ongoing charge, which represents the investment management fee and other administrative non-interest bearing expenses as a percentage of shareholder funds, remains low compared with most other equity investment products. The ongoing charge for the six months indicates a full year rate remaining at approximately 0.38% of net assets.

Material Events and Transactions during the Period
A total of 16,560,000 new shares, raising net proceeds of £65.5 million, were issued during the six months to 31 December 2022. 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 31 December 2022, the Company's shares were trading at a premium of 2.4% to NAV (with debt at fair value). As at 14 February 2023 (the last practicable date before printing this report), the Company's share price was trading at a premium of 1.7% to NAV (with debt at fair value).

Three new holdings were acquired during the period. DS Smith is a leading paper and packaging producer in the UK and Europe with an emphasis on recycling. Morgan Advanced Materials develops, manufactures and markets technological materials and components across international markets. NatWest is focused on the UK, where it is one of the leading banks and financial services groups. These purchases were partly financed by the sales of Brewin Dolphin, the private client wealth manager taken over by Royal Bank of Canada, and Synthomer, the chemicals company, after profit warnings and the suspension of its dividend.

Outlook for the Six Months to 30 June 2023

Inflation should fall over the next six months as the sharp upward movements in oil and gas prices at the start of the Ukraine war are timed out of the 12-month inflation calculation. The combination of a continuing tight labour market, higher wage settlements and strikes in various sectors of the economy is likely to keep inflation above the Bank of England's 2% target for some time. This will result in continuing elevated interest rates when compared with recent years since 2009, albeit remaining below the higher rates prevailing before the financial crisis in 2008.

The reopening of the Chinese economy, after its Covid lockdown finally ended, is positive for global growth, while lower oil and gas prices are helpful for consumers in the UK and overseas. The dividend yield premium of UK equities over bank deposits and 10-year Gilts has narrowed, but equities offer the prospect of dividend growth and can therefore provide some element of hedge against inflation.

Sir Laurie Magnus CBE
Chairman
16 February 2023

FORTY LARGEST INVESTMENTS

Company	Market value 31 December 2022 £'000	Company	Market value 31 December 2022 £'000
British American Tobacco	85,319	Legal & General	33,433
Shell	78,176	GlaxoSmithKline	32,950
Diageo	70,810	IG	32,375
BAE Systems	66,340	Lloyds Banking	32,241
Unilever	60,639	Nestlé	28,881
AstraZeneca	60,016	Reckitt Benckiser	28,770
BP	59,837	Schroders	28,340
RELX	58,439	Severn Trent	27,836
Imperial Brands	57,988	Merck	25,824
Rio Tinto	52,762	Direct Line Insurance	25,217
HSBC	51,560	Barclays	23,778
National Grid	43,686	BHP	23,773
Phoenix	43,612	NatWest	22,542
M&G	42,642	Land Securities	21,438
Tesco	42,598	Novartis	19,754
SSE	41,418	Munich Re	19,381
St. James's Place	35,861	Rathbones	18,315
Anglo American	35,078	Ferguson	17,740
3i	34,183	Persimmon	17,403
TotalEnergies	33,824	Microsoft	16,946

These investments total £1,551,725,000 or 76.9% 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

	%
Financials	24.4
Consumer Staples	20.2
Industrials	11.4
Energy	9.2
Health Care	8.7
Utilities	6.6
Basic Materials	6.4
Consumer Discretionary	6.0
Telecommunications	3.3
Real Estate	2.3
Technology	1.5
Total	100.0

Source: Janus Henderson

SECTOR BREAKDOWN OF INVESTMENTS

	Valuation 31 December 2022 £'000
ENERGY	
Oil, Gas and Coal	
Shell	78,176
BP	59,837
TotalEnergies[1]	33,824
Woodside Energy[1]	13,832
	185,669
Total Energy	**185,669**
BASIC MATERIALS	
Chemicals	
Croda International	7,595
Johnson Matthey	5,637
Victrex	5,107
	18,339
Industrial Metals and Mining	
Rio Tinto	52,762
Anglo American	35,078
BHP	23,773
	111,613
Total Basic Materials	**129,952**
INDUSTRIALS	
Aerospace and Defence	
BAE Systems	66,340
	66,340
Construction and Materials	
Holcim[1]	13,982
Ibstock	12,677
Marshalls	6,420
	33,079
Electronic and Electrical Equipment	
IMI	12,030
Morgan Advanced Materials	7,863
Rotork	5,366
XP Power	4,060
	29,319
General Industrials	
Swire Pacific[1]	15,664
Siemens[1]	12,625
Mondi	9,162
DS Smith	9,134
Smiths Group	5,595
	52,180
Industrial Transportation	
Wincanton	8,004
	8,004
Industrial Support Services	
Ferguson	17,740
Hays	14,810
PayPoint	9,162
	41,712
Total Industrials	**230,634**
CONSUMER STAPLES	
Beverages	
Diageo	70,810
Coca-Cola[1]	11,634
Britvic	10,878
	93,322
Food Producers	
Nestlé[1]	28,881
Tate & Lyle	10,973
	39,854
Personal Care, Drug and Grocery Stores	
Unilever	60,639
Tesco	42,598
Reckitt Benckiser	28,770
	132,007
Tobacco	
British American Tobacco	85,319
Imperial Brands	57,988
	143,307
Total Consumer Staples	**408,490**
HEALTH CARE	
Medical Equipment and Services	
Smith & Nephew	8,217
	8,217
Pharmaceuticals and Biotechnology	
AstraZeneca	60,016
GlaxoSmithKline	32,950
Merck[1]	25,824
Novartis[1]	19,754
Johnson & Johnson[1]	15,274
Sanofi[1]	12,753
	166,571
Total Health Care	**174,788**

	Valuation 31 December 2022 £'000
CONSUMER DISCRETIONARY	
Retailers	
Kingfisher	10,743
Halfords	5,813
DFS	3,855
	20,411
Media	
RELX	58,439
	58,439
Household Goods and Home Construction	
Persimmon	17,403
Taylor Wimpey	13,062
	30,465
Travel and Leisure	
La Française des Jeux[1]	10,003
Young	2,366
	12,369
Total Consumer Discretionary	**121,684**
TELECOMMUNICATIONS	
Telecommunications Service Providers	
Vodafone	16,006
Verizon Communications[1]	15,558
Deutsche Telekom[1]	13,676
Orange[1]	11,116
	56,356
Telecommunications Equipment	
Cisco Systems[1]	9,901
	9,901
Total Telecommunications	**66,257**
UTILITIES	
Electricity	
SSE	41,418
	41,418
Gas, Water and Multi-utilities	
National Grid	43,686
Severn Trent	27,836
United Utilities	12,373
Pennon	6,841
	90,736
Total Utilities	**132,154**

	Valuation 31 December 2022 £'000
FINANCIALS	
Banks	
HSBC	51,560
Lloyds Banking	32,241
Barclays	23,778
NatWest	22,542
Nationwide Building Society 10.25% Var Perp CCDS	8,128
	138,249
Investment Banking and Brokerage Services	
M&G	42,642
St. James's Place	35,861
3i	34,183
IG	32,375
Schroders	28,340
Rathbones	18,315
	191,716
Life Insurance	
Phoenix	43,612
Legal & General	33,433
Prudential	14,658
	91,703
Non-life Insurance	
Direct Line Insurance	25,217
Munich Re[1]	19,381
Beazley	12,213
Hiscox	9,261
Sabre Insurance	5,320
	71,392
Total Financials	**493,060**
REAL ESTATE	
Real Estate Investment Trusts	
Land Securities	21,438
Segro	13,741
British Land	10,865
	46,044
Total Real Estate	**46,044**
TECHNOLOGY	
Software and Computer Services	
Microsoft[1]	16,946
Sage	12,750
	29,696
Total Technology	**29,696**
TOTAL INVESTMENTS	**2,018,428**

[1] 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 and cyber
- Global pandemic
- Portfolio and market price
- Dividend income
- Investment activity, gearing and performance
- Tax and regulatory
- Operational

Information on these risks and how they are managed are given in the Annual Report for the year ended 30 June 2022. 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 2023

INCOME STATEMENT

	(Unaudited) Half-year ended 31 December 2022			(Unaudited) Half-year ended 31 December 2021			(Audited) Year ended 30 June 2022		
	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 on investments held at fair value through profit or loss	**-**	**29,737**	**29,737**	-	81,154	81,154	-	13,394	13,394
Income from investments held at fair value through profit or loss	**43,544**	**-**	**43,544**	42,134	-	42,134	98,028	-	98,028
Other interest receivable and similar income	**129**	**-**	**129**	75	-	75	190	-	190
Gross revenue and capital gains	**43,673**	**29,737**	**73,410**	42,209	81,154	123,363	98,218	13,394	111,612
Management fee	**(886)**	**(2,068)**	**(2,954)**	(854)	(1,993)	(2,847)	(1,746)	(4,073)	(5,819)
Other administrative expenses	**(459)**	**-**	**(459)**	(413)	-	(413)	(774)	-	(774)
Net return before finance costs and taxation	**42,328**	**27,669**	**69,997**	40,942	79,161	120,103	95,698	9,321	105,019
Finance costs	**(766)**	**(1,604)**	**(2,370)**	(706)	(1,464)	(2,170)	(1,474)	(3,075)	(4,549)
Net return before taxation	**41,562**	**26,065**	**67,627**	40,236	77,697	117,933	94,224	6,246	100,470
Taxation on net return	**(427)**	**-**	**(427)**	(333)	-	(333)	(1,236)	-	(1,236)
Net return after taxation	**41,135**	**26,065**	**67,200**	39,903	77,697	117,600	92,988	6,246	99,234
Return per ordinary share (note 2)	**8.79p**	**5.57p**	**14.36p**	8.94p	17.40p	26.34p	20.72p	1.39p	22.11p

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 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)**
At 31 December 2022	**119,050**	**970,485**	**2,707**	**752,359**	**38,081**	**1,882,682**

Half-year ended 31 December 2021 (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 2021	111,406	855,597	2,707	720,048	37,567	1,727,325
Net return on ordinary activities after taxation	-	-	-	77,697	39,903	117,600
Issue of 925,000 new ordinary shares	231	3,394	-	-	-	3,625
Dividends paid	-	-	-	-	(42,868)	(42,868)
At 31 December 2021	111,637	858,991	2,707	797,745	34,602	1,805,682

Year ended 30 June 2022 (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 2021	111,406	855,597	2,707	720,048	37,567	1,727,325
Net return after taxation	-	-	-	6,246	92,988	99,234
Issue of 14,015,000 new ordinary shares	3,504	53,546	-	-	-	57,050
Dividends paid	-	-	-	-	(86,952)	(86,952)
At 30 June 2022	114,910	909,143	2,707	726,294	43,603	1,796,657

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

STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 December 2022 £'000	(Unaudited) 31 December 2021 £'000	(Audited) 30 June 2022 £'000
Investments held at fair value through profit or loss (note 6)			
Listed at market value in the United Kingdom	**1,717,798**	1,703,138	1,642,199
Listed at market value overseas	**300,628**	251,406	281,071
Investment in subsidiary undertakings	**347**	347	347
	2,018,773	1,954,891	1,923,617
Current assets			
Debtors	**8,664**	8,290	11,451
	8,664	8,290	11,451
Creditors: amounts falling due within one year	**(29,172)**	(41,946)	(22,835)
Net current liabilities	**(20,508)**	(33,656)	(11,384)
Total assets less current liabilities	**1,998,265**	1,921,235	1,912,233
Creditors: amounts falling due after more than one year	**(115,583)**	(115,553)	(115,576)
Net assets	**1,882,682**	1,805,682	1,796,657
Capital and reserves			
Called-up share capital (note 3)	**119,050**	111,637	114,910
Share premium account	**970,485**	858,991	909,143
Capital redemption reserve	**2,707**	2,707	2,707
Other capital reserves (note 4)	**752,359**	797,745	726,294
Revenue reserve	**38,081**	34,602	43,603
Equity shareholders' funds	**1,882,682**	1,805,682	1,796,657
Net asset value per ordinary share - basic and diluted (note 5)	**395.36p**	404.36p	390.88p

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 April 2021.

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 2022. 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 2022 £'000	(Unaudited) Half-year ended 31 December 2021 £'000	(Audited) Year ended 30 June 2022 £'000
The return per ordinary share is based on the following figures:			
Revenue return	**41,135**	39,903	92,988
Capital return	**26,065**	77,697	6,246
Total	**67,200**	117,600	99,234
Weighted average number of ordinary shares in issue for each period	**467,917,477**	446,480,031	448,747,183
Revenue return per ordinary share	**8.79p**	8.94p	20.72p
Capital return per ordinary share	**5.57p**	17.40p	1.39p
Total return per ordinary share	**14.36p**	26.34p	22.11p

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 2022,16,560,000 new ordinary shares were issued for total proceeds of £65,482,000 (half-year ended 31 December 2021: 925,000 new ordinary shares issued for total proceeds of £3,625,000; year ended 30 June 2022: 14,015,000 new ordinary shares issued for total proceeds of £57,050,000). The number of ordinary shares in issue at 31 December 2022 was 476,199,868 (31 December 2021: 446,549,868; 30 June 2022: 459,639,868). There were no shares in treasury at 31 December 2022 (31 December 2021 and 30 June 2022: nil).

4. Other Capital Reserves

At 31 December 2022, the other capital reserves are made up of the capital reserve arising on investments sold which was £316,480,000 (31 December 2021: £307,144,000; 30 June 2022: £326,585,000) and is distributable and the capital reserve arising on revaluation of investments held which was £435,879,000 (31 December 2021: £490,601,000; 30 June 2022: £399,709,000) 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 £1,882,682,000 (31 December 2021: £1,805,682,000; 30 June 2022: £1,796,657,000) and on 476,199,868 ordinary shares (31 December 2021: 446,549,868; 30 June 2022: 459,639,868) 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 2022

	Level 1	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Equity investments	**2,018,426**	**-**	**347**	**2,018,773**
Total	**2,018,426**	**-**	**347**	**2,018,773**

Financial assets at fair value through profit or loss at 31 December 2021

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Equity investments	1,954,544	-	347	1,954,891
Total	1,954,544	-	347	1,954,891

Financial assets at fair value through profit or loss at 30 June 2022

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Equity investments	1,923,270	-	347	1,923,617
Total	1,923,270	-	347	1,923,617

Financial liabilities

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

At 31 December 2022, the aggregate fair value of the preferred and preference stock was £2,635,000 (31 December 2021: £2,635,000; 30 June 2022: £2,635,000).

At 31 December 2022, the fair value of the secured notes was estimated to be £86,591,000 (31 December 2021: £128,941,000; 30 June 2022: £101,131,000).

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 note 1 in the Company's Annual Report for the year ended 30 June 2022.

7. Transaction Costs

Purchase transaction costs for the half-year ended 31 December 2022 were £538,000 (half-year ended 31 December 2021: £473,000; year ended 30 June 2022: £922,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the half-year ended 31 December 2022 were £17,000 (half-year ended 31 December 2021: £26,000; year ended 30 June 2022: £46,000).

8. Dividends

A first interim dividend of 5.00p per ordinary share was paid on 30 November 2022. The second interim dividend of 5.00p per ordinary share (declared on 14 December 2022) will be paid on 28 February 2023 to shareholders on the register on 27 January 2023. The Company's shares went ex-dividend on 26 January 2023.

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 wider ramifications of the conflict between Russia and Ukraine, 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 2022 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 number (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.

13. Half-Year Report

An abbreviated version of the half-year report, the 'Update', will be posted to shareholders in early March 2023. The Update will also be available on the Company's website www.cityinvestmenttrust.com or in hard copy from the Company's registered office.