



LSE: CIN

18 February 2010

## City Of London Group Plc

### Second Half Interim Management Statement

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- **Investment portfolio sees solid growth**
- **NAV per share at 31st January 2010 is 79.7p (70.9p at 31st July 2009).**
- **New Management Team fully operational and legal completion of first Strategic Acquisition announced.**
- **Therium Acquisition has strong pipeline of prospective cases to fund.**
- **Fundamental Tracker Investment Management (FTIM) grows dividend in Munro Fund by 2% despite difficult markets.**
- **FX Capital Associate now has Institutional and Personal Internet based Foreign Exchange platforms ready for roll out**

Since our First Half Interim Management Statement in August 2009 the group has increased its asset values further as leading International Stock markets have continued to recover from the lows experienced following the credit crisis. In particular our portfolio of Mining, Natural Resources and Energy Stocks have increased by 51.8% since 31 March 2009. This compares well with respective indices. It is our intention to investigate migration of this portfolio into a separate fund to attract outside investors and work has started calculating its performance historically.

Our investments in quoted bank preference shares and bonds have provided good returns to fund our administration costs.

The new management team yesterday completed its first strategic investment, acquiring a 50% interest in Therium Capital Management Company Limited (TCML) for £300,000. TCML is an asset management advisory firm operating in the exciting new growth area of legal funding specializing in UK litigation and international arbitration cases.

This transaction represents a significant step in our strategy to provide funding to professional service firms.

Our early stage investments in Fundamental Tracker Investment Company and FX Capital are showing good progress and the task of promoting and marketing their capabilities now begins.

Whilst the Board remains cautious about recent growth in World Stock markets it believes the complementary investments that have now been made in Financial Services trading businesses will provide good long term profit potential for the group. Preliminary Results for the year to 31 March 2010 are expected to be announced in June 2010.

**For Further information:**

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