

UK Stewardship Code

Introduction

This statement is issued by Ashmore Group plc (“Ashmore”), a company incorporated under the laws of England and Wales. Ashmore is listed on the London Stock Exchange and is a constituent of the FTSE 250 index. References herein to “Ashmore ” are to Ashmore Group plc and/or its UK wholly owned subsidiaries, Ashmore Investment Management Limited and Ashmore Investment Advisors Limited (which are regulated by the Financial Conduct Authority), as applicable.

Ashmore is a leading emerging markets fund manager with over 20 years’ experience of investment expertise through active management across its core investment themes: external debt, local currency, corporate debt, blended debt, equities, multi-asset and alternatives in addition to currency overlay/liquidity with the largest themes being in Fixed Income (Sovereign and Corporate Debt).

Ashmore fully supports the principles of the UK Stewardship Code and aspires to the standards of best practice that it represents, notwithstanding that, as an emerging markets asset manager, Ashmore does not typically invest in UK securities.

Detailed below is an overview on how, and the extent to which, Ashmore complies with the Principles of The UK Stewardship Code

Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

As a fiduciary asset manager Ashmore has a duty to act in the best interests of its clients and seek to protect and enhance the economic value of companies in which it invests on clients’ behalf. Engagement with investees is a fundamental part of Ashmore’s investment approach.

The majority of Ashmore’s assets under management are invested in fixed income (the majority of which is Sovereign) and Ashmore’s ability to have an influence is generally limited to a decision as to whether or not to invest. At a country level Ashmore believes that it is able to exert an influence through dialogue with governments and central banks. In order to assist with the debate on the broader issues affecting Emerging Markets, to enhance the understanding of these markets globally and to address market failures, Ashmore engages with numerous international public sector financial institutions with the objective of aiding transparency and best practice in governance.

In the Equities themes Ashmore believes that good corporate governance helps to align the interests of company management with those of its shareholders. Ashmore seeks to maintain a constructive dialogue with company management and considers whether companies have corporate governance frameworks in place that are in line with applicable country codes and serve shareholder interests. Views on corporate governance do not constrain investment decisions, however, the most profitable investments can often be made in companies where an improvement in corporate governance practices is anticipated. In many jurisdictions, and to the extent consistent with Ashmore’s fiduciary duty to its clients, Ashmore exercises voting rights as a means to signal its views to company management. Ashmore has detailed guidelines which help to guide voting decisions, but will, as appropriate, consider resolutions on a case-by-case basis taking into account all available information.

Ashmore utilises an outsourced service provider which acts as global custodian and administrator for all funds to which Ashmore is appointed as investment adviser or investment manager. Segregated accounts appoint their own custodians and there is no selection on Ashmore’s part. Ashmore monitors the relationship with each service provider on an ongoing basis and via regular review meetings with senior management.

Principle 2 - Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed

As an investment adviser to multiple client accounts, Ashmore recognises that potential conflicts of interest may arise in its management of such accounts. More specifically, conflicts of interest can arise where: (i) the interests of Ashmore conflict with those of a client (firm vs. client conflicts) and (ii) the interests of one client of Ashmore conflict with those of another of Ashmore's clients (client vs. client conflicts). Ashmore has adopted compliance policies and procedures that are designed to identify, manage and/or mitigate these conflicts. Although Ashmore believes its policies and procedures are appropriate to eliminate or minimize the harm of conflicts of interest no set of policies and procedures can anticipate every possible conflict of interest. Accordingly where a particular conflict arises that is not covered by such procedures Ashmore will take the course of action most consistent with its policies to eliminate or minimize the harm of such conflict.

Ashmore also has a policy of independence that requires its staff to disregard any personal interest, relationship or arrangement which gives rise to a conflict of interests and to ensure that the interests of its clients prevail.

In the event that the reasonable steps Ashmore has made to manage conflicts of interest are not sufficient and may potentially damage the interests of a client, Ashmore will consider whether disclosure is appropriate or whether, bearing in mind the risks involved, Ashmore should refrain from acting for the client concerned.

Ashmore places significant emphasis on its strong compliance culture and the efficient operation of systems and controls, including those in place to manage conflicts of interest. Ashmore's Compliance department conducts regular monitoring checks to confirm that internal policies and procedures are followed.

Ashmore's detailed conflicts of interest policy statement is available on its website on the Corporate Governance page of the Investor relations section:

<http://www.ashmoregroup.com/uk-en/investor-relations/corporate-governance>

Principle 3 – Institutional investors should monitor their investee companies

All of Ashmore's investments are made in the Emerging Markets and the principles of the UK Corporate Governance Code do not normally apply to such investments. Ashmore will therefore undertake monitoring of its investments through a number of different methodologies as described below, including, but not limited to, engagement.

Ashmore actively engages with the management of a number of the issuers and companies in which it invests on behalf of clients. In appropriate cases (bearing in mind the size and nature of the interest held by clients) Ashmore also encourages good corporate governance and disclosure policies.

Ashmore's fixed income investments are typically invested in either External Debt (the majority of which is Sovereign Debt), Local Currencies or Corporate Debt. In the case of Sovereign Debt and Local Currency investments, Ashmore's ability to have an influence is generally limited to a decision whether or not to invest; however, at a country level Ashmore believes that it is able to exert an influence through dialogue with governments and central banks. The characteristics of Corporate Debt are more closely aligned to those of equities and, in addition to credit analysis, research may also include equity related factors such as good governance practices (including the existence of an effective board of directors), strong internal control and risk management systems and the maintenance of dialogue with the management teams of the companies concerned.

Ashmore's public equities business is less than 10 per cent of its overall business. Ashmore believes that good corporate governance helps to align the interests of company management with those of its shareholders, and where possible seeks to maintain constructive dialogue with company management. To the extent practicable, Ashmore monitors investee companies through on-going company visits and other information channels, and absent extenuating circumstances generally votes all proxies for which it has authority to vote. In addition, companies often disclose corporate governance practices through corporate policies, stock market listings, and market press releases. Companies may also disclose environmental and social practices in annual reports and other reports to investors. These are then highlighted, as appropriate, in internal Investment Committee reports when relevant.

Ashmore's Alternatives business may involve investing in significant stakes in investee companies on behalf of clients and in such circumstances it is in a position to positively engage with the management of these companies. In many cases Ashmore believes it to be beneficial to its investors to be pro-active in promoting its brand locally by improving the livelihoods of the employees in the companies where it has a significant stake.

Ashmore has policies and procedures in place internally, managed by its Compliance department, to ensure that the interests of clients are protected in the event that investee companies, via an investment bank proposer or sponsor, provide it with either inside or material non-public information. Such events would typically include confidential pre-soundings or pre-marketing activities in advance of capital raisings, restructuring or refinancing of issuer securities and other corporate events in order to gauge interest in, or support for, a specific transaction. Such policies and procedures are necessary to comply with applicable law, to ensure that issuers understand the terms and conditions on which "wall-crossing" information is provided to Ashmore such that Ashmore will not be placed on that issuer's insider list, and to ensure that Ashmore is not prevented from dealing in securities, unless it has consented to being "wall-crossed", to the detriment of clients' interests.

Principle 4 – Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value

Ashmore has established guidelines on when and how it will manage its activities in order to protect and enhance shareholder value. These guidelines have been tailored to the particular areas in which Ashmore invests; for example, Ashmore recognises that in the case of investments in Sovereign Debt instruments or Local Currencies its ability to have an influence is generally limited to a decision whether or not to invest. In the case of Corporate Debt investments Ashmore maintains a dialogue with the management teams of the companies concerned. Ashmore will often have the opportunity to engage in direct dialogue with company management, and, where authorized by the client mandate, generally vote proxies on behalf of clients.

Principle 5 – Institutional investors should be willing to act collectively with other investors where appropriate

In general, because Ashmore's public equities business does not make significant investments in companies, Ashmore's ability to unilaterally have an influence through the exercise of voting rights may be limited and therefore when it is in the best interests of clients Ashmore may be prepared to act collectively with other investors when it is believed to be likely to enhance its ability to engage with a company and it is permitted by law and regulation. In the Corporate Debt theme Ashmore is more likely to have larger investment positions but is unable to exercise voting rights unless there is a material credit event that affects the covenants governing the underlying bond.

Principle 6 – Institutional investors should have a clear policy on voting and disclosure of voting activity.

Subject to specific mandate restrictions, Ashmore is generally responsible for voting proxies and taking decisions in connection with proxy voting with respect to equities, bonds, loans or other debt instruments held by or held on behalf of the clients for which it serves as investment manager/adviser.

Where Ashmore is given responsibility for proxy voting, it will take reasonable steps under the circumstances to ensure that proxies are voted in the best interests of its clients. Protecting the financial interests of its clients is the primary consideration for Ashmore in determining how to protect such interests. This generally means proxy voting with a view to enhancing the value of the securities held by or on behalf of Ashmore's clients, through maximising the value of securities, taken either individually or as a whole.

In some cases, a client may prefer to make its own decision how to vote certain categories of proxies. If a client has given Ashmore specific instructions how to vote a particular proxy issue, Ashmore will make a reasonable effort to vote in accordance with that client's instructions, based on the information Ashmore normally considers when voting proxies.

Information on proxy requests is often limited, especially with respect to emerging markets securities. Ashmore bases its proxy votes on reasonably available information, in other words, information that is clearly relevant and cost-effective to obtain. Ashmore also considers its experience with respect to similar proxy proposals, its perception of the motivation behind a proxy proposal, the manner in which the proxy proposal is structured, and other facts and circumstances related to the proposal.

Ashmore does not employ the services of proxy voting advisers, nor does it engage in stock lending activity. Except to the extent required by applicable law or otherwise approved by Ashmore, it will not disclose to third parties how it has voted a proxy on behalf of a client. However, upon request from an appropriately authorised individual, Ashmore will disclose to its clients or the entity delegating the voting authority to Ashmore for such clients (e.g., trustees or consultants retained by the client), how Ashmore voted such client's proxy.

As a general rule, Ashmore will vote all proxies that a client has authorised it to vote and that it receives in a timely manner, unless it is not in the client's best interests to vote. Voting may not be in a client's best interests if, for example, it blocks Ashmore's ability to trade the shares of the underlying issuer for a long period of time or the cost of voting exceeds the expected benefit to the client.

Principle 7 – Institutional investors should report periodically on their stewardship and voting activities

Details of voting activity is recorded and Ashmore provides data to clients whose mandates require the information.

Ashmore will retain the following documents in its offices for at least five (5) years:

- Records of any written requests for proxy voting information by clients and any written response by Ashmore;
- A copy of all the proxy statements received regarding client securities ; and
- Records of votes cast on behalf of clients.

Proxy Voting Records for a particular client will be made available, upon request, to the client's named fiduciary or authorized representative. The Legal/Compliance Department will be responsible for notifying each new client how it may obtain copies of those documents as well as a copy of these procedures.

Ashmore will provide further updates to this information in the event that significant developments in its approach occur.

July 2016