City of London Investment Group PLC
Shareholder Presentations

July 2017

CITY OF LONDON
Investment Group PLC

Table of Contents

Presentation Team

Barry Olliff, Chief Executive Officer and Chief Investment Officer

Barry has spent over 50 years in the investment trust sector, starting as a market maker with Denny Brothers in 1964 and moving in 1979 to the investment trust department of Laing & Cruikshank, where he became a director in 1984. Barry founded Olliff & Partners, an investment trust stockbroker, in 1987, the business from which City of London was founded in 1991.

Mark Dwyer, Director and Chief Investment Officer, EM CEF Group

Mark re-joined City of London in May 2012 and has over eighteen years investment experience. Prior to re-joining the Group, Mark spent eight years with Banco Commercial Portuguese as a Director in the Asset Management department. Mark initially joined City of London in 1995 and was a Portfolio Manager based in the UK, followed by the US office. He established City of London's Singapore Office in 2000 where he spent two years. Mark is now CIO of the EM CEF Group and is based in London. He holds a BA in economics and is a CFA Charterholder

CLIG/CLIM Post BREXIT

- Virtually all CLIM income is USD based – our fees are sourced from US Institutions.
- No adverse effects on FUM since the referendum results.
- Over 90% of CLIM income on a see through basis is effectively derived from the EMs.
- Approximately 40% of Group costs are in GBP.
- Only 3% of CLIM assets are UCITS – very little fall out from BREXIT.

Snapshot

An established specialist, growing fund management group with:

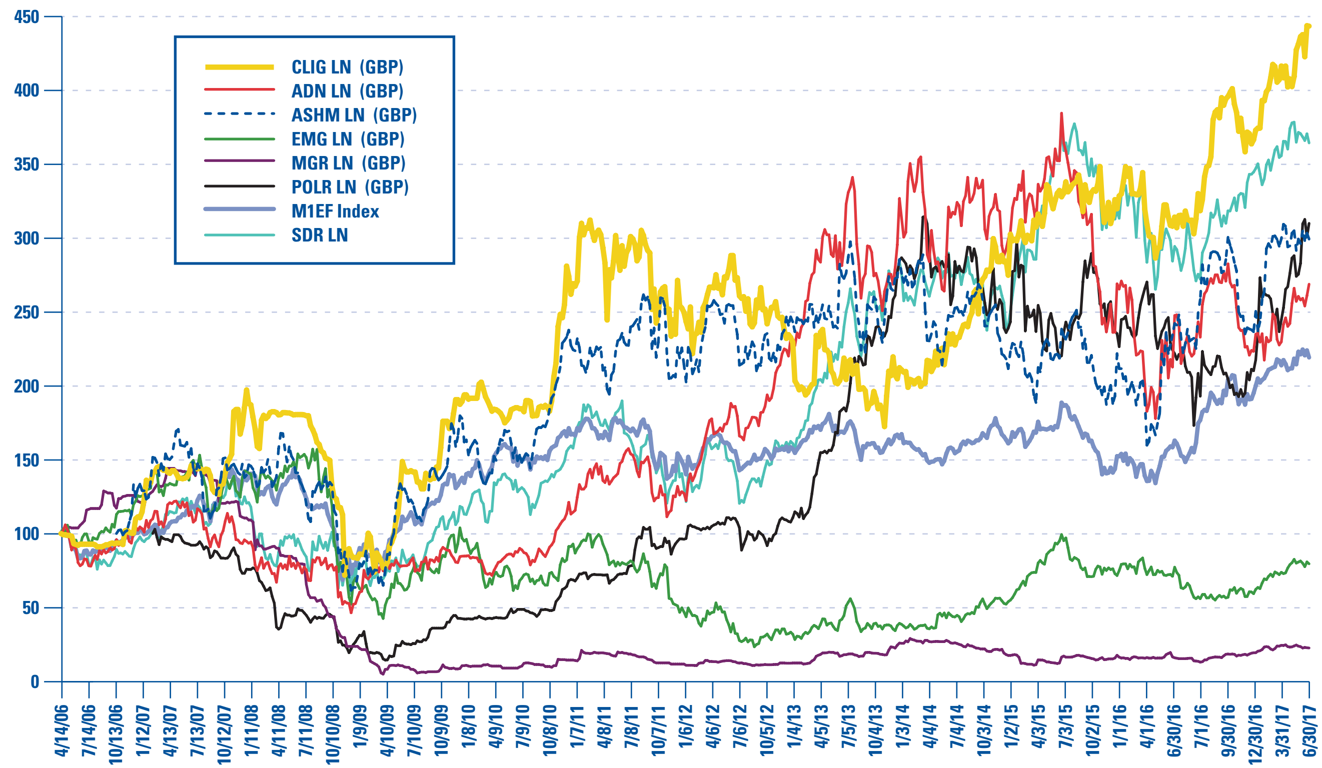
- $4.7 billion (£3.6 billion) of funds under management at 30 June 2017
  - Assumptions for the increase in FuM in 2017/18 are $250m for our EM CEF strategy and $250m for the non-EM CEF strategies
  - A stable institutional client base
- Offices in the US (East Coast and West Coast), London, Singapore and Dubai
  - Managing money using a team approach
- A leading CEF asset manager with a track record of outperformance over multiple market cycles
- Growth plans based on geographical/product diversification and an aversion to risk

. . . and an experienced, incentivised long-term team

Profitability

- Income accrues at a weighted average rate of c84 basis points, net of third party commissions
- Current run-rate for operating profit, before profit-share at 30%, is ~£1.5 million per month based upon current FuM and US$/£ exchange (1.30)
- Estimated unaudited pre-tax profit for the twelve months ended 30 June 2017 ~£11.6 million, which compares to £8.0 million for the equivalent period to 30 June 2016

CLIG Share Performance Since Inception vs. Peer Group



Source: Bloomberg

The Three Stakeholders

- We believe that both our strategy and our objective should be to support the three stakeholders in our business:

Our responsibility is to keep these three stakeholders in balance - (avoid conflicts) and to ensure that each of their interests is safeguarded.

Our Strategy and Objectives

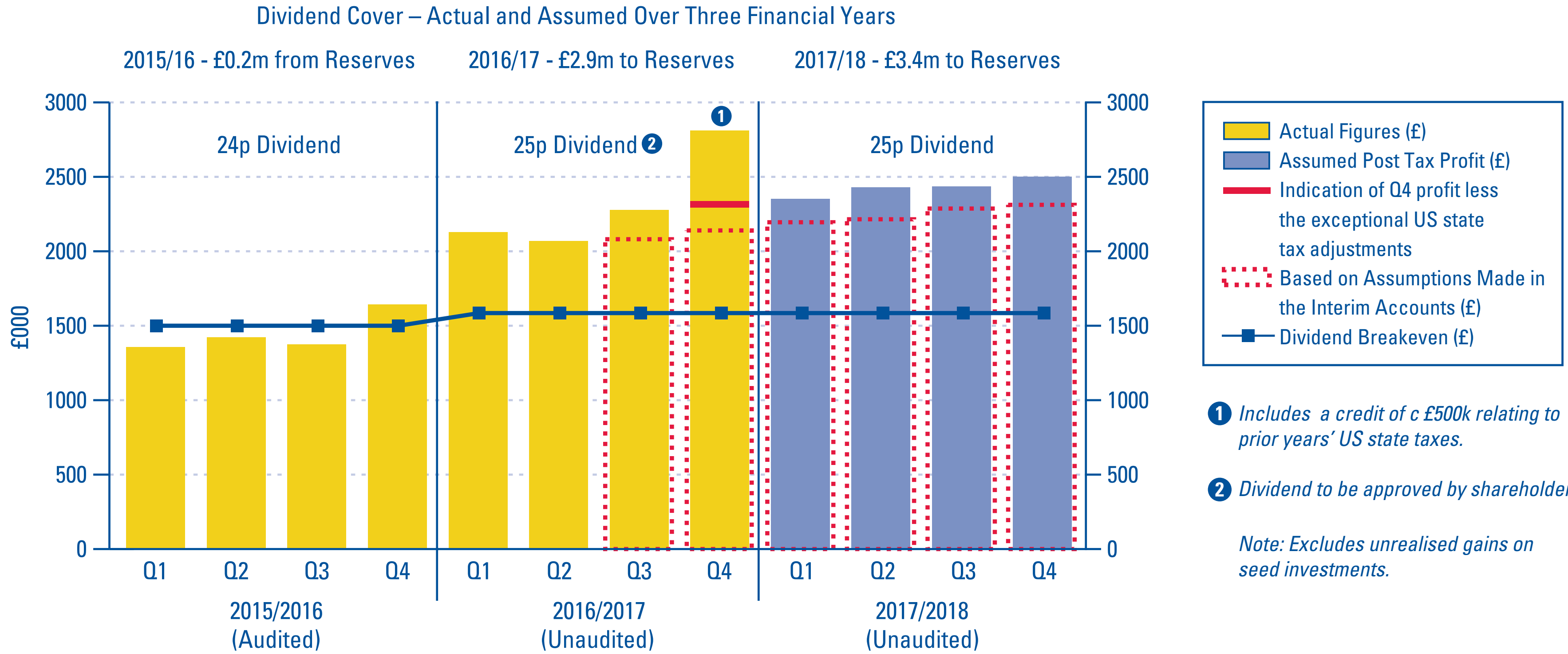
- Increase FuM from long term institutional investors
  - City of London's client base is, and always has been, overwhelmingly institutional
- Outperformance
  - Our job as an active manager is to add value over and above a relevant benchmark through an investment cycle which we define as four to five years
- 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.
- Retain Staff
  - As shareholders would expect, in a firm that has always used a partnership approach, there is a very long term view taken regarding remuneration
- Remain open in our dealing with shareholders, available and accountable
  - We recognise that our shareholders (as well as our clients) have trusted us with their money.

Employee Incentive Plan (EIP)

- It is an all employee plan, consistent with CLIG's team approach
- Strong employee take up, ~60%
- Shares will be purchased in the market, no dilution
- It is linked to the Group's risk adjusted profitability, hence performance related
- Will result in variable pay of cash and deferred shares
- Participation capped at 20% of individual annual bonus (may increase to 30% if headroom)
- Company will match participation
- Company contribution capped at 5% of pre-bonus, pre-tax operating profit until 2019/2020*
- Thereafter the awards will fall within the 30% profit-share limit
- Awards of Restricted Shares (RSAs) will be granted after final dividend for the year
- RSAs will vest 1/3 each year over a three year period
- Awards that vest attract a dividend equivalent payment related to vesting period
- Termination before normal vesting date:
  - RSAs funded by waived bonus to be repaid at the lower of: value at date of grant or date of forfeiture
  - Company funded shares are forfeited upon termination except "good leavers" receive a pro-rated amount
- Clawback the same as applicable to bonus

***Only in a year where the results support a minimum dividend payment of 24p**

CLIM Template – Not a Specific Forecast*



1 Includes a credit of c £500k relating to prior years' US state taxes.

2 Dividend to be approved by shareholders

Note: Excludes unrealised gains on seed investments.

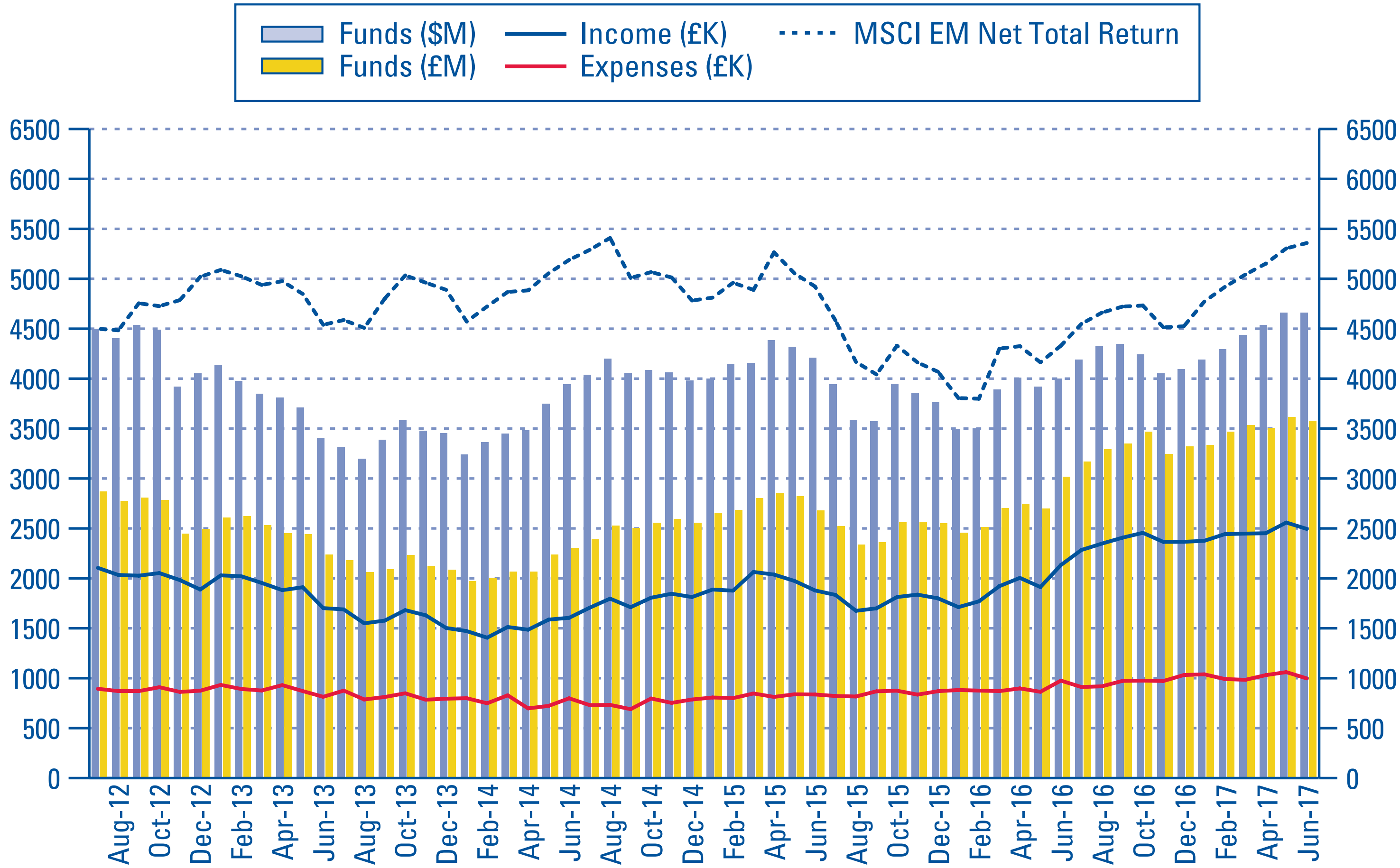
Key Assumptions:
- Starting point Current FuM (end June 2017)
- Net increase in FuM 2017/18 (straight-lined to June 2018):
  - emerging market CEF strategy US$250m
  - non-emerging market CEF strategies US$250m
- Operating margin adjusted monthly for change in product mix and commission run-off
- Market growth: 0%
- Increase in overheads: 3%
- EIP charge: 2%
- Corporation tax based on an estimated average rate of 23%
- Exchange rate assumed to be £1/$1.30 for entire period
- Number of CLIG Shares in issue (26.9m) less those held by the ESOP Trust (1.5m) as at 30 June 2017

**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.*

Relationship Between our Benchmark and FUM

Rolling 60 Months Funds Under Management and Profitability

(Excludes extraordinary items of income and expense)



Results Summary

		30.06.16	31.12.16 (6 Months)	30.06.17
Funds under Management (at period end)		$4.0bn	$4.1bn	$4.7bn
Turnover		£24.4m	£15.4m	£31.3m
Commissions payable		(£1.5m)	(£0.8m)	(£1.4m)
Administrative expenses		(£11.4m)	(£6.2m)	(£12.8m)
Interest income		£0.0m	£0.0m	£0.0m
Investment gains		£0.2m	£0.1m	£0.1m
Profit-share		(£3.7m)	(£2.7m)	(£5.5m)
EIP charge		-	-	(£0.1m)
Profit before tax		£8.0m	£5.8m	£11.6m
Profit after tax		£5.9m	£4.3m	£9.1m
Profit attributable to:	Non-controlling interests	£0.1m	(£0.1m)	(£0.2m)
	Equity shareholders	£5.8m	£4.4m	£9.3m
EPS:	Basic	23.3p	17.6p	36.9p
	Diluted	23.1p	17.5p	36.7p
Dividend:	Interim	8.0p		8.0p
	Final	16.0p		17.0p*

Diluted earnings per share are adjusted for shares held by the ESOP Trust (currently 1.5m) upon which no dividends are paid.
*The final dividend for 2017 is subject to approval.

Note: Figures are unaudited

Dividend

- Our focus on costs has kept expenses down
- Maintaining the dividend was a focus of Management
- As a result of sustained investment performance and diversification our job is now to increase the dividend

Dividend History

	2011-12		2012-13		2013-14		2014-15		2015-16		2016-17	
	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)	Per Share	Total (£ k)
Interim	8p	2,011	8p	1,996	8p	2,010	8p	1,985	8p	1,997	8p	2,027
Final	16p	4,050	16p	4,021	16p	3,975	16p	3,985	16p	4,021	17p*	4,315
Total	24p	6,061	24p	6,017	24p	5,985	24p	5,970	24p	6,018	25p	6,342
Profit attributable to shareholders		8,498		6,266		5,303		6,578		5,791		9,290
Cover Ratio		1.40		1.04		0.89		1.10		0.96		1.46

** The final dividend to be paid in October 2017 is subject to approval and therefore the cost is estimated, based upon the share register at 30 June.*

Note: Figures are unaudited

Income Statement

£'000	Year 2014-2015	Year 2015-2016	Year 2016 -2017
Fee income	25,356	24,413	31,294
Net interest receivable/ (payable)	58	40	(34)
Finder's commission	(2,275)	(1,515)	(1,445)
Custody & administration	(738)	(735)	(881)
Total net income	**22,401**	**22,203**	**28,934**
Costs:			
Human resources	6,250	6,896	7,547
Premises	634	680	735
Communications & IT	1,376	1,526	1,881
Business development	499	550	518
General	686	1,034	1,159
Total costs	**9,445**	**10,686**	**11,840**
Operating profit	**12,956**	**11,517**	**17,094**
Gain on investments	147	172	116
Profit-share	(4,171)	(3,720)	(5,519)
EIP charge	0	0	(101)
Pre-tax profit	**8,932**	**7,969**	**11,590**
Tax	(2,318)	(2,116)	(2,449)
Post-tax profit	**6,614**	**5,853**	**9,141**
Profit attributable to:			
Non-controlling interest	36	62	(149)
Owners of the Company	**6,578**	**5,791**	**9,290**

Please see page 16

30% of operating profits (plus taxes).

New share scheme introduced this year. Maximum cost per annum capped at 5% of operating profit. This year < 1%.

Note: Figures are unaudited

Marketing Commission Run-Off

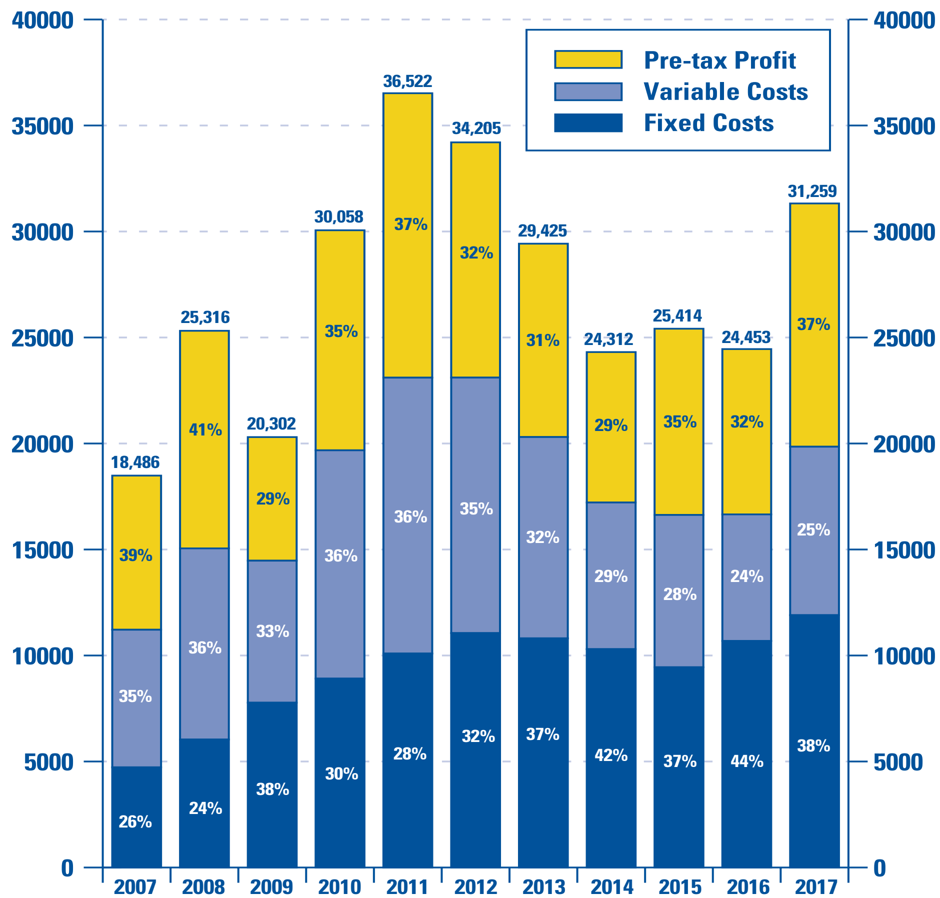
(Based on FuM at 30 June 2017)

Financial Year	£ m
	(@ $1.3 / £ 1)
2017-18	1.2
2018-19	0.8
2019-20	0.2

Assumptions
- No change in client holding
- Constant market level
- Indexed investment performance
- No change in management fees

Source: City of London Investment Management

Fixed Versus Variable Costs



Pre-tax profit = 37% of income

Variable costs = 25% of income

Fixed costs = 38% of income

Note: Excludes extraordinary items of income and expense

Balance Sheet

£'000	30-Jun 2015	30-Jun 2016	30-Jun 2017	
Investments	2,076	2,200	1,086	Principally seed investments in own funds
Fixed / Intangible assets	580	633	921	
Cash	10,227	10,151	13,937	Significant cash balances and no borrowings
Debtors & prepayments	4,509	5,044	5,858	
Creditors & accruals	(2,610)	(3,122)	(3,403)	Includes profit-share
Current & deferred taxes	(535)	(785)	(318)	
Net assets	**14,247**	**14,121**	**18,081**	
Share capital/premium	2,387	2,525	2,525	
Retained earnings	16,128	15,594	19,070	
Capital redemption reserve	21	23	23	
FX Reserve	(8)	75	109	Translation difference on US fixed/intangible assets
Fair value reserve	9	8	166	Unrealised gain/(loss) on investments (Net of deferred tax)
	18,537	**18,225**	**21,893**	
EBT investment	(5,692)	(5,299)	(4,356)	Investment in own shares via loan to Employee Benefit Trust, which is repaid to the company as options are exercised and EIPs vest
Share option reserve	807	563	443	
EIP reserve	0	0	101	
Total shareholders' funds	**13,652**	**13,489**	**18,081**	
Non-controlling interest	595	632	0	
Total equity	**14,247**	**14,121**	**18,081**	

Note: Figures are unaudited

Cash Flow

£'000	2014-15	2015-16	2016-17
Pre-tax profit	8,932	7,969	11,590
Less: Interest / investment income	(205)	(212)	(145)
Adjustment for non-cash items	556	161	(364)
Operating cash flow	**9,283**	**7,918**	**11,081**
Tax (paid) / recovered	(2,219)	(2,095)	(2,679)
Dividends	(5,960)	(5,982)	(6,048)
Tangible asset investment	(108)	(137)	(485)
Exercise of options	246	533	1,133
Interest income	58	40	29
Seed investments - net	6	23	1,073
Sale of other investments	0	0	0
Purchase of shares for cancellation	(325)	(376)	(128)
Purchase of shares for the EBT	(997)	0	(190)
Increase/(decrease) in cash	**(16)**	**(76)**	**3,786**
Opening cash	10,243	10,227	10,151
Closing cash	**10,227**	**10,151**	**13,937**

Depreciation/option charge/ changes in debtor + creditor balances/fx translation

Seed investments in own funds

Note: Figures are unaudited

Financials - Exchange Rates

Post-Tax Profit: Illustration of US$/£ rate effect:

FUM $bn:	3.5	4.0	4.5	5.0	5.5
US$/£	Post-Tax, £m:				
1.20	6.4	8.3	10.1	11.9	13.8
1.25	6.1	7.8	9.6	11.3	13.1
1.30	5.7	7.4	9.1	10.8	12.5
1.35	5.4	7.0	8.6	10.3	11.9
1.40	5.1	6.7	8.2	9.8	11.4

Assumes:

1. Average net fee 84 bps
2. Annual operating costs £5m plus $8m plus S$1m (£1 = S$1.8)
3. Profit-share 30%
4. EIP 2%
5. Average tax of 23%

Note: The above table is intended to illustrate the approximate impact of movement in US$/£, given an assumed set of trading conditions. It is not intended to be interpreted or used as a profit forecast.

Global View - Local Expertise

- Offices in London (1991), US (Coatesville, 1995 and Seattle, 2015), Singapore (2000) and Dubai (2007)
- Of an Investment Team totaling seventeen
  - Sixteen have been with CLIM for in excess of five years, of those fourteen have worked for CLIM for in excess of ten years
  - Fund managers have an average tenure of over fifteen years
- Diverse staff - over 17 languages or dialects spoken
  - Afrikaans
  - Arabic (7 dialects)
  - English
  - French
  - German
  - Gujarati
  - Italian
  - Korean
  - Mandarin
  - Portuguese
  - Punjabi
  - Spanish
  - Swedish

Strategic Positioning

- Most fund managers encourage the cult of the Individual. CoL fosters a Team Approach to Fund Management.
- Many fund managers focus on gathering assets. CoL focuses on Investment Performance.
- Certain fund managers charge performance fees. CoL does not.
- Some fund managers focus on Retail. CoL focuses on long term Institutional Investors.
- A few fund managers have encouraged hot money. CoL avoids it.

Philosophy - The Six Drivers

- Focus on profits, margins, costs
- Investment performance drives our business
- Technology leverages our capabilities
- Aversion to risk in the management of our business
- Diversification based upon core competencies
- Proactive client servicing increases client retention

Investment Performance – Key Strengths

- Excellent investment performance over 20 years
- Specialist investment expertise in Closed-End Funds – Emerging Markets, Developed Markets, Frontier Markets and Global Tactical Asset Allocation
- A proven risk averse culture and prudent investment process
- International presence and expertise
- Low turnover of staff and loyal client base
- Operational gearing
- All staff have equity participation*

**Excludes staff joining after June 2015.*

Performance

Global Emerging Markets SMA Composite

Annual Returns†: Calendar Years

	2004*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**	Inception*
Global EM SMA	+19.59%	+37.81%	+34.01%	+50.81%	-54.36%	+79.27%	+23.20%	-20.56%	+17.89%	+2.05%	+1.77%	-10.67%	+7.78%	+19.71%	+276.37%
S&P Super BMI	+22.73%	+41.83%	+25.60%	+46.41%	-55.11%	+76.12%	+20.86%	-19.17%	+18.28%	+0.32%	-0.87%	-12.39%	+9.65%	+18.05%	+229.74%
Out/Underperformance	-3.14%	-4.02%	+8.41%	+4.40%	+0.75%	+3.15%	+2.34%	-1.39%	-0.39%	+1.73%	+2.64%	+1.72%	-1.87%	+1.66%	+46.63%

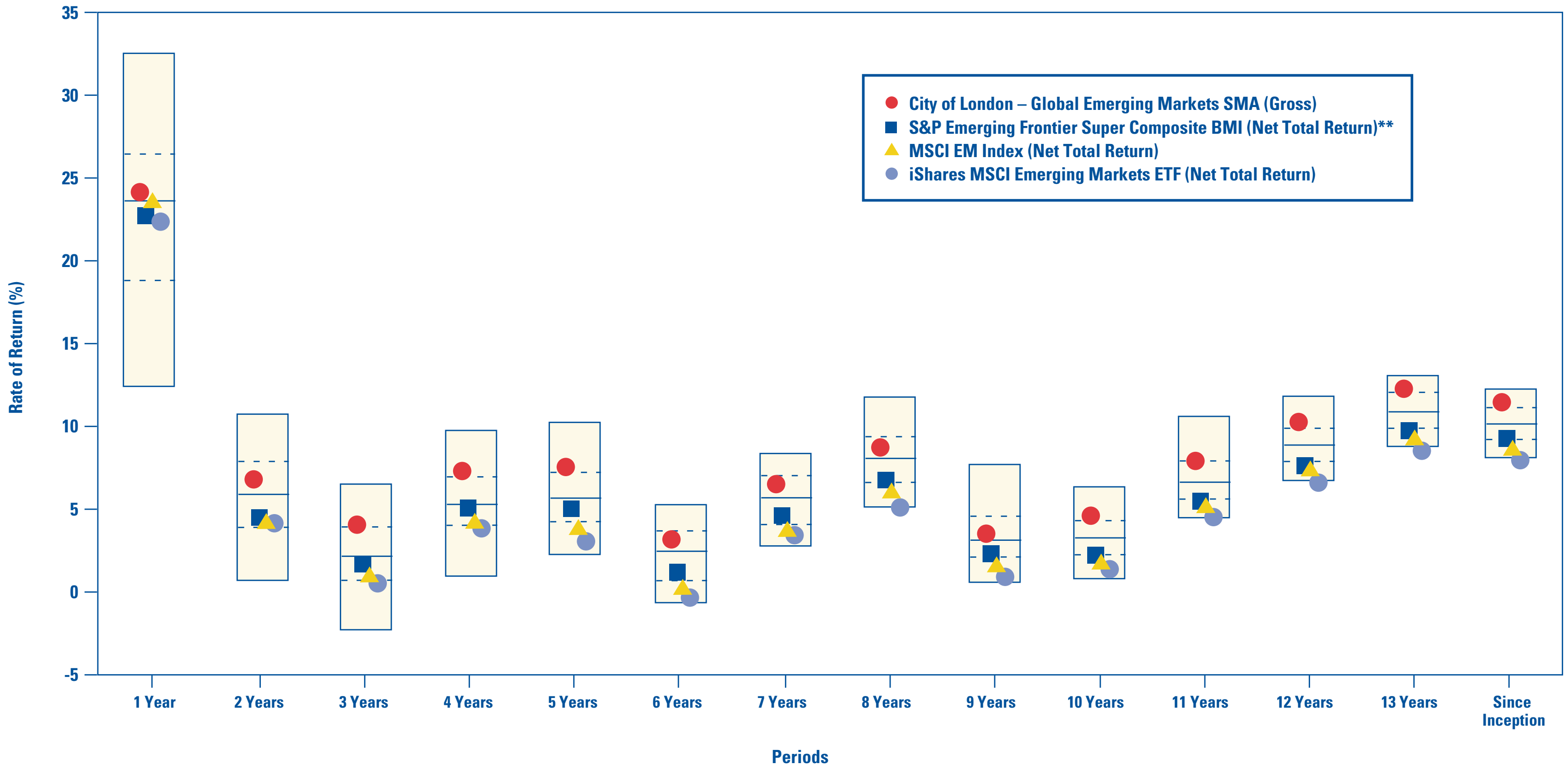
The Global Emerging Markets SMA Composite contains $367.7 million in assets, representing 4 segregated portfolios and represents approximately 7.9% of the total assets under City of London's management as at June 30, 2017. Returns are time weighted and are net of fees on a trade date valuation basis. Returns are quoted in US dollar terms. The benchmark was changed from the S&P Emerging BMI Plus on January 1, 2009 to better reflect the investment strategy of the Fund. The S&P Emerging BMI Plus was the successor index to the S&P/IFC Global Composite Index, the benchmark for the Fund prior to September 1, 2008, which has been discontinued. The current benchmark is the S&P Emerging Frontier Super Composite Net Total Return BMI (S&P Super BMI).

**Inception February 2004*
***Values as at June 30, 2017.*
†Net returns. Past performance is no guarantee of future results.

Source: City of London Investment Management, S&P

Global Emerging Markets SMA Composite
Ending June 30, 2017

According to Evestment Alliance*

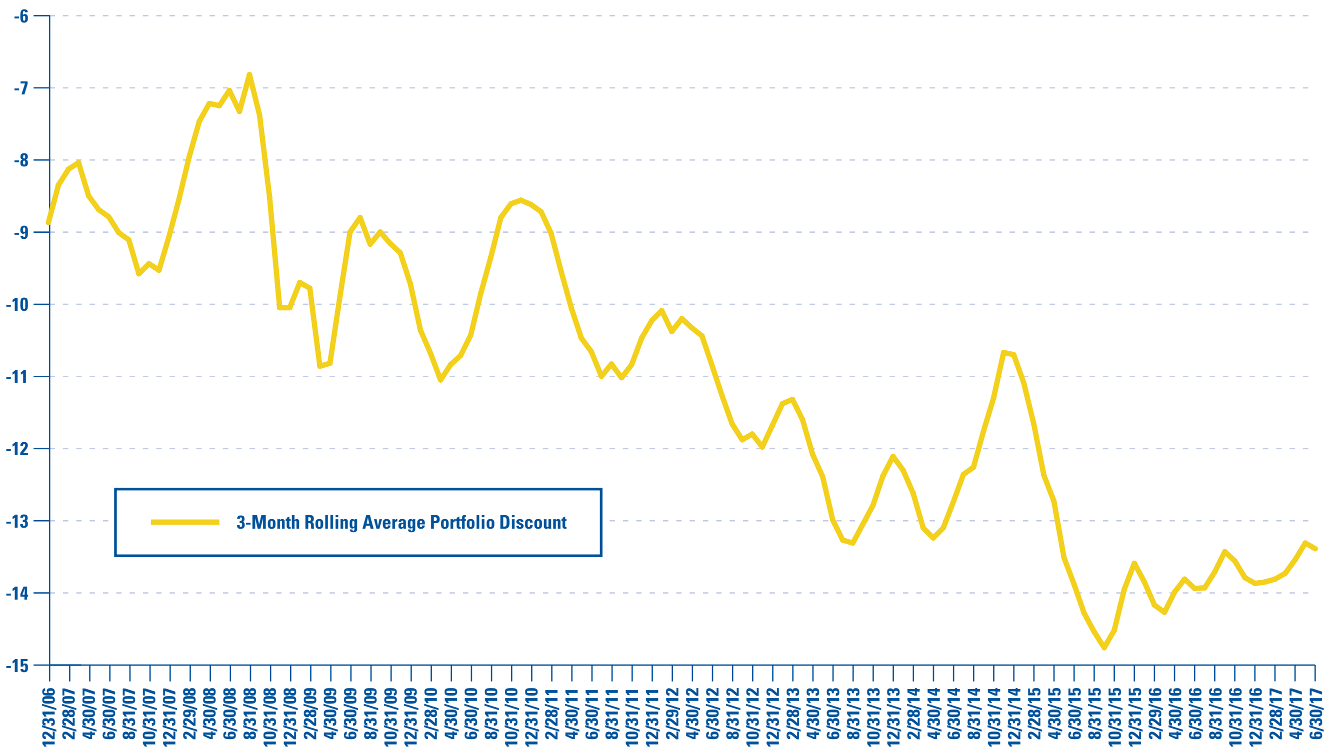


**66.1% of the universe has been updated through Quarter 2, 2017. Inception February 2004.*
***The benchmark was changed from the S&P Emerging BMI Plus on January 1, 2009 to better reflect the investment strategy of the Fund. The S&P Emerging BMI Plus was the successor index to the S&P/IFC Global Composite Index, the benchmark for the Fund prior to September 1, 2008, which has been discontinued. The current benchmark is the S&P Emerging Frontier Super Composite Net Total Return BMI (S&P Super BMI). The MSCI EM Net TR Index and iShares MSCI Emerging Markets ETF are shown for comparative purposes.*
Past performance is no guarantee of future results.

Source: eASE Analytics System, S&P, MSCI, Bloomberg

Representative Account
3-Month Rolling Average Portfolio Discount

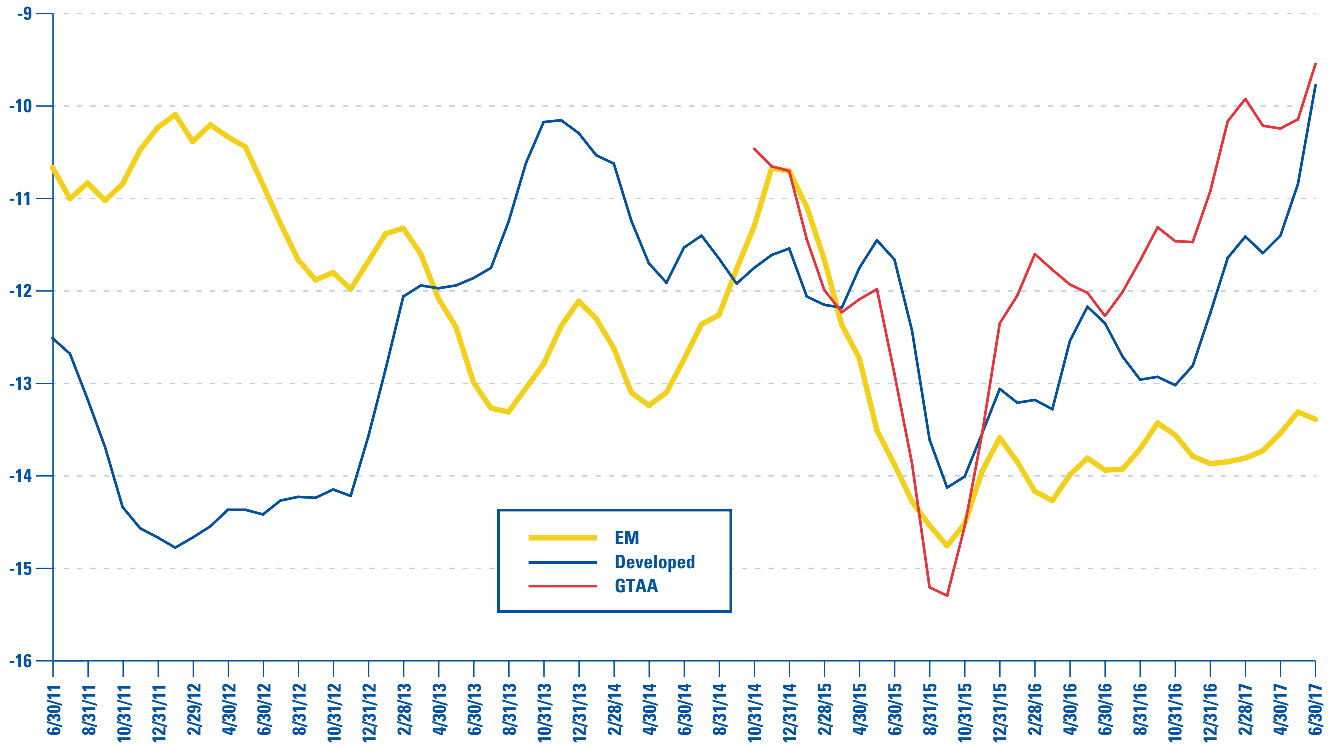
December 2006 to June 2017



Source: City of London Investment Management

Representative Accounts
3-Month Rolling Average Portfolio Discounts by Strategy

June 2011 - June 2017



Source: City of London Investment Management

The Importance of Corporate Governance for Closed-End Funds

- Our long-standing views are captured in our "Statement on Corporate Governance and Voting Policy for Closed-End Funds"
  - First Published in 1999; currently in its Tenth Edition
- The Board of Directors is responsible for the investment company
  - The quality and independence of the Board is of key importance
  - The Board hires and evaluates the Investment Manager
  - Discount control management is the responsibility of the Board
  - Effective Corporate Governance leads to improved tracking by controlling discounts
  - Corporate activity protects Shareholder value
- Board initiatives over the last six years* have returned significant value to investors

• Open-Endings:	$10.8 billion
• Tender Offers:	$3.6 billion
• Capital Gains Distributions:	$915.0 million
• Liquidations:	$1.2 billion
• **Total:**	**$16.5 billion**

** Includes transactions announced for 2017*

The Importance of Corporate Governance for Closed-End Funds (Continued)

Fund	Date	Corporate Action	Universe Reduction (millions)
Yu Ze Fund	May-11	Open Ended	$81.9
Greater China Fund	Jul-11	Tender Offer for 20% of shares outstanding at 98% of NAV	$68.6
India Fund Inc	Aug-11	Tender Offer for 5% of shares outstanding at 98% of NAV	$54.7
Ibero-America Fund Inc	Sep-11	Liquidation	$60.7
Shelton Greater China Fund	Oct-11	Open Ended	$62.6
MS Asia Pacific Fund	Nov-11	Tender Offer for 5% of shares outstanding at 98% of NAV	$17.7
Central Europe Russia and Turkey Fund Inc	Dec-11	Open Market Buyback	$16.6
Prosperity Voskhod	Dec-11	Tender Offer for 7.5% of shares outstanding at 98% of FAV	$21.5
BlackRock Latin American Investment Trust*	Jan-12	Tender Offer for 5% of shares outstanding at 98% of NAV	$18.5
Eastern European Trust*	Jan-12	Tender Offer for 7.5% of shares outstanding at 98% of FAV	$14.0
Asia Tigers Fund Inc	Jan-12	Tender Offer for 5% of shares outstanding at 98% of NAV	$2.2
Baring Emerging Europe*	Feb-12	Tender Offer for 20% of shares outstanding at 97% of NAV	$65.0
Korea Equity Fund Inc	Feb-12	Tender Offer for 10% of shares outstanding at 98% of NAV	$11.2
JPMorgan Asian Investment Trust	Feb-12	Tender Offer for 5% of shares outstanding at 98% of FAV	$25.0
India Fund Inc (ii)	Mar-12	Tender Offer for 5% of shares outstanding at 98% of NAV	$49.2
Singapore Fund Inc	Mar-12	Tender Offer for 25% of shares outstanding at 99% of NAV	$35.2
Taiwan Fund Inc	Jun-12	Tender Offer for 50% of shares outstanding at 99% of NAV	$144.0
Asia Tigers Fund Inc (ii)	Jul-12	Tender Offer for 5% of shares outstanding at 98.5% of NAV	$2.7
Latin American Discovery Fund Inc	Jul-12	Tender Offer for 15% of shares outstanding at 98.5% of NAV	$18.4
Morgan Stanley Eastern Europe Fund Inc	Jul-12	Tender Offer for 15% of shares outstanding at 98.5% of NAV	$10.0
MS Emerging Markets Fund Inc	Jul-12	Tender Offer for 15% of shares outstanding at 98.5% of NAV	$38.0
MS India Investment Fund Inc	Jul-12	Tender Offer for 15% of shares outstanding at 98.5% of NAV	$56.0
Turkish Investment Fund Inc	Jul-12	Tender Offer for 15% of shares outstanding at 98.5% of NAV	$17.0
China Fund Inc	Jul-12	Tender Offer for 25% of shares outstanding at 99% of NAV	$130.0
Malaysia Fund Inc	Jul-12	Liquidation	$67.0
Eastern European Trust (ii)*	Jul-12	Tender Offer for 7.5% of shares outstanding at 99% of FAV	$14.0
Da Cheng Selective Fund	Jul-12	Open Ended	$571.0
East Capital Explorer AB	Aug-12	Open Market Buyback	$5.1
Renaissance Russia Infrastructure Equities	Aug-12	30% in-specie distribution	$50.0
HSBC China Dragon Fund*	Sep-12	Tender Offer for 40% of shares outstanding at 99.8% of NAV and mandate change to 100% China A-share exposure	$129.0
India Fund Inc (iii)	Sep-12	Tender Offer for 5% of shares outstanding at 98% of NAV	$49.1
MS Frontier Emerging Markets Fund	Sep-12	Open Ended	$85.8
Prosperity Voskhod (ii)	Sep-12	Tender Offer for 7.5% of shares outstanding at 98% NAV	$20.0
Qatar Investment Fund*	Dec-12	Tender Offer for 20% of shares outstanding at 99% of FAV	$43.0
JPMorgan Asian Investment Trust (ii)	Dec-12	Tender Offer for 25% of shares outstanding at NAV	$129.0
EOS Russia	Jan-13	Open Market Buyback	$61.0
East Capital Explorer AB (ii)	Jan-13	Tender Offer for 5% of shares outstanding at NAV	$19.0
Asia Tigers Fund Inc (iii)	Jan-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$2.4
Greater China Fund (ii)	Feb-13	Tender Offer for 70%of shares outstanding at 99% of NAV	$225.0
Central Europe Russia and Turkey Fund Inc (ii)	Mar-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$25.0
Henderson Asian Growth Trust	Mar-13	Tender Offer for 50% of shares outstanding at NAV	$248.0
Advance Developing Markets Trust	Mar-13	Tender Offer for 15% of shares outstanding at 1% discount to FAV	$58.0
CCB Principal Advance Power Fund	Mar-13	Open Ended	$688.9
Kai Yuan Fund	Mar-13	Open Ended	$295.5
Jin Tai Fund	Mar-13	Open Ended	$288.5
BlackRock Latin American Investment Trust (ii)*	Apr-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$13.0
India Fund Inc (iv)	Apr-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$46.9
Xing Hua Fund	Apr-13	Open Ended	$320.1

**Denotes security with conditional discount control mechanism. Roman numerals indicate more than one corporate governance event in the same security.*

Source: City of London Investment Management

The Importance of Corporate Governance for Closed-End Funds (Continued)

Fund	Date	Corporate Action	Universe Reduction (millions)
An Xin Fund	Jun-13	Open Ended	$339.3
JPMorgan Asian Investment Trust (iii)	Jun-13	Tender Offer of 5% of shares outstanding at 98% of FAV	$18.7
Renaissance Russia Infrastructure Equities (ii)	Jun-13	Distribution of 90% of fund assets	$95.0
Asia Tigers Fund Inc (iv)	Jul-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$2.5
Eastern European Trust (iii)*	Jul-13	Tender Offer for 7.5% of shares outstanding at 99% of FAV and adoption of 5 year fixed life	$13.1
Yu Yang Fund	Jul-13	Open Ended	$290.0
World Trust Fund	Aug-13	Tender Offer for 15% of shares outstanding at 98% of FAV	$26.8
Impax Asia Environmental Markets	Aug-13	Liquidation	$310.0
Invesco Asia Trust*	Aug-13	Tender Offer for 15% of shares outstanding at 98% of FAV	$51.4
Thai Fund Inc	Sep-13	Tender Offer for 15% of shares outstanding at 98.5% of NAV	$51.7
Central Europe Russia and Turkey Fund Inc (iii)	Sep-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$19.8
India Fund Inc (v)	Sep-13	Tender Offer for 5% of shares outstanding at 98% of NAV	$41.9
Thai Capital Fund Inc	Sep-13	Liquidation	$43.4
Prosperity Voskhod (iii)	Sep-13	Compulsory partial redemption of shares at NAV	$54.0
BlackRock Latin American Investment Trust (iii)*	Sep-13	Tender Offer for outstanding convertible bonds at par less costs	$64.0
Damille Investments Ltd	Oct-13	Liquidation	$55.0
Turkish Investment Fund Inc (ii)	Nov-13	Tender Offer for 10% of shares outstanding at 98.5% of NAV	$10.2
MS India Investment Fund Inc (ii)	Nov-13	Tender Offer for 10% of shares outstanding at 98.5% of NAV	$33.8
Fondul Proprietatea*	Nov-13	Tender Offer for 4.4% of shares outstanding at 85% of NAV	$180.0
JPMorgan Asian Investment Trust (iv)	Dec-13	Tender Offer for 5% of shares outstanding at 98% of FAV	$19.0
Advance Developing Markets Trust (ii)	Dec-13	Tender Offer for 10% of shares outstanding at 99% of FAV	$30.0
Pu Hui Fund	Dec-13	Open Ended	$306.5
Qatar Investment Fund (ii)*	Jan-14	Tender Offer for 10% of shares outstanding at 99% of FAV	$22.3
Asia Tigers Fund Inc (v)	Jan-14	Tender Offer for 5% of shares outstanding at 98% of NAV	$2.3
Fubon Fund	Feb-14	Open Ended	$156.0
Thai Fund Inc (ii)	Feb-14	Capital Gains Distribution of 39.5% of NAV	$108.0
Aberdeen EM Smaller Cos. Opportunities Fund	Feb-14	Capital Gains Distribution of 38% of NAV	$49.7
Central Europe Russia and Turkey Fund Inc (iv)	Mar-14	Tender Offer for 5% of shares outstanding at 98% of NAV	$15.7
India Fund Inc (vi)	Apr-14	Tender Offer for 15% of shares outstanding at 98% of NAV	$128.0
MS Asia Pacific Fund (ii)	Apr-14	Tender Offer for 20% of shares outstanding at 98.5% of NAV	$63.4
Pacific Horizon Investment Trust*	Apr-14	Tender Offer for 5% of shares outstanding at 98% of FAV	$6.9
Tong Yi Fund	Apr-14	Open Ended	$324.9
Tai He Fund	Apr-14	Open Ended	$338.5
Jing Hong Fund	Apr-14	Open Ended	$290.5
Han Sheng Fund	Apr-14	Open Ended	$323.5
Prosperity Voskhod (iv)	May-14	Compulsory partial redemption of shares at NAV	$50.0
An Shun Fund	May-14	Open Ended	$513.2
Xing He Fund	May-14	Open Ended	$445.6
Thai Fund Inc (iii)	Jun-14	Capital Gains Distribution of 5.4% of NAV	$9.1
DPF India Opportunities Fund	Jun-14	Open Ended	$85.0
World Trust Fund (ii)	Jun-14	Tender Offer for 15% of shares outstanding at 98% of FAV	$29.6
Advance Developing Markets Trust (iii)	Jun-14	Tender Offer for 10% of shares outstanding at 99% of NAV	$27.3
Yu Long Fund	Jun-14	Open Ended	$403.9
Pu Feng Fund	Jun-14	Open Ended	$392.0
Central Europe Russia and Turkey Fund Inc (v)	Jun-14	Tender Offer for 5% of shares outstanding at 98% of NAV	$15.1
Tian Yuan Fund	Jul-14	Open Ended	$456.0
Jin Xin Fund	Nov-14	Open Ended	$546.4

**Denotes security with conditional discount control mechanism. Roman numerals indicate more than one corporate governance event in the same security.*

Source: City of London Investment Management

The Importance of Corporate Governance for Closed-End Funds (Continued)

Fund	Date	Corporate Action	Universe Reduction (millions)
Pacific Horizon Investment Trust (ii)*	Nov-14	Tender Offer for 5% of shares outstanding at 98% of FAV	$10.7
Tong Sheng Fund	Dec-14	Open Ended	$549.3
Fondul Proprietatea (ii)*	Dec-14	Tender Offer for 6% of shares outstanding at a fixed price equivalent to a 6.5% discount	$234.0
Templeton Dragon Fund, Inc	Dec-14	Capital Gains Distribution of 15% of NAV	$129.1
Han Xing Fund	Jan-15	Open Ended	$490.8
Jing Fu Fund	Jan-15	Open Ended	$506.3
Thai Fund Inc (iv)	Jan-15	Capital Gains Distribution of 26% of NAV	$44.3
Pacific Alliance Asia Opportunity Fund	Jan-15	Share buyback at 5% discount to Dec month-end NAV	$29.5
Henderson Value Trust	Jan-15	Tender Offer for 10% of shares outstanding at 98% of NAV	$20.0
Prosperity Voskhod (iv)	Jan-15	Compulsory partial redemption of shares at NAV	$25.5
Qatar Investment Fund (iii)*	Feb-15	Tender Offer for 10% of shares outstanding at 99% of FAV	$23.0
Morgan Stanley Eastern Europe Fund Inc (ii)	Mar-15	Liquidated	$51.1
Pacific Horizon Investment Trust (iii)*	Apr-15	Tender Offer for 5% of shares outstanding at 98% of FAV	$11.1
Central Europe Russia and Turkey Fund Inc (vi)	Jul-15	Tender Offer for 5% of shares outstanding at 98% of NAV	$9.4
Morgan Stanley China A Share Fund	Sep-15	Capital Gains Distribution of 15% of NAV	$105.0
Templeton Dragon Fund (ii)	Sep-15	Capital Gains Distribution of 10% of NAV	$80.5
Pacific Horizon Investment Trust (iv)*	Oct-15	Tender Offer for 5% of shares outstanding at 98% of FAV	$9.0
Templeton Russia Fund	Nov-15	Liquidated	$55.1
Templeton Dragon Fund (iii)	Dec-15	Capital Gains Distribution of 8% of NAV	$60.2
Korea Fund Inc	Dec-15	Capital Gains Distribution of 10% of NAV	$32.2
Morgan Stanley China A Share Fund (ii)	Dec-15	Capital Gains Distribution of 26% of NAV	$186.4
Templeton Emerging Markets Fund	Dec-15	Capital Gains Distribution of 10% of NAV	$23.0
China Fund Inc (ii)	Dec-15	Capital Gains Distribution of 9% of NAV	$23.5
Qatar Investment Fund (iv)*	Dec-15	Tender Offer for 14% of shares outstanding at 99% of FAV	$25.0
HSBC China Dragon Fund (ii)*	Feb-16	Tender Offer for 20% of shares outstanding at 99.6% of NAV	$52.0
Pacific Horizon Investment Trust (v)*	Apr-16	Tender Offer for 5% of shares outstanding at 98% of FAV	$8.1
Tong Qian Fund	Aug-16	Open Ended	$281.4
HSBC China Dragon Fund (iii)*	Aug-16	Tender Offer for 20% of shares outstanding at 99.6% of NAV	$44.0
Templeton Dragon Fund (iv)	Sep-16	Capital Gains Distribution of 6% of NAV	$53.5
Pacific Horizon Investment Trust (vi)*	Oct-16	Tender Offer for 5% of shares outstanding at 98% of FAV	$9.2
Lazard World Trust Fund (iii)	Oct-16	Tender Offer for 10% of shares outstanding at 98% of FAV	$16.9
Baring Emerging Europe (ii)*	Jan-17	Tender Offer for 10% share outstanding at 97.5% of FAV	$16.0
Hong Yang Fund	Mar-17	Open Ended	$291.1
Ke Rui Fund	Mar-17	Open Ended	$367.5
Fenghe Fund	Mar-17	Open Ended	$438.9
Qatar Investment Fund (v)*	Mar-17	Tender Offer for 12% shares outstanding at 99% of FAV	$17.0
Terra Capital*	Mar-17	Tender Offer for 10% of shares outstanding at 97% of FAV	$6.1
Fondul Proprietatea (iii)*	Mar-17	Tender Offer for 6.4% of shares outstanding at RON 0.91 per share	$150.8
Great Wall Jiujia Fund	Mar-17	Open Ended	$279.2
HSBC China Dragon Fund (iv)*	Apr-17	Tender offer for 20% of shares outstanding at 99.8% of NAV	$39.0
Korea Fund (ii)	May-17	Tender offer for 10% of shares outstanding at 98% of NAV	$28.3
MS India Investment Fund Inc (iii)	Jun-17	Capital Gains Distribution of 2% of NAV	$10.4
			Total as of 7/1/17 (millions) $16,177.2
Turkish Investment Fund	Mar-17	Liquidation Proposal to be voted on in July 2017	$38.3
JPMorgan China Region Fund	May-17	Liquidation Proposal passed; awaiting payments to shareholders	$108.8
Korea Equity Fund	May-17	Liquidation Proposal passed; awaiting payments to shareholders	$86.4
Invesco Asia Trust (ii)*	May-17	Announcement of tender offer for 15% of shares outstanding at 98% of FAV, payable August 2017	$48.0
			Projected Total (millions) $16,458.7

**Denotes security with conditional discount control mechanism. Roman numerals indicate more than one corporate governance event in the same security.*

Source: City of London Investment Management

Investment Performance – Process

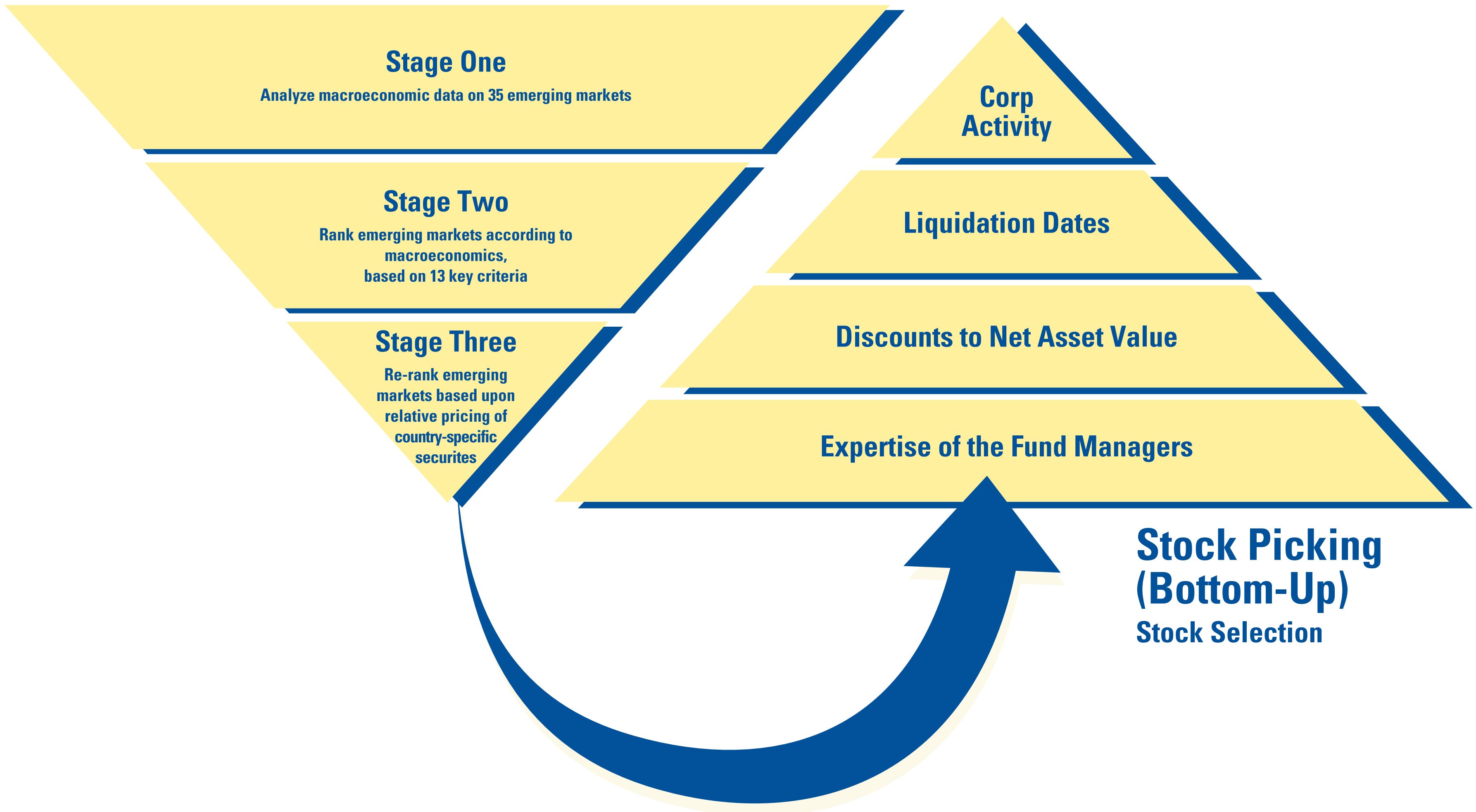
- Monthly Macroeconomic overview

- Analytical research on approximately 400 emerging market securities listed in 26 financial centres around the world
- Real-time monitoring of estimated NAVs
- Maintenance of proprietary database including fund performance data since inception
- Extensive manager due diligence

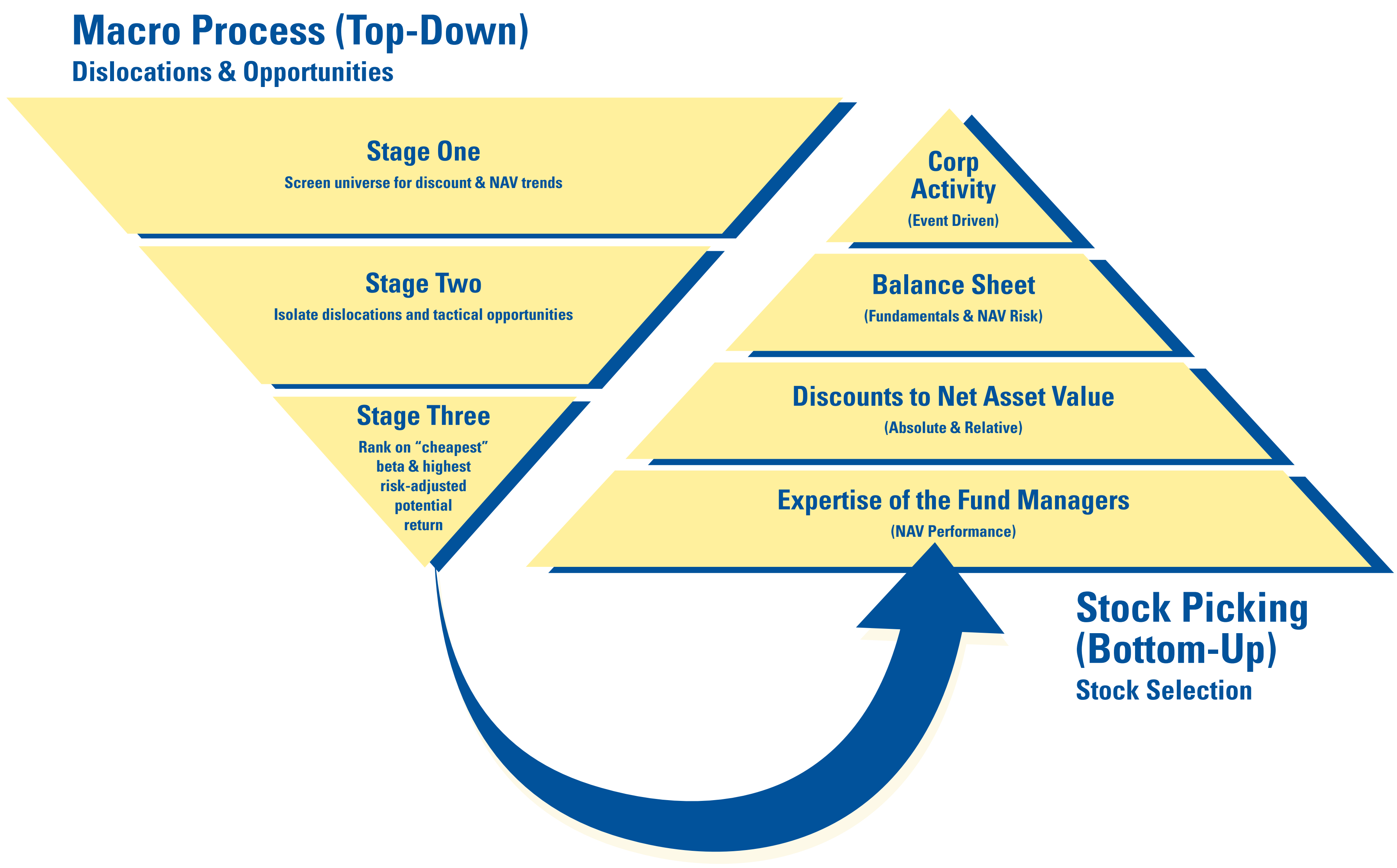
The Investment Process (CEFs)

Macro Process (Top-Down)

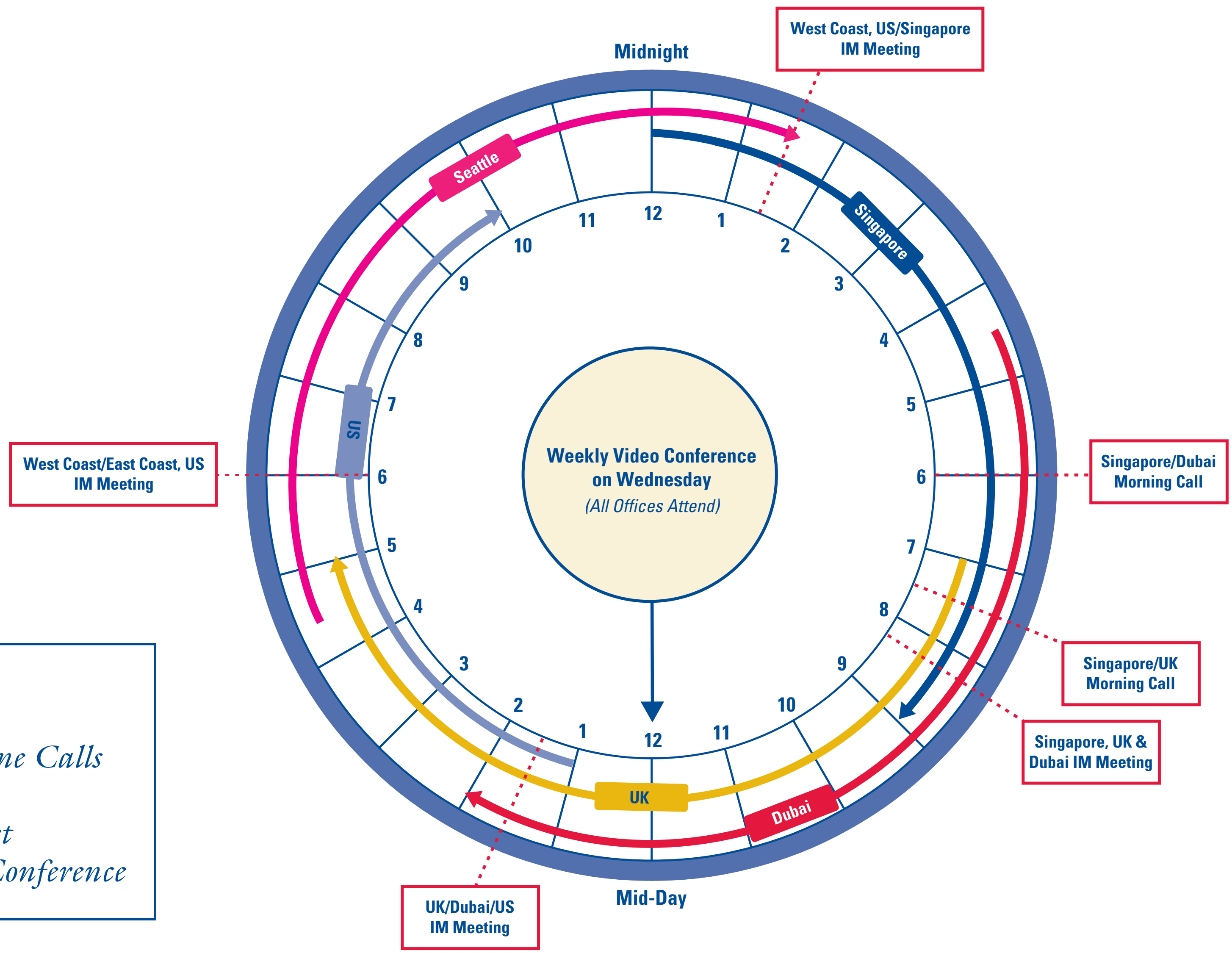
Country Allocation



The Investment Process (Customised CEF Solutions)



Communication and the 24 Hour Trading and Management Clock (GMT)



Plus:

- *Emails*
- *Telephone Calls*
- *Blogs*
- *Intranet*
- *Video Conference*

Factors that May Affect EM CEF's Flows

- US Institutions significantly underweight
- Wide SWAD
- Significant Corporate Activity
- Reduced correlation good for EM CEF NAVs
- Significant Dispersion between MXEF and other EM Benchmarks
  - S&P Super BMI – +5.1%: MSCI EM Index – +3.3%*
- Expect rebalancing from Developed to EM

**As at 30 June 2017, 3 Year Rolling Cumulative Return*

Source: MSCI, S&P

ESG - Environmental, Social and Governance

- CLIG is a signatory to Principles for Responsible Investment (PRI) and UK Stewardship Code
- For Shareholders
  - Environmental initiatives introduced with respect to carbon footprint, waste reduction, recycling and energy efficiency
  - Social sphere encompasses employee welfare and development and community support
  - Highest standards of Governance applied to all business dealings and employee conduct
  - Measurement and tracking via Annual Report
  - Objective is to apply ESG principles within existing CLIG framework
- For Clients
  - Using Sustainalytics research to incorporate ESG into the investment process
  - Measuring the ESG characteristics of CEF portfolios vs relevant benchmarks
  - Encourage better transparency of ESG characteristics from CEFs
  - CLIM's CEF portfolios' overall ESG score above average
  - Objective remains to deliver superior investment performance – no alteration to the CLIM investment process

Investment Performance – Valuation Drivers

- China is rebalancing
- EMs have significant Foreign Exchange Reserves
- They trade at low (12.2x) forward (12 months) P/Es*
- Currencies are generally not now pegged to the US$
- Increasing intra regional trade
- Commodity prices have stabilised
- EPS tailwind from improved global growth
- Politics and governance remain key

**Source: MSCI, Bloomberg (30 June 2017)*

Use of Technology - Investment Management

- CoL has consistently sought to introduce integrated technology solutions:
  - DART – A recently released custom research database with improved performance and functionality from its predecessor
  - The use of Charles River allows for significant economies of scale
  - Development of internal programming capabilities
- This supports:
  - Focus on relative investment performance
  - Five centre team approach, which allows 24 hour trading, reduces risk and assists with disaster recovery
  - Consistent improvement in investment process via use of training and technology
  - Investment performance achieved with low volatility vs. benchmarks
  - Introduction of multiple dashboards used for review/analysis of data

Use of Technology - Marketing/Client Servicing/Performance & Attribution

- This allows…
  - CRM database to track marketing opportunities with client prospects and consultants
  - Client servicing database – client data including performance
  - Proprietary attribution database
    - (country allocation / currency / NAV performance / discount moves)
  - Investment operations across international offices, 24 hours a day
  - FIX trade messaging

Aversion to Risk

- Business
  - Relative-return fees provide more stable revenues than absolute-return performance fees
  - New offices need to become profit centres
- Counter Party
  - No stock lending
  - Comprehensive counter party review semi-annually
  - All trades cash against delivery
  - CLIM does not handle client monies (all CoL fund assets held by custodians and are audited)
  - No bad debts

…risk management needs to be part of a company's culture

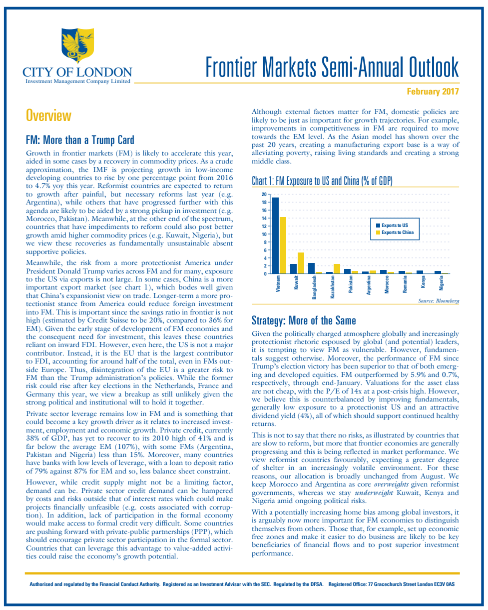
Growth Plans

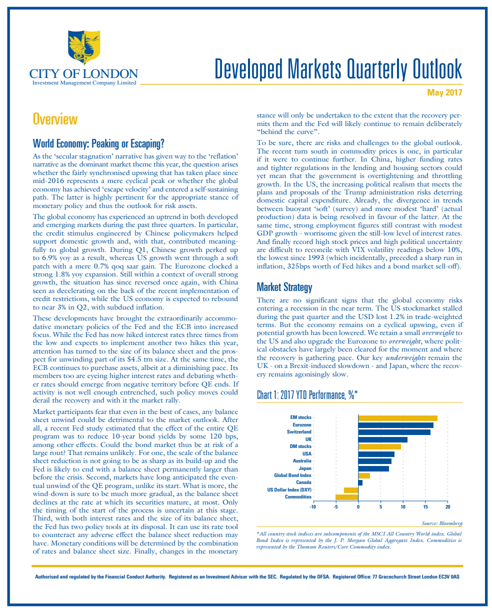
- Increase range of investment markets to be covered, building upon our core expertise
- Diversification products now 10% of AUM
  - Global Closed-End Funds
  - Customised CEF Solutions
  - Frontier Emerging Markets
  - Global Tactical Asset Allocation
- Continue to pursue expansion of client base outside of the United States.
  - Europe
  - Far East
  - Middle East
- Recruiting, encouraging and retaining team talent
- Actively seeking acquisition opportunities

…while maintaining low risk profile and lean cost base

Economies of Scale

- Macro Products
  - Frontier Markets
  - Developed Markets
  - Emerging Markets





… Significant economies of scale.

Business Diversification Product Map as of March 2017

	Emerging Market CEFs	Frontier Funds	Developed CEFs	Customized CEF Solutions
Institutional Segregated Accounts	Emerging Markets 2004; EM Focus 2005	Frontier 2015	Global Developed 2009	Special Situations 2012; Global Tactical Asset Allocation 2014; Private Equity 2016
Institutional Commingled Funds	Emerging Markets Global 1994; Emerging Markets Investable 1996; Emerging Markets Free 2003; China A Share 2003; Emerging Markets Plus 2009	Frontier 2005; Bangladesh 2016	Global Developed 2010	Tactical Income CEF 2014
Dublin UCIT	Emerging World Fund 1991*			

*Formerly Emerging Markets Country Trust

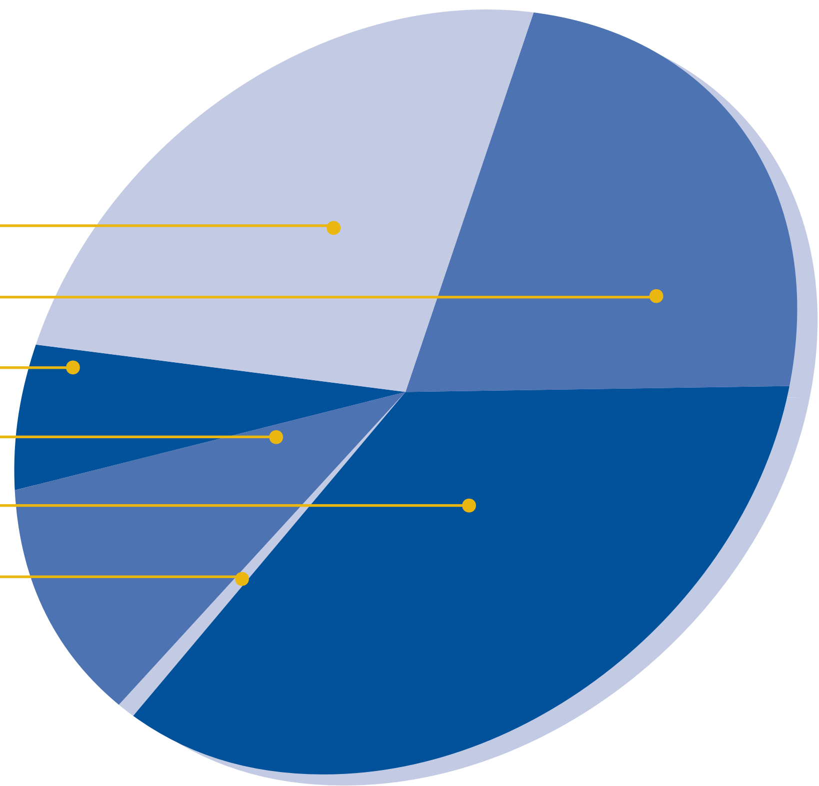
Client Accounts

	31/5/2011 ($m)	31/5/2012 ($m)	31/5/2013 ($m)	30/6/2014 ($m)	30/6/2015 ($m)	30/6/2016 ($m)	30/12/2016 ($m)	30/6/2017 ($m)
European Accounts:								
World Markets Umbrella Fund	301	252	181	125	105	108	110	145
Segregated accounts	622	498	83	55	49	71	67	69
Total	**923**	**750**	**264**	**180**	**154**	**179**	**177**	**214**
US Accounts:								
Commingled products - EM CEFs	3,181	2,465	2,406	2,429	2,266	1,952	1,945	2,160
Segregated accounts - EM CEFs	1,444	1,045	769	991	1,168	1,230	1,295	1,560
Emerging Markets Plus	36	29	34	38	40	36	48	68
Natural Resources	20	31	14	5	2	0	0	0
Developed CEF	2	47	60	75	78	51	128	154
Other US Accounts (China, Frontier, GTAA, PE)	10	11	40	67	301	386	337	345
Total	**4,693**	**3,628**	**3,323**	**3,605**	**3,855**	**3,655**	**3,753**	**4,287**
Other accounts:	**206**	**101**	**126**	**159**	**202**	**171**	**167**	**160**
Total FUM	**5,822**	**4,479**	**3,713**	**3,944**	**4,211**	**4,005**	**4,097**	**4,661**

Client Type*

As a Percentage of Total Assets (%)

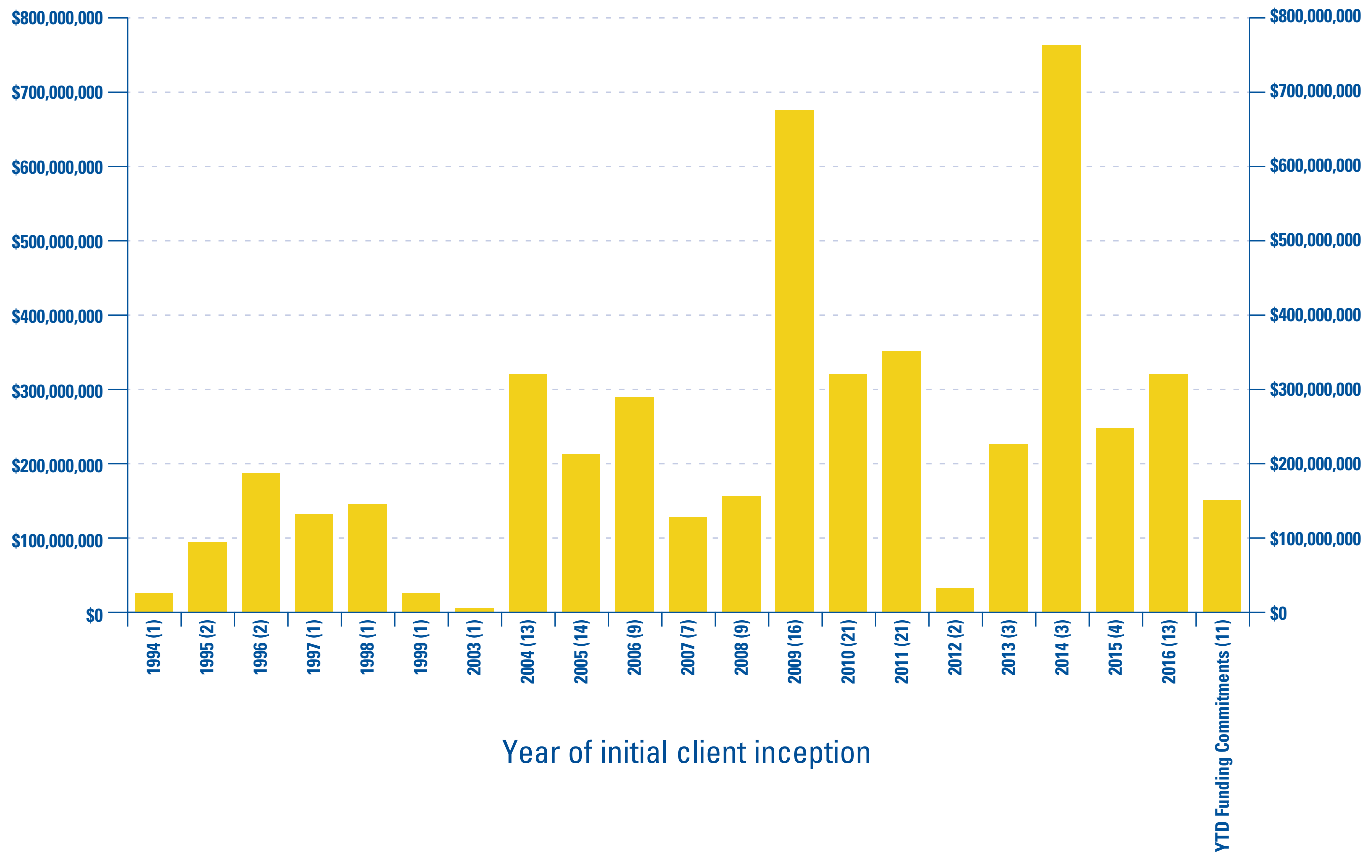
Foundation	23%
Endowment	21%
Other Institutions	8%
Healthcare	11%
Pension	36%
Retail	1%



**Estimates as at 30 June 2017*

Client Tenure*

The graph below shows the length of time that clients have been invested with us.



As at 30 June 2017.

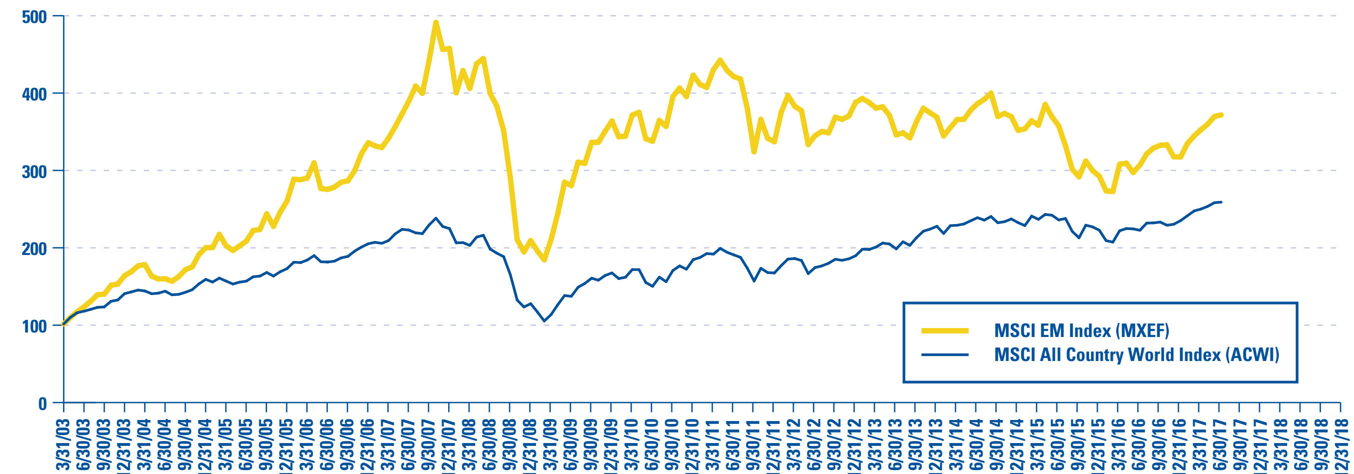
Financial Calendar

	2017-18
Pre-close Trading Update, Dividend Declaration & End of Close Period	19-Jul-2017
Start of Close Period	20-Jul-2017
Preliminary Results and End of Close Period	18-Sep-2017
Start of Close Period	25-Sep-2017
1st Quarter FuM / Interim Management Statement and End of Close Period	9-Oct-2017
Ex-dividend Date for Final Dividend	12-Oct-2017
Final Dividend Record Date	13-Oct-2017
AGM	23-Oct-2017
Final Dividend Payment	31-Oct-2017
Start of Close Period	2-Jan-2018
2nd Quarter FUM Announcement	16-Jan-2018
Half Year Results, Interim Dividend Announcement & End of Close Period	19-Feb-2018

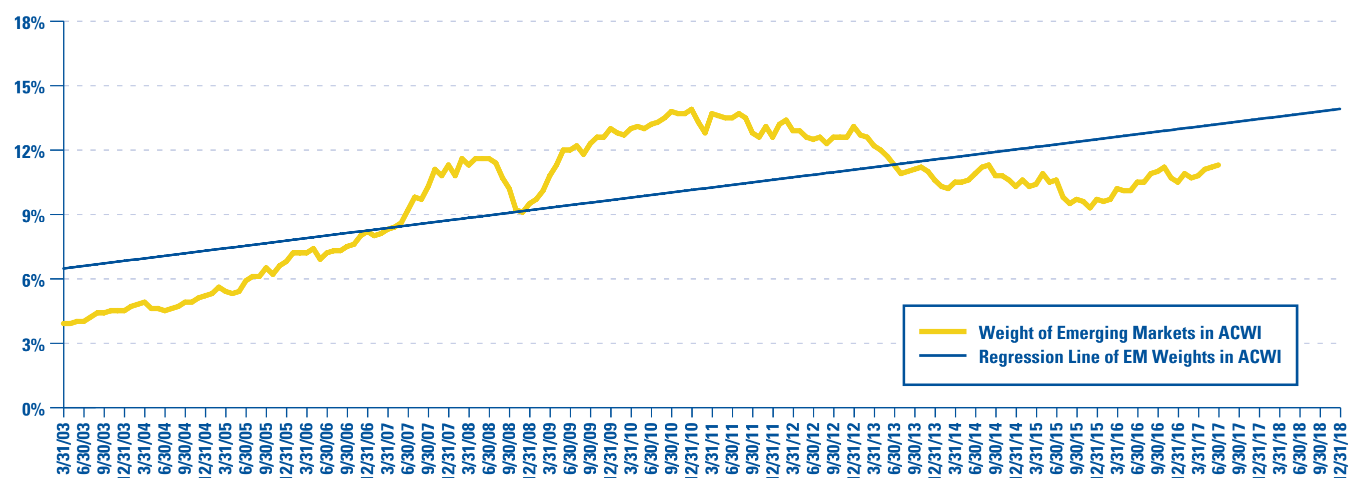
History

- **1989** – Established as part of Olliff & Partners, stockbrokers
- **1991** – Launched first fund, Emerging Markets Country Trust, a UK unit trust
- **1995** – Launched first US fund – The Emerging Markets Country Fund
- **1997** – Stockbroking activities discontinued
  - US office opened on East coast
- **2000** – Singapore office opened
- **2006** – Admission to AIM
- **2007** – Dubai office opened
- **2009** – Launch of Developed CEF Strategy
- **2010** – Admission to official list (premium segment)
- **2012** – Qualified Foreign Institutional Investors (QFII) scheme in China
- **2013** – Additional quota granted to Qualified Foreign Institutional Investors (QFII) scheme in China
- **2015** – Opened West Coast (US) office and appointed an additional marketer

Relationship Between MSCI Emerging Markets Index & MSCI All Country World Index*



Rebased to 100 as of March 2003



**Index returns subject to change due to restatements by index vendors in the historical index levels.*

Source: City of London Investment Management, Bloomberg, MSCI

Shareholders

As at 30 June 2017

	%
Barry Olliff*	8.5%
Other Directors, Staff & EBT	8.8%
Subtotal	**17.3%**
BlackRock	10.2%
Hargreave Hale	4.9%
Polar Capital	3.3%
Other	64.3%
Total	**100.0%**

**In line with his previously announced intention, during the financial year Barry Olliff sold 500,000 CLIG shares at 400p. Going forward, his revised intention is to reduce his holding progressively at 25p increments, commencing with up to 250,000 shares at 425p and up to a further 250,000 shares at 450p.*

Important Notice

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The Funds have not been, and will not be, registered under the Investment Company Act of 1940, as amended, and interests of the Funds have not been, and will not be, registered under the Securities Act of 1933, as amended, and may only be offered via private placement transactions. An investment in the Funds may be made only pursuant to the applicable offering documents. Shares in the sub-funds of The World Markets Umbrella Fund plc are not available for sale in any jurisdiction in which such sale would be prohibited. In particular, the fund has not been registered under the United States Securities Act of 1933.

Changes in currency exchange rates will affect the value of the investment. Discounts are calculated using estimated NAVs by City of London's Research Department.

City of London Investment Group PLC

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