COMMENTARY

THE CITY OF LONDON INVESTMENT TRUST

September 2021 For promotional purposes

Fund Managers Name

Job Curtis

Macro backdrop

The oil price rose by 10% in September to end the month at $78/bbl (Brent.) Since the start of 2021, the oil price is up by some 53%. Fears of inflation led to the yield of 10 Year British Government bonds ("Gilts") rising from 0.7% to 1.0% during September.

Overall, the UK equity market produced a negative total return of 1.0%, as measured by the FTSE All Share Index. Larger companies outperformed, with the FTSE 100 Index producing a negative return of 0.2% compared with a negative return of 4.3% for the FTSE 250 Index of medium-sized companies. The FTSE 100 was helped by the strong performance of oil companies, Royal Dutch Shell, and BP, which were respectively City of London's 3rd and 11th largest holdings (as at 30 September 2021), although the portfolio is underrepresented relative to the market average in the oil sector. The banks sector also had a good month, with the rise in gilt yields helpful to the margin between lending and deposit rates.

A new holding was purchased in 3I Group, which invests in private companies. Some 50% of 3I's portfolio is invested in Action, a successful discount retailer in Continental Europe. The rest of 3I's portfolio is invested in companies based on growth themes, such as digitisation and demographics.

The period of "transitory" inflation is becoming more extended than some anticipated. Fiscal and monetary tightening may lead to a reduction in the recent rate of growth in the UK. The dividend yield on UK equities remains attractive relative to the main alternatives.

COMMENTARY

THE CITY OF LONDON INVESTMENT TRUST

For promotional purposes

Discrete year performance % change (updated quarterly)	Share Price	Nav
30/06/2020 to 30/06/2021	21.3	20.0
28/06/2019 to 30/06/2020	-16.2	-14.6
29/06/2018 to 28/06/2019	3.0	2.7
30/06/2017 to 29/06/2018	6.2	6.3
30/06/2016 to 30/06/2017	16.6	14.5
All performance, cumulative growth and annual growth data is sourced from Morningstar		

Glossary

Gilt Yield - The interest rates paid on British government bonds

Tight fiscal policy - Tight fiscal policy involves increasing the rate of tax and/or cutting government spending. It is sometimes known as deflationary fiscal policy and aims to improve government finances

Inflation - The rate at which the prices of goods and services are rising in an economy. The CPI and RPI are two common measures.

Tight monetary policy - Tight, or contractionary monetary policy is a course of action undertaken by a central bank such as the Federal Reserve to slow down overheated economic growth, to constrict spending in an economy that is seen to be accelerating too quickly, or to curb inflation when it is rising too fast.

Janus Henderson INVESTORS

COMMENTARY

THE CITY OF LONDON INVESTMENT TRUST

For promotional purposes

Important information

References made to individual securities should not constitute or form part of any offer or solicitation to issue, sell, subscribe, or purchase the security. Janus Henderson Investors, one of its affiliated advisors, or its employees, may have a position mentioned in the securities mentioned in the report.

For promotional purposes. Not for onward distribution. Before investing in an investment trust referred to in this document, you should satisfy yourself as to its suitability and the risks involved, you may wish to consult a financial adviser. Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

Issued in the UK by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no.2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

Janus Henderson
INVESTORS