

Ashmore Group plc
14 July 2020

FOURTH QUARTER ASSETS UNDER MANAGEMENT STATEMENT

Ashmore Group plc (“Ashmore”, “the Group”), the specialist Emerging Markets asset manager, announces the following update to its assets under management (“AuM”) in respect of the quarter ended 30 June 2020.

Assets under management

Theme	Actual 31 March 2020 (US\$ billion)	Estimated 30 June 2020 (US\$ billion)	Movement (%)
External debt	15.9	17.1	+8%
Local currency	17.7	18.7	+6%
Corporate debt	8.7	10.6	+22%
Blended debt	21.5	23.3	+8%
Equities	3.4	4.6	+35%
Alternatives	1.4	1.4	-
Multi-asset	0.3	0.3	-
Overlay / liquidity	7.9	7.6	-4%
Total	76.8	83.6	+9%

Assets under management increased by US\$6.8 billion over the quarter, reflecting positive investment performance of US\$9.0 billion and net outflows of US\$2.2 billion.

Investment performance was positive in all the fixed income themes, equities and multi-asset, and flat in the other themes. Markets have begun to recover from the levels seen in March, as fiscal and monetary stimulus combined with the easing of Covid-19 restrictions in some economies has led to an improvement in investors’ risk appetite. Relative performance in the equities theme is good over all time periods and while relative performance over one and three years remains below benchmarks in the fixed income themes, Ashmore’s active investment processes delivered high levels of outperformance over the quarter and are therefore recovering the mark-to-market underperformance generated by the sharp market declines in February and March, as is normal for the Ashmore process. Despite the rally over the quarter, valuations across fixed income and equity markets still offer substantial upside and opportunities for further outperformance.

There were net outflows in the blended debt, local currency, external debt and overlay / liquidity themes as clients react to the extreme market conditions seen in the previous quarter. The outflows in blended debt, external debt and overlay / liquidity were predominantly from institutional clients, and in local currency there was a mix of segregated account and mutual fund redemptions. The equities and corporate debt themes had net inflows, mainly driven by new institutional client mandates and, in equities, reflects the increasing recognition of the strong track record being delivered even through the recent market volatility.

Mark Coombs, Chief Executive Officer, Ashmore Group plc, commented:

“Ashmore has continued to operate effectively through the period with the safety of its employees remaining paramount. The consistent implementation of Ashmore’s active

management approach focuses on identifying value for our clients and is delivering meaningful alpha as markets recover from the lows seen at the beginning of the quarter.

“The global macroeconomic outlook remains uncertain, and the experience of individual countries will vary considerably, but it is increasingly apparent that the Emerging Markets in aggregate are less likely to suffer a recession as severe as that in the developed world. Meanwhile, current valuations are discounting a different scenario with Emerging Markets assets trading at significantly more attractive levels than the equivalent developed world bond and equity markets. Therefore, as investors continue to assess the impact of Covid-19 on their portfolios, there is a clear opportunity to enhance returns by increasing allocations to assets offering exposure to the superior domestic growth and yields that continue to be available across equity and fixed income markets in the Emerging world.”

Notes

For the translation of US dollar-denominated balance sheet items, the GPD:USD exchange rate was 1.2356 at 30 June 2020 (30 June 2019: 1.2727; 31 December 2019: 1.3248). For the translation of US dollar management fees, the average GBP:USD exchange rate for the financial year was 1.2637 (FY2018/19: 1.2958).

Ashmore will announce its results in respect of the year ended 30 June 2020 on 11 September 2020.

Ashmore’s Legal Entity Identifier (LEI) is 549300U3L59WB4YI2X12.

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