

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.**

This document comprises a supplementary prospectus relating to City of London Investment Group plc ("**CLIG**" or the "**Company**") and, together with its consolidated subsidiaries from time to time, the "**Group**") in connection with the issue of New Shares, prepared in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of FSMA. This document has been approved by the FCA in accordance with section 87A of FSMA, will be made available to the public and has been filed with the FCA in accordance with the Prospectus Regulation Rules. This document, together with the document incorporated into it by reference (as set out in paragraph 3 of Part II (*Supplements to the Prospectus*) of this document) will be made available to the public in accordance with Prospectus Regulation Rule 3.2.1 by the same being made available, free of charge, at [www.citlon.com](http://www.citlon.com).

Each of CLIG and the Directors, whose names appear on page 6 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of CLIG and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

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## City of London Investment Group plc

*(a public limited company incorporated in England and Wales with company number 2685257)*

### Proposed Merger with Karpus Management, Inc.

### Issue of up to 24,118,400 New Shares in connection with the Merger

### Supplementary Prospectus

*Sponsor*

*Financial Adviser and Broker*

**Beaumont Cornish Limited**

**Zeus Capital Limited**

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**This document is supplementary to, and should be read in conjunction with, the prospectus published by the Company on 12 June 2020 (the "Prospectus"). The definitions adopted in the Prospectus apply in this document, save where the terms are defined in this document or where the context requires otherwise.**

Zeus Capital Limited ("**Zeus Capital**") and Beaumont Cornish Limited ("**Beaumont Cornish**" or the "**Sponsor**" and, together with Zeus Capital, the "**Financial Advisers**"), each of which is authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company and no-one else in connection with the arrangements described in this document and will not regard any other person (whether or not a recipient of this document) as a client in relation to the arrangements described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the arrangements referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Financial Advisers by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liabilities under the relevant regulatory regime would be illegal, void and unenforceable, neither of the Financial Advisers nor any of their respective affiliates accepts any responsibility whatsoever or makes any representation or warranty, express or implied, for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, or the arrangements described in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Each of the Financial Advisers and their respective affiliates accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any such statement.

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#### **NOTICE TO UNITED STATES SHAREHOLDERS**

The Shares have not been approved or disapproved by the SEC, any state's securities commission in the US or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of the Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the US. This Prospectus is not an offer of securities for sale in the United States, or any other jurisdiction.

The New Shares to be issued to KMI Stockholders as consideration for the Merger will not be, and are not required to be, registered with the SEC under the US Securities Act, in reliance upon an exemption from registration thereunder. The Shares have not been and will not be registered on a United States securities exchange or quoted on any inter-dealer quotation system in the United States. The Company does not intend to take any action to facilitate a market in the Shares in the United States.

The Shares will not be registered under the securities laws of any state of the United States, and the New Shares will be issued in the United States to KMI Stockholders in reliance on available exemptions from such state law registration requirements. The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

This document is dated 18 September 2020.

## PART I - INTRODUCTION AND SUPPLEMENTS TO THE SUMMARY

### 1. Introduction

The publication of this document is a regulatory requirement under the Prospectus Regulation Rules and section 87G of FSMA following the publication by the Company of its audited consolidated annual financial statements for the 12 months ended 30 June 2020 (the "**2020 Annual Financial Statements**"). This document contains further details of this significant new factor and is supplemental to, and should be read in conjunction with, the Prospectus.

### 2. Summary

As a result of the publication of the 2020 Annual Financial Statements, paragraph 2.2 of the summary of the Prospectus is hereby supplemented as follows:

#### CLIG

The selected financial information for CLIG set out below has been derived without material adjustment from the 2020 Annual Financial Statements.

Selected consolidated statement of comprehensive income:

	<b>Year ended 30 June 2020 audited (£)</b>
Net fee income	31,671,002
<b>Operating profit</b>	11,598,385
Interest receivable and similar gains	(943,689)
Acquisition-related costs (exceptional item)	(1,248,195)
<b>Profit before taxation</b>	9,406,501
Income tax expense	2,040,523
<b>Profit for the period</b>	7,365,978
Basic earnings per share	30.3p

Selected consolidated statement of financial position:

	<b>As at 30 June 2020 audited (£)</b>
Non current assets	6,866,373
Current assets	20,728,211
<b>Total assets</b>	27,594,584
<b>Total liabilities</b>	(8,496,756)
<b>Net assets</b>	19,097,828
<b>Total equity</b>	19,097,828

Selected consolidated statement of cashflow:

	<b>Year ended 30 June 2020 audited (£)</b>
Net cash generated from/(used in) operating activities	10,806,907
Net cash generated from/(used in) investing activities	(1,203,755)
Net cash generated from/(used in) financing activities	(8,981,057)

## PART II - SUPPLEMENTS TO THE PROSPECTUS

### 1. Financial information on CLIG

#### 1.1 Introduction

The 2020 Annual Financial Statements have been prepared in accordance with IFRS. The 2020 Annual Financial Statements, in respect of which the Company's auditors, RSM UK Audit LLP, who are members of the Institute of Chartered Accountants of Scotland, made an unqualified report under section 495 and 497 of the Companies Act, did not contain any statement under section 498(2) or (3) of that Act.

Copies of the 2020 Annual Financial Statements are available for inspection in accordance with paragraph 3 of this Part II (*Supplements to the Prospectus*) of this document.

#### 1.2 Historical financial information of the Company

The parts of the published annual report and audited accounts of the Company for the 12 months ended 30 June 2020 set out in the table below are expressly incorporated by reference into this document. The non-incorporated parts of the annual report and accounts are either not relevant to investors or are covered elsewhere in this document. The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

<b>Nature of information</b>	<b>Audited annual report and accounts for the year ended 30 June 2020</b>
	<b>Page No. (s)</b>
Independent Auditor's report	82-85
Financial statements	
<i>Consolidated income statement</i>	86
<i>Consolidated and Company statement of comprehensive income</i>	86
<i>Consolidated and Company statement of financial position</i>	87
<i>Consolidated statement of changes in equity</i>	88
<i>Company statement of changes in equity</i>	89
<i>Consolidated and Company cash flow statement</i>	90
<i>Notes to the financial statements</i>	91-116

### 2. No significant change

There has been no significant change in the financial position or the financial performance of the Group since 30 June 2020 (being the date to which the last annual financial information of the Group has been published).

### 3. Information incorporated by reference

The paragraph below lists the various sections of the consolidated annual report and accounts for the Company for the year ended 30 June 2020 (the "**2020 Annual Report**") which is incorporated by reference into this document in compliance with Prospectus Regulation Rule 2.7. It should be noted that other sections of such document that are not incorporated by reference are either not relevant to Shareholders and others or are covered elsewhere in this document.

The 2020 Annual Report is available for inspection as set forth in paragraph 2 of Part III (*Additional Information*) of this document and is also available on the Company's website using the following hyperlink: <https://www.citlon.com/investor-relations/investor-reports/CoL2020AR.pdf>.

**Audited annual report  
and accounts for the  
year ended 30 June  
2020**

*Nature of information*

	<b>Page No. (s)</b>
Summary	1
Chairman's statement	2-5
Chief Executive Officer's statement	6-10
Business development review	14-15
What we do	16
The management team	16
How we do it	17
Our strategy and objectives	18-25
Key performance indicators	26-30
Risk management	31-33
Financial review	34-37
Corporate and social responsibility policy	38-43
Section 172 (1) statement	44-47
Board of Directors	48-49
Directors' report	50-51
Corporate governance report	52-57
Nomination Committee report	58-59
Audit Committee report	60-62
Directors' remuneration report	63-80
Statement of Directors' responsibilities	81
Independent Auditor's report	82-85
Financial statements	
<i>Consolidated income statement</i>	86
<i>Consolidated and Company statement of comprehensive income</i>	86
<i>Consolidated and Company statement of financial position</i>	87
<i>Consolidated statement of changes in equity</i>	88
<i>Company statement of changes in equity</i>	89
<i>Consolidated and Company cash flow statement</i>	90
<i>Notes to the financial statements</i>	91-116

## **PART III - ADDITIONAL INFORMATION**

### **1. Responsibility**

Each of CLIG and the Directors, whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge of CLIG and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

The Directors of the Company are:

Barry Aling (*Chairman and Non-Executive Director*)

Barry Olliff (*Founder and Non-Executive Director*)

Tom Griffith (*Executive Director and Chief Executive Officer*)

Mark Dwyer (*Executive Director and Chief Investment Officer*)

Carlos Yuste (*Executive Director and Head of Business Development*)

Susannah Nicklin (*Non-Executive Director, Senior Independent Director and Chair of the Nominations Committee*)

Peter Roth (*Non-Executive Director and Chair of the Audit Committee*)

Jane Stabile (*Non-Executive Director and Chair of the Remuneration Committee*)

The registered office of the Company is situated at 77 Gracechurch Street, London, EC3V 0AS United Kingdom.

### **2. Documents available**

Copies of the following documents will be available for inspection on the website of the Company at <http://www.citlon.co.uk/> and during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) at the registered office of the Company from the date of this document until 31 December 2020:

- the 2020 Annual Report; and
- this document.

### **3. General**

To the extent that there is any inconsistency between any statement in or incorporated by reference in this document and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this document will prevail.

### **4. Significant changes**

Save as disclosed in this document, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.