Ashmore Group plc

UBS European Conference, 13-14th November 2012

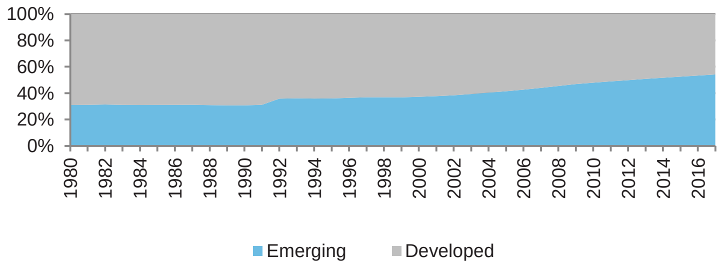
Ashmore

Contents

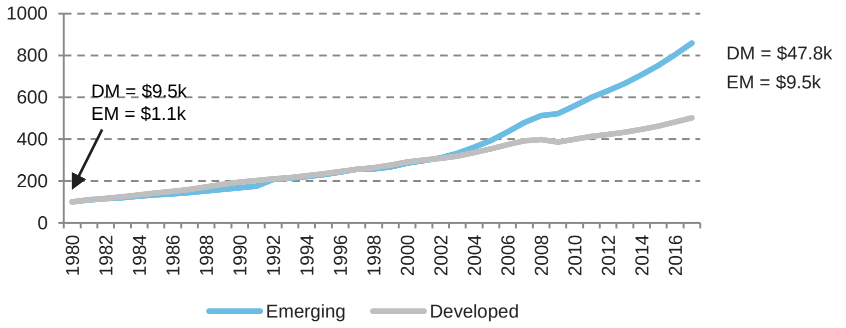
Why Emerging Markets?
Increasingly dominant role in global economy

- A high and increasing share of global GDP
  - >50% on PPP basis
- Accelerating per capita productivity
  - By 2017, EM GDP per capita will equal that of developed markets in 1980
  - China's GDP per capita achieves in 10 years what the US delivered every 50 years (1800-1950)
  - Few impediments to continued *superior* GDP growth
- Capital markets growing in tandem
  - Deeper, more liquid markets developing
  - Financial centres moving east
  - Equity and bond issuance becoming more resilient
  - Improving credit quality of EM Sovereign debt, contrasting with Developed Markets

Share of global GDP



GDP per capita (rebased, 1980 = 100)



Source: IMF

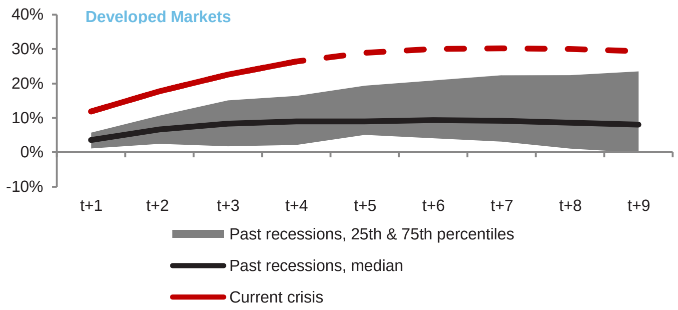
...established long term trends to continue

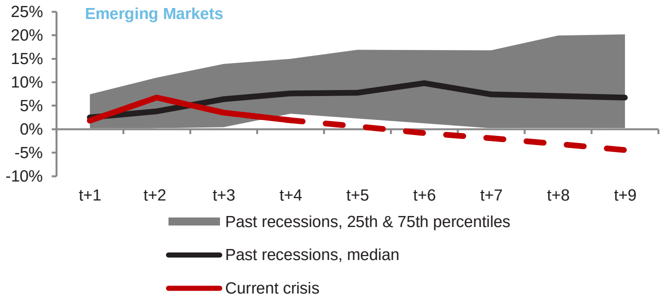
Why Emerging Markets?

Leverage is low and back to pre-crisis levels

- EM savings ratios remain high
  - Increased after Asian crisis, from ~25% to ~35%, with a desire to self-insure against external shocks
  - Underpins superior GDP growth expectations
- Emerging market public indebtedness is c.1/3rd that of developed markets, and falling
  - Strong, sustained GDP growth
  - Capital markets on development path
  - Discipline in wake of previous crises
  - DM indebtedness has shifted from private to public sector
- $7trn FX reserves in EM, twice those held by DM

Cumulative post-crisis public debt/GDP





…EM stimulus measures remain effective

Source: IMF

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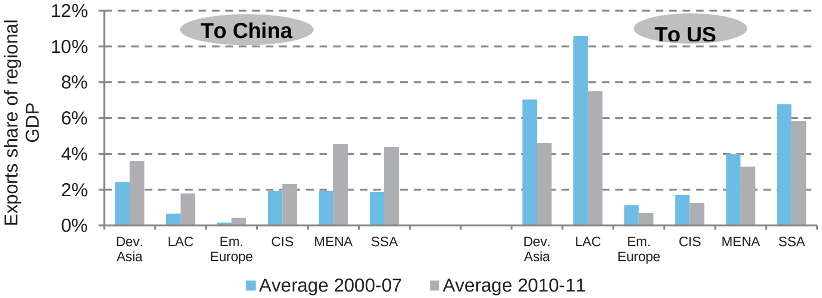
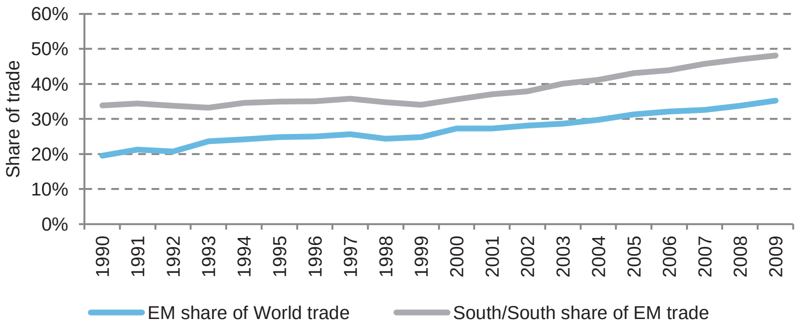
Why Emerging Markets?
Trade flows rebalancing

- EMs not immune to weaker demand from Developed World but the balance is shifting
- Trade between Emerging Markets is rising as a share of world trade
  - EM's GDP share of exports to China has nearly doubled (2010-11: 17% vs 2000-07: 9%)
  - Exactly matching the decline in share of EM exports to the US (31% to 23% of GDP)
  - Similar magnitude of decline in the share of EM exports to the Euro area (47% to 41%, but supported by Emerging Europe)
- Steady transition from export led to domestic consumption
  - Infrastructure spending to rise
  - Development of domestic corporate bond markets
  - Structural reforms

Shifting trade flows insulate EMs from DM shocks



Rising South-South share of trade



Sources: IMF, Asian Development Bank

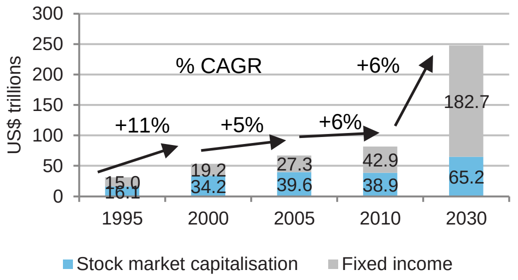
…increasingly independent of DM demand

![Ashmore]

Why Emerging Markets?
Global investible assets

- EM fixed income & equity are well recognised asset classes, representing 22% of global investible assets; expected to increase to 40% by 2030
- Over 60% of the EMBI Global is rated investment grade (1993: <2%)
- Record levels of corporate debt issuance in EM countries demonstrates the growing private sector and development of these countries
- Fixed income:
  - 194 EM sovereign upgrades since crisis
  - 8 AAA-rated DM countries downgraded
  - Issuance levels higher than pre-crisis, particularly corporate
- Equities:
  - EM P/E at significant discount to MSCI World
  - Greater opportunity range as markets develop, e.g. 46% of global IPOs in 2011
  - Institutional allocations to increase

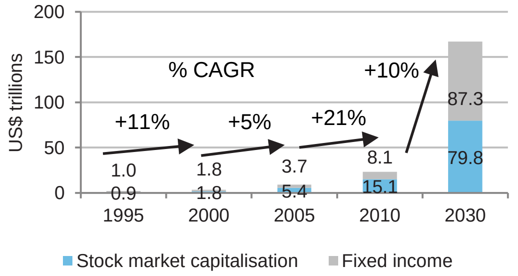
Developed markets



GDP growth 2010-30:

2% CAGR

Emerging markets



GDP growth 2010-30:

7% CAGR

Fixed income includes public & corporate debt

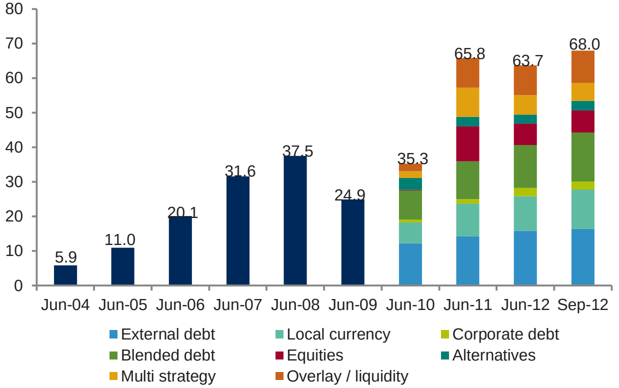
Sources: McKinsey, Bank of America, FT, Standard Chartered, Goldman Sachs, JP Morgan, Reuters

...EM forecast to constitute 40% of global investible assets by 2030

Ashmore
Overview

- A leading Emerging Markets fund manager with long experience of investment outperformance through active management across its core investment themes
- Established in 1992 (formerly ANZ Emerging Markets Fund Management Ltd)
  - MBO in 1999
  - Listed on the LSE and remains majority owned by its employees
- Headquartered in London with over 260 employees globally
  - 91 investment professionals
  - Investment committee members have an average experience of over 22 years in the industry
- AuM of US$68bn invested in eight investment themes across both Global and Local Asset Management offices
  - Global Asset Management in the UK, USA and Singapore
  - Local Asset Management in Brazil, China, Colombia, India, Indonesia, Russia and Turkey
  - Distribution offices in Australia, China, Japan and USA
- Ashmore has a compelling three phase strategy

Assets under management (US$bn)



Source: Ashmore
Data as at 30-Sept-12

…a leading Emerging Markets fund manager

Strategy

A compelling three phase strategy

Phase I: Establish emerging market asset class — 1

Phase 2: Diversify developed world capital sources and themes — 2

Phase 3: Mobilise emerging markets capital — 3

Status:
Largely completed

Status:
Underway – significant growth available

Status:
Commenced – enormous future growth opportunities

…to position Ashmore at the heart of capital flows into EM, between EM and, potentially, from EM

Strategy
Investment themes & funds

Ashmore manages capital across eight different investment themes with dedicated pooled vehicles under each theme providing either global Emerging Markets exposure or in certain cases specific regional or country exposure

	External Debt (US$16.4bn)	Local Currency (US$11.4 bn)	Corporate Debt (US$2.3bn)	Equities (US$6.4bn)	Alternatives (US$2.7bn)	Overlay / Liquidity (US$9.4bn)
Global Emerging Markets Sub-Themes	– Broad – Sovereign – Sovereign, investment Grade	– Broad – FX – Bonds – Inflation-Linked – Investment Grade	– Broad – High yield – Investment-grade – Local Currency	– Broad Global Active – Global Small Cap – Fund of listed funds – Global Frontier	– Special Situations: • Distressed debt • Private equity – Infrastructure – Real estate	– Overlay – Hedging – Cash management
	Blended Debt (US$14.2bn)					
Regional/ Country Focused Sub-Themes	Russia	Asia, Brazil, China, Turkey	LatAm	Africa, Brazil, China, LatAm, Middle East, Russia, South Asia, Turkey	Asia, China, Colombia, India, Russia, Turkey	
	Multi-Strategy[1] (US$5.2bn)					

NB. All data as at 30-Sept-12.

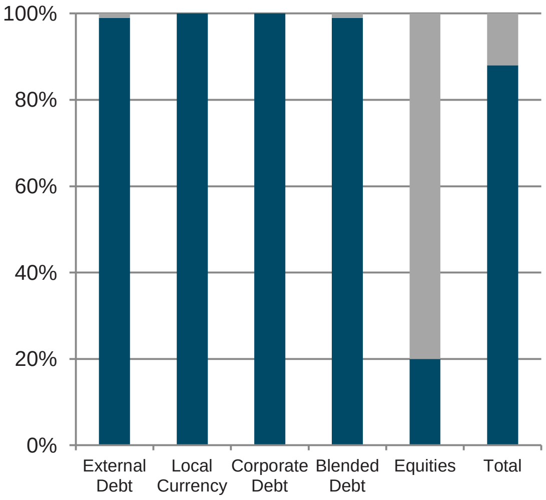
1) Dynamic asset allocation across themes (includes Ashmore Group's multi-strategy, listed permanent capital vehicle, funds of third-party funds).

…an increasingly diversified business

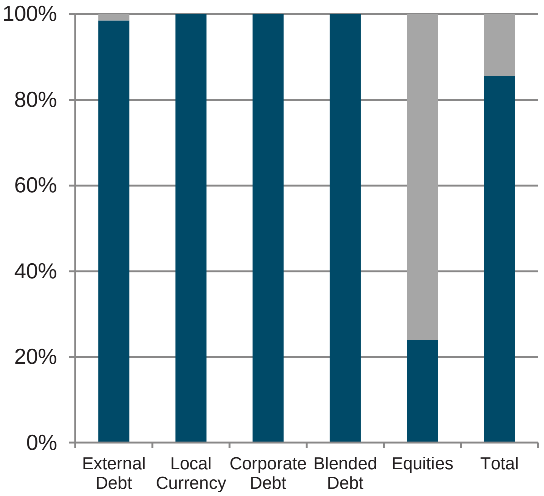
Investment performance

Active management

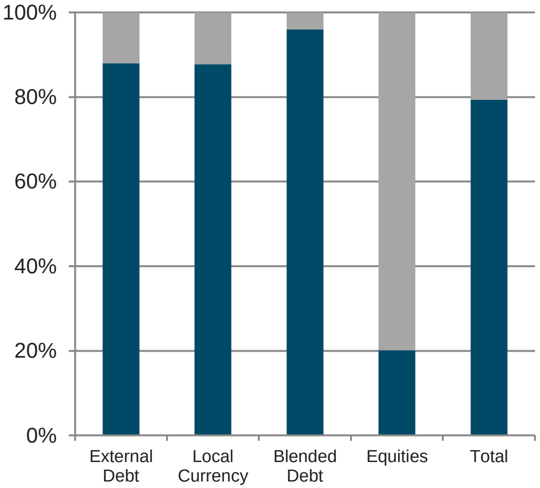
Funds Outperforming vs Benchmark – Gross 1 Year(1)



Funds Outperforming vs Benchmark – Gross 3 Years(1)



Funds Outperforming vs Benchmark – Gross 5 Year(1)



Underperformance Outperformance

…strong performance track record

Sources: Ashmore (un-audited). Source benchmarks: Bloomberg, HSBC, JP Morgan and Morgan Stanley

Note. (1) All funds and segregated accounts (excluding special situations, multi-strategy and passively managed funds) with a benchmark as at 30-Sep-12 (1 year: 56 funds; 3 years: 32 funds; 5 years: 22 funds) (b) SICAV institutional USD share classes have been used as representative performance for multi-share class SICAV funds; (c) One year performance is the 12 month period ending 30-Sep-12; Annualised three year performance is the 36 month period ending 30-Sep-12; Annualised five year performance is the 60 month period ending 30-Sep-12; (2) All fund performance gross with the exception of one fund which is net.

Distribution

A global platform

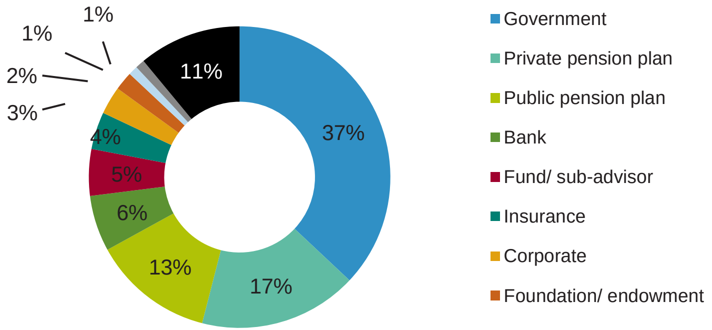
Locations

Functions

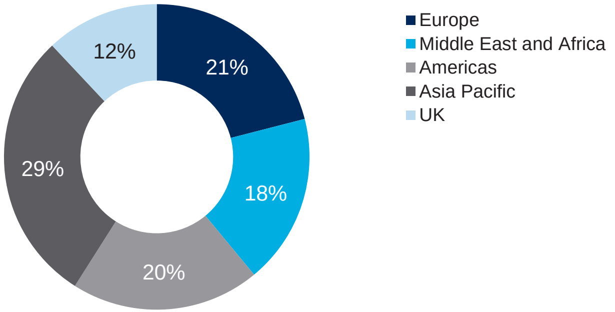
Responsibilities	Role	Headcount
Business development	Primary sales function	12
Account management	On-going client management	7
Intermediary distribution	Relationship with key distributors	6
Marketing services	Delivery (fund updates, RFP's, etc)	13
Product management	Interface between PMs and Distribution	3
	Total	41

Source: Ashmore
Data as at 30-June-12

AuM by Investor type



AuM by geography

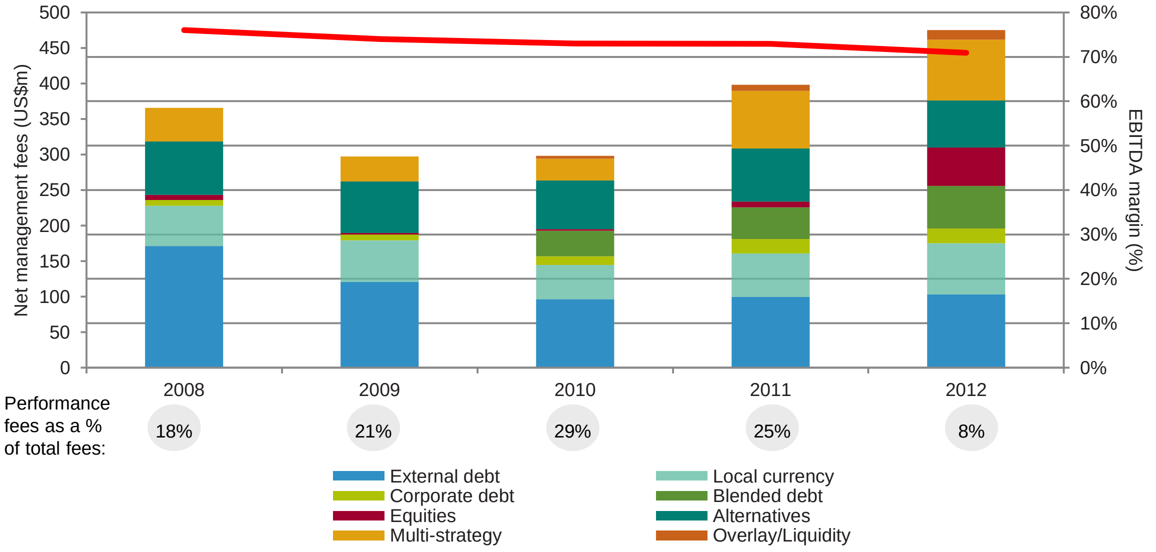


…distribution platform architecture in place

Profitability

Diversified revenues and superior profit margin

Management fee composition and EBITDA margin



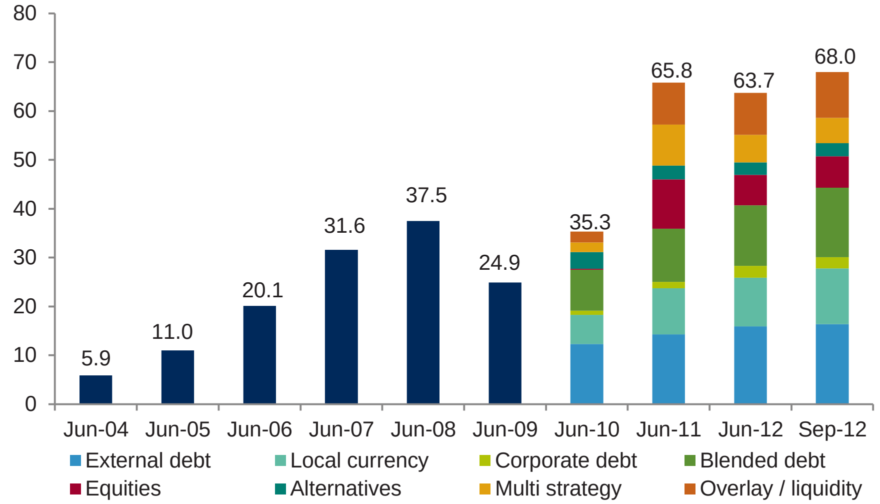
…EBITDA margin sustained through the cycle

Q1 IMS update

Three months to 30th September 2012

- AuM increased by US$4.3bn during the quarter to US$68.0bn
  - Positive flows of US$0.6bn
  - Positive performance of US$3.7bn
- Strongest inflows experienced in Local Currency and Blended Debt
- Continuing to attract funds from Asian and Middle East government related sources
- Positive performance across all themes

Assets under Management (US$bn)



…strong performance and a return to net inflows

Outlook

- Diversified, recurring revenue streams delivering high margin profits
- Strong balance sheet and significant cash generation
- Ongoing investment delivering growth and diversity
  - Distribution architecture complete and focused on delivery
  - Platform built to cope with greater complexity
- EM investment thesis further enhanced and increasingly accepted by range of clients
- Investment opportunity continues to develop:
  - Increasing momentum in investment grade, corporate and blended
  - Real interest in specialist equity
- Returns outlook supportive
- Ongoing focus on performance – strive to do even better

Appendices

Selected slides from FY2011/12 annual results presentation

- FY2011/12 highlights
- Strategy
- Financial results

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FY2011/12 highlights

- Good levels of gross subscriptions of US$13.0bn (FY2010/11: US$23.0bn)
- Redemptions 18% of average AUM, within recent historical range
- Positive net flows of US$1.3bn
- US$(3.4)bn of negative performance
- Average AuM increased by US$17.5bn (38%)
- Total net revenue flat at £333.3m but a higher quality revenue stream
  - Net management fees up by 20% to £298.9m
  - Performance fees only 8% of total revenues
- EBITDA margin of 71% (FY2010/11: 73%)
- 10.75p final dividend, making a full year dividend of 15.00p (FY2010/11: 14.50p)

…satisfactory financial performance

Strategy
Phase 1: Establish Emerging Markets asset class

Developments

- Investor allocations to Emerging Markets continue to increase
  - >US$400bn of AuM managed globally vs EM debt indices
  - >US$600bn of EM equities AuM managed globally
- Emerging Markets universe is becoming larger and more sophisticated
  - 46% of global IPO's during 2011
  - 36 debt ratings upgrades among EM sovereigns in 2011, compared to 32 downgrades and no upgrades for DM sovereigns
  - Over 60% of JPM EMBI Global index is currently rated investment grade, compared to less than 2% in 1993
- However, industry flows remain volatile
  - Fixed income – positive flows continued in 2011, although growth in local currency fund flows slowed
  - EM equities - outflows in 2011; positive inflows returned in H1 2012

Steps Taken

- Dedicated training programmes
  - Ashmore Cass Business School training programme
- Client conferences
  - Ashmore Emerging Markets Investment Forum
- Thought leadership – regular publication of research and market commentary
  - Weekly updates and monthly "Emerging View"
- Enhanced relationship management and contact with existing clients

Sources: EPFR, JP Morgan, Reuters

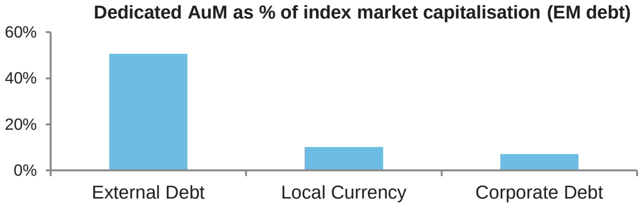
…on-going, but largely complete

Strategy

Phase 2: Diversify developed world capital sources and themes

Developments

- Investment universe growing

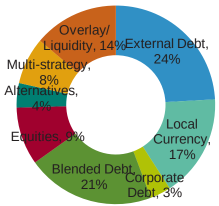


- Index inclusion broadening
  - Fixed income – currently 44 countries included in the JPM EMBI GD index, compared to just 8 countries at inception (1994)
  - Equities–currently 21 countries included in the MSCI EM index, compared to just 8 countries at inception (1988)
- New asset classes being established
  - First fixed income frontier market index Dec-11
  - New EM equity indices by economic exposure not domicile
  - Local currency corporate debt index not yet established

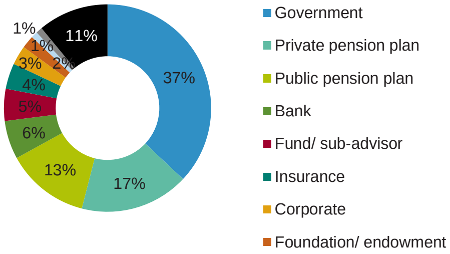
Steps Taken

- On-going development of 40-Act funds and SICAV platforms
  - Investment track record
  - Additional funds seeded
- AshmoreEMM integrated
- Progress in intermediated retail – team build-out, distribution relationships established

AuM Split by Theme



AuM Split by Investor type



Sources: JP Morgan, MSCI

…underway – source of significant future growth

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Strategy

Phase 3: Mobilise Emerging Markets capital

Developments

- Global wealth shifting to Emerging Markets
  - Financial wealth of investors in EM expected to rise to nearly 40% of global total by 2020, from c. 20% today
  - Majority of top SWFs are from EM
  - Bulk of EM debt is held by domestic investors in the EMs (80% of sovereign EM debt and 67% of corporate EM debt)
- Continued development of local EM markets
  - Regulatory change (eg mutual funds in Turkey, pension regulations in Brazil)
  - Pension reform
  - Declining interest rates
  - China QDII / QFII
- Increasing demand for investment products
  - Over the past four years, annual AuM growth in EM has outpaced developed markets, 6.4% to -0.5%
  - Only 15% of EM portfolios are invested in equities, compared to over 40% in the US at end of 2011

Steps Taken

- On-going success raising capital from within EM
  - AuM from Emerging Markets now represents 21.5% of total AuM
- Continued development of local network
  - Ashmore Indonesia established
  - Singapore discretionary investment management licence obtained
- New fund launches through existing local asset management businesses
  - Garanti Ashmore Emerging Markets Global Debt Fund
  - Additional QFII allocation

…commenced – enormous future growth opportunities

Financial Results
Income statement

	Year ended 30 June 2012 £m	Year ended 30 June 2011 £m	*Variance As reported £m*	*%*
Management fee	**298.9**	249.3	*49.6*	*20*
Performance fee	**25.4**	85.4	*(60.0)*	*(70)*
Net revenue	**333.3**	333.8	*(0.5)*	-
Total operating expenses*	**(108.2)**	(94.4)	*(13.8)*	*(15)*
Operating profit	**225.1**	239.4	*(14.3)*	*(6)*
Finance income	**18.1**	6.5	*11.6*	*178*
Profit before tax	**243.2**	245.9	*(2.7)*	*(1)*
EBITDA margin	**70.9%**	72.9%		
EPS (diluted)	**25.8**	26.6	*(0.8)*	*(3)*
DPS	**15.0**	14.5	*0.5*	*3*

* Includes gains and losses on consolidated funds

…profitability maintained at a high level

Financial Results
Revenue margins

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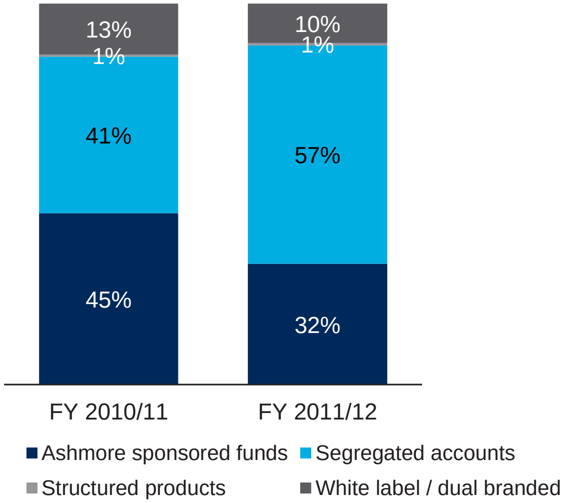
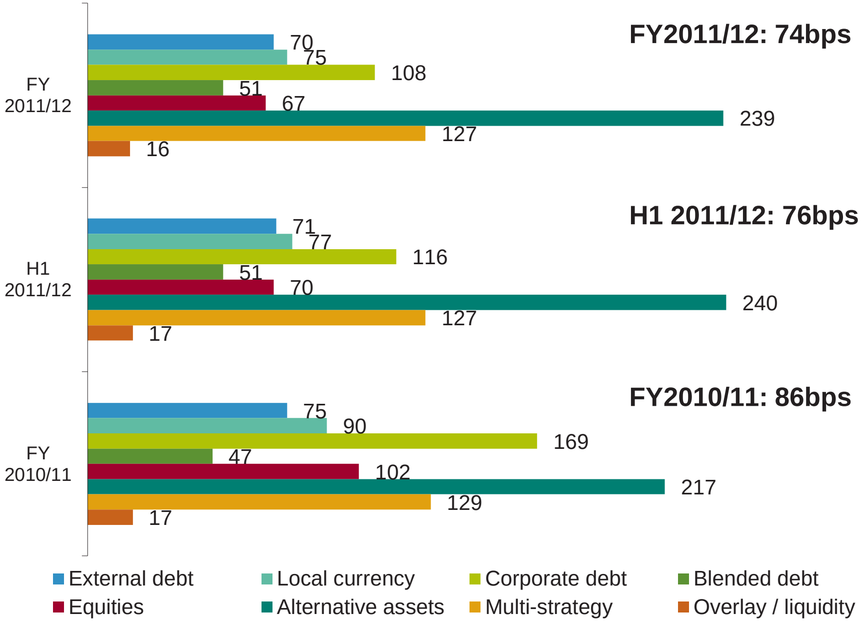
AuM by product type (%)



Net Management Fee Margins (bps)



…management fee margins following expected path

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Financial Results

Cash generation and Group investment

	Year ended 30/6/2008	Year ended 30/6/2009	Year ended 30/6/2010	Year ended 30/6/2011	**Year ended 30/6/2012**
	£m	£m	£m	£m	**£m**
Operating Profit	181.2	150.6	217.2	239.4	**225.1**
Cash flow	195.5	150.9	250.9	253.4	**238.8**
Cash %	108%	100%	116%	106%	**106%**
Uses: Business as Usual					
Tax	(46.5)	(47.7)	(52.9)	(62.1)	**(58.2)**
Treasury/own shares	0.0	(7.8)	(34.0)	(10.9)	**(40.8)**
Dividends	(70.1)	(81.9)	(82.6)	(93.7)	**(106.9)**
Uses: Investment					
Seeding	(15.1)	(11.6)	(26.9)	(12.5)	**(63.5)**
Corporate activities	(14.6)	(3.7)	(2.3)	(41.2)	**0.0**
Increase/(decrease) in cash	61.2	9.2	56.0	24.6	**(22.4)**
Year end position:					
Cash and cash equivalents	279.2	288.4	344.4	369.0	**346.6**
Seeding	16.3	32.2	68.6	91.1	**145.1**

…long-term trend of investment to drive business

Disclaimer

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