Ashmore




Ashmore Group plc

Investor presentation

June 2018

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 vs 10%-20% EM weight in global indices

LONG-STANDING INVESTMENT APPROACH DELIVERS OUTPERFORMANCE

- Deep understanding of EM underpins an active, value-based investment philosophy
- Inefficient markets mean volatile prices, but significant alpha opportunities
- Investment committees, not a star culture
- Performance track record extends over more than 25 years

DIVERSIFIED CLIENT BASE

- Global client base diversified by type and location
- Retail markets accessed through intermediaries
- 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
- High conversion of operating profits to cash (109% since IPO)
- Scalable operating platform, 257 employees in 11 countries
- Network of local EM fund management platforms
- Strong balance sheet supports commercial and strategic initiatives, e.g. seed capital

ASHMORE CHARACTERISTICS

- AuM of USD 76.5bn diversified across eight investment themes
- Strong investment performance, 93% of AuM outperforming benchmarks over three years
- High EBITDA margin (67%)
- Well-capitalised, liquid balance sheet with £485m of excess capital
- Alignment of interests between clients, employees and shareholders; employees own ~47% of equity
- Progressive dividend policy, £1bn returned to shareholders since IPO

Emerging Markets

Current views

Developed Markets events have weighed on Emerging Markets asset prices…

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Developed Markets issues

- EURUSD weak and volatile due to
  - US politics / protectionism
  - weaker European data (growth, inflation)
  - Italian politics
  - Fed tightening as data improves
- US real yields have increased ~80bps over past six months (cf +120bps in 2013)
- Ongoing geopolitical risks e.g. Korea, Iran
- Oil price rally

Emerging Markets

- No significant external shock e.g. commodity price collapse or global economic slowdown
  - No read-across from country-specific situations e.g. Turkey
- EM fundamentals are strong and better than in 2013
  - GDP growth is accelerating – cheap currencies driving export growth and, increasingly, domestic activity
  - IMF expects EM/DM growth premium to increase from 2% to 3.5% over next three years
  - Only two GBI-EM countries have a current account deficit >3% (Argentina & Turkey); overall position is flat vs 3% deficit in 2013
  - FX reserves increasing
- EM valuations across rates, FX and equity markets were not stretched at beginning of 2018
- Global allocators/cross-over investors have taken profits, but dedicated institutional money has remained invested due to underweight positions
- Therefore the recent moves in Emerging Markets asset prices are unwarranted
  - EMFX has sold off in sympathy with EURUSD
  - External debt spreads have widened (+50bps YTD to 325bps)
  - Indices -2% to -4% YTD

…which means significant value opportunities available

- Selectively adding risk to model portfolios to reflect substantial value available after the recent market correction

Local currency bonds

- Index yield of 6.5% and record high real yield of >3%, around 100bps higher than a year ago
- Inflation at a new cyclical low of 3.3%
- Currencies are broadly flat and highly competitive after 40-50% devaluation from 2010-2015

External debt

- Index spread of ~325bps is wider than post-crisis median (315bps) despite more diverse asset class (67 countries) and stronger fundamentals
- Wider spreads highly unusual in period with oil price rising (first time since 2008/9 crisis)

Equities

- Broad-based domestic economic growth, low inflation and competitive FX provide a solid backdrop
- Strong earnings growth (+21% in 2018, +11% in 2019) not reflected in MSCI EM PER of 12x

Index returns

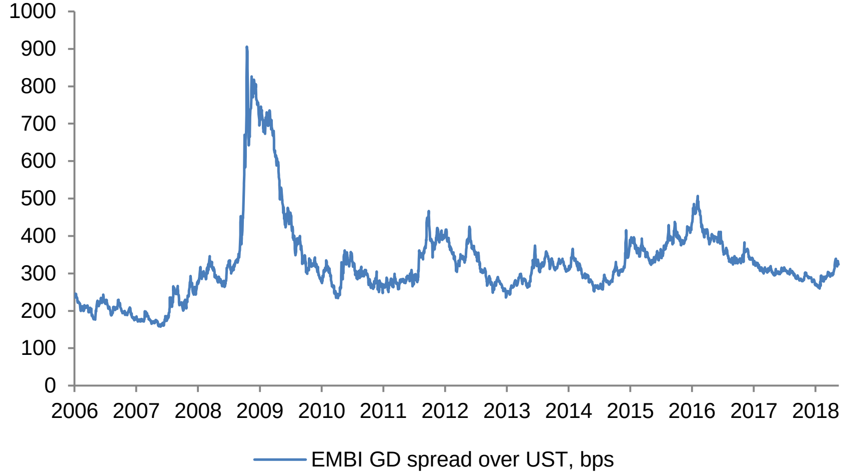
%	2016	2017	2018YTD	Total
External debt	+10.2	+10.3	-4.0	+16.7
Local currency	+9.9	+15.2	-3.7	+21.9
Corporate debt	+9.7	+8.0	-2.4	+15.6
Blended debt	+8.4	+11.8	-3.3	+17.2
Equities	+11.3	+37.5	-2.0	+50.0
10yr UST	-0.1	+2.2	-3.3	-1.3
S&P 500	+9.5	+21.8	+1.8	+35.8

Local currency bonds, total return in USD (indexed)

Asset classes: valuations

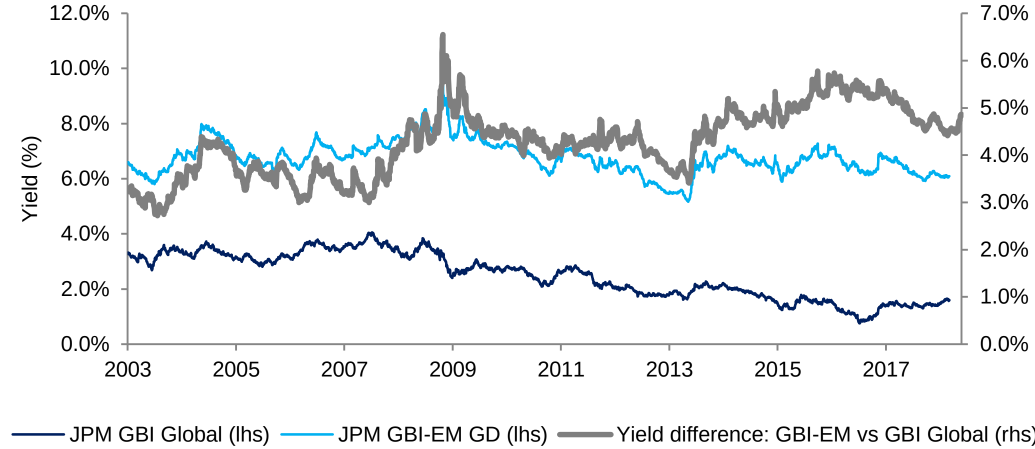
External debt

Index: 67 countries, 152 issuers, 658 bonds



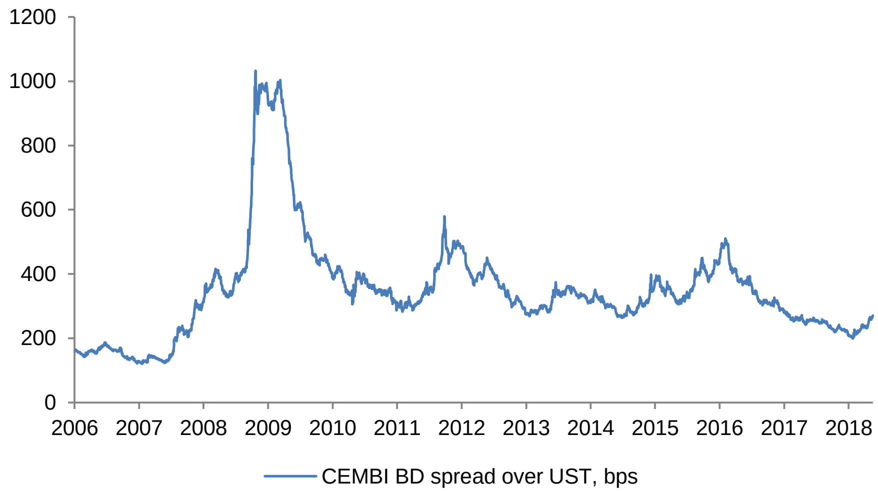
Local currency

Index: 19 countries, 19 issuers, 216 bonds

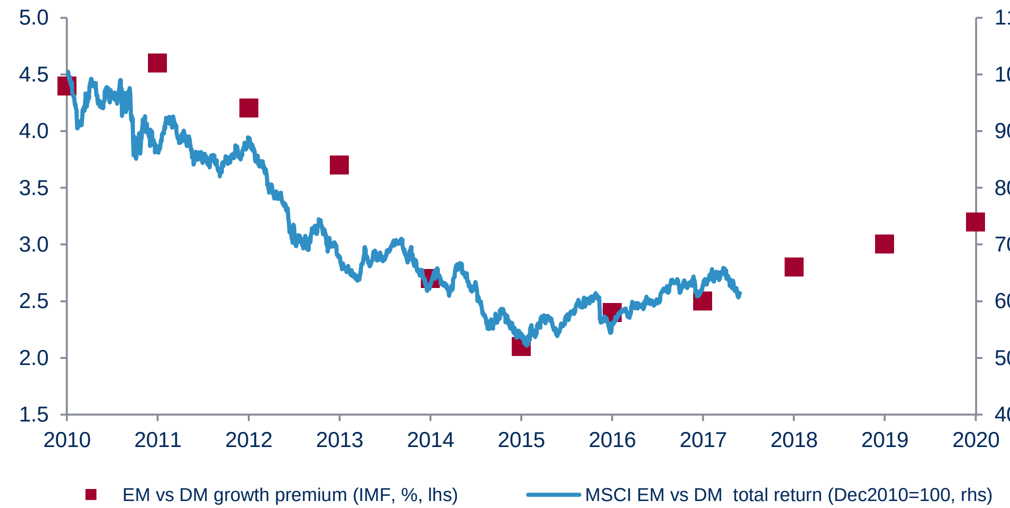


Corporate debt

Index: 51 countries, 629 issuers, 1,396 bonds



Equities



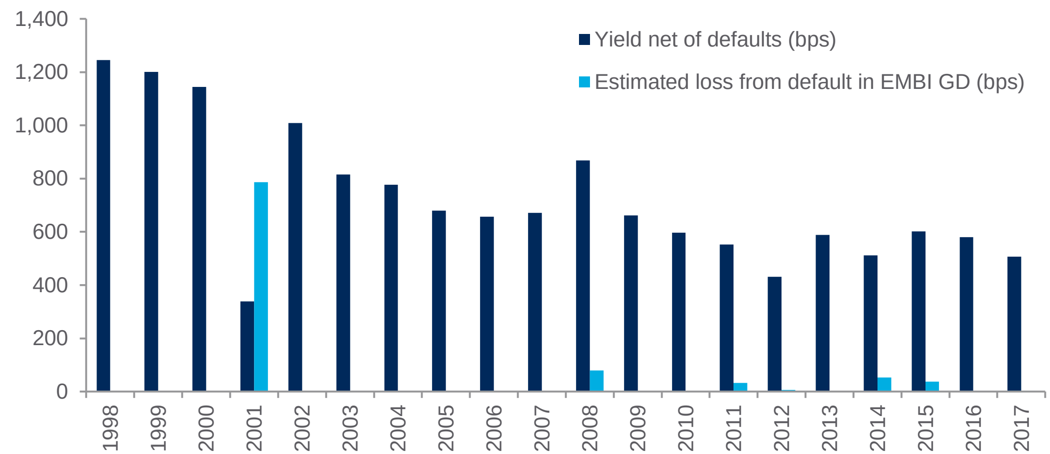
Volatility ≠ risk

- Active management can exploit value created by volatile prices in inefficient markets
- Significant alpha can be generated versus passive (index) exposure
- Bond yields provide substantial reward for risk taken, based on actual defaults

12m alpha when entering markets during +10pts VIX spikes

Strategy	Alpha	Active returns	Passive returns	History (years)
Fixed Income	**3.0%**	**11%**	**8%**	
External Debt (EMBI GD)	2.3%	12%	9%	24
Corporate Debt (CEMBI BD)	3.0%	10%	7%	16
Local Currency Bonds (GBI EM GD)	2.5%	10%	8%	15
Stocks	**2.5%**	**7%**	**5%**	
Equities (MSCI EM)	3.8%	7%	4%	24
EM Small Cap (MXEFSC Index)	5.0%	9%	4%	24
Frontier Equities (MXFM Index)	-1.3%	5%	6%	16

EMBI yield and defaults



Active versus passive investing in Emerging Markets

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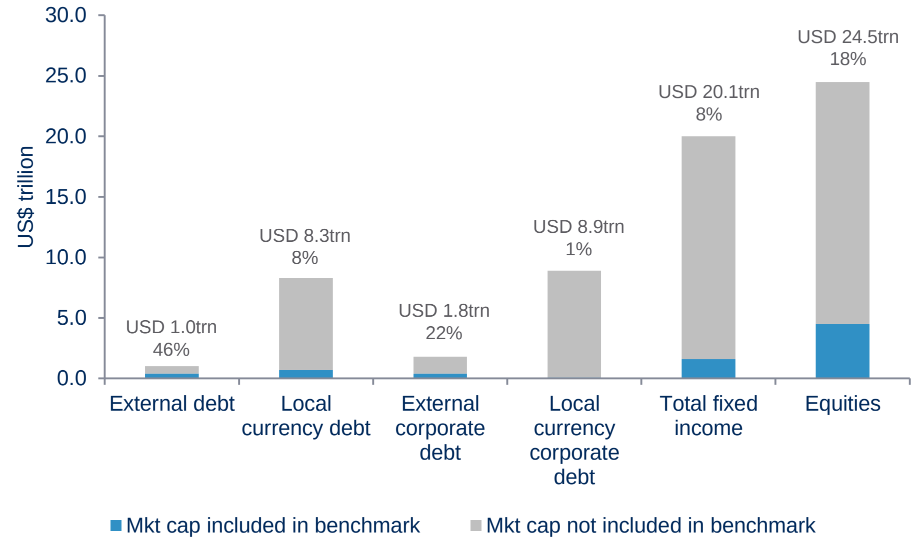
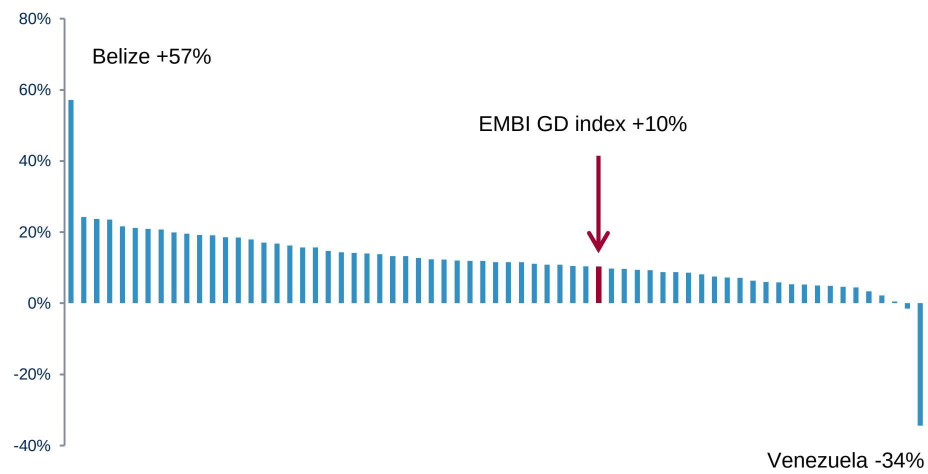
- EM fixed income and equity markets are inefficient
  - Benchmark indices are unrepresentative of the investment opportunity
  - Active management is critical
- Structural developments, e.g. removal of capital controls, will increase index representation over the long term
- Based on JP Morgan data, EM ETFs represent:
  - 10% of fixed income mutual funds; only 4% of index market cap and 0.3% of total universe
  - 26% of equity mutual funds; only 10% of index market cap and 1.8% of total universe

Large investment universe, low index representation



Wide range of returns available (2017)



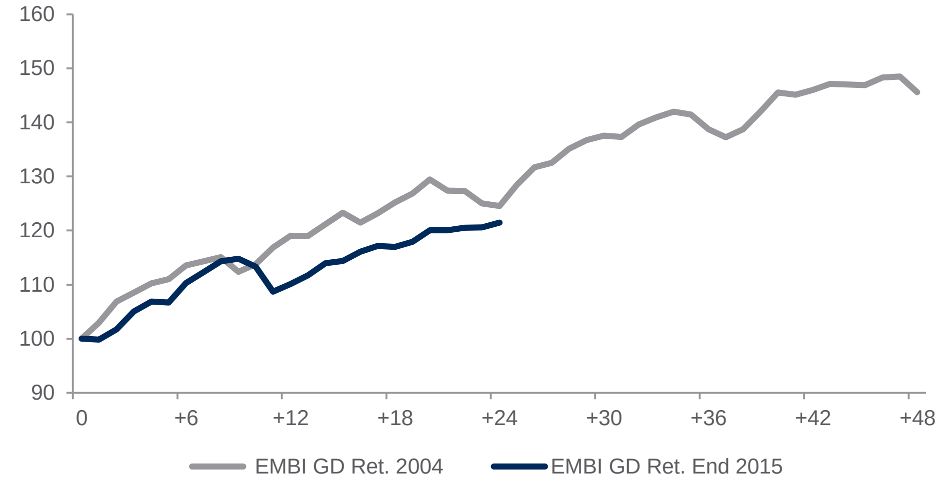
Source: BIS, JP Morgan, Bloomberg

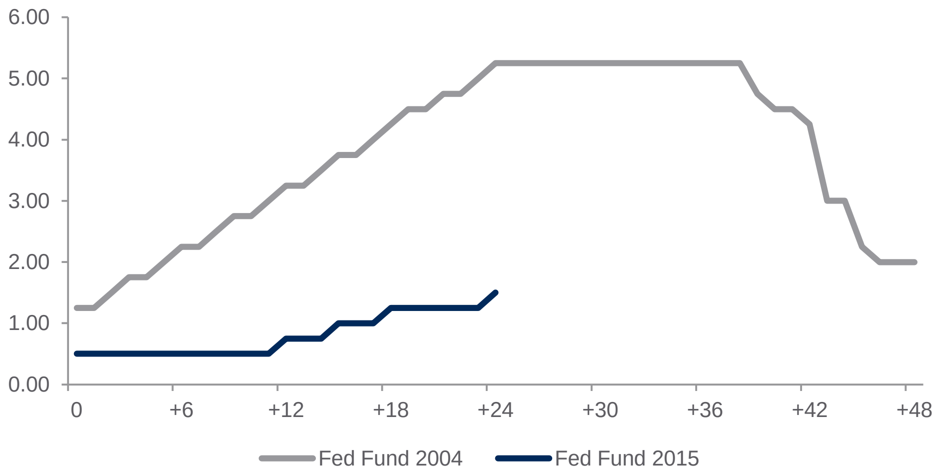
US interest rates

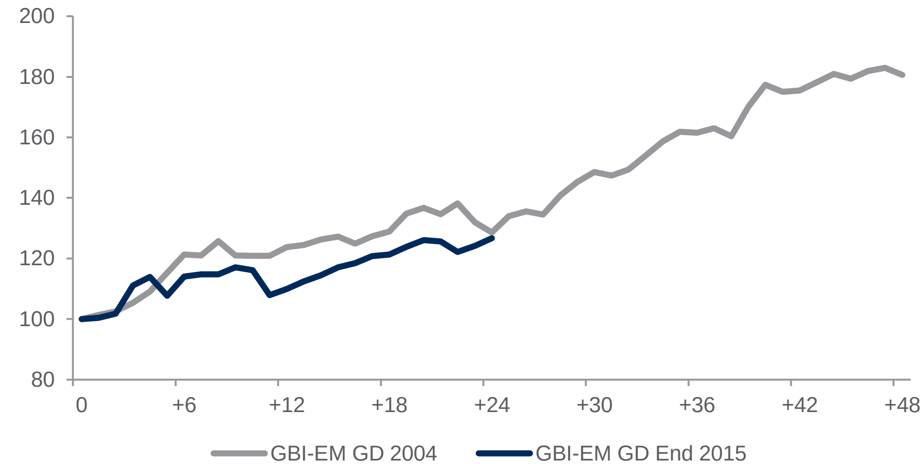
- EM typically underperforms before Fed hiking cycle starts and performs strongly once it has begun
  – Since Dec 2015, external debt spread has narrowed 125bps, delivering +19% total return vs -2% for 10yr UST

- Structural developments mean the majority of EM countries do not suffer the adverse effects experienced in 1990s:
  – Flexible FX regimes and substantial reserves (US$8.7trn or 76% of world total)
  – 86% of bond financing is in local currency
  – More accountable political institutions
  – Independent, orthodox central banks

Index returns since first Fed rate increase (2004 & 2015)







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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 (12% of Group AuM)
- 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

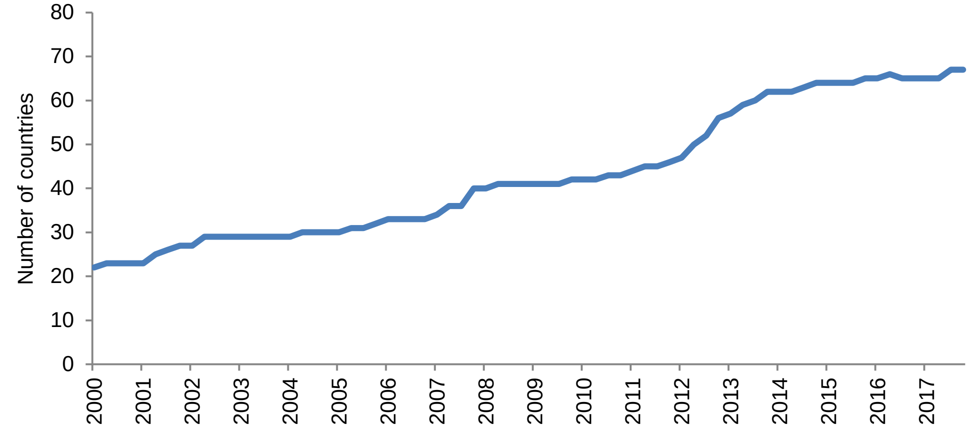
Ashmore today:

- 32% of AuM sourced from Emerging Markets
- Capacity to consider new local markets

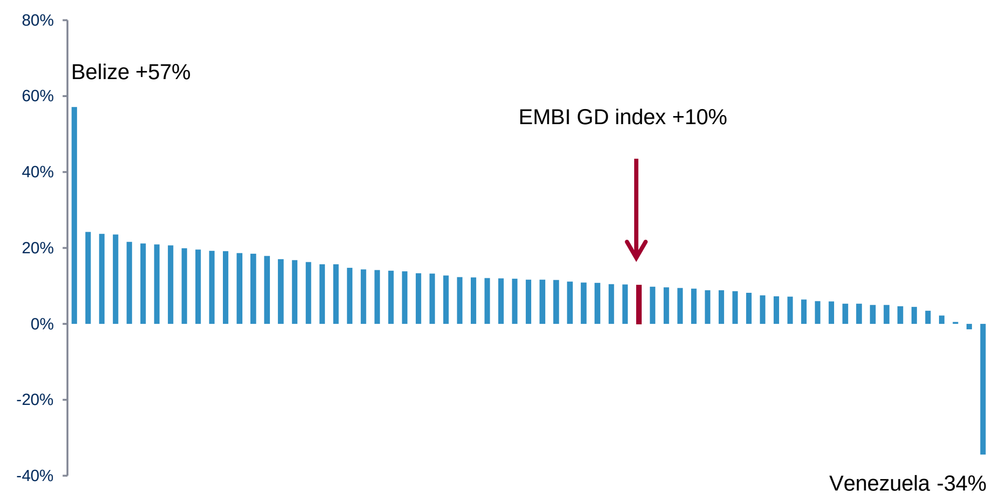
Strategy phase 1:
Establish Emerging Markets asset classes

- Emerging Markets increasingly viewed as mainstream asset classes
- Diversification is important: not a single asset class
- Wide range of risk & return profiles across fixed income, currencies, equities and illiquid assets
- Institutional allocations are underweight
  - Typically low/mid single digit % allocation to Emerging Markets
  - JP Morgan GBI-Agg Diversified index has 20% EM weight

Increasingly diverse external debt index…



…provides wide range of investment opportunities



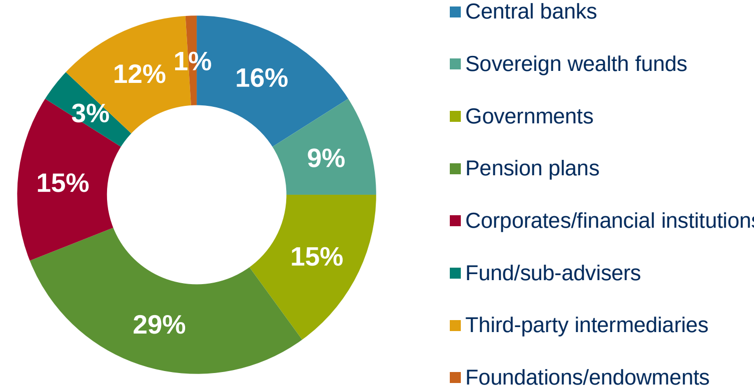
Source: JP Morgan

Strategy phase 2:
Diversify assets under management

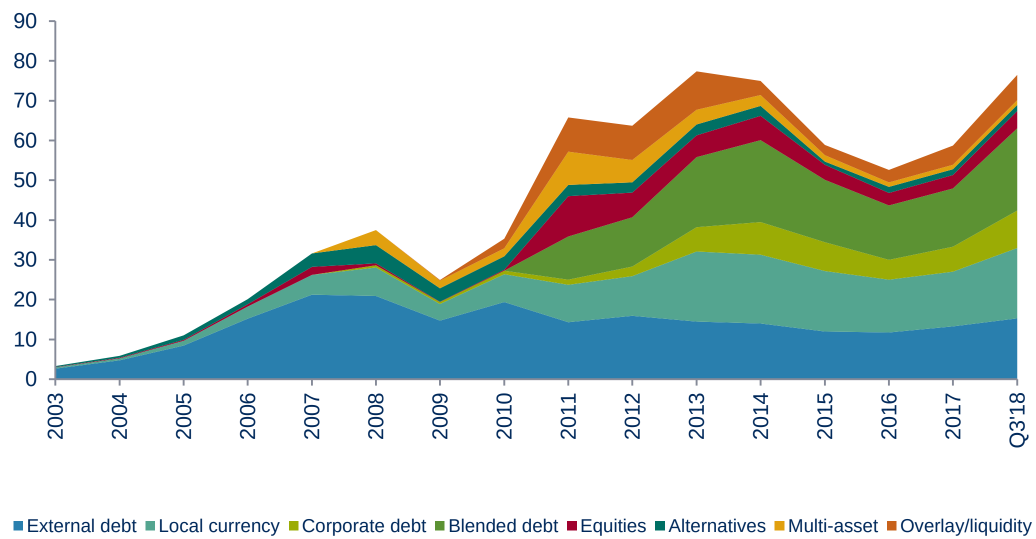
- AuM is diversified by client type and by client location

- Strategic ambition to increase representation of:
  - US-based clients
  - Retail (third-party intermediaries)
  - Equities

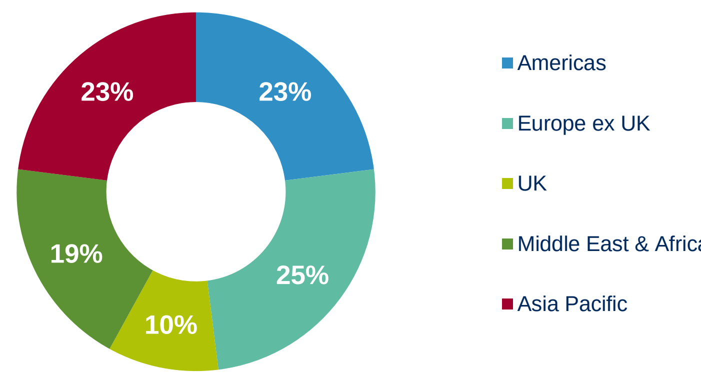
AuM by client type



AuM development (USD bn)



AuM by client location

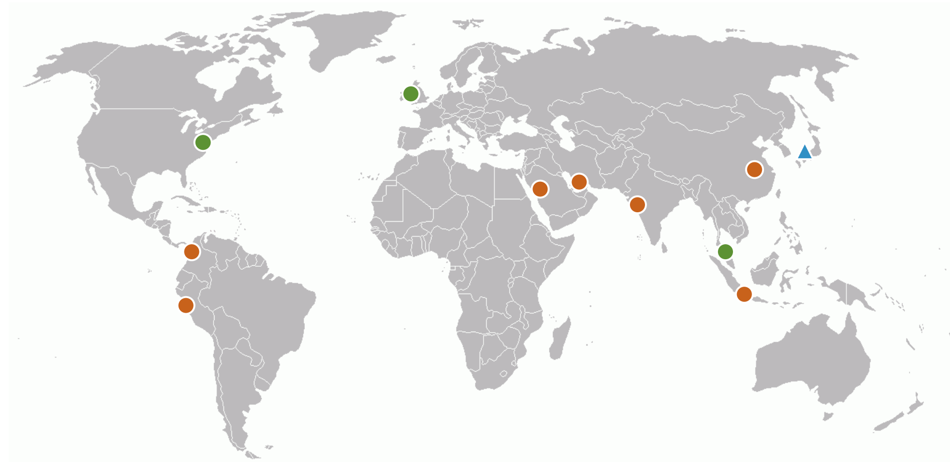


Data as at 31 Dec 2017

Strategy phase 3:
Mobilise Emerging Markets capital (local network)

- 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
- Ashmore's global clients access the local investment management capabilities with dedicated single-country mandates
- Group has 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 Dec 2017	Local	Global
AuM (USD billion)	4.3	65.2
Countries	7	4
Employees	73	183
o/w investment professionals	34	47
Seed capital (GBP million)	35	191

Ashmore has a robust and flexible business model

Opportunities

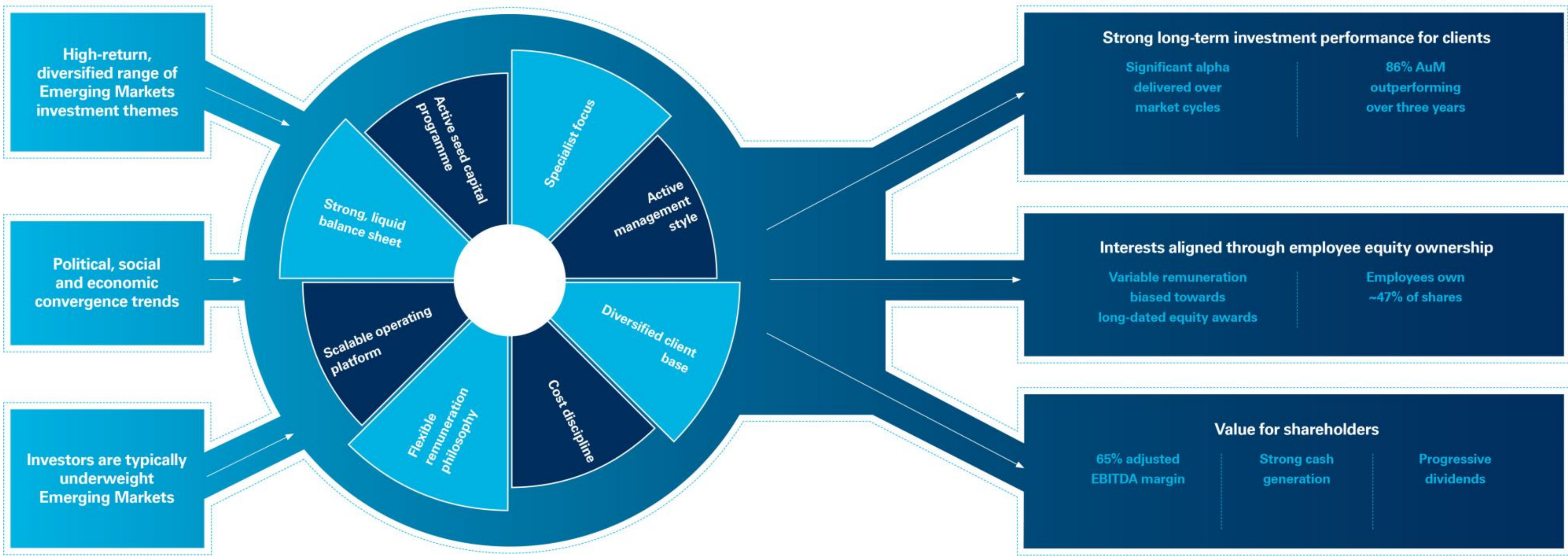
Emerging Markets present investors with significant structural growth opportunities

Distinctive processes to generate value

Ashmore's business model captures the benefits of the long-term growth opportunities

Delivery of long-term value

The business model delivers demonstrable value for clients and shareholders across market cycles



Eight Emerging Markets investment themes, numerous constantly evolving sub-themes

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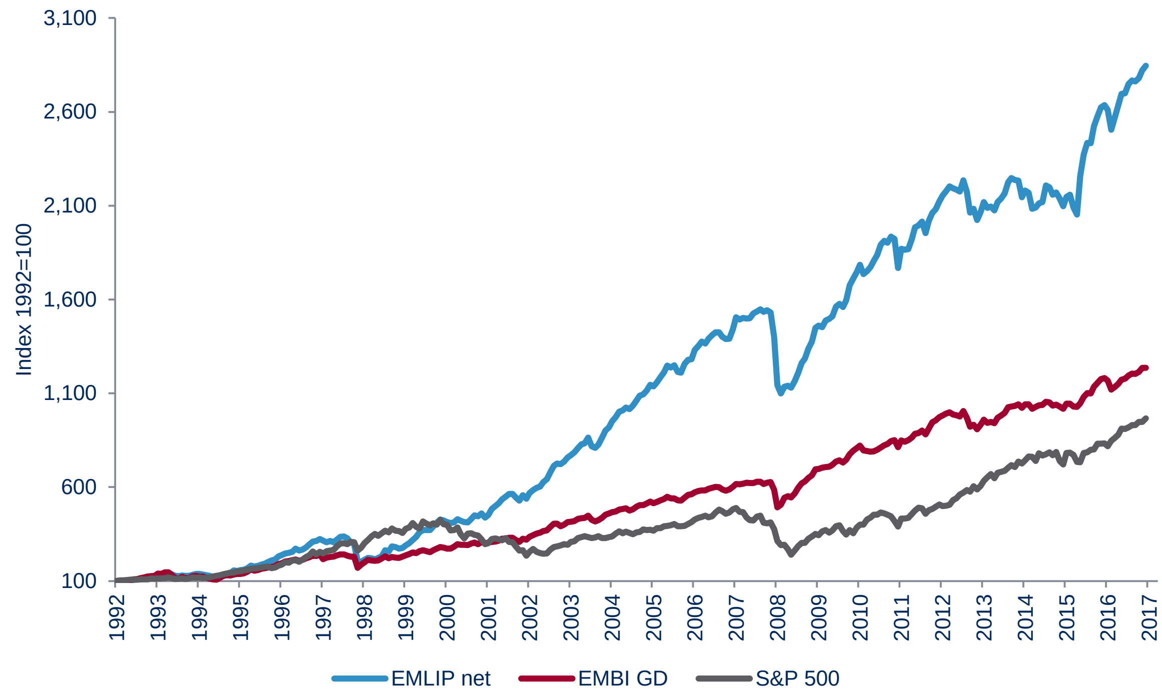
	External Debt (USD 15.3bn)	Local Currency (USD 17.7bn)	Corporate Debt (USD 9.4bn)	Equities (USD 4.3bn)	Alternatives (USD 1.5bn)	Overlay/ Liquidity (USD 6.4bn)
Global Emerging Markets Sub-themes	• Broad • Sovereign • Sovereign, investment grade • Short duration	• Bonds • Bonds (Broad) • FX+ • Investment grade	• Broad • High yield • Investment grade • Local currency • Private Debt • Short duration	• Global EM Equity • Active Equity • Global Small Cap • Global Frontier	• Private Equity • *Healthcare* • Infrastructure • Special Situations • Distressed Debt • Real Estate	• Overlay • Hedging • Cash Management
	Blended Debt (USD 20.7bn)					
	• Investment grade	• Blended	• Absolute return			
Regional / Country focused Sub-themes	• Indonesia	• Indonesia	• Asia • Latin America	• Africa • India • Indonesia • Latin America • Middle East • Saudi Arabia	• Andean • Middle East (GCC)	
	Multi-Asset (USD 1.2bn)					
	• Global					

25 years of successful investing in Emerging Markets

- EMLIP launched in October 1992
  - Annualised net return +14.4%
  - Substantial outperformance versus benchmark (EMBI +10.6% annualised) and S&P (+9.8% annualised)

- EMLIP's long-term track record delivered by:
  - Deep knowledge of diverse, inefficient Emerging Markets asset classes
  - Specialist, active investment processes
  - Value-based philosophy and rigorous credit/company analysis

Superior long-term performance



Ashmore 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’
- Significant involvement of local office teams

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

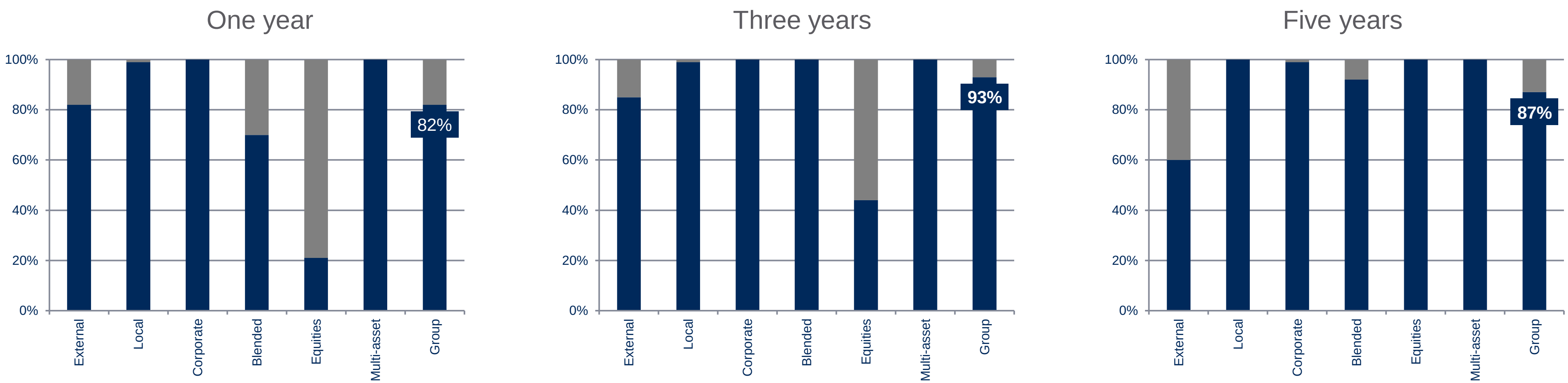
Instrument selection → **Investment decisions**
- Buy and sell decisions on specific assets

Trading / execution

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

Delivering long-term investment performance for clients

Long-term investment performance



Investment theme alpha through cycles

%	External debt	Local currency	Corporate debt	Blended debt
2005	8.6	4.8	-	9.8
2006	7.3	4.9	-	4.5
2007	3.7	3.7	-	1.2
2008	(5.0)	(11.3)	(8.3)	(7.6)
2009	4.1	12.0	18.2	12.3
2010	4.4	2.8	17.8	5.6
2011	(0.7)	1.9	(3.8)	3.3
2012	3.6	6.3	9.3	3.9
2013	0.6	(1.2)	1.2	(0.7)
2014	(6.5)	0.9	(6.7)	(0.6)
2015	0.7	0.5	(4.5)	3.8
2016	10.2	4.0	10.4	8.5
2017	1.0	2.2	6.6	0.8
2018 YTD	-	0.4	0.9	0.4

AuM-weighted Investment performance relative to benchmarks is gross of fees, annualised for periods greater than one year, as at 31 December 2017

2018YTD is to 30 April

Investment performance

31 March 2018	1yr Ashmore	Benchmark	3yr Ashmore	Benchmark	5yr Ashmore	Benchmark
External debt						
Broad	**4.7%**	*4.3%*	**9.6%**	*5.8%*	**5.5%**	*4.7%*
Sovereign	**4.1%**	*4.3%*	**8.0%**	*5.8%*	**5.2%**	*4.7%*
Sovereign IG	**4.5%**	*2.8%*	**4.1%**	*3.2%*	**3.4%**	*3.3%*
Local currency						
Bonds	**15.1%**	*13.0%*	**7.3%**	*5.4%*	**0.2%**	*-0.7%*
Corporate debt						
Broad	**9.3%**	*3.7%*	**8.9%**	*5.0%*	**4.9%**	*4.2%*
HY	**12.3%**	*5.5%*	**9.7%**	*7.9%*	**4.6%**	*5.1%*
IG	**3.6%**	*2.4%*	**4.4%**	*3.2%*	**3.6%**	*3.4%*
Blended debt						
Blended	**9.7%**	*7.6%*	**9.4%**	*5.3%*	**3.7%**	*2.2%*
Equities						
Global EM equities	**28.2%**	*24.9%*	**14.5%**	*8.8%*	**6.9%**	*5.0%*
Global EM small cap	**19.8%**	*18.6%*	**11.3%**	*7.2%*	**7.5%**	*4.6%*
Frontier markets	**25.7%**	*27.3%*	**12.5%**	*7.9%*	**12.9%**	*8.6%*

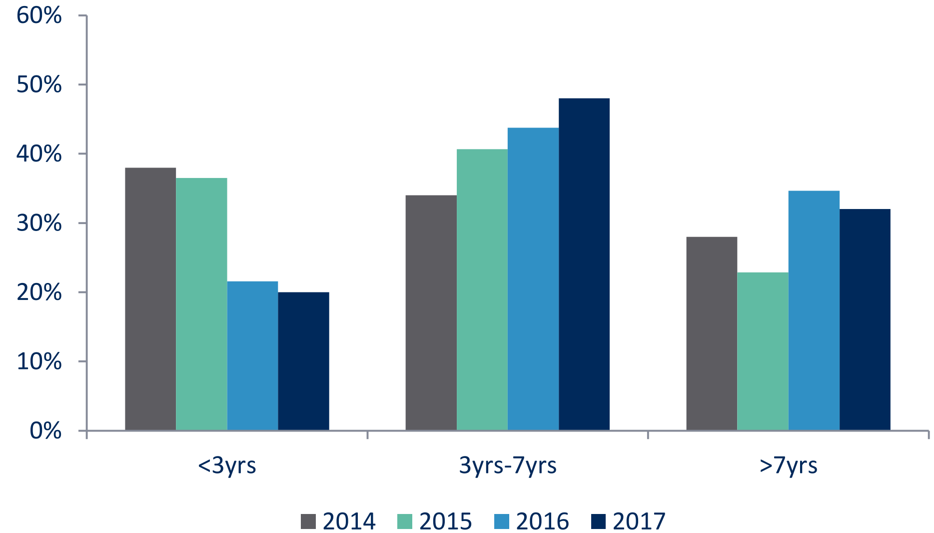
Global distribution model

- Comprehensive coverage of a diversified client base
  - Global teams in London, New York and Singapore hubs
  - Local distribution
  - Sales office in Tokyo
- Product management aligned with asset classes
  - Sovereign fixed income
  - Corporate debt
  - Equities
- Long-term, direct relationships
- Scalable team and infrastructure

Global distribution team structure

	Institutional	Intermediary	Marketing	Product management	Total
Headcount	18	7	10	5	40

Increasing tenure of AuM



AuM managed in segregated accounts or white label products

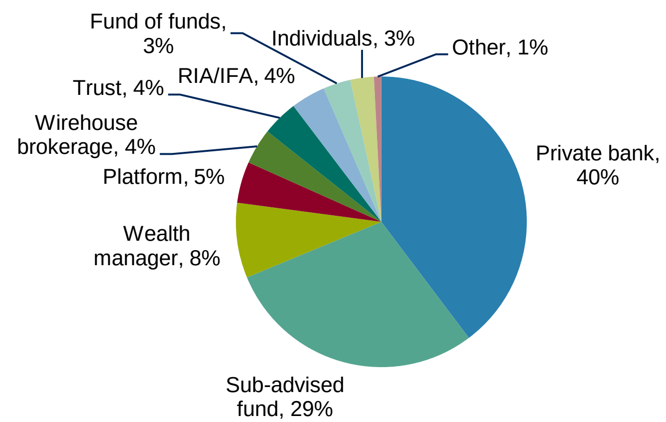
As at December

Strong retail AuM growth

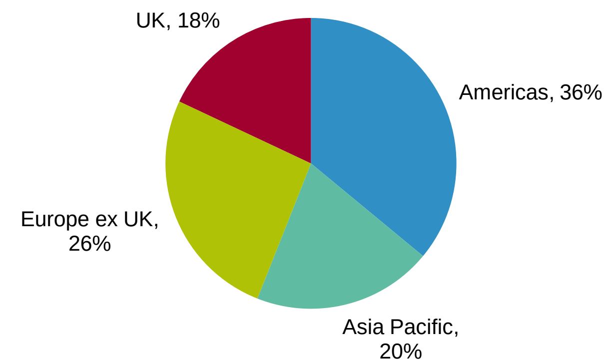
- Strong growth in retail AuM sourced through intermediaries, consistent with Ashmore's diversification strategy
  - Total retail AuM of US$8.1bn increased 20% in six months to 31 Dec 2017
  - Driven by strong flows of +US$1.1bn, equivalent to flows achieved in FY2017
- Flows delivered through wide-range of intermediary relationships including:
  - Largest 10 intermediaries in US e.g. Wells Fargo, Morgan Stanley, Merrill Lynch
  - European private banks and wealth managers e.g. UBS, Credit Suisse, Barclays, Lombard Odier
  - Asian private banks e.g. HSBC, Standard Chartered, Citi
- Broad product range leverages specialist global and local Emerging Markets investment expertise
  - Investment processes have delivered strong performance over more than 25 years
- Scalable mutual fund platforms: 26 SICAV funds in Europe with US$12.1bn AuM, and 40-Act platform in US has eight funds with AuM of US$2.0bn

	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
Product demand	• 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

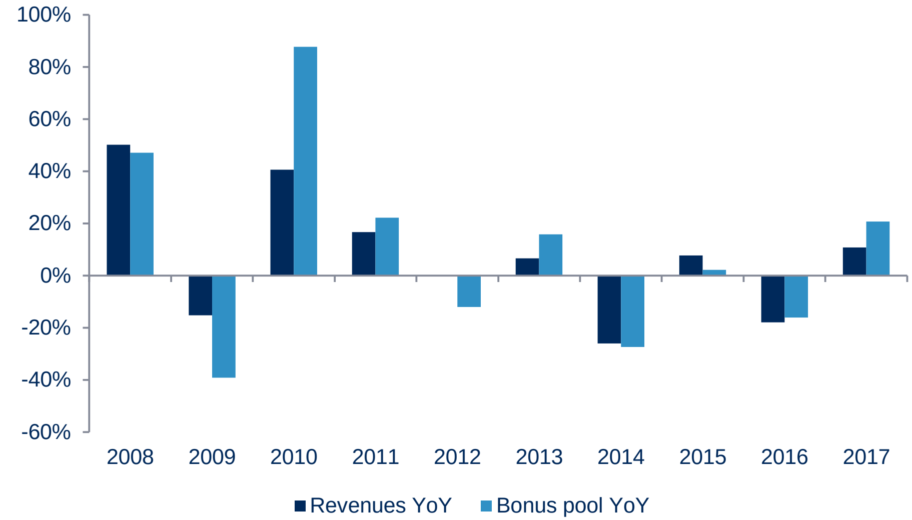


Simple, distinctive and effective remuneration philosophy delivering retention and alignment of interests

- 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

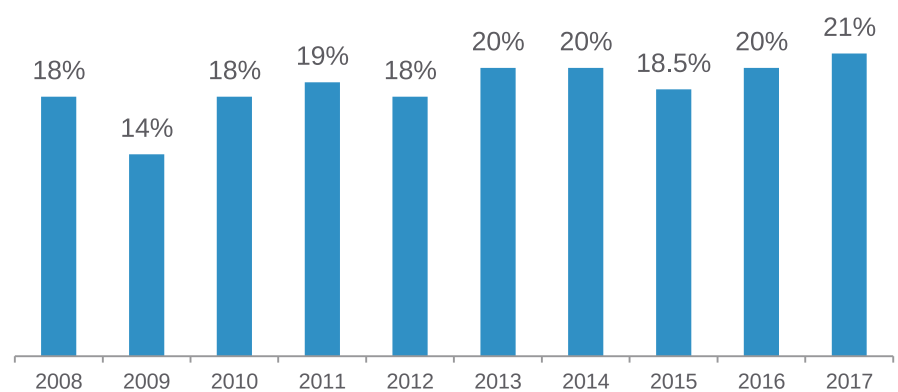
- Average length of senior employee service in Global businesses is 10 years

Strong link between performance and variable remuneration



Equity incentivisation (based on VC of £100)

Variable compensation as % of EBVCIT*

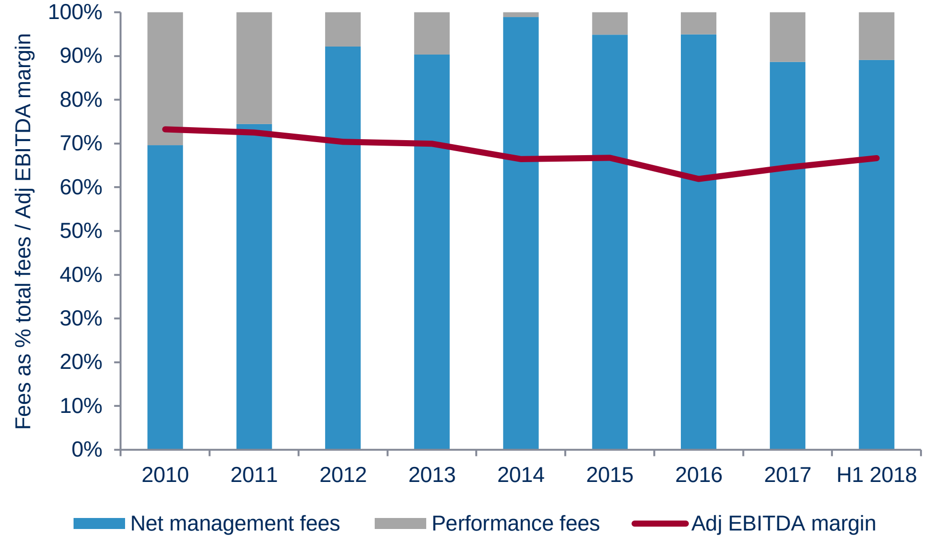


* Earnings before variable compensation, interest and tax

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

- Revenues are driven by recurring diversified management fee income, representing 90-95% of total fees
- In H1 2017/18, operating revenues +1%, non-VC costs reduced 4%
- EBITDA margin increased to 67%, demonstrating ability of business model to deliver positive operating leverage

High-quality revenues and increase in profitability

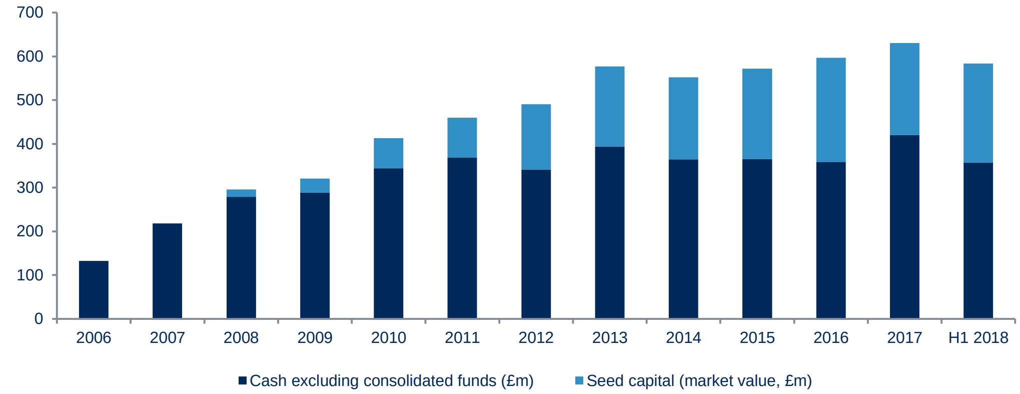


Figures stated on an adjusted basis, excluding FX translation and seed capital-related items

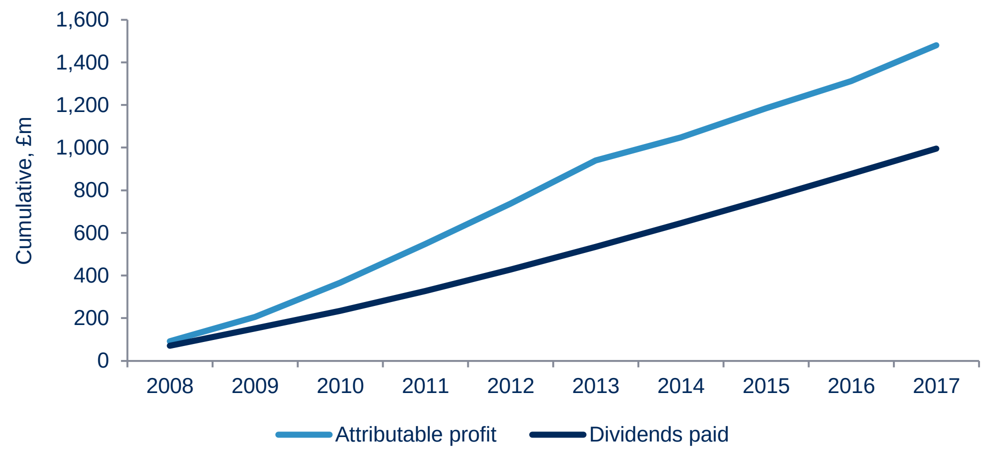
Strong cash generation

- Business model converts operating profits to cash (109% cumulative conversion since IPO)
- Cash balance has been broadly stable for seven years (±£350 million)
- 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, £995 million returned to shareholders through ordinary dividends
  - equivalent to 67% of attributable profits over the period

Conservative balance sheet maintained across market cycles



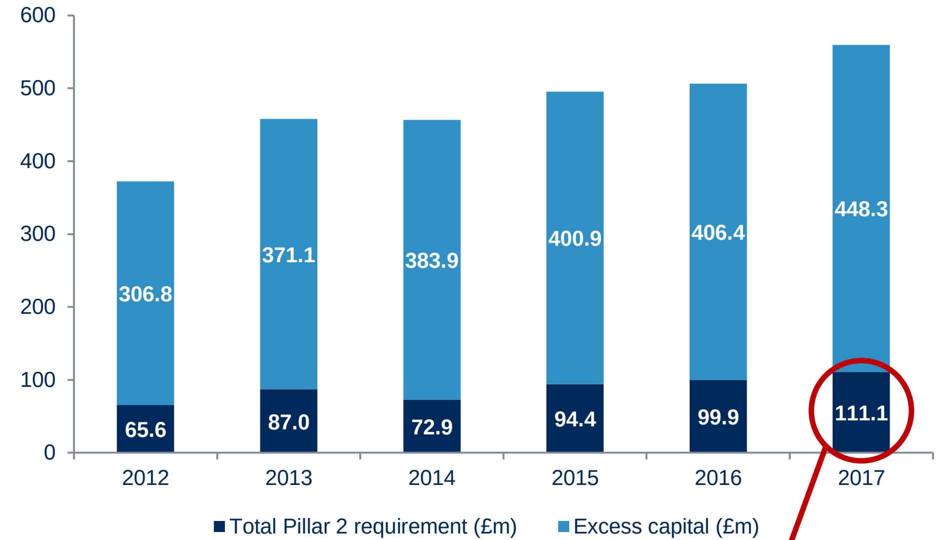
Progressive capital distribution via ordinary dividends

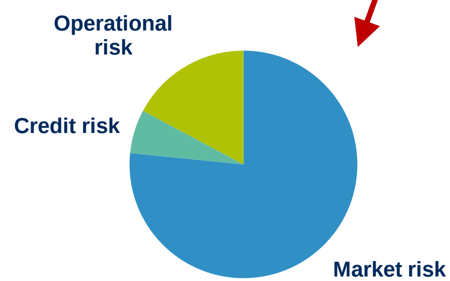


Balance sheet strength

- Strong, liquid balance sheet benefits clients and shareholders through the cycle
  - no debt
  - high-quality financial resources
  - liquid assets represent 75% 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

Recent financial performance

- **AuM +18% over the six months**
  - Net flows +US$7.9 billion, investment performance +US$3.2 billion
- **Operating revenues +1% to £136.7 million**
  - Net management fees +5% to £120.5 million, driven by diversified AuM growth
  - Good contribution from performance fees, £14.8 million across a range of investment themes
- **Pre-VC adjusted operating costs reduced by 4%**
- **Adjusted EBITDA +2%, margin increased to 67%**
- **Profit before tax -19%**
  - FX translation and lower level of seed capital gains
- **Good cash generation**
  - Operating cash flow of £73.5 million, equivalent to 81% of adjusted EBITDA
  - Interim dividend 4.55p
- **Q3 AuM increased 10% to US$76.5 billion generation**
  - Broad-based net inflows of +US$6.4 billion and positive investment performance of +US$0.6 billion

	Six months ended 31 December 2017 £m	Six months ended 31 December 2016 £m	YoY %
AuM (US$bn)	69.5	52.2	33
Operating revenues	136.7	135.7	1
Adjusted EBITDA	91.2	89.7	2
- margin	67%	66%	-
Seed capital gains	10.5	25.8	(59)
Profit before tax	99.0	121.5	(19)
Diluted EPS (p)	11.3	13.9	(19)
DPS (p)	4.55	4.55	-

Figures stated on an adjusted basis exclude FX translation and seed capital-related items

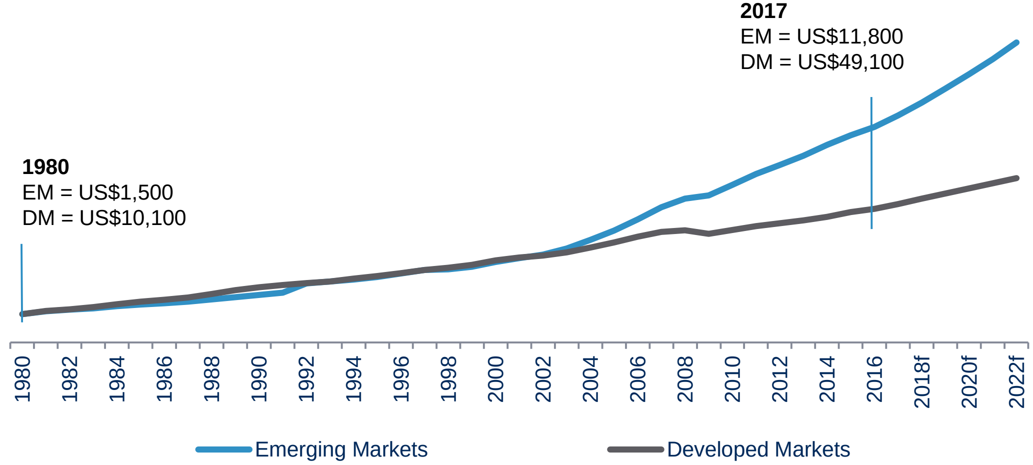
Emerging Markets

Long-term opportunities

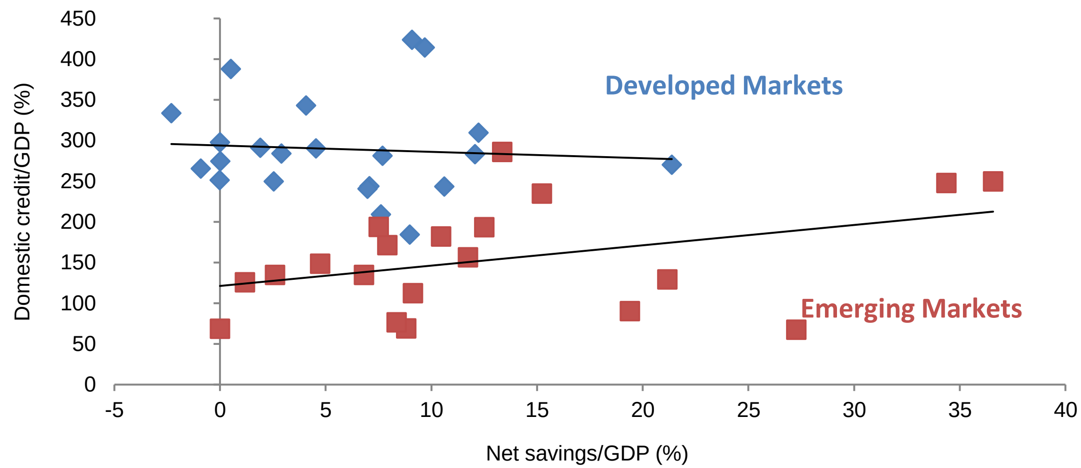
Increasing importance of Emerging Markets

- Emerging Markets are significant in a global context, and will increase their importance further
  - 85% of world population
  - 59% of GDP (PPP-basis)
  - 15-20% of index market capitalisation
  - 32% of global consumption
- EM convergence with DM is underpinned by political, economic and social developments
  - rapid growth in GDP/capita since the 1990s, but EM is still nearly four decades behind DM
- EM indebtedness is rising from a low base
  - institutional developments, e.g. pension funds, yield curves
  - greater leverage, in the context of high savings rates and development opportunities

GDP per capita (rebased, 1980 = 100)



In EM, higher debt results from higher savings

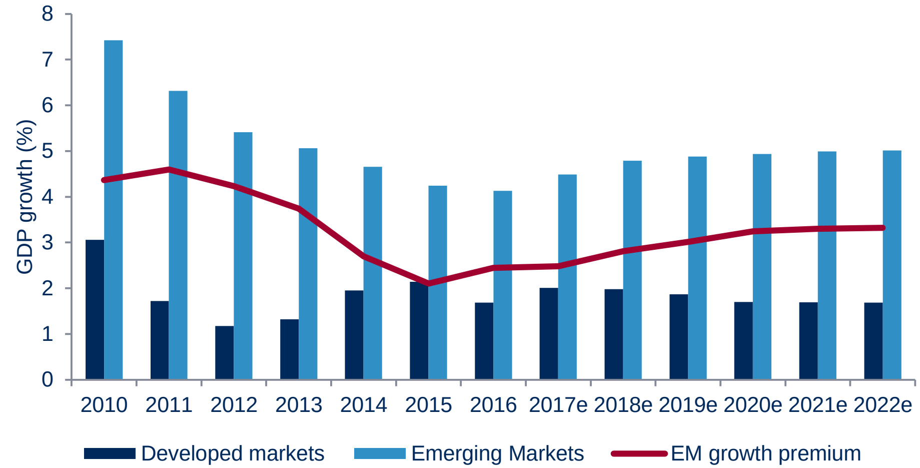


Source: McKinsey Global Institute, Euromonitor, IMF, JP Morgan, Bloomberg

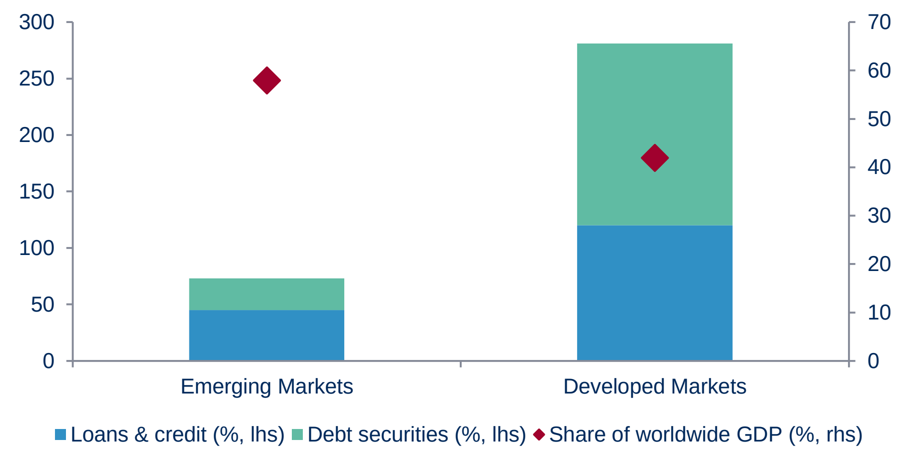
Emerging Markets fundamentals are robust

- **Emerging Markets have endured substantial headwinds**
  - Strong US dollar & significant commodity price declines
  - Capital outflows & increase in funding costs (yields)
- **Unlike previous cycles, no major casualties**
  - No balance of payments crises
  - No widespread IMF involvement
  - Small number of sovereign credit events, by atypical countries
- **Fundamentals are robust, rising GDP growth premium**
  - Cyclical upswing in EM after significant macro adjustment, EM/DM growth premium is expanding
  - Inflation under control, relatively high real interest rates
- **Technicals and valuations favour EM over DM**
  - USD 8.8trn of DM bonds have negative yields, representing 18% of GBI-DM index
  - Investors are underweight after selling EM to fund QE trades
  - No reforms and structural growth impediments in DM

Emerging Markets growth premium



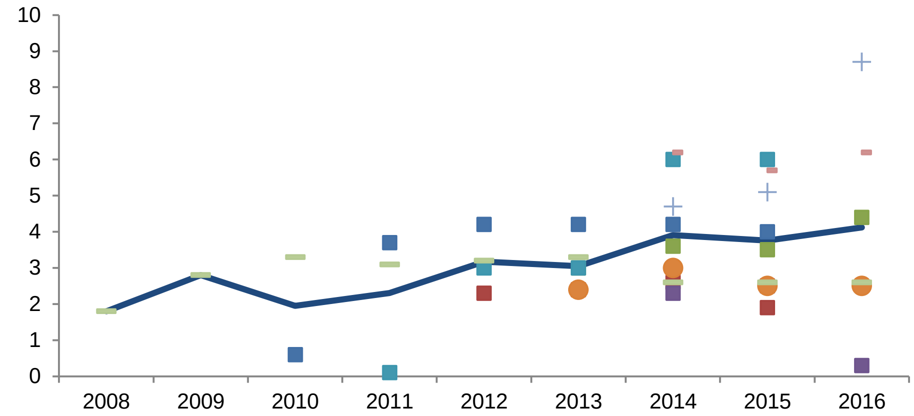
Indebtedness and share of worldwide GDP



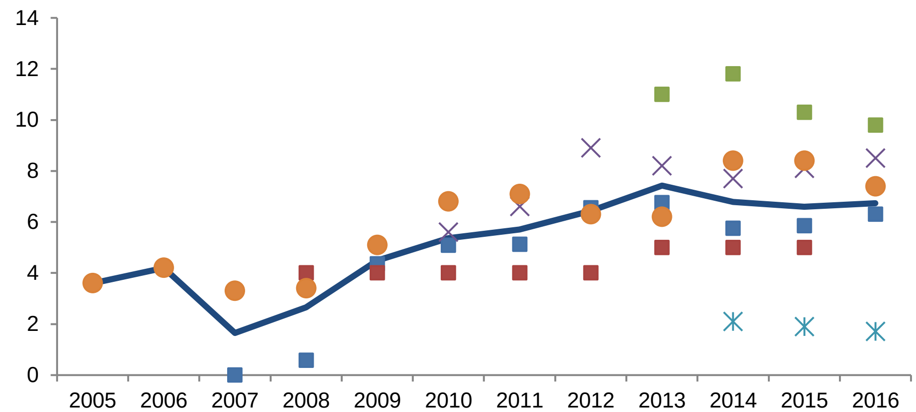
Significant growth potential through raising institutional allocations from underweight levels

- 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

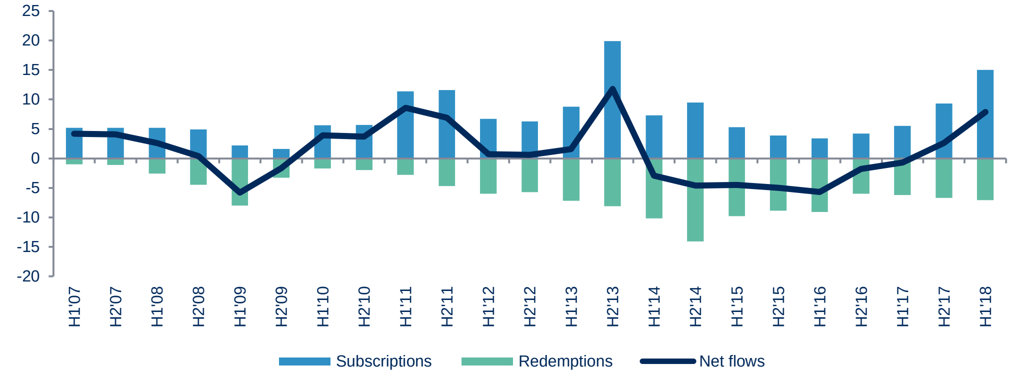
Appendix

H1 2017/18 financial results

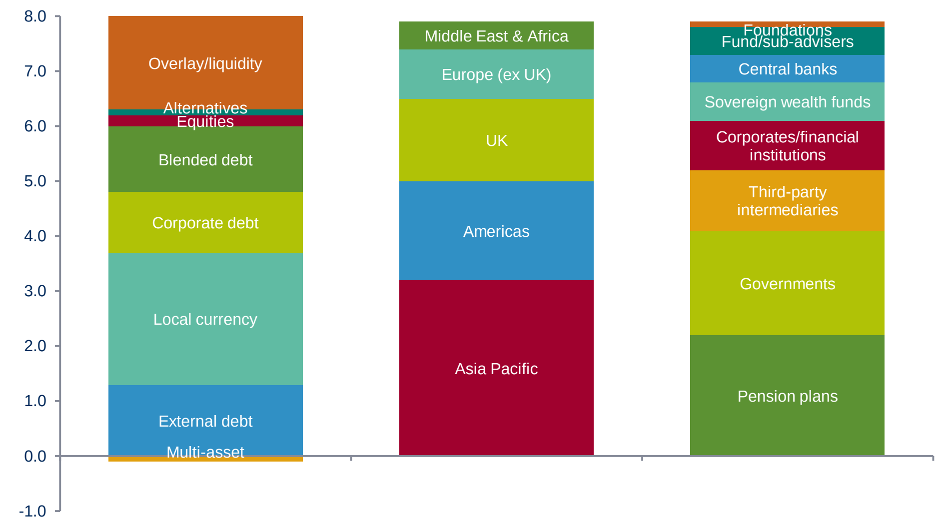
Client flows and products

- Broad-based distribution capabilities maintaining diverse client mix
- Sales biased towards top-ups from existing clients, with good level of new client mandates
- Strong growth in retail AuM, +20% over the six months
  – Net inflows of $1.1 billion, equivalent to flows achieved in previous 12 months
- Investment in future growth, e.g. recruitment of senior investment professionals
- 32% of AuM sourced from clients in Emerging Markets
  – Increasingly profitable local platforms manage US$4.3 billion

Net flows (US$bn)



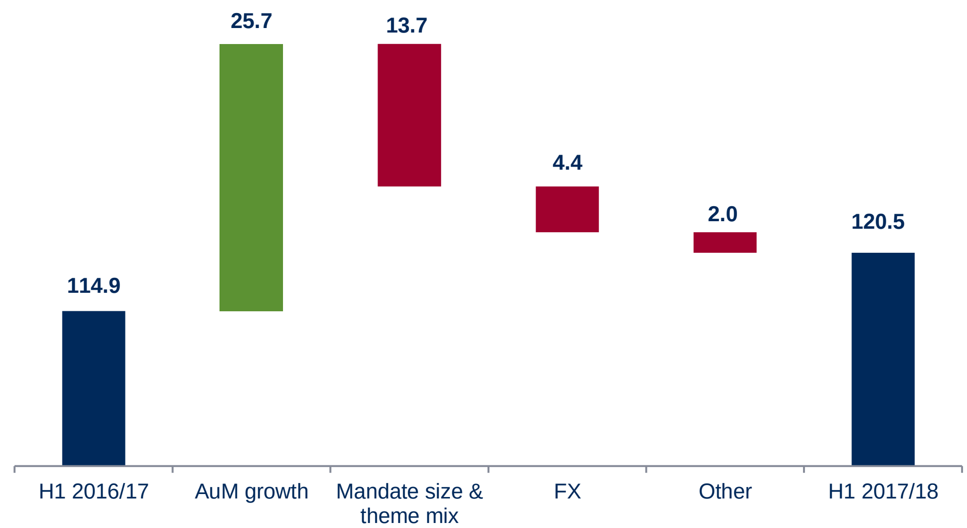
Net flows (US$bn)



Revenues

- Net management fees +5%, driven by AuM growth
- Average GBP:USD rate 4% higher
  - headwind for fees, some positive contribution from FX hedges
- Net management fee margin 50bps, stable versus H2 2016/17
  - 4 bps lower YoY attributable to large mandate wins (2bps), investment theme mix (1.5bps) and other effects (0.5bps)
- Good performance fee generation across a range of investment themes

Higher net management fee income



	6m ended 31 Dec 2017 £m	6m ended 31 Dec 2016 £m	YoY %
Net management fees	120.5	114.9	5
Performance fees	14.8	21.6	(31)
Other revenue	1.1	2.2	(50)
FX: hedges	0.3	(3.0)	nm
Operating revenues	**136.7**	**135.7**	**1**

Figures stated on an adjusted basis, excluding FX translation and seed capital-related items

Operating costs

- Continued focus on controlling expenses
- Non-VC adjusted operating costs reduced by 4%
- 3% lower average headcount
- Variable compensation accrued at 20% of EBVCIT

Non-VC adjusted operating costs reduced

	6m ended 31 Dec 2017 £m	6m ended 31 Dec 2016 £m	YoY %
Fixed staff costs	(12.3)	(12.9)	5
Other operating costs	(11.0)	(11.5)	4
Depreciation & amortisation	(2.6)	(2.7)	4
Operating costs before VC	**(25.9)**	**(27.1)**	**4**
Variable compensation (20%)	(21.7)	(23.3)	(7)
- adjustment for FX translation	(0.5)	1.7	nm
Adjusted operating costs	**(48.1)**	**(48.7)**	**1**

Figures stated on an adjusted basis, excluding FX translation and seed capital-related items

Continued cost discipline

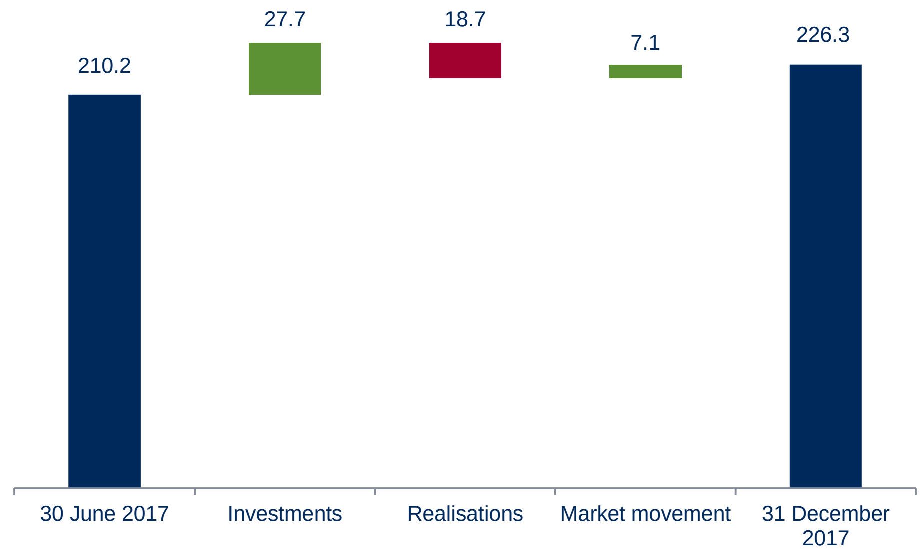
Adjusted profits reconciliation

	Adjusted H1 2017/18 £m	Adjusted H1 2016/17 £m	YoY %
Net revenue	134.4	144.1	(7)
FX translation	2.3	(8.4)	nm
Operating revenues	136.7	135.7	1
Operating costs ex consolidated funds	(45.0)	(47.7)	(6)
VC on FX translation	(0.5)	1.7	nm
Adjusted operating costs	(45.5)	(46.0)	1
Adjusted EBITDA	**91.2**	**89.7**	**2**
EBITDA margin	*67%*	*66%*	
Depreciation and amortisation	(2.6)	(2.7)	4
Total operating costs ex consolidated funds	(48.1)	(48.7)	1
Net finance income	2.0	1.2	67
Associates and joint ventures	(0.3)	0.8	nm
Seed capital-related items	10.5	25.8	*(59)*
Foreign exchange translation net of VC	(1.8)	6.7	nm
Profit before tax	**99.0**	**121.5**	**(19)**

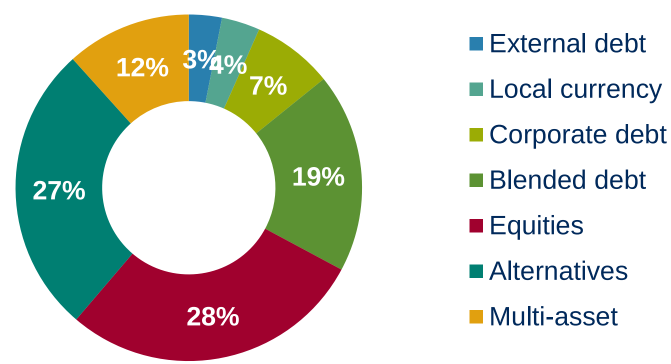
Financial results
Seed capital

- Market value £226.3 million (30 June 2017: £210.2 million)
  - Majority is in funds with at least monthly dealing frequency
- Profit contribution of £10.5 million
  - Market performance delivered gain of £13.5 million
  - Mark-to-market FX loss of £3.0 million as Sterling strengthened
- New investments of £27.7 million, focused on equities and alternatives
- Successful realisations of £18.7 million, principally from frontier equity funds and locally-managed funds in Indonesia
- Seeding has supported funds that represent 13% of Group AuM

Seed capital movement (£m)



Diversified across themes (% of market value)



Foreign exchange

Ashmore

- Sterling strengthened against the US dollar over the six month period
  - Period-end rate moved from 1.2946 to 1.3513
  - Average rate 1.3259 vs 1.2809 in H1 2016/17
- P&L FX effects in H1 2017/18:
  - Translation of net management fees -£4.4 million
  - Translation of non-Sterling balance sheet items -£2.3 million
  - Net FX hedges +£0.3 million
  - Seed capital -£3.0 million

FX sensitivity:

- ~£6.0 million PBT for 5c movement in GBP:USD rate
  - £5.0 million for cash deposits (in 'foreign exchange')
  - £1.0 million for seed capital (in 'finance income')

Currency exposure of cash(1)

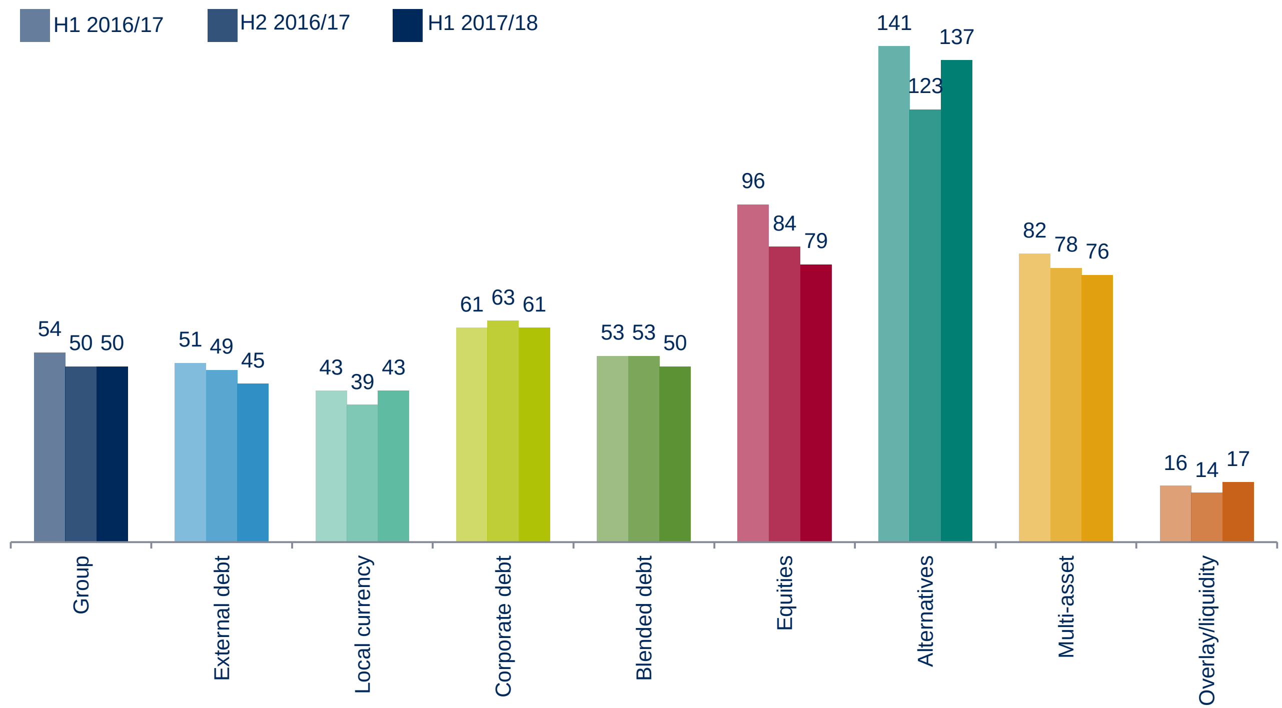
	31 December 2017 £m	%	30 June 2017 £m	%
US dollar	285.3	80	241.6	57
Sterling	51.7	14	149.7	36
Other	20.5	6	28.8	7
Total	**357.5**		**420.1**	

(1) Excludes consolidated funds

Currency exposure of seed capital

	31 December 2017 £m	%	30 June 2017 £m	%
US dollar	205.7	91	188.3	90
Colombian peso	12.4	5	9.6	4
Other	8.2	4	12.3	6
Total	**226.3**		**210.2**	

Management fee margins



Fixed income: 49bps

(H1 2016/17: 50bps)
(H2 2016/17: 49bps)

Disclosures

Page 11:

- Gross performance is shown, weighted by fund AuM, to provide a representative view to analysts and shareholders of Ashmore's investment performance over relevant time periods
- Only funds at 31 December 2017 and with a performance benchmark are included, which specifically excludes funds in the alternatives and overlay/liquidity investment themes
- 90% of Group AuM at 31 December 2017 is in such funds with a one year track record; 82% with three years; and 57% with five years
- Reporting of investment performance to existing and prospective fund investors is specific to the fund and the investor's circumstances and objectives and may, for example, include net as well as gross performance

Page 12:

Source: Ashmore (un-audited), JP Morgan, Morgan Stanley

- Returns gross of fees, dividends reinvested.

- Annualised performance shown for periods greater than one year.

- Within each investment theme category, all relevant Ashmore Group managed funds globally that have a benchmark reference point have been included.

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 net
Frontier	MSCI Frontier net

Disclaimer

IMPORTANT INFORMATION

This document does not constitute an offer to sell or an invitation to buy shares in Ashmore Group plc or any other invitation or inducement to engage in investment activities. Certain statements, beliefs and opinions in this document are forward-looking, which reflect the Company's current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The value of investments, and the income from them, may go down as well as up, and is not guaranteed. Past performance cannot be relied on as a guide to future performance. Exchange rate changes may cause the value of overseas investments or investments denominated in different currencies to rise and fall. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any forward-looking statements, which speak only as of the date of this document.