Ashmore Group plc

Investor presentation

16 June 2017

Agenda

9.30am	Mark Coombs	Ashmore today
9.45am	Jan Dehn	Strong fundamentals & opportunities across Emerging Markets
10.30am	Alexis de Mones, Robin Forrest, Andy Brudenell	Investment processes deliver long-term outperformance
11.15am	*Break*	
11.30am	Christoph Hofmann	Growth potential from raising allocations Diversification through intermediary business
12.00pm	Tom Shippey	Local network accesses rapidly-growing markets
12.15pm	Tom Shippey	Robust and flexible business model
12.45pm	Q&A	

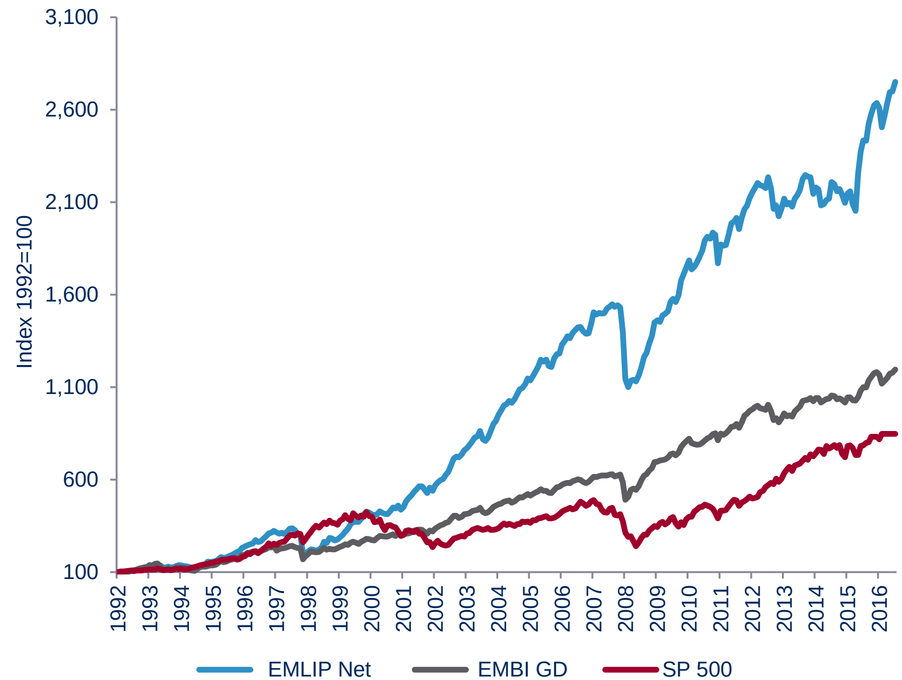
Ashmore today

Mark Coombs, Chief Executive

Focused Emerging Markets specialist with strong performance and flexible business model

- Founded in 1992
- Three-phase strategy to capture benefits of Emerging Markets growth
- Scalable operating platform
  - AuM of USD 55.9bn (as at 31 March 2017)
  - eight Emerging Markets investment themes
- Active, valued-based investment philosophy delivers consistent outperformance for clients across market cycles
- High-quality diversified global client base
- Robust and flexible business model
  - interests aligned through remuneration policy and equity ownership
  - cost model and discipline delivers high EBITDA margin
  - cash generation and strong balance sheet support dividend policy

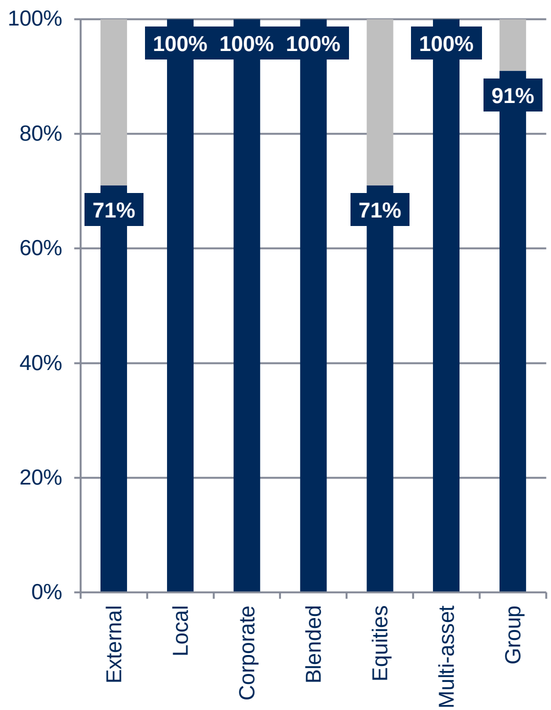
Attractive long-term returns in Emerging Markets



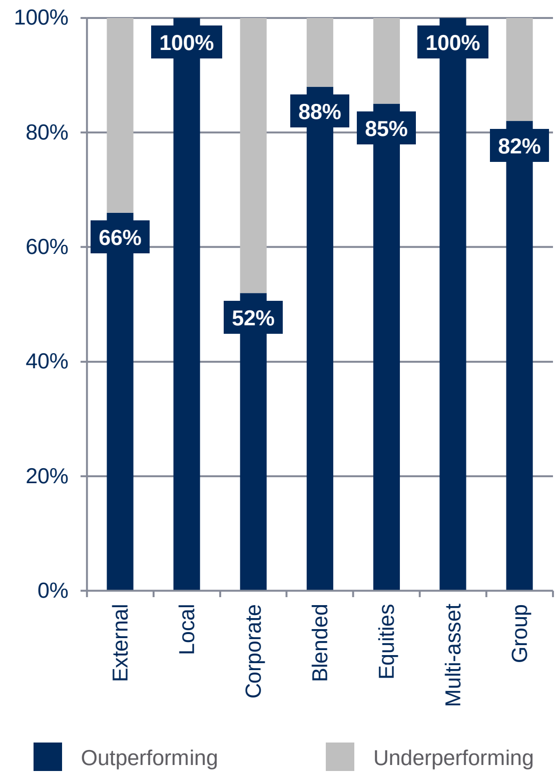
Cumulative monthly returns since October 1992
Source: Ashmore, Bloomberg, JP Morgan

Delivering strong investment performance for clients

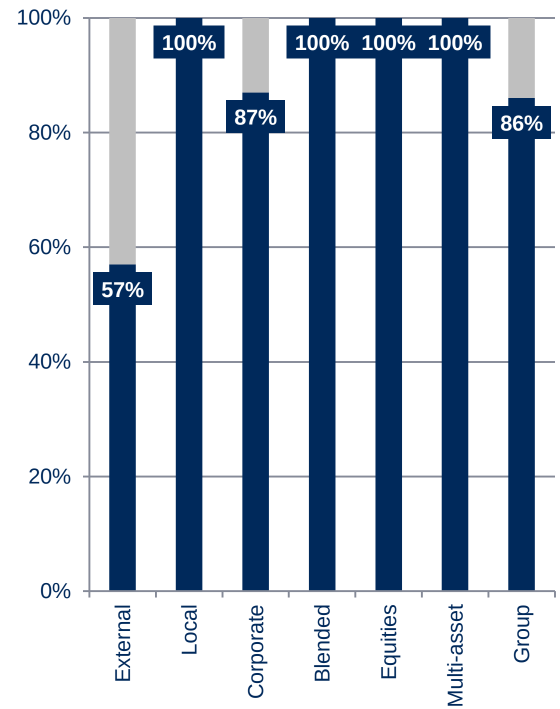
AuM outperforming versus benchmark, gross 1 year annualised



AuM outperforming versus benchmark, gross 3 years annualised



AuM outperforming versus benchmark, gross 5 years annualised



Data as at 31 March 2017

Qualifying AuM has a relevant performance benchmark and a track record over the respective time period

Consistent three-phase strategy to capitalise on Emerging Markets growth trends

Ashmore

1. Establish Emerging Markets asset class

- Establish investment processes and asset classes
- Provide access to Emerging Markets and their rapid development opportunities
- Increase developed world investor allocations

Ashmore today

- Institutional investors underweight EM
- Index representation is low
- Ashmore recognised as a strong specialist EM manager

2. Diversify developed world capital sources and themes

- Establish differentiated Emerging Markets investment themes and sub-themes
- Diversify AuM by client location and client type (institutional and retail)
- Develop new product structures and capabilities

Ashmore today:

- Ongoing diversification of investment themes and client base
- Retail business growing
- New products performing well , e.g. short duration

3. Mobilise Emerging Markets capital

- Source capital from institutional investors, EM to EM
- Build network of local asset management platforms to manage domestic capital

Ashmore today:

- 34% of AuM sourced from Emerging Markets
- Rationalised network to focus on higher growth opportunities
- Capacity to consider new local markets

Ashmore

Emerging Markets

Jan Dehn, Head of Research

The Emerging Markets outlook is very attractive

Ashmore

- **Long-term growth opportunity is strong and underpinned by the EM/DM convergence trade** — Page 9
  - GDP per capita in Emerging Markets is rising rapidly but is still 35 years behind Developed Markets

- **A powerful tactical opportunity has emerged as QE headwinds abate** — Page 10
  - asset prices inflated in Developed Markets
  - Emerging Markets prices impacted and growth slowed, but fundamentals held up extremely well

- **Emerging Markets value proposition is extremely strong** — Pages 11-17
  - attractive real yields, cheap currencies and equity markets geared to accelerating GDP growth
  - returns likely to play out over multiple years

- **Risks to the positive outlook for Emerging Markets** — Page 18
  - systematic, idiosyncratic and external (DM)

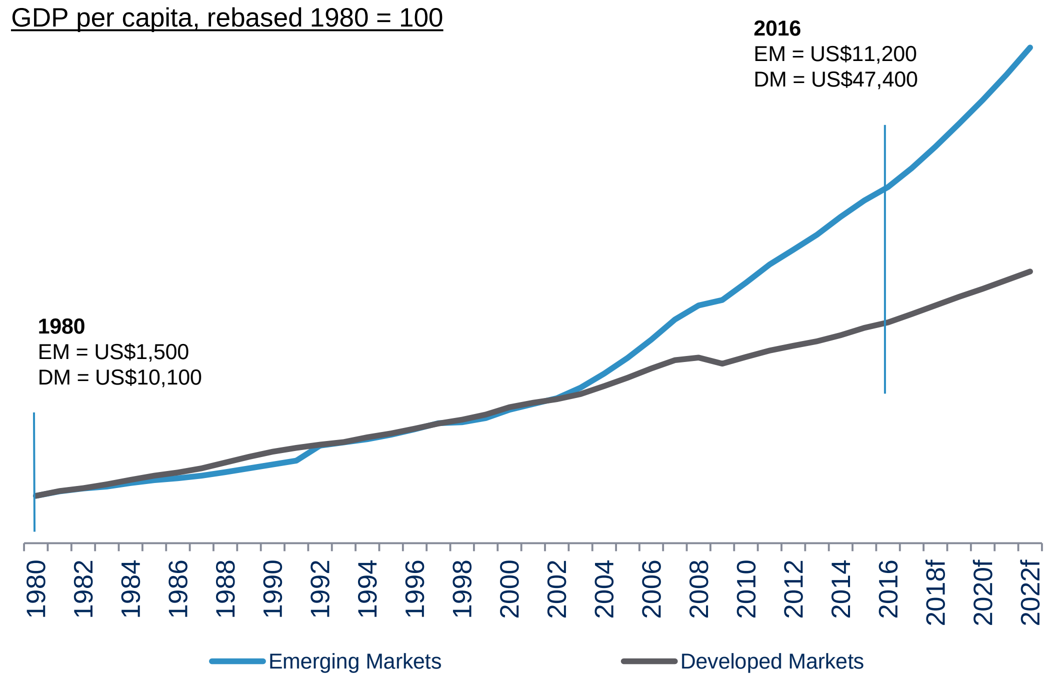
- **Active management is essential** — Page 19
  - events in Developed Markets cause price reactions but no impact on fundamentals in Emerging Markets

Emerging Markets are increasingly important

- EM's share of world GDP is high (58%) and rising
- Yet EM has only a small proportion (20%) of the world's debt
- Majority of the world's population (87%) resides in EM and has the potential to become wealthier

This means that the well-established EM/DM convergence trade has a lot further to run

Convergence trade

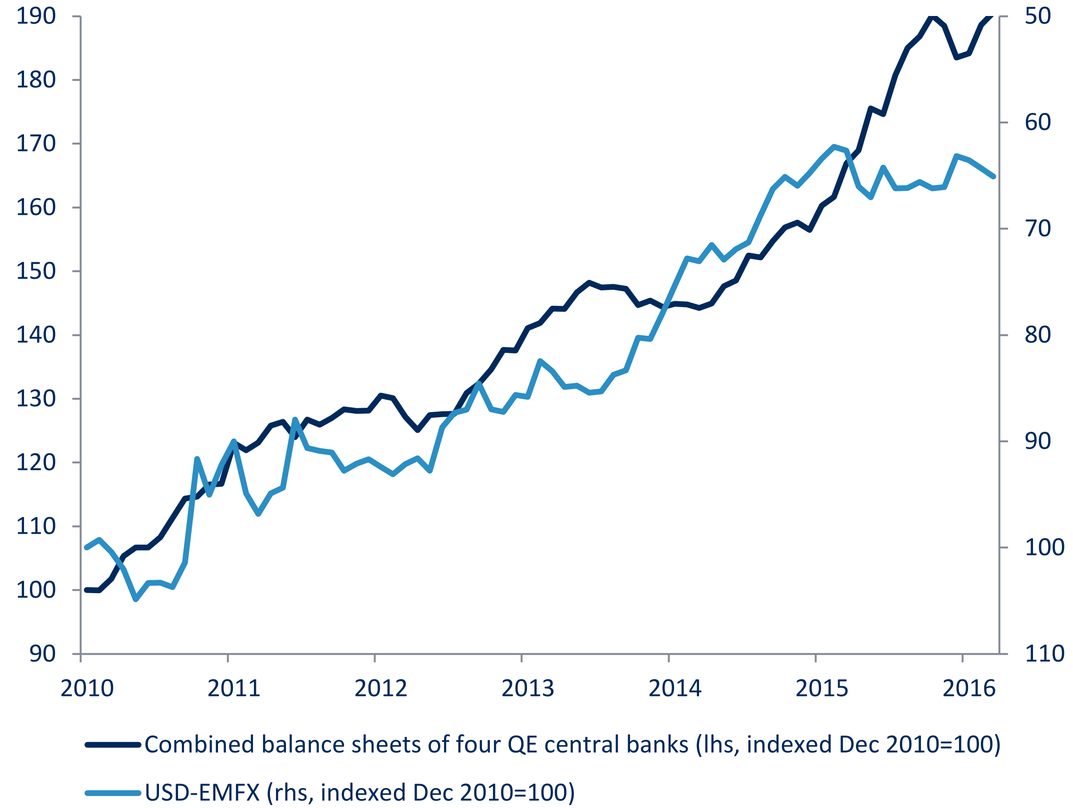


Source: Ashmore, IMF

QE hurt EM local markets, but change is evident

- Capital was withdrawn from Emerging Markets to chase QE trades in the developed world, e.g. long USD
- Emerging Markets responded with significant macro-economic adjustments and reforms
- USD strength is now harming the US economy and weaker USD policies are being pursued
- Stronger EMFX starting to reflect cyclical recovery

Reducing QE influence

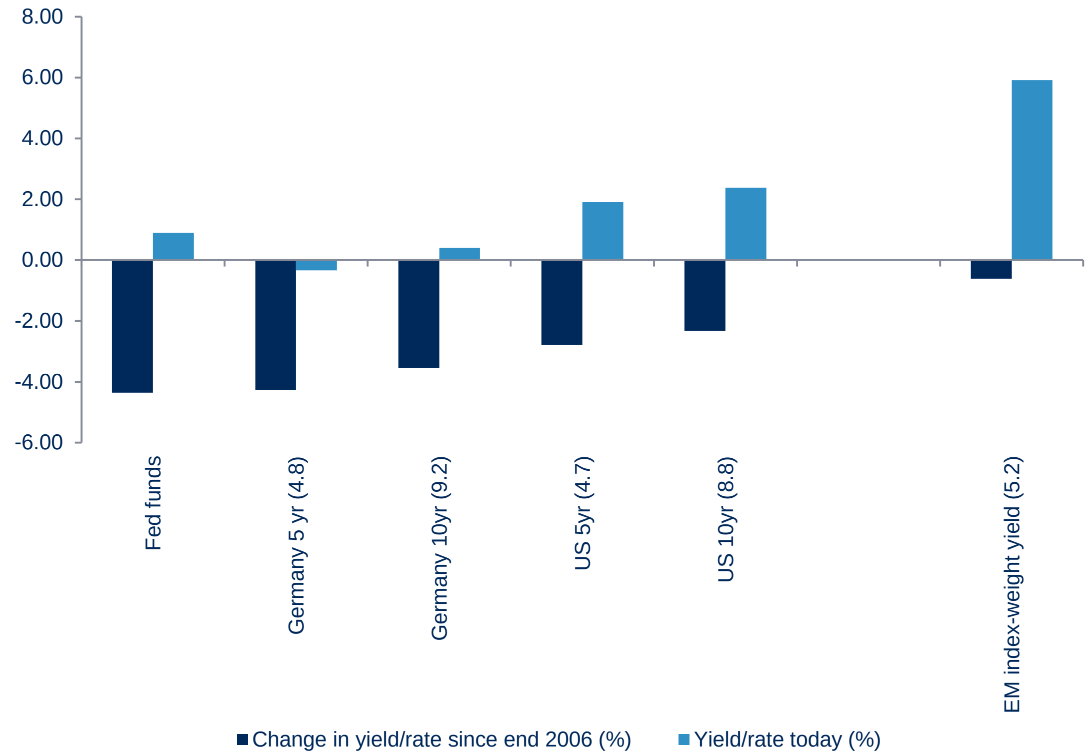


Source: Ashmore, Bloomberg

There is plenty of value in Emerging Markets yields

- EM yields are comparable to those prevailing before the global financial crisis
- QE and related policies in DM have pushed asset prices in those markets into bubble territory
- Relative value is skewed strongly towards Emerging Markets

Nominal bond yields (%, with duration in brackets)

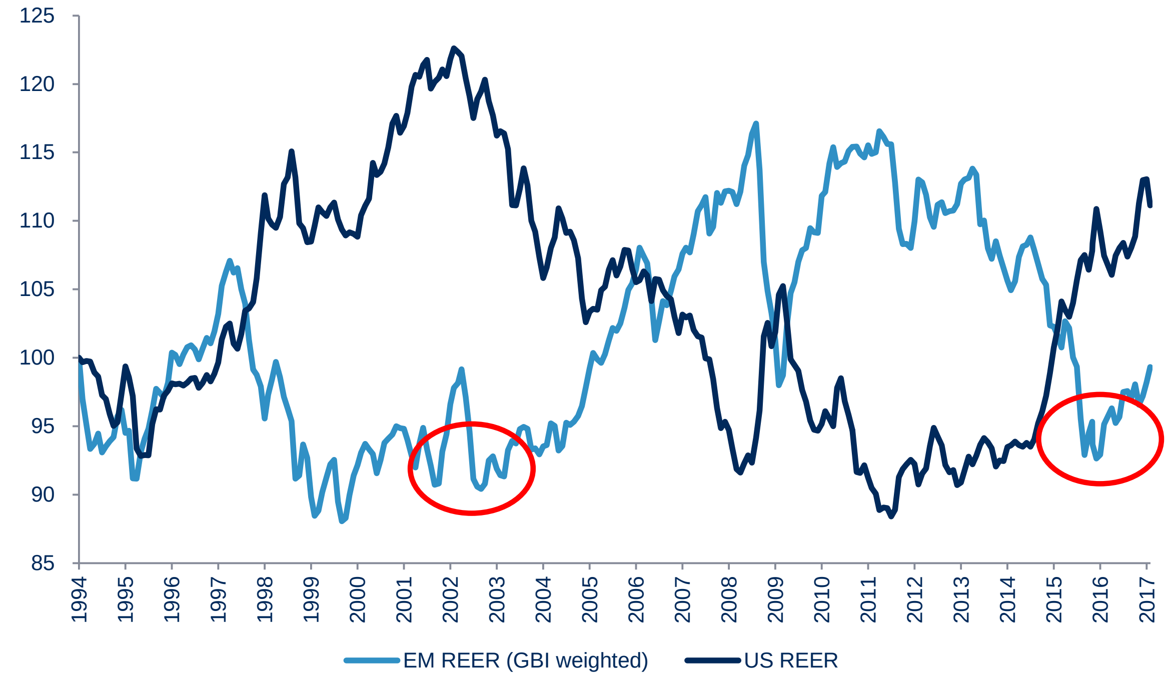


Source: Bloomberg, JP Morgan, Ashmore

Real exchange rates are extremely competitive

- EM currencies are at attractive levels and will benefit from weak USD policies
- But there will also be impetus from strong and improving EM fundamentals
  - EM countries will attract flows from underweight investors
  - financial conditions will ease after an imposed period of tightening
  - GDP growth will continue to pick up
  - spreads will narrow, reinforcing the trend
- Biggest risk is US Border Adjustment Tax

EM real effective exchange rates since 1994

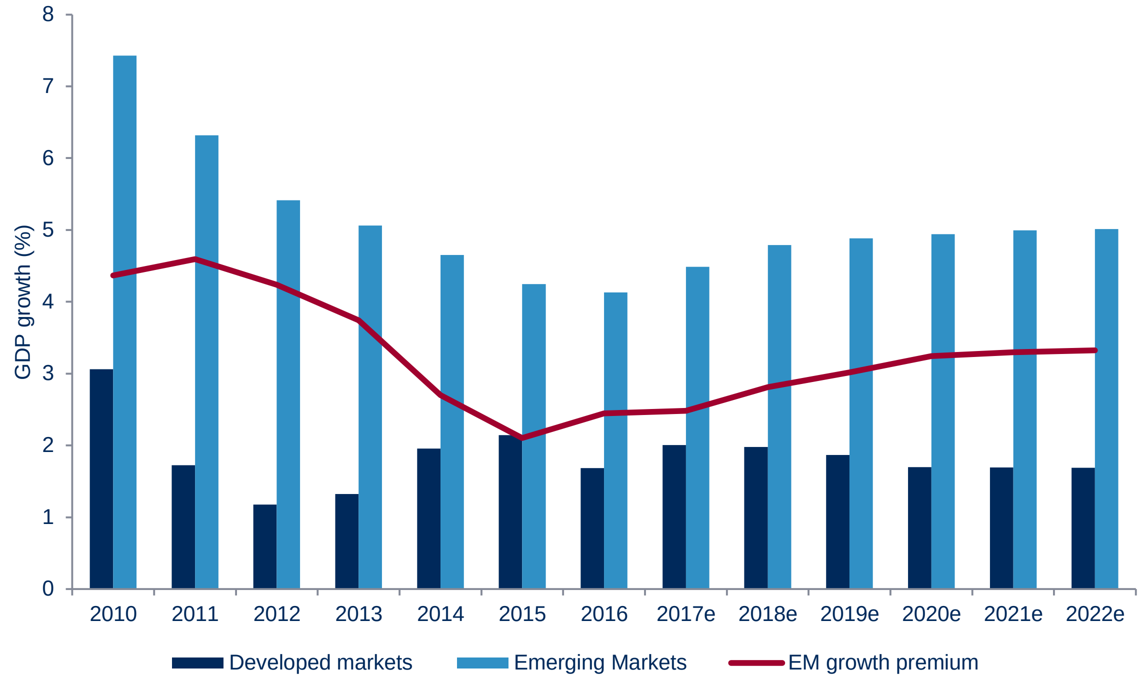


Source: Ashmore, BIS

The Emerging Market growth premium has been rising for more than a year despite tight financial conditions

- While EM GDP growth slowed from 2011, the premium over DM growth never fell below two % points
- Significant tailwinds now delivering accelerating EM GDP growth
- Developed world continues to face structural growth impediments:
  - high debt levels
  - unfavourable demographics
  - weak and falling productivity
  - no reforms
  - risk of protectionism

Real GDP growth (%)

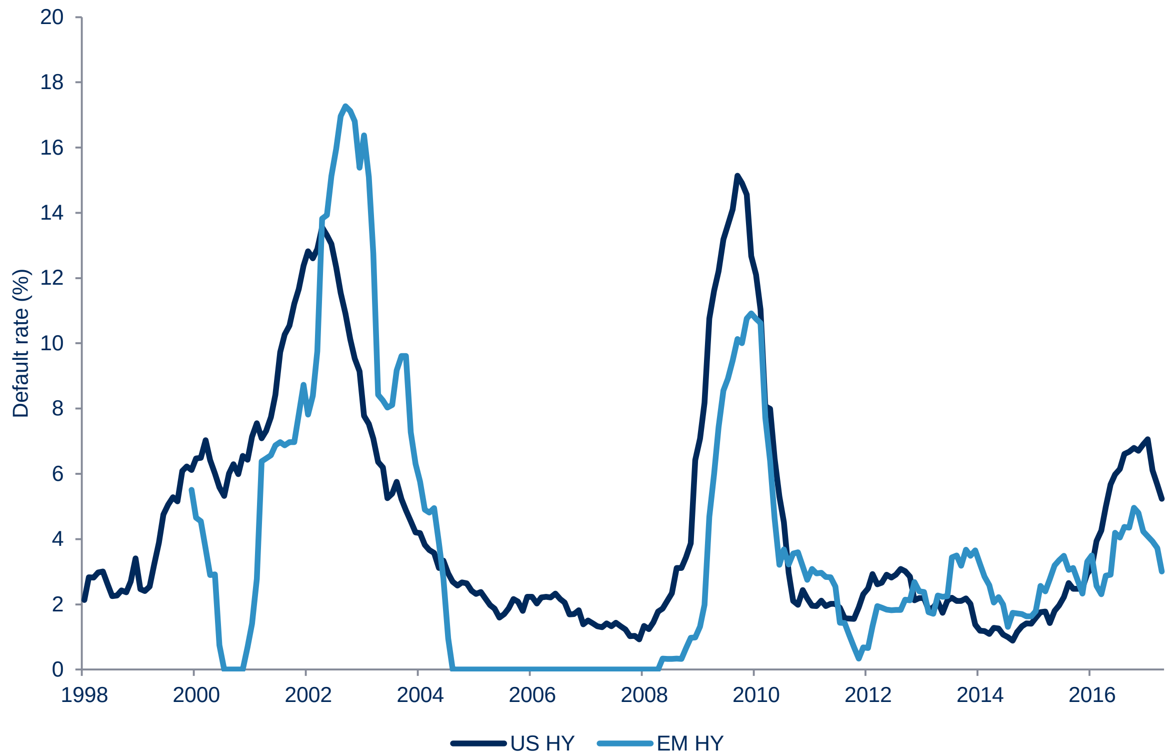


Source: IMF, Ashmore

High yields are not due to credit stresses

- EM corporates outperforming DM corporates
- Diversified universe, e.g. 51 countries in the CEMBI Broad Diversified index
- Active management of FX risks by EM corporates
- Sovereign support can be a positive factor

High yield corporate default rates

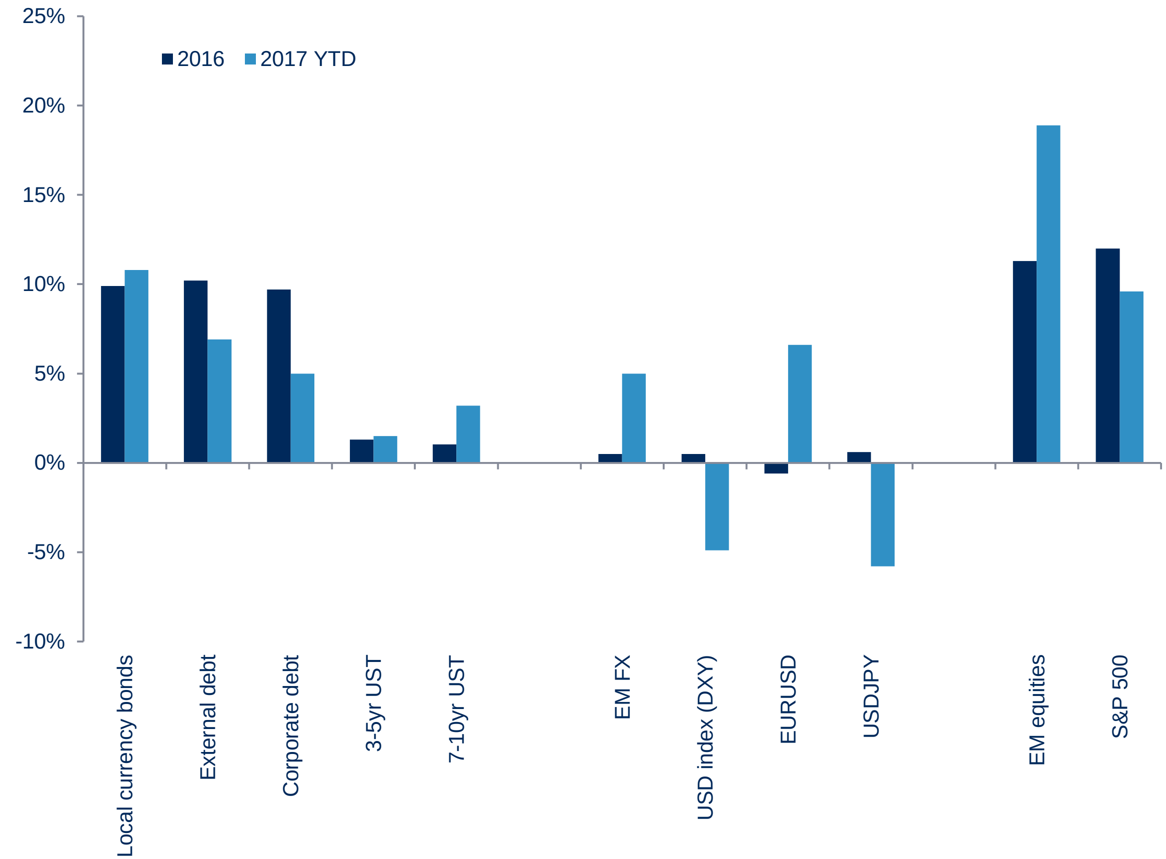


Source: BAML, Ashmore

Emerging Markets performance turned around sharply in 2016 and so far 2017 has been even better

- Emerging Markets asset prices have strong momentum, supported by solid fundamentals
- This is a challenge for underweight investors, still backing QE trades and facing a second year of significant underperformance

Strong performance, significantly better than DM asset classes

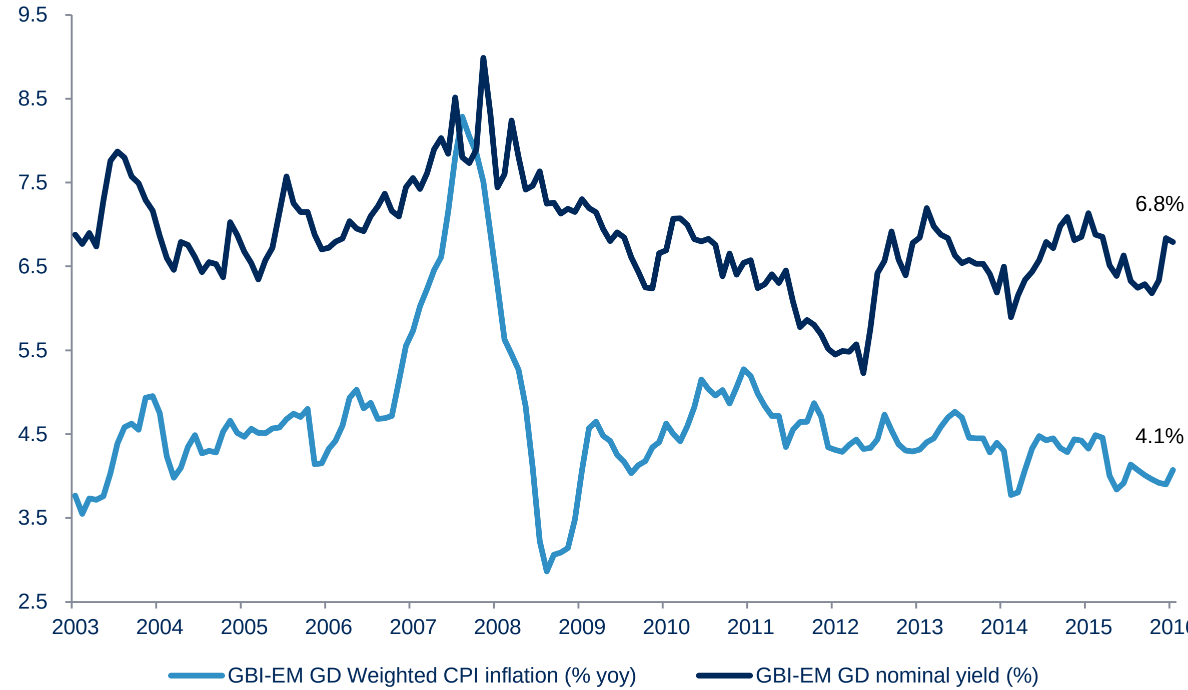


Source: Ashmore, JP Morgan, MSCI

EM inflation is falling so real yields are very attractive

- EM central banks increasingly target inflation and pursue orthodox monetary policy
- Many EM countries are commodity importers
- Nominal yields are at pre-global financial crisis levels, and real yields are extremely attractive

EM inflation and nominal yields



Source: BAML, Ashmore

Brighter growth outlook supports equity outlook

- Earnings drive equity performance in the long run
- As EM GDP growth accelerates and re-establishes a premium over DM, equities should continue to outperform

Relative EM equity performance and GDP growth premium

Source: MSCI, Ashmore

Do Fed hikes pose a risk to EM?

- EM usually underperforms before Fed hiking cycle starts and performs strongly after it has begun
- EM is vulnerable when real rates rise very quickly, as in 2013
- Most recent US curve re-pricing has been led by higher inflation expectations
- Inflation expectations likely to rise further with Fed at negative policy rates, fiscal stimulus and full employment
- Weak underlying growth, low productivity and large Fed balance sheet reduce risk of sharply rising real rates

Source: Bloomberg, Ashmore

Buying volatility-driven weakness in EM delivers alpha

Date of VIX spike	Trigger event
Apr 94	Fed hikes
Oct 97	Asian crisis
Aug 98	Russian crisis
Oct 00	Fear of slowing US economy
Sep 01	9/11
Jul 02	Fear of slowing US economy
Jun 06	Hike triggers recession fears
Aug 07	BNP Paribas gates funds over sub-prime losses
Sep 08	Lehman
May 10	Greece
Mar 11	Japan earthquake
Aug 11	US debt ceiling and Eurozone crisis
Oct 14	Rate hike fears
Aug 15	Fed hike fears
Jun 16	Brexit

12-month returns after +10pts VIX spikes

Annualised return	External debt (EMBI GD)	Corporate debt (CEMBI BD)	Local currency bonds (GBI EM GD)	Equities (MSCI EM)
Excess return from active timing (bps)	**+174**	**+295**	**+335**	**+462**
Active timing return (%)	11.1%	10.5%	10.6%	7.2%
Passive timing return (%)	9.4%	7.5%	7.3%	2.6%
Years of index	23	15	14	23

Source: Bloomberg, Ashmore

Investment processes

Alexis de Mones, Sovereign fixed income
Robin Forrest, Corporate debt
Andy Brudenell, Frontier equities

Portfolio Managers

Institutional team-based investment processes

	Fixed income investment process *Alexis de Mones, Robin Forrest*			Equities investment process *Andy Brudenell*		
	External Debt (US$12.9bn)	**Local Currency (US$13.5bn)**	**Corporate Debt (US$5.5bn)**	**Equities (US$3.1bn)**	**Alternatives (US$1.4bn)**	**Overlay/ Liquidity (US$4.8bn)**
Global Emerging Markets Sub-themes	• Broad • Sovereign • Sovereign, investment grade • Short duration	• Bonds • Bonds (Broad) • FX • FX+ • Investment grade	• Broad • High yield • Investment grade • Local currency • Private Debt • Short duration	• Global EM Value • Global Small Cap • Global Frontier • Global Equity Opportunities • Global equity	• Private Equity • *Healthcare* • Infrastructure • Special Situations • Distressed Debt • Real Estate	• Overlay • Hedging • Cash Management
	Blended Debt (US$13.6bn)					
	• Investment grade	• Blended debt	• Absolute return			
Regional / Country focused Sub-themes		• China • Indonesia	• Latin America • Asia	• Africa • China • India • Indonesia • Latin America • Middle East • Saudi Arabia	• Andean • Asia • India	
	Multi-Asset (US$1.1bn)					
	• Global					

AuM as at 31 March 2017

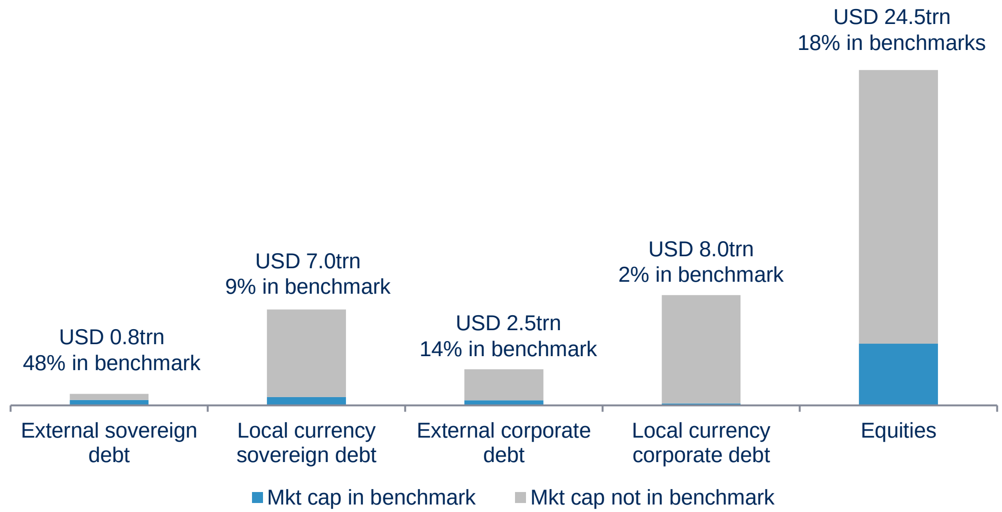
Consistent investment approach

- EM fixed income and equity markets are inefficient
  - benchmark indices are unrepresentative of the investment opportunity
  - active management is critical

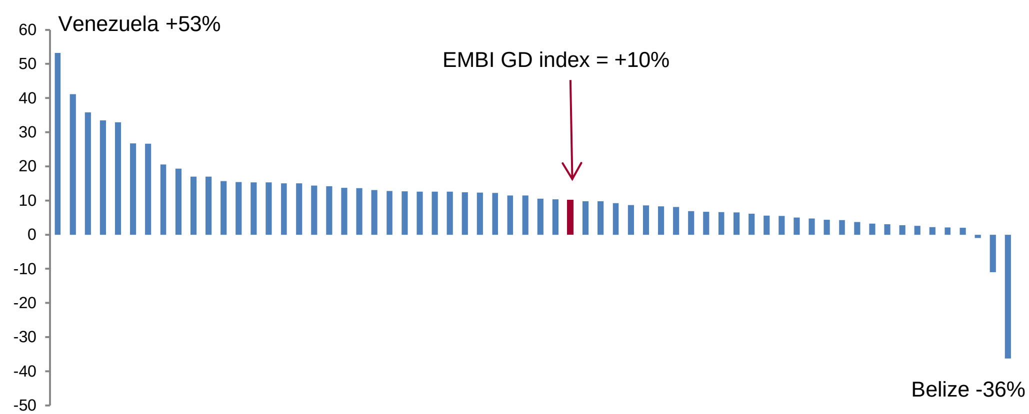
- Ashmore's value-based philosophy
  - adds risk when markets have been oversold relative to fundamentals
  - deep understanding of market liquidity
  - delivers long-term outperformance across market cycles

- Team-based investment processes
  - 78 investment professionals
  - no individual manages funds, not a star culture

Large EM investment universe with low index representation



Wide range of returns available through active management (2016)



Source: BIS, BofAML, World Federation of Exchanges, MSCI, JP Morgan

Fixed income investment philosophy

Ashmore

Macro top down

- Forward looking analysis of:
  - economics
  - politics
  - interest rates
  - currencies
- Global and local markets

Credit focus

- Credit risk analysis
  - ability to pay (financial analysis & policy analysis)
  - willingness to pay (local politics)
- ESG integration
- Scenario planning

Value driven

- Identifying divergence between market prices and credit risk
- Tolerance for mark-to-market volatility
- In-house fundamental research capabilities within portfolio management teams

Active management

- Focus on exploiting the structural inefficiencies and changes in Emerging Markets instruments

Liquidity obsessed

- Robust risk management culture
- Understanding of liquidity is integral to every investment decision
- Local market liquidity is important

Fixed income investment committee process

- Long investment track record: consistent process since 1992
- Weekly meeting to implement the investment philosophy
- Six IC members
  - Chairman
  - Deputy Chairman
  - theme desk heads
  - Head of research
  - Head of multi-asset
- All fixed income investment team members can participate (28 in total)
- Collective responsibility, not a 'star culture'

Investment Committee (IC)

Global macro overview → **Risk call**
- Market exposure: add vs reduce
- Long-term and tactical views

Country / corporate updates → **Updated credit views**
- Country and corporate credit review
- Impact on credit risk, FX and interest rates
- ESG integration

Theme relative value → **Theme allocation**

Risks and opportunities across themes:
- External vs local currency
- Corporate vs sovereign

Sub-committee meetings
- Local Currency
- External Debt
- Corporate Debt
- Blended Debt
- Multi-asset

Portfolio construction → **Changes to model portfolios**
- Changes in target exposures (credits, FX, duration) across model portfolios
- Revision of theme allocation, cash and leverage where appropriate

Instrument selection → **Investment decisions**
- Buy and sell decisions on specific assets

Trading / execution

Execution process → **Execution**
- Timely execution (within 24 hours of IC meeting) with review in subsequent IC meeting

External debt investment example
Ecuador

Country/macro overview

- Oil exporter, experienced strong terms of trade shock in 2014/15
- Commitment to a dollarised economy

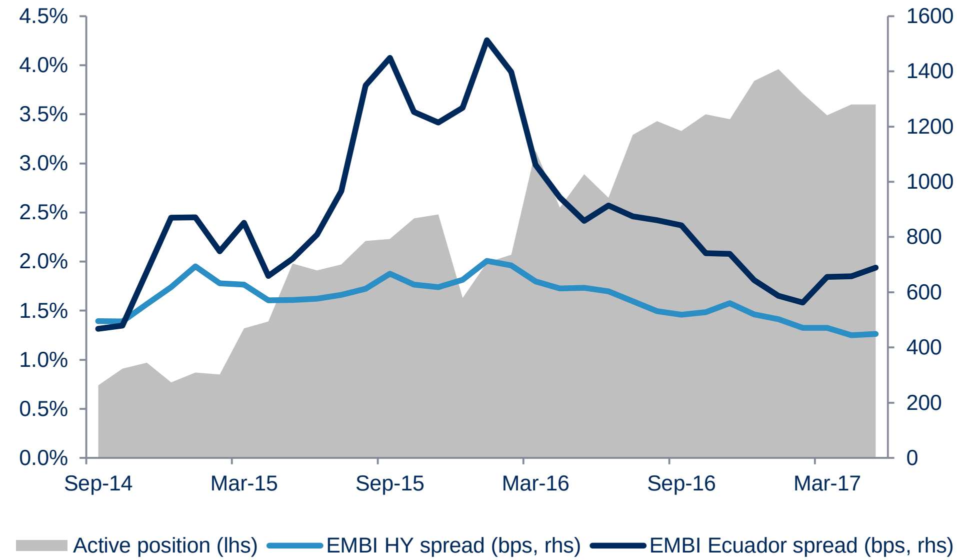
Ability to pay

- Lower oil price required a severe fiscal adjustment
- Infrastructure investment (hydro power) is now reducing reliance on energy imports
- Current account now in surplus
- Significant proportion of funding raised in markets or through counterparty loans e.g. China

Willingness to pay

- President Correa reacted well to external shock in 2014:
  - cut public expenditures and raised taxes
  - made peace with the IMF and got China's support
- New Moreno administration continues with orthodox policy and makes overtures to private sector

Active management of Ecuador bonds



Source: Ashmore (SICAV SDF), JP Morgan

Value opportunity

- High carry available and offered significant value relative to other HY countries, e.g. Ukraine, Iraq and Zambia
- IC added risk in periods of unjustified market weakness
- Participated in new issues at attractive levels, e.g. 10.75% yield
- Significant contribution to Ashmore's external debt alpha since end-2014

Blended debt investment example
Allocation to local currency

- H1 2015: **underweight** local currency in blended debt portfolios

- **Global macro view:** Fed was signalling rate hike, but US economy still fragile and market was very long USD

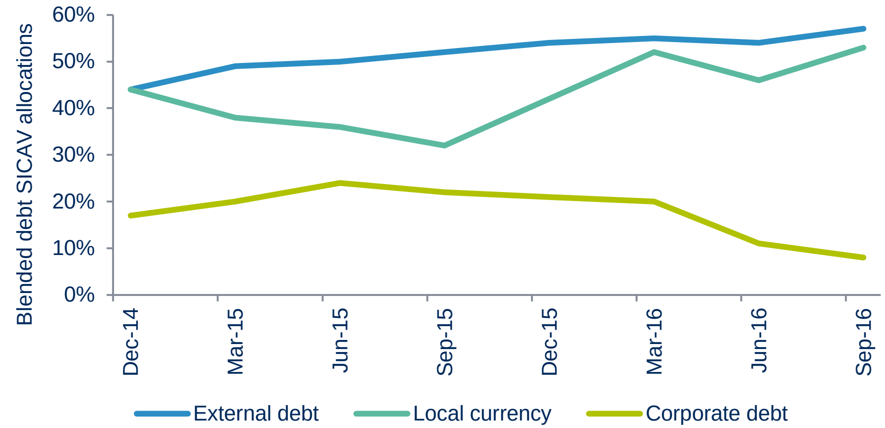
- **Relative value:**
  - local currency bonds had cheapened vs US curve
  - EMFX had overshot on fears of China outflows

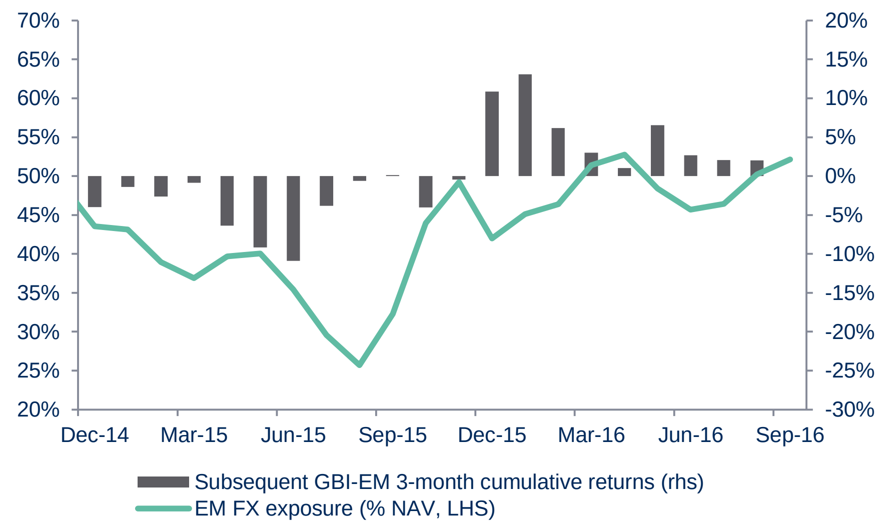
- **Scenario analysis:** Most probable Fed hike scenarios suggested USD weakness against EMFX

- **IC decision:** Maintain overweight duration in local currency bonds and cover underweight EMFX

- Actively acquiring risk generates **significant outperformance**
  - As at Sep16: blended debt portfolios had returned +20.9% gross over one year vs +14.2% for benchmark
  - As at Mar17: blended debt portfolios had returned +14.7% gross over one year vs +6.7% for benchmark

Active management of Blended debt theme allocations





Corporate debt investment example Petrobras

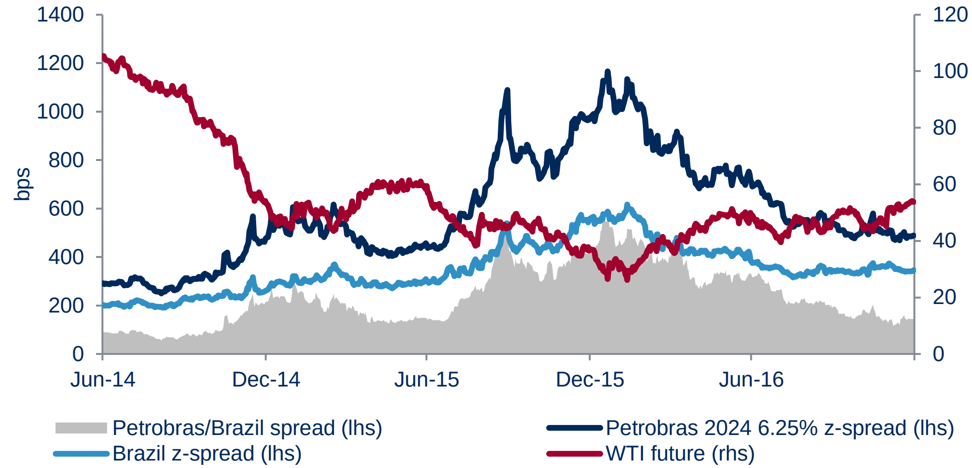
Company overview

- Brazilian integrated oil & gas company
- Undertook significant borrowing 2007-2014 to fund offshore E&P programmes
- Faced increasing domestic challenges…
  - structural pricing issues
  - government agenda
  - *Lava Jato* ('car wash') corruption scandal
  - weak Brazilian economy & political transition
- …and global/commodity downturn from mid-2014

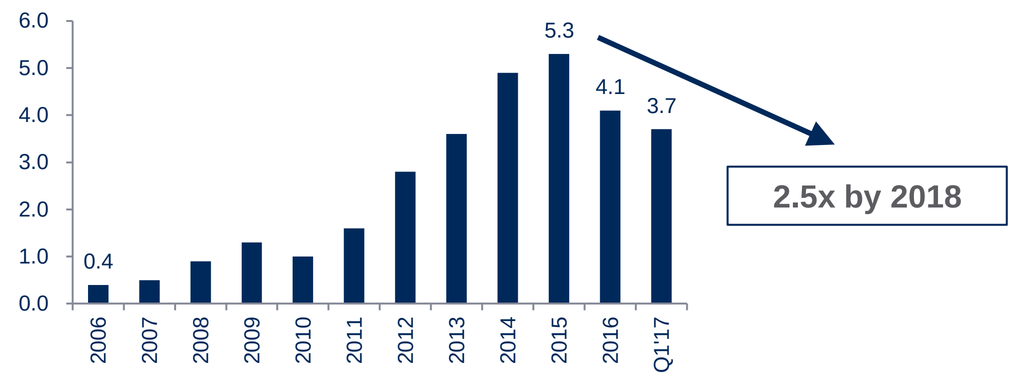
Investment analysis & outcome

- Key investment considerations in Q3 2015:
  - government ownership and strategic role
  - new management plan on capex and asset rationalisation
  - market access for ongoing funding
- Active management of position
- Entered HY benchmark Sep'15 at 300bps, rising to 530bps
- Bonds returned +37% in 2016 vs +16% CEMBI BD HY
- Curve positioning and new issuance selection added 100bp alpha to modest overweight

Value opportunity in Brazil



Petrobras strategic plan targets reduction in net debt/EBITDA



Source: Ashmore, Petrobras, Citigroup, NYMEX, JP Morgan

Corporate debt investment example
Credit Bank of Moscow

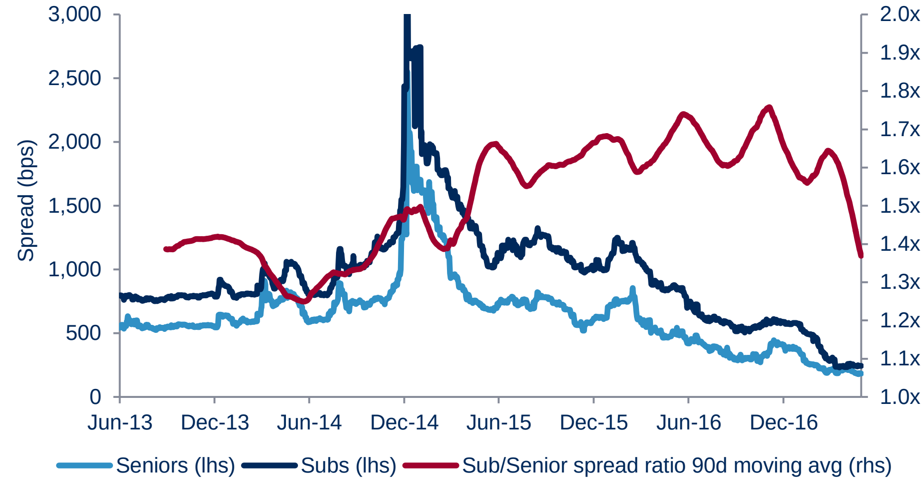
Company overview

- Privately owned commercial bank operating through 67 branches in the Moscow region
- 10th largest Russian bank by assets
- Well funded with 91% loan/deposit ratio

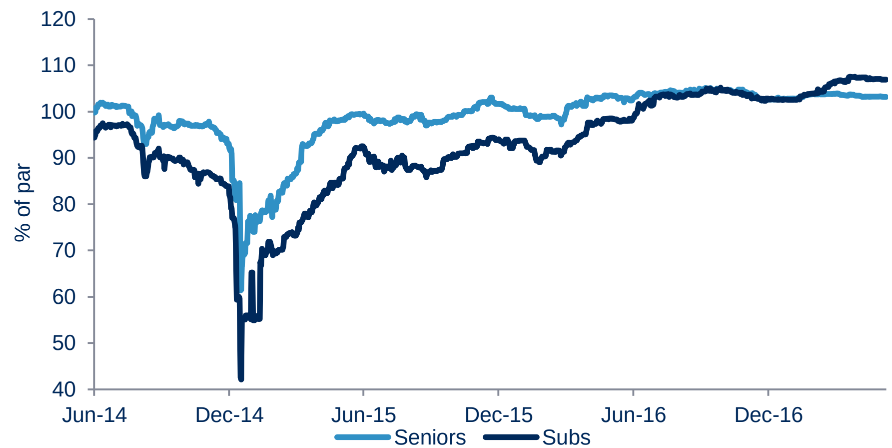
Investment analysis & outcome

- Issued first USD bond in 2013 (5-year senior)
- Followed with 5-year subordinated bond issue
  - additional risks not compensated by spread over the senior
- Bonds sold off in late 2014 and then recovered, however subordinated bonds lagged the seniors
- Spread ratio (sub/senior) in mid-2015 was 1.6x
  - premium to pre-crisis (1.4x) and other Russian banks (1.3x-1.4x)
- Monthly Central Bank data showed regulatory capital was robust and rising, so IC decided to invest in the subordinated bonds
- Bank tendered the subordinated bonds in March 2017 at a premium to par
- Total investment return of 21.5% vs 6.4% benchmark (CEMBI BD)

Opportunity in subordinated bonds



Significant price performance vs senior bonds



Source: Ashmore, Citigroup

Equities investment committee process

- Long investment track record in EM equities, from 1993
- Weekly meetings to implement the investment philosophy
- Four Equities IC members
  - Chairman
  - Head of frontier equity
  - Head of small cap equity
  - Head of global equity
- Sub-IC meetings chaired by respective Heads of strategy, and all equity investment team members participate
- Collective responsibility, not a 'star culture'

Equities Investment Committee (IC)

Governance and oversight

- Set strategy and policies for all equity products
- Monitor performance and compliance

Global overview of macro-economic and market trends

- Consider relevant ESG factors

Sub-committee meetings

- **Frontier equity**
- **Small cap equity**
- **Global equity**

Review process

- Minutes of prior IC meeting
- Transactions
- Portfolios

Investment ideas

- Relevant analysis including ESG factors
- Opportunities for further research

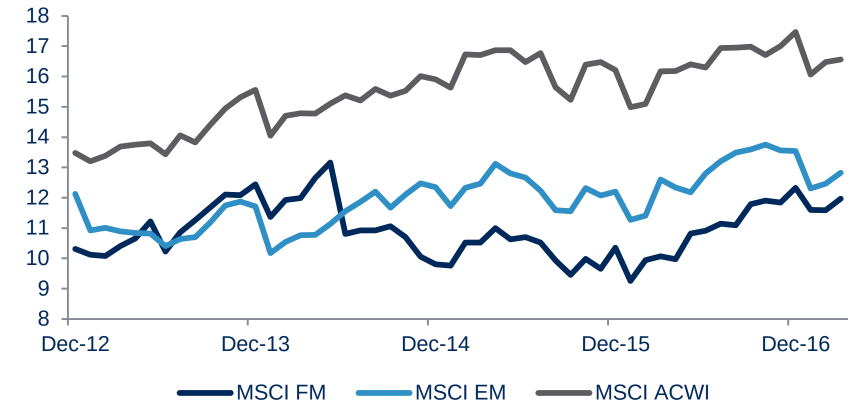
Portfolio construction

- Reflect investment theses, top-down and bottom-up
- Liquidity

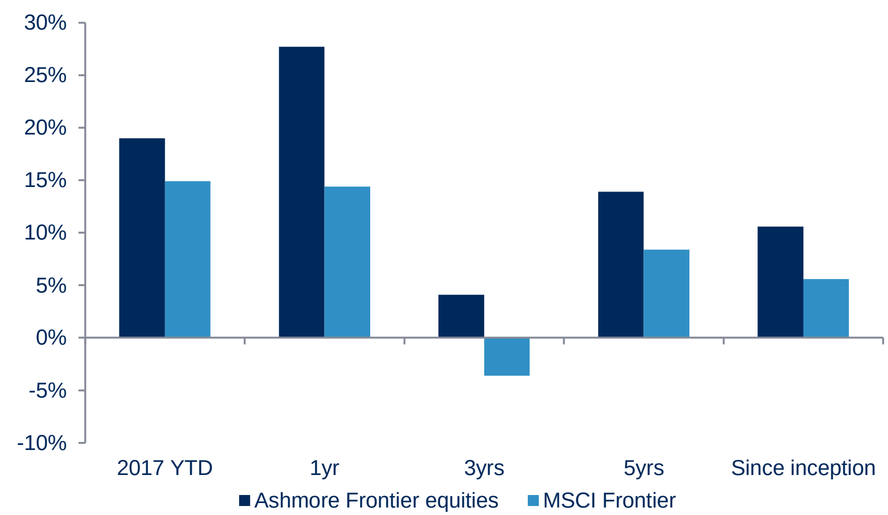
Frontier equities

- Largely undiscovered set of countries pursuing structural changes
  - reforms can run independently of global macro events
  - many will grow to become ‘Emerging Markets’, and universe evolves with new markets such as Iran, Venezuela, Georgia
- Attractive growth profile supported by young, growing population and low penetration of goods and services
  - approximately one billion people (15% of world population) live in Frontier Markets
- Economic environments are ripe for quality management teams to drive growth in returns and valuations
  - corporate quality varies significantly (ESG, management team, business model)
- Price inefficiencies provide great opportunities for a fundamental research-driven active manager
  - thin sell-side coverage (average 8 analysts/stock vs 20 in EM)
  - local retail investors dominate trading activity
  - less liquid markets

Attractive forward PER



Strong Frontier equities investment performance



Source: Ashmore, Bloomberg, IMF, World Federation of Exchanges, World Bank
Frontier equities composite, gross of fees, as at 31 May 2017. Returns greater than one year are annualised

Frontier equities investment process

Ashmore

- Ashmore has a long history of investing in Frontier Markets, including Africa (since 1993) and Middle East (since 2004)

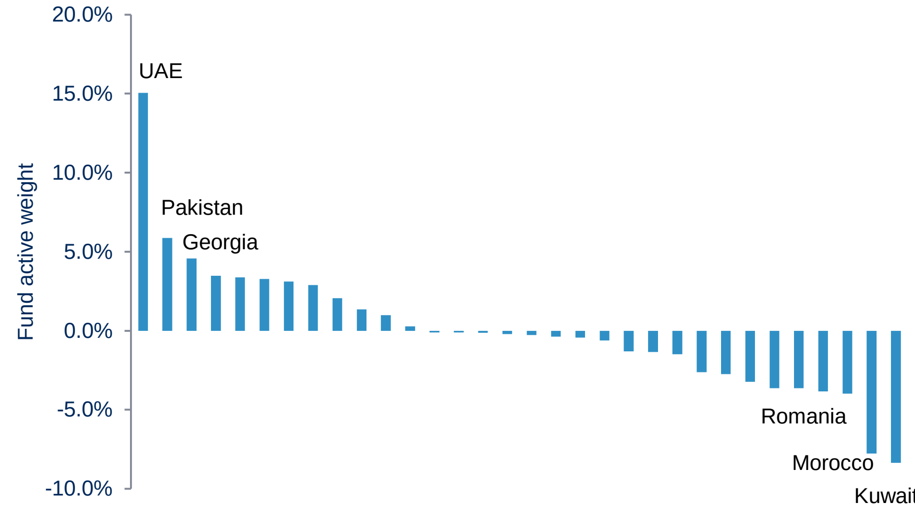
- Team of eight dedicated investment professionals, interacting with other Ashmore global and local investment committees e.g. FX views informed by fixed income investment committee

- Research-focused, active investment process identifies mispricing relative to fair value
  - predominantly own undervalued, high quality businesses that operate successfully under most conditions and can thrive in structurally improving conditions

- Weekly meeting to debate research ideas and portfolio construction
  - consistent, repeatable process delivers a diverse portfolio of high-conviction ideas

- Liquidity risk is as important as macro and stock-specific risks
  - small proportion of portfolio (<20%) in less liquid stocks
  - portfolio construction allows for AuM growth, i.e. no need to change 'best ideas' as fund grows

Active management, high-conviction ideas



Source: Ashmore SICAV EM Frontier Equity Fund, as at 31 March 2017

Frontier equities investment example
Vietnam: Vietnam Dairy Products

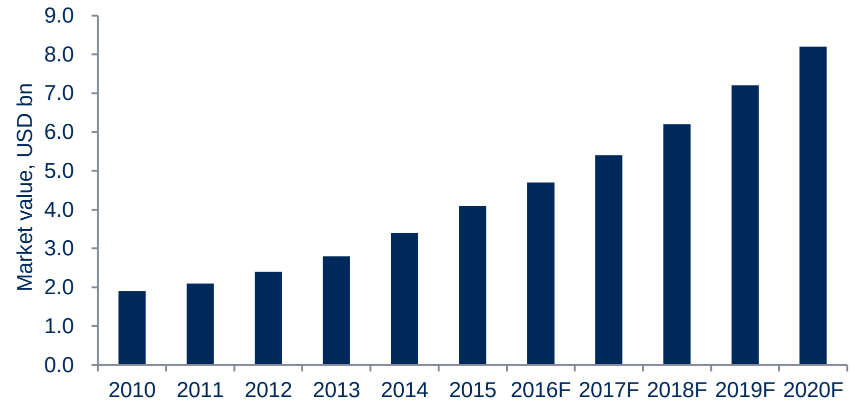
Company overview

- Leading dairy company in Vietnam, ex state-owned company
- Significant defendable competitive advantages with dominant market shares through strong positions in distributional channels and store space
- Superior profitability versus competitors

Investment opportunity

- Excellent growth story through rising annual dairy consumption, from c. 25kg/capita vs 50kg/capita in China and 100kg/capita world average
- Milk formula prices are regulated for VDP, meaning a potential +30% price increase on 20% of production volume
- Short-term risk of higher input prices
- Trades on 19.5x forward PER, versus 35x for Asian peers with similar structural growth but weaker competitive positions

Vietnam dairy market growing rapidly



Source: Bloomberg, EU-Vietnam Business Network

Frontier equities investment example Pakistan: DG Khan Cement

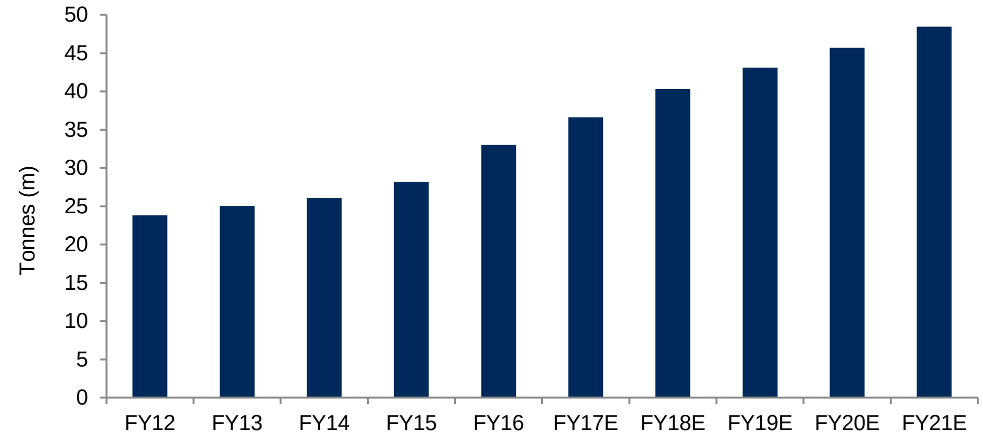
Company overview

- High-quality cement producer and distributor benefiting from structural changes in Pakistan:
  - improved security
  - more power capacity with greater reliability
  - engagement with neighbouring nations leading to increased FDI, e.g. China-Pakistan Economic Corridor

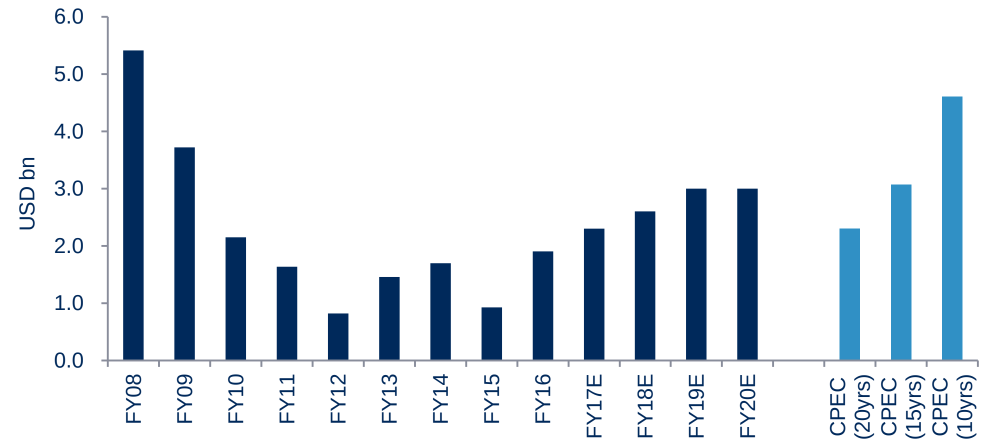
Investment opportunity

- Local demand for cement at record levels and rising, aided by GDP growth (2017) of 5.7%, the highest in a decade
- DG Khan investing in a 60% capacity increase coming on line by 2018
- While good cost control drives operating margins higher
- Attractive valuation:
  - only 7.0x adjusted EV/EBITDA despite forecast EBITDA CAGR of 19.4% for FY2016 to FY2019

Local annual cement dispatches growing rapidly



China-Pakistan FDI could boost demand further



Source: APCMA, Topline Research, State Bank of Pakistan, CPEC

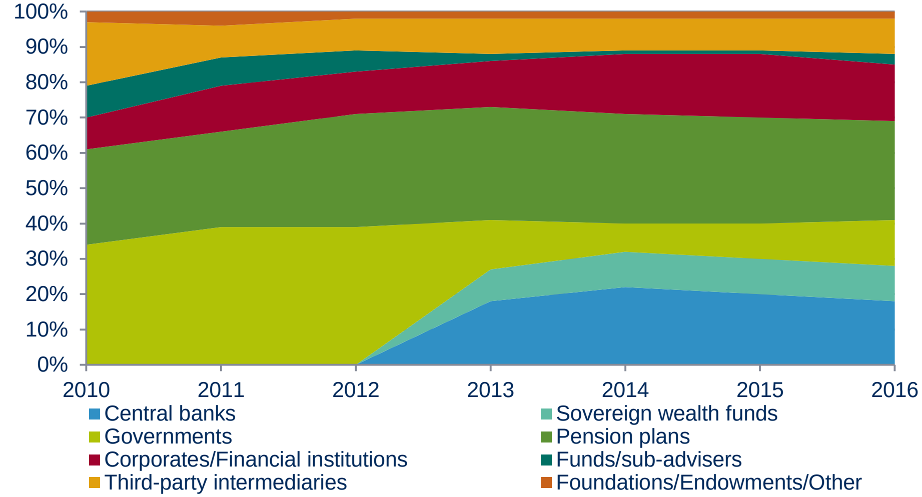
Distribution

Christoph Hofmann, Global Head of Distribution

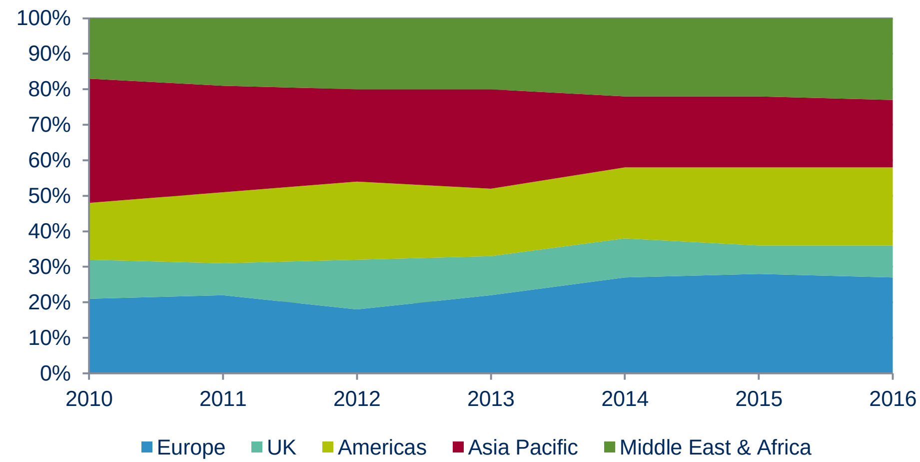
Distribution in strategic context

- **Phase 1**: **establish Emerging Markets asset class**
  - significant growth opportunity from raising institutional allocations from underweight levels
  - large part of Ashmore's institutional client base is serviced through direct relationships
- **Phase 2: diversify developed world capital sources and themes**
  - broadly stable client mix has been maintained across market cycles
  - bias towards institutional clients (89% AuM) but growing diversification of AuM from intermediary (retail) clients
  - competitive landscape does not present same challenges as Developed Markets, e.g. passive funds
- **Phase 3**: **mobilise Emerging Markets capital**
  - 34% of AuM from clients domiciled in Emerging Markets

High-quality, diversified client base



Broad-based distribution capabilities

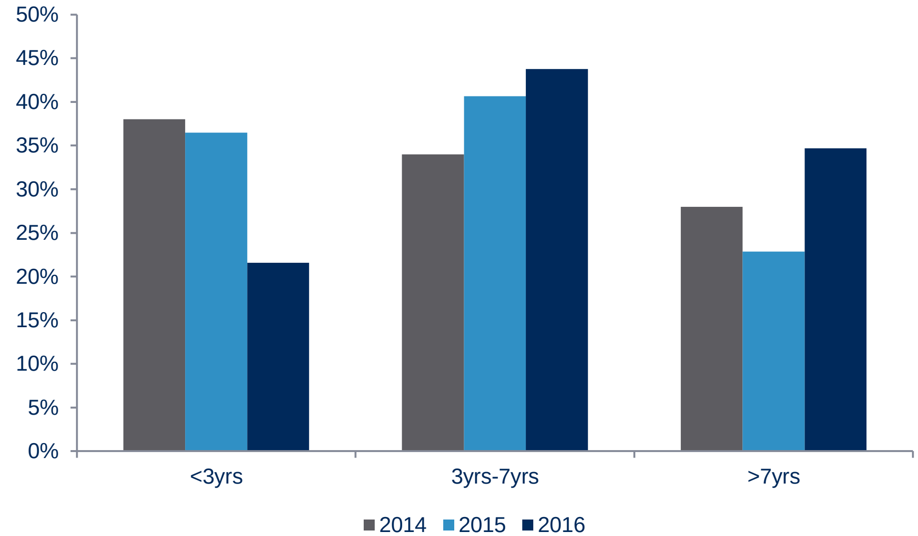


Charts represent % AuM by client type/location as at 31 December 2016

Increasing length of client relationships

- Significant proportion of institutional client base is serviced through direct relationships
  - more than 2/3rds of institutional AuM has a direct relationship, especially government-related clients
  - supported by initiatives such as Cass Business School course
  - however, consultants occasionally acting behind scenes, e.g. asset allocation
  - certain client segments, e.g. UK pension schemes, are heavy users of consultants
- Average client tenure (by AuM) increased from 5.1 years in 2014 to 6.0 years in 2016
  - more of the client base has experienced Emerging Markets cycles and the value opportunities that arise
  - Ashmore's investment processes can produce short-term underperformance; if a client has 'seen it before' then more willing to maintain or add exposure
- Significant potential for cross-selling as clients discover breadth of Emerging Markets asset classes
  - typical broadening of exposure: external debt to blended debt
  - equity vs fixed income

Increasing tenure of AuM



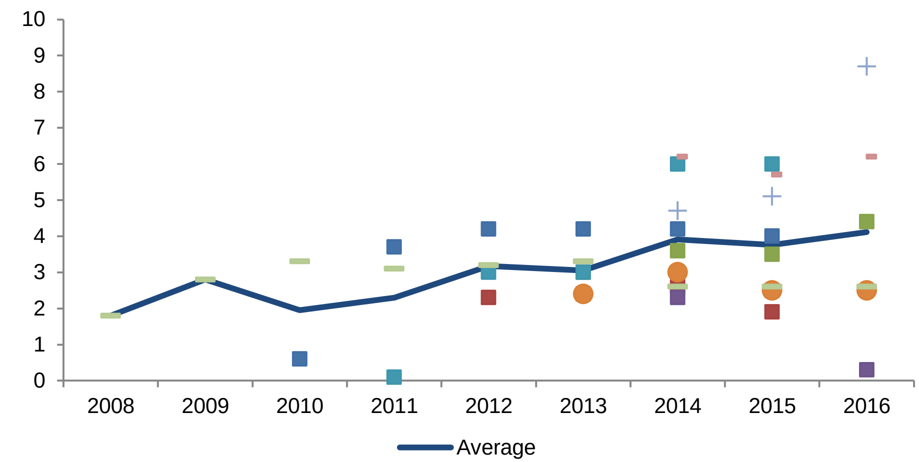
AuM managed in segregated accounts or white label products
As at December

Significant growth potential through raising institutional allocations from underweight levels

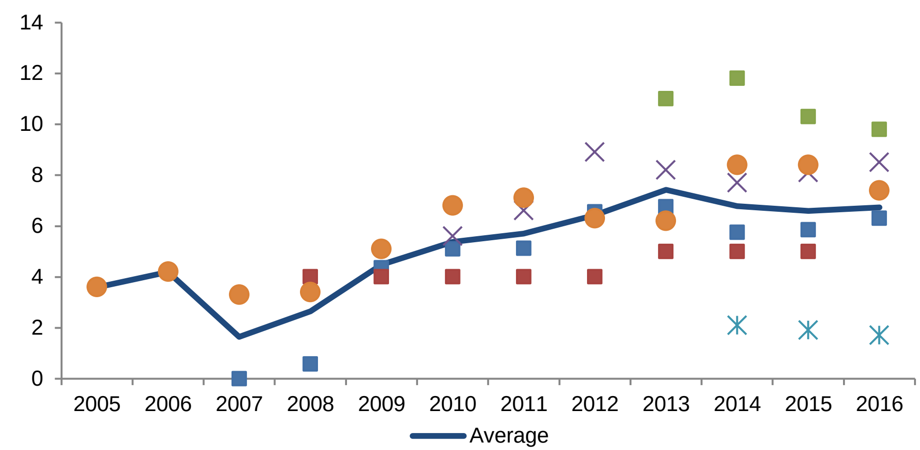
Ashmore

- Trend of rising allocations to Emerging Markets "paused" post 2013 but regaining strength now
- Actual and/or target allocations still at low levels
  - average ~4% allocated to EM fixed income and ~7% to EM equities
- Significant long-term AuM growth opportunity as allocations rise towards representative levels
  - MSCI EM index represents 10% of world market cap
  - EM represents 14% of BAML World Sovereign Bond Index
  - new index definitions use more representative allocations, e.g. JP Morgan Global Aggregate Bond Index has 20% EM weight
- Some target allocations have reduced over this cycle, and some institutions are underweight versus own target
  - short-term AuM growth opportunity as EM continues to deliver outperformance and institutions move back to target weights
- Longer term, based on c.USD 75 trillion DM institutional AuM, every 1% increase in allocation is USD 750 billion to be invested in Emerging Markets

Pension fund allocations to EM debt (%)



Pension fund allocations to EM equities (%)



Source: Towers Watson, pension fund annual reports, BAML, JP Morgan
Points on chart represent specific US / European pension fund allocations to EM debt or EM equities

Client case study
UK public pension plan

- Discussions commenced mid-2015

- New allocation to Emerging Markets debt
  - included within high yield liquid securities allocation

- Consultant-led tender process:
  - 50 managers initially
  - shortlist of six
  - Ashmore successfully participated in finals pitch with one other manager

New blended debt mandate

Client Type	UK public pension plan
Client total AuM	GBP 15 billion
EMD allocation	~2%-3%
EMD allocation to Ashmore	~1.5%-2%
Relationship inception	2017
Mandate	Blended debt, segregated account

Client case study
US public pension plan

- Long-standing external debt client
- Client interested in broadening investment to blended debt, to capture a ‘best ideas’ portfolio of external debt + local currency + corporate debt
- Competitive tender process
- Client staff led search but strong involvement of consultant
- Long lead time: process took two years, partially slowed down by EM volatility during the period

Transition from external debt to blended debt

Client Type	US public pension plan
Client total AuM	USD 30-35 billion
EMD allocation	~4%
EMD allocation to Ashmore	~1.5%
Relationship inception	2006
Mandate	External debt transitioned to blended debt, segregated account

Client case study
EM private pension plan

- Long-standing client
- Makes tactical changes to corporate debt allocation
- Reduced exposure in Q3 2016, taking some profits
- Market was weaker in Q4 2016, started to add again and continued in Q1 2017
- Overall allocation has increased
  - recent allocations are approximately 2x the redemptions

Tactical allocations to corporate debt

Client Type	EM private pension plan
Client total AuM	USD 45 billion
EMD allocation	~4%
EMD allocation to Ashmore	~0.5%
Relationship inception	2013
Mandate	Corporate debt SICAV

Ashmore has a strong competitive position

- Ashmore has significant competitive advantages:
  - extensive network of contacts across broad range of Emerging Markets
  - consistent investment processes proven over 25 years across wide range of market conditions
  - strong investment performance track record, against benchmarks and peer group
  - investment processes supported by local office network combined with country visits
  - dedicated legal and risk management teams
- There are few, if any, pure Emerging Markets specialists
- Types of competitors:
  - specialist fixed income managers with significant EM presence
  - cross-over fixed income managers; in and out of EM
  - new entrants
  - (semi)passive / ETFs
- Issuers & counterparties know the difference between Ashmore ('permanently in EM') and cross-over investors

Ashmore's funds well placed versus peer group

	No. funds tracked	Quartile rank 1yr	Quartile rank 3yrs	Quartile rank 5yrs
External debt	79	1	1	1
Local currency	34	1	1	2
Corporate debt	20	1	3	2
Blended debt	38	1	1	1
Small cap equities	20	1	2	3
Frontier equities	12	2	2	3

Source: evestment data to 31 March 2017

Diversified intermediary relationships in Europe, US and Asia

Ashmore

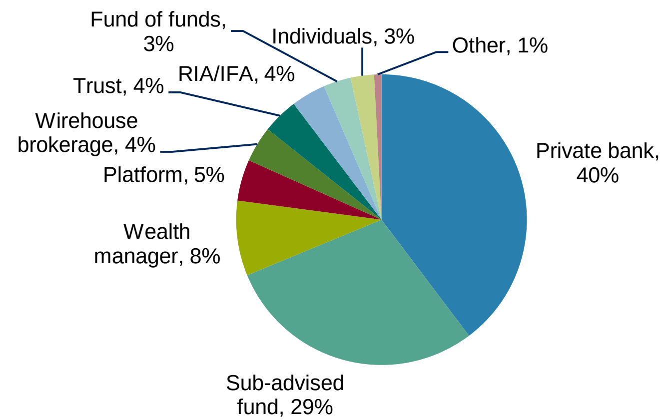
- Strategic objective to increase scale of retail AuM sourced through intermediaries
  - diversifies revenue sources
  - higher net management fee margins vs institutional products
  - can be uncorrelated with institutional flows

- EM funds grew from USD315bn to USD637bn over past nine years
  - EM equity funds USD416bn, of which 60% in the US
    EM debt funds USD221bn, of which 75% outside the US
  - return to 10% p.a. growth rate implies USD64bn annual growth opportunity for the industry

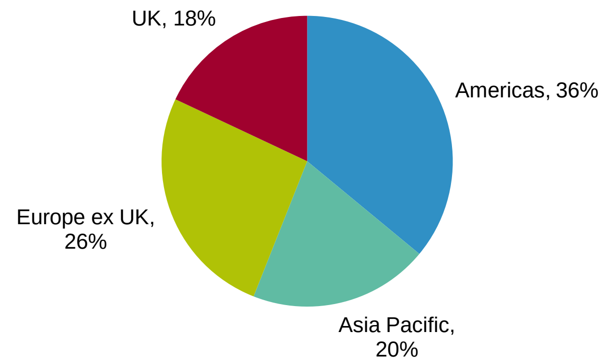
- Diversified intermediary relationships established

	US	Europe	Asia
Intermediaries	• Wirehouses • Private banks • RIAs • Trusts • Sub-advisers	• Private banks • Platforms • Wealth managers • Fund of funds	• Sub-advisers • Private banks • Wealth managers
AuM	USD 2.2bn	USD 2.7bn	USD 1.2bn
Products	• Specialist equities • Short duration • Fixed duration • Blended debt	• Short duration • Fixed duration • Blended debt • Local currency	• Fixed duration • Multi-asset

Diversified relationships by type…



…and geography

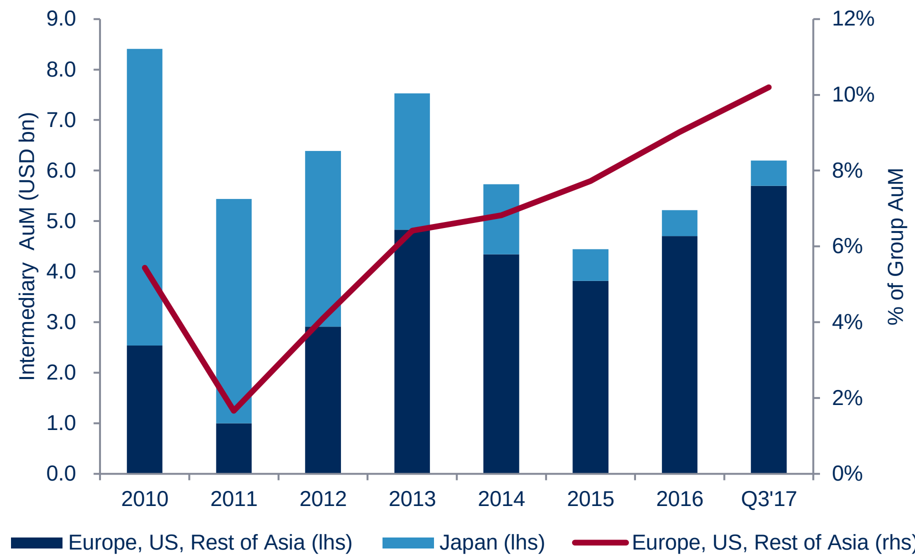


Data as at 31 March 2017

Capturing the intermediary growth opportunity

- Intermediary-sourced AuM has been broadly stable at ~10% of Group AuM since 2010
- However, underlying business mix has changed dramatically: expected redemptions from Japanese funds raised in 2010 and 2011 has been replaced with flows from US, Europe and rest of Asia
- Underlying strong growth in AuM from intermediary clients in Europe, US and rest of Asia
- Increasing the size and reach of the intermediary distribution network has mitigated the impact of weak sentiment towards EM since 2013

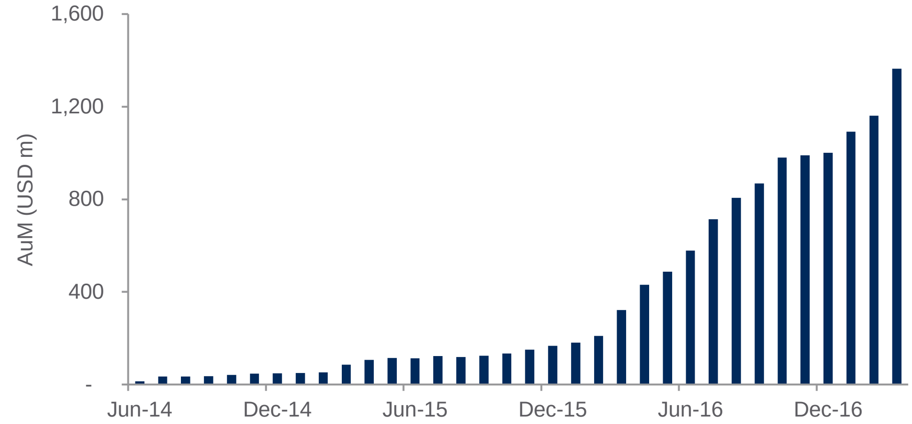
Strong underlying growth in Europe, US and Asia ex Japan



Intermediary case study
Short duration

- Short duration fund launched in response to investors looking for yield but concerned about interest rate risk
- Targeting global wealth platforms as well as institutional clients
- One of the best performing EM debt funds
  - since inception: +10.3% gross annualised vs +3.5% benchmark
  - 2016: +23.6% gross vs +6.1% benchmark
- Significant growth in AuM, driven by intermediary clients
  - 69% of AuM is retail intermediary
  - strong demand in Europe and Asia Pacific, decent traction in US

Significant growth in Short Duration AuM



Investment Universe	• Short term Emerging Market debt securities • Corporates and sovereigns/quasi-sovereigns • All USD/G7-denominated, no local currency • Duration: 1-3 years
Reporting Benchmark	• Primary: JP Morgan CEMBI BD 1-3yr Index • Secondary: BoAML 1-3yr Treasury Index
Launch date	• June 2014
Fund structure	• Luxembourg-domiciled, UCITS V-compliant SICAV • US 1940 Act mutual fund

Current opportunities and challenges

Opportunities
Renewed interest in Emerging Markets from institutional and retail investors
Underweight investors: Emerging Markets generate 58% of global GDP and 10%-20% of indices, yet <10% allocation
Poor value in Developed Markets fixed income: low/negative yields with rising rates
Strong returns and significant outperformance being delivered across Ashmore's investment themes
External debt, especially short duration, remains popular for risk-averse clients

Challenges	Ashmore response
Confusion between risk and volatility	• Ongoing education about opportunities in inefficient EM asset classes • Deliver superior returns from value-based investment processes
'De-risking' of pension assets, especially UK	• Provide access to full range of EM risk and return profiles, e.g. investment grade credit
Developing regulatory framework, e.g. MiFID2, DOL fiduciary rules	• "Fact of life"
Fee pressure from passive mandates	• Education: majority of EM securities are not represented in benchmark indices • Deliver outperformance through active asset management
Increased competition from new entrants	• Strong credentials of a specialist, active manager with long and successful investment track records

Conclusion

Ashmore

- Significant organic growth opportunity from increasing EM allocations

- Ashmore has a strong competitive position

- Intermediary business offers growth and diversification potential

- Ashmore well-positioned to benefit from growth opportunities in Emerging Markets

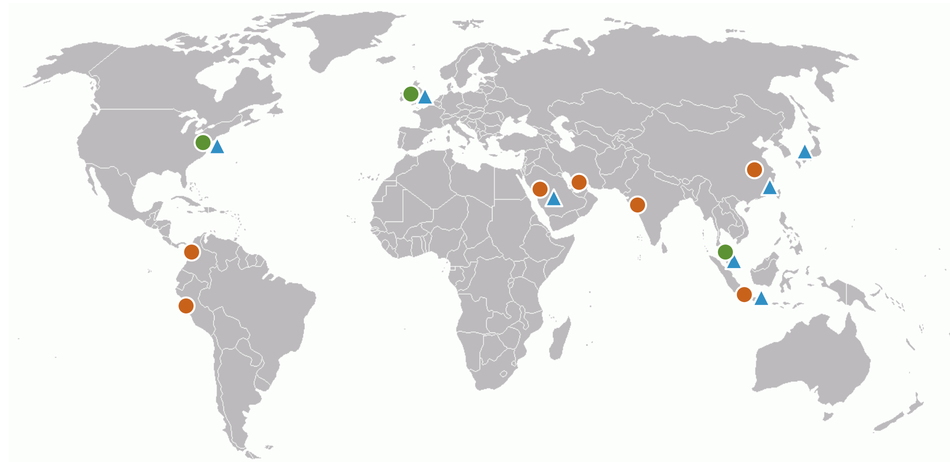
Local fund management

Tom Shippey, Group Finance Director

Local fund management network offers diversification and access to rapidly-growing markets

- A key strategic initiative is to develop a network of local asset management platforms to capture domestic flows
- Local offices…
  - include distribution, independent investment committees and appropriate middle office/support functions
  - benefit from the support & resources of a global firm, e.g. common IT and seed capital, while providing competitive advantages through local knowledge
  - make a positive and growing contribution to Group profits, with significant operating leverage as AuM increase
- Business model and ownership structure tailored to each market opportunity
  - seek local employees/partners with cultural fit and alignment of interests through equity
- Global investors can access the local investment management capabilities
- Resolved challenges in Brazil (closed), Turkey (sold) and China (restructured), providing capacity to consider new markets

Broad network of local asset management platforms



Global asset management platform
Local asset management platform
Distribution office

Ashmore Group, 31 March 2017	Local	Global
AuM (USD bn)	2.4	53.5
Countries	7	4
Employees	67	180
o/w investment professionals	35	43
Seed capital (GBP million)	66	180

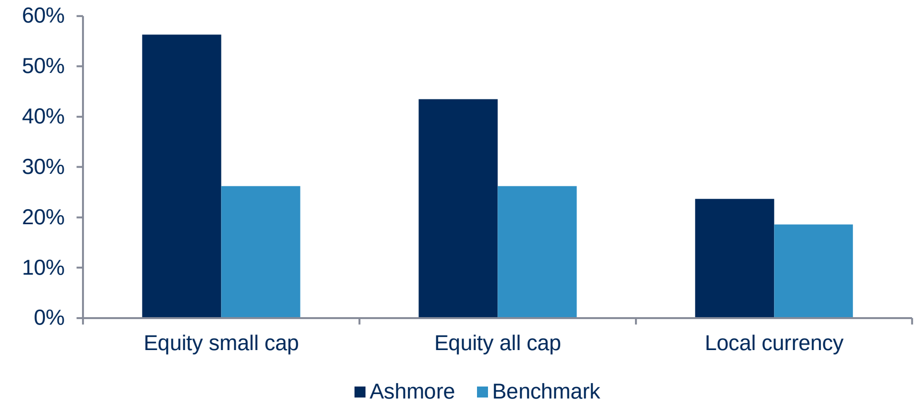
Indonesia case study

- Platform established in 2012
- Launched three funds in 2013 with USD 75m of Group seed capital support
- Total 19 local employees, with experienced team of nine investment professionals
- Ashmore is 67% shareholder, remainder owned by founding partners/employees

- Broad range of equity and fixed income products managed by fundamental research-driven investment processes
- Strong investment performance
- Rapid growth to USD 1bn AuM
  - local institutional and intermediated client flows
  - global client allocations
  - top 10 domestic equity manager
  - majority of Group's seed capital has been redeemed
- Money market fund launched in 2016 with seeding by local balance sheet

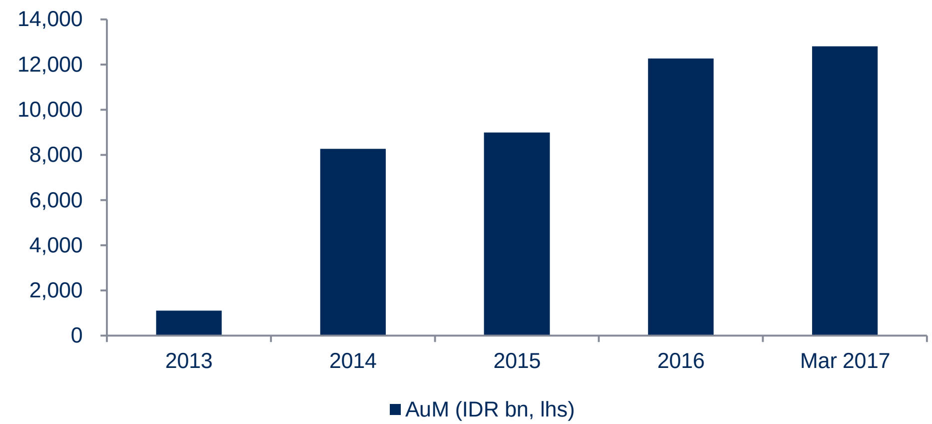
- Positive contribution to Group operating profits, operating margin now approaching Group level

Strong investment performance



Gross cumulative performance since fund inception to 28 April 2017

Rapid growth in assets under management



Business model

Tom Shippey, Group Finance Director

Ashmore has a robust and flexible business model

High-return, diversified Emerging Markets investment themes

Political, social and economic convergence trends

Investors are heavily underweight Emerging Markets

X

Specialist focus

Active management

Diversified client base

Cost discipline

Flexible remuneration policy

Scalable operating platform

Strong, liquid balance sheet

Active seed capital programme

=

Strong long-term investment performance for clients

- Significant alpha over market cycles
- 82% AuM outperforming over three years

Alignment of interests through employee equity ownership

- Long-dated equity awards
- Employees own ~47% of shares

Value for shareholders

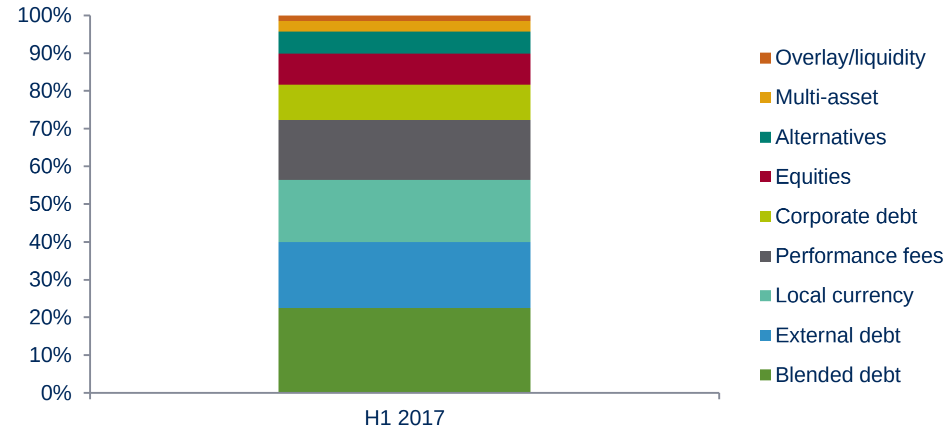
- 66% adjusted EBITDA margin
- Strong cash generation
- Progressive dividends

High-quality, diversified revenues and cost discipline deliver high profit margin

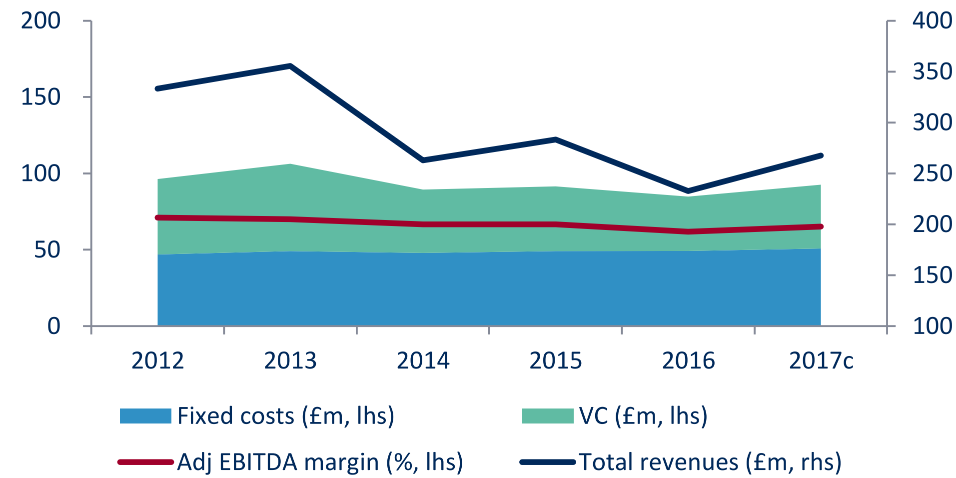
Ashmore

- Fee income dominated by management fees from a diversified set of investment themes
- Cost structure provides a high degree of flexibility
- Fixed costs kept flat over past three years, with reduction in global cost base to support investment in growing local platforms
- Adjusted EBITDA margin maintained above 60%
- Positive operating leverage demonstrated in H1 2017:
  - adjusted EBITDA margin increased from 63% to 66% YoY with 25% growth in revenues

Revenues driven by diversified management fee income



Cost discipline has maintained profit margin at high level



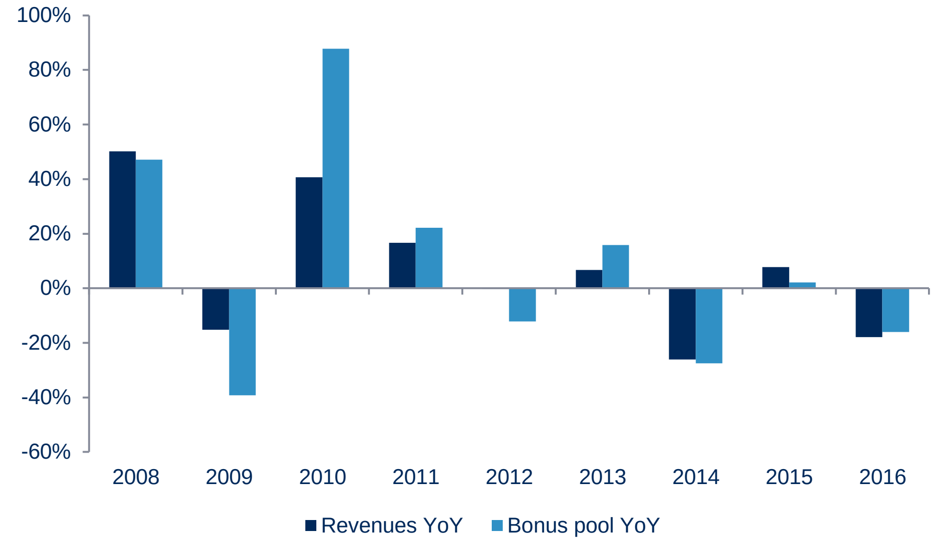
2017 is consensus estimates

Simple, distinctive and effective remuneration philosophy delivering retention and alignment of interests

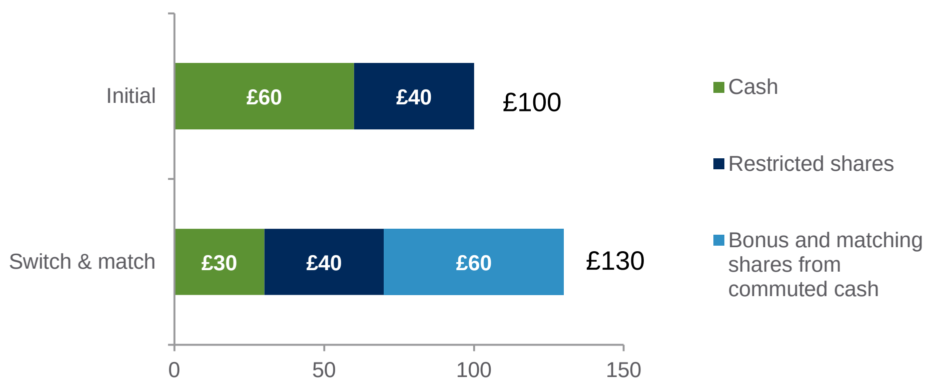
- Principal features:
  - salaries capped to minimise fixed costs
  - single profit-based VC pool, capped at 25% of pre-bonus profit
  - mandatory equity component with ability to increase equity exposure by voluntarily commuting cash
  - further alignment through significant deferral: five-year cliff vest, with ordinary dividend eligibility
  - Employee Benefit Trust (EBT) purchases shares to avoid dilution

- Average length of senior employee service in Global businesses is 10 years

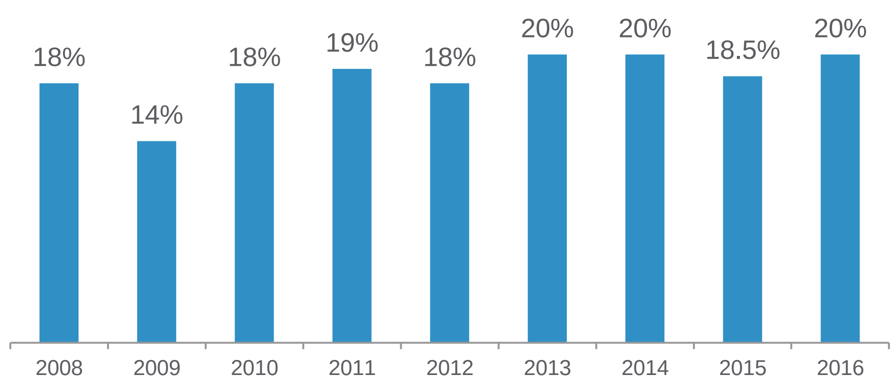
Strong link between performance and variable remuneration



Equity incentivisation (based on VC of £100)



Variable compensation as % of EBVCIT*



* Earnings before variable compensation, interest and tax

Strong cash generation

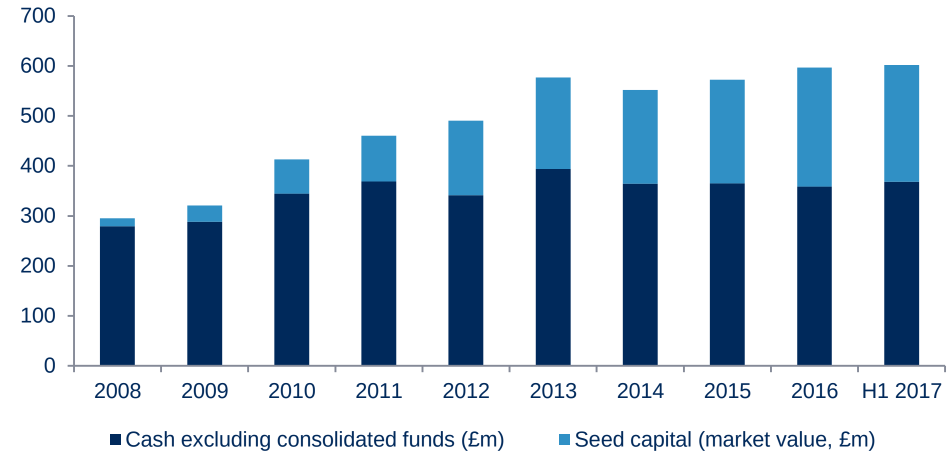
- Business model converts operating profits to cash (110% cumulative conversion since IPO)

- Cash balance has been broadly stable for seven years (±£350m)

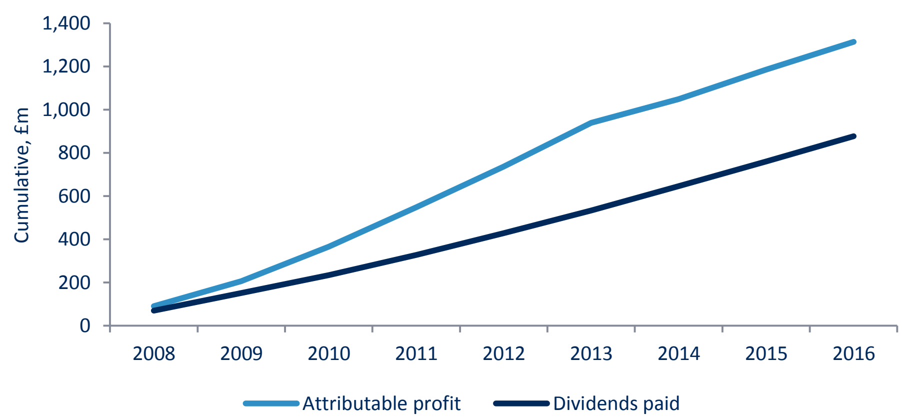
- Principal uses of cash flow are:
  - ordinary dividends to shareholders
  - share purchases to satisfy employee equity awards
  - taxation
  - seed capital investments
  - M&A

- Progressive dividend policy
  - since 2007, £876m returned to shareholders through ordinary dividends
  - equivalent to 67% of attributable profits over the period

Stable cash, investment in seed capital



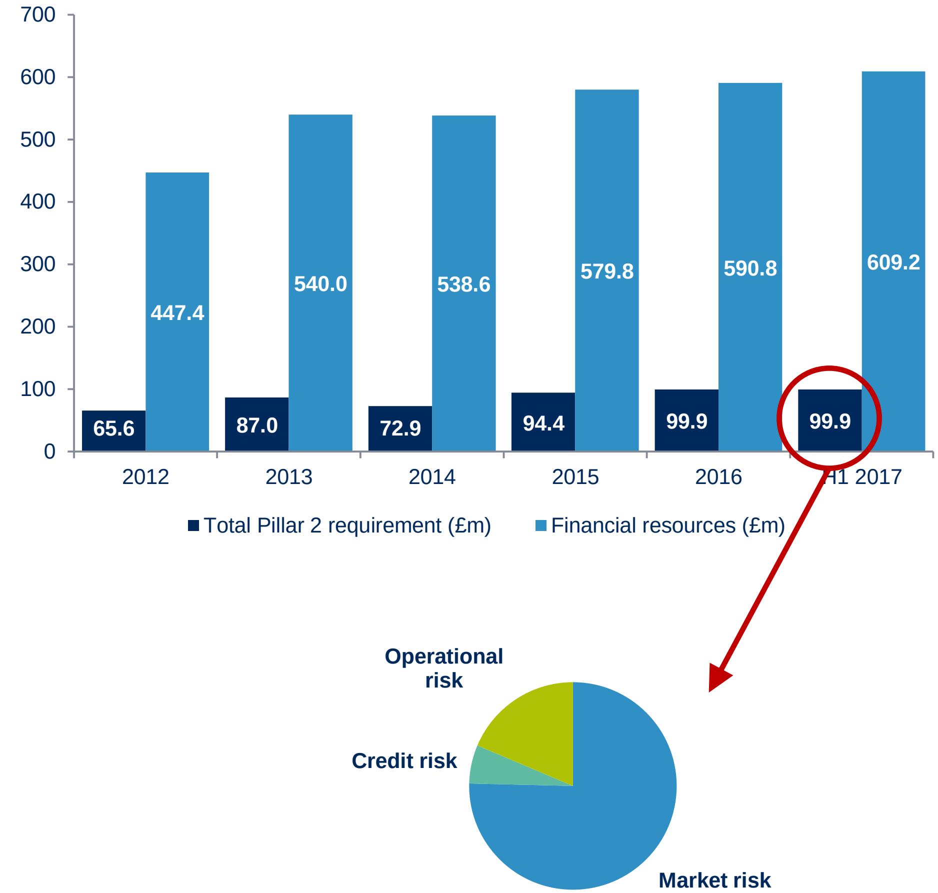
Progressive capital distribution via ordinary dividends



Balance sheet strength

- Strong, liquid balance sheet benefits clients and shareholders through the cycle
  - no debt
  - high-quality financial resources: £609m of tier 1 equity capital
  - liquid assets represent 83% of total balance sheet
  - capacity to invest in seed capital for future growth
  - confers strategic flexibility, e.g. to consider M&A
  - progressive dividend policy

Substantial financial resources



Regulatory capital

- Ashmore is supervised on a consolidated basis under a P3 licence
  - the Group's two principal FCA-regulated entities are both limited licence BIPRU €50k firms

- Regulatory capital requirement is determined annually through the ICAAP
  - Ashmore assesses how much regulatory capital it requires
  - Pillar 3 disclosures provide detailed information

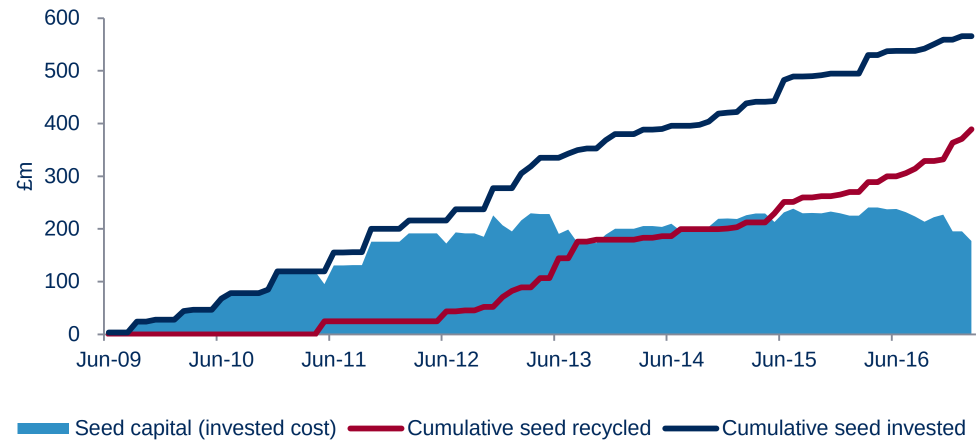
Source: Pillar 3 disclosures and Group consolidated financial statements

Actively-managed seed capital programme delivers AuM growth and diversifies revenues

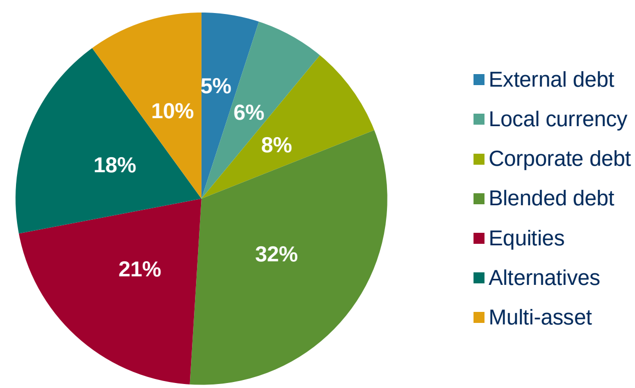
Ashmore

- Objective to grow third-party AuM to deliver diversified fee income
  - 9% of Group AuM is in seeded funds, which generate 16% of Group net management fees
- Seed capital represents 38% of net tangible equity
  - strict monitoring, exposure thresholds set by Board
- Typical objectives when seeding a fund:
  - establish an investment track record
  - enhance marketability of new and existing share classes
  - provide initial support to local fund management platform
- Investment returns are an important but secondary objective
- Actively-managed programme, with recycling of funds when seeding objectives achieved
  - on average, two-thirds of invested capital is recycled every year

Active management of seed capital



Seed capital by theme (% of £233.4m market value)



As at 31 December 2016

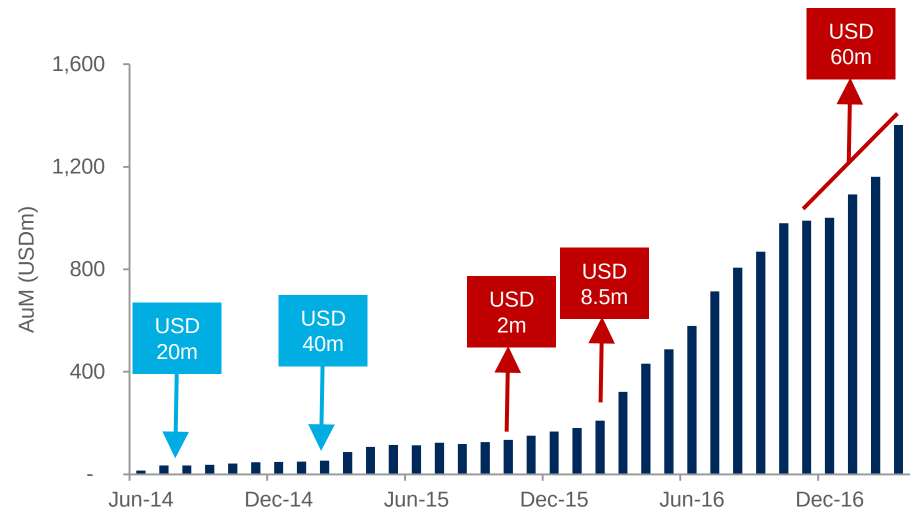
Seed capital case study
Supporting growth in short duration funds

- Seed capital committed to establish track records in SICAV and US 1940 Act mutual funds
  - USD 10m committed to both funds in 2014
  - additional USD 40m committed to US fund in 2016 to provide scale for intermediaries

- Active management of positions, with daily monitoring
  - growth in AuM enabled realisations to start in late 2015 (SICAV) and late 2016 (US)

- All seed commitments have now been redeemed
  - short duration AuM of USD 1.4bn
  - total market return on seed commitments of 18% in USD terms

Seed capital helps deliver significant AuM growth



Well-positioned to deal with developing regulatory landscape

- Industry backdrop of rising regulatory workload

MiFID2

- Broad implications for fixed income markets, including
  - pre- and post-trade transparency
  - trade reporting
  - new infrastructure required to process payments

- Discussions with research counterparties ongoing
  - Ashmore's investment processes have a bias towards in-house research and analysis

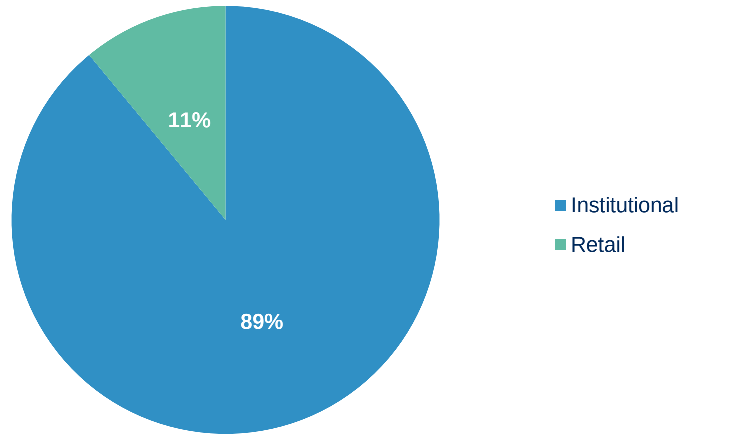
FCA market study

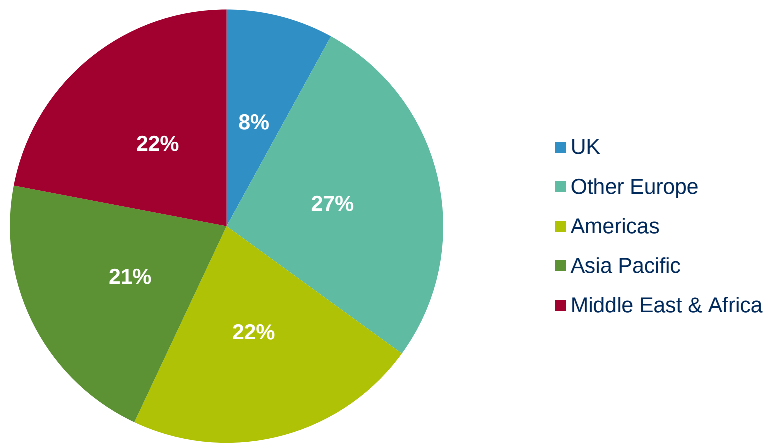
- Ongoing, final report and remedies due in 2017

Brexit

- Main uncertainty is passporting
- Wide range of possible outcomes, but expect operational impact to be manageable

AuM by client type and location





As at 31 March 2017

A specialist active manager of Emerging Markets assets

Ashmore

EMERGING MARKETS FUNDAMENTALS UNDERPIN LONG-TERM GROWTH

- EM accounts for majority of world's population (85%), FX reserves (66%), GDP (58%)
- High growth potential: social, political and economic convergence trends with DM
- Large, liquid, diverse investment universe
- Investors are underweight, typically <10% allocations vs15-20% EM weight in global indices

LONG-STANDING INVESTMENT APPROACH DELIVERS OUTPERFORMANCE

- Deep understanding of EM underpins an active, value-based investment philosophy
- Investment committees, not a star culture
- Track record extends over more than 25 years

DIVERSIFIED HIGH-QUALITY CLIENT BASE

- Global client base diversified by type and location
- Approximately 1/3rd of AuM sourced from EM-domiciled clients

DISTINCTIVE STRATEGY & EFFECTIVE BUSINESS MODEL

- Three phase strategy to capture value from long-term EM growth trends
- Remuneration philosophy aligns interests and provides flexibility through profit cycles
- Disciplined cost control delivers a high profit margin
- Scalable operating platform, 246 employees in 11 countries
- Network of local EM fund management platforms
- Strong balance sheet supports commercial and strategic initiatives, e.g. seed capital

Q&A

Appendix

Summary of investment performance

Ashmore

31 March 2017	1yr Ashmore	*Benchmark*	3yr Ashmore	*Benchmark*	5yr Ashmore	*Benchmark*
External debt						
Broad	**16.8%**	*8.9%*	**7.9%**	*6.2%*	**6.8%**	*5.8%*
Sovereign	**12.4%**	*8.9%*	**7.4%**	*6.2%*	**6.5%**	*5.8%*
Sovereign IG	**6.3%**	*5.0%*	**5.0%**	*5.1%*	**4.5%**	*4.3%*
Local currency						
Bonds	**9.1%**	*5.5%*	**-1.1%**	*-2.7%*	**-0.6%**	*-1.6%*
Corporate debt						
Broad	**22.8%**	*8.7%*	**5.2%**	*5.3%*	**6.4%**	*5.5%*
HY	**28.8%**	*15.0%*	**3.8%**	*6.2%*	**6.0%**	*6.7%*
IG	**6.7%**	*4.9%*	**5.0%**	*4.5%*	**5.4%**	*4.8%*
Blended debt						
Blended	**14.7%**	*6.7%*	**5.6%**	*1.8%*	**4.8%**	*2.2%*
Equities						
Global equities	**32.9%**	*17.2%*	**2.8%**	*1.2%*	**1.6%**	*0.8%*
Global small cap	**21.1%**	*14.5%*	**4.6%**	*1.7%*	**4.8%**	*2.9%*
Frontier	**21.2%**	*12.9%*	**3.7%**	*-1.7%*	**10.6%**	*5.8%*

Source: Ashmore (un-audited), JP Morgan, Morgan Stanley
- Returns gross of fees, dividends reinvested.
- Annualised performance shown for periods greater than one year.
- All relevant Ashmore Group managed funds globally that have a benchmark reference point have been included in each sub-theme example; specifically this excludes Alternatives and Multi-asset funds

Benchmarks

External debt Broad	JPM EMBI GD
External debt Sovereign	JPM EMBI GD
External debt Sovereign IG	JPM EMBI GD IG
Local currency Bonds	JPM GBI-EM GD
Blended debt	50% EMBI GD 25% GBI-EM GD 25% ELMI+
Corporate debt Broad	JPM CEMBI BD
Corporate debt HY	JPM CEMBI BD NIG
Corporate debt IG	JPM CEMBI BD IG
Global equities	MSCI EM net
Global small cap	MSCI EM Small Cap
Frontier	MSCI FM net

Biographies

Mark Coombs, Chief Executive Officer of Ashmore Group plc and Chairman of the Fixed income, Alternatives and Asset allocation Investment Committees. Mark has been involved in Emerging Markets since joining Grindlays Bank plc in 1983 and led Ashmore's buyout from Australia and New Zealand Banking Group (ANZ) in early 1999. He was appointed to the Board of Emerging Markets Trade Association in 1993 and Co-Chair in 2001. Mark holds an MA (Hons) in Law from Cambridge University.

Jan Dehn, Global Head of Research and a member of the Fixed income and Asset allocation Investment Committees. He joined Ashmore in 2005. Jan has extensive experience of trading Emerging Markets sovereign external debt, local currency bonds, FX, corporate bonds and Frontier Markets. He joined Ashmore from Credit Suisse First Boston, where he worked as a sovereign fixed income analyst covering Latin America, mainly out of New York. He has also covered Eastern European, South African and Mexican markets in a local currency strategy role. Jan worked as a consultant to the World Bank's research department in Washington D.C. on public expenditure issues and commodity shocks. He served for two years as an ODI Fellow in the Ministry of Finance and Economic Development in Uganda. Jan holds a Doctorate in Economics from Oxford University, a Masters Degree in Quantitative Development Economics from Warwick University and a Bachelors Degree in Economics from Sussex University. He lived for several years in East Africa as a child, where his parents worked for various development agencies and has also lived in the Caribbean. He is a fully qualified wooden shipwright.

Robin Forrest, Head of Corporate Debt and a member of the Fixed income and Asset allocation Investment Committees. He joined Ashmore in 2006 after 13 years at JP Morgan where he had a focus on credit intensive corporate situations in CEEMEA geographies. Prior to this, he had broad experience across capital markets in origination, structuring, execution, syndication, risk management and credit within loan and high yield markets and in Emerging Markets. Robin has a BA (Hons) in Russian & French from the University of Oxford.

Biographies

Alexis de Mones, Portfolio Manager, joined Ashmore's fixed income team in 2012. Alexis started his career in 1997 at Morgan Stanley as an Emerging Markets sovereign credit analyst covering EMEA. In this capacity Alexis notably advised Middle Eastern and Central Asian sovereigns and corporates on their credit ratings and access to the capital markets. From 2002 onwards, Alexis managed Emerging Markets and Global fixed income portfolios at Morgan Stanley, ABN Amro and BlackRock where he was lead investment strategist for the Global Bonds product. Alexis holds a Masters in Public Policy from Harvard University and an Honours Degree in Business from EDHEC in France.

Andrew Brudenell, Portfolio Manager and Head of Frontier Markets investment team, joined Ashmore in December 2015. Prior to joining Ashmore, Andrew was head of the Global Frontier Equity Strategy, and Lead portfolio manager at HSBC Global Asset Management. He has been in the investment industry since 1997 and has over nine years of investing experience in Frontier Markets. Prior to joining HSBC, he worked as a US fund manager at Scudder Investments and as an Asia Pacific equities analyst and Global equities portfolio manager at Deutsche Asset Management. He holds an MSc from the London School of Economics and is a CFA charter holder.

Christoph Hofmann, Global Head of Distribution, joined Ashmore in 2010 and is responsible for sales, marketing and client servicing for the firm's institutional and retail clients globally. Prior to joining Ashmore he spent the 12+ years at PIMCO Advisors / Allianz Global Investors where he held various management positions, both in the U.S. and Europe. Most recently Christoph was Head of Business Development – Equity Products with responsibility for distributing the firm's equity products. Prior to that he was Chief Operating Officer Global Retail Division, Director of Closed-end fund products, and Head of Offshore Mutual fund sales. Prior to joining PIMCO, Christoph was associated with McKinsey & Co and Nestle. He graduated from the Technical University of Berlin with a Masters of Business Administration (Diplom-Kaufmann). Christoph is a CFA Charterholder.

Tom Shippey, Group Finance Director. Prior to joining Ashmore in 2007, Tom worked for UBS Investment Bank, including advising on the Ashmore IPO in 2006. Tom qualified as a Chartered Accountant with PricewaterhouseCoopers in 1999 and is a Fellow of the ICAEW. He has a BSc in International Business and German from Aston University.

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IMPORTANT INFORMATION