

Ashmore SICAV Emerging Markets Impact Debt Strategy

Frequently Asked Questions

Why has Ashmore developed an EM Impact Debt Strategy?

Trillions in private capital needs to be mobilised to plug the growing UN SDG financing gap in emerging markets (EM). Our ambition is to contribute to a step change in EM impact investing, by developing scalable impact strategies that help address this need, while targeting market rate risk-adjusted financial returns.

This strategy marks our first step towards that impact goal, in an asset class that offers investors a compelling combination of potential returns, impact and scale within global fixed income. We believe that Ashmore, as a specialist, independent, asset manager investing solely in emerging markets, is well placed to deliver on this ambition.

What does this strategy offer investors?

This strategy gives investors access to the entire hard currency EM impact fixed income opportunity set in an actively managed daily dealing fund, targeting tangible, measurable impact alongside market rate risk-adjusted returns. EM impact fixed income is a subset of wider EM fixed income, which has consistently delivered stronger long-term returns and better risk-adjusted returns than developed market fixed income.¹

What is the projected role of this strategy in diversified portfolios over 3-5 years?

It can form a **vital part** of diversified impact portfolios, aiming to:

- provide investors with the potential benefits of traditional fixed income investing – such as income stream, low volatility, diversification – in a liquid asset class that forms a sub-set of wider EM fixed income which has consistently outperformed developed market fixed income over the long-term²
- enable investors to align their portfolios with the SDGs, channelling capital into activities that directly contribute to the SDGs in a transparent and measurable way.³

¹ Source: Ashmore, JP Morgan, Bloomberg, as at January 2025. Long-term returns based on rolling 3 year and 5 year returns, volatility based on daily returns, since 31 December 2009.

EM Corporate = JPM CEMBIBD; EM Sovereign = JPM EMBIGD; US IG = BBG US Corporate Index; EU IG = BBG EU Corporate Index.

² Ibid.

³ Source: All of the strategy's investments – except those intended for specific purposes such as hedging, liquidity and assets being disposed of (i.e. assets that are in the process of being sold, but whose realisation is pending) – will be Impact Investments, aligned with and contributing to one of more SDG target.

How can this strategy complement philanthropic or concessionary capital initiatives?

We believe philanthropic and concessionary capital are key to achieving the SDGs, investing in areas where private capital cannot or will not go, often targeting unproven business activities or the least reached, accepting below market returns or above market risks.

However, closing the USD 4trn per year SDG funding gap⁴ will only be met by allocations across asset classes, and across risk-return profiles. There is a need for capital to be deployed at far greater scale, in larger projects and businesses, than philanthropic and concessionary capital could facilitate.

In that regard, this strategy is a bridge between philanthropic or concessionary capital and traditional finance, seeking to generate tangible, measurable impact alongside market rate risk-adjusted returns, in a scalable, transparent, liquid asset class. It drives capital into commercially viable solutions to the world's most pressing environmental and social challenges, in areas of the world where traditional finance has historically had little exposure.

What sets this strategy apart from others on the market?

There are three major differences:⁵

- **Where we invest:** Emerging markets.
- **What we invest in:** Hard currency fixed income.
- **How we invest:**
 - **Access:** We access the whole impact opportunity set.
 - **Ambition:** We only buy Impact Investments which pass our stringent criteria.
 - **Accountability:** We report annually on outputs and outcomes at security and portfolio level.

How are investments prioritised across the 17 SDGs?

We consider each SDG to be important and interdependent with the other SDGs, with all 17 goals requiring additional capital before they can be achieved. As such, we seek to allocate across the SDGs (with no minimum or target allocations to any one SDG) with a view to optimising impact and financial performance in portfolio construction. Each potential investment will be scored as high, medium or low for each of the five dimensions of impact as defined by the Norms of Impact Management,⁶ helping us to optimise impact allocation over time, considering local context and fund exposure amongst other factors.

⁴ Source: UNCTAD, 2024.

⁵ At the time of writing, over 75% of Impact AUM is invested in Developed Markets (Source: Global Impact Investing Network (GIIN), 2024), and over 65% of AUM in SFDR Article 9 mutual funds is invested in equity (Source: Bloomberg, 2025).

⁶ Facilitated by the Impact Management Project and now stewarded by Impact Frontiers.
For more details, see here: <https://impactfrontiers.org/norms/five-dimensions-of-impact/>

How does this strategy ensure SDG alignment is meaningful, not just labelled?

Every investment must pass our Impact Assessment, which includes two tests:

- **Positive contribution test:** We first assess whether the issuer's practices broadly align with the UN SDGs, and second assess whether the specific activities being financed contribute to one or more SDG target, incorporating the five dimensions of impact:

Dimension	Key question	Ashmore assessment	Scale	
What	What outcomes does the activity relate to, and how important are they to people or planet experiencing it?	Maps the activity and outcome to one or more of the 169 SDG targets, using internal and external taxonomies.	Important	Unimportant
			Positive	Negative
Who	Who experiences the effect, and how underserved are they in relation to the outcome?	Evaluates the level of need for the activity and outcome, at country, industry and/or beneficiary level.	Underserved	Well-served
How much	How much of the effect occurs in the time period?	Assesses the current and expected impact of the activity, against specific KPIs along the impact pathway.	Deep effect	Marginal effect
			Large scale	Small scale
			Long-term	Short-term
Contribution	How does the effect compare and contribute to what is likely to occur anyway?	Evaluates investee contribution, including the uniqueness of the activity, and investor contribution, both financial and non-financial.	Likely better	Likely worse
Risk	Which risk factors are material and how likely is the outcome different from the expectation?	Examines the ten impact risks, identified by the Norms of Impact Management, that could hinder positive outcomes.	Low risk	High risk

Each activity assessed as contributing to the Impact Objective will have one or more output or outcome KPI assigned to monitor and measure the environmental and/or social contribution of the investment over time to at least one UN SDG target.

- **Negative contribution test:** We exclude all issuers whose practices or activities cause significant harm to the UN SDGs. We consider, as far as reasonably possible:
 - The issuer's perspective (e.g. the share of revenue generated by a harmful activity)
 - The stakeholders' perspective (e.g. displacing a vulnerable people group)
 - Whether the activities being financed help to resolve any significant harm being caused
 - Whether a corporate issuer has safeguards in place to protect against any sustainability controversies facing the sovereign.

What is the process for reassessing an issuer's impact classification over time?

We review Impact Investments at least annually, including (where available) the outputs and outcomes achieved, to ensure investments continue to pass the positive and negative contribution tests. Where there is uncertainty if an investment meets either of the two tests through our periodic or event driven review, we will follow our escalation process which may include our impact engagement process. Where we determine an investment no longer passes both tests, such investment will cease to be classified as an Impact Investment and will be excluded from impact strategies subject to any ongoing remediation process or temporary restrictions on sale.

What role do corporate vs. sovereign debt holdings play in shaping impact outcomes?

The strategy follows a best ideas approach, focused on corporates, but with the flexibility to allocate to sovereigns and supranationals.

Corporate debt offers the widest variety of impact opportunities, while offering high specificity regarding the impact activities being financed and the potential negative harm that must be assessed and mitigated. For corporates, we invest via Impact Bonds, Impact Issuers and Improving Issuers.

Sovereign debt offers a narrower impact opportunity set, but one which nonetheless is vital, and cannot be achieved through corporate debt investment, for instance improving access to public hospitals or public education for the most vulnerable in society. For sovereigns, we only invest via Impact Bonds, where 100% of proceeds are used to finance or refinance environmental and/or social projects which contribute to the SDGs.

Is Ashmore working with local governments or development finance institutions (DFIs)?

As a specialist EM asset manager with over 30 years' experience across geographies and asset classes, Ashmore has long-established relationships with both EM governments and DFIs. We actively work with them bilaterally and multilaterally to understand needs, reduce risks, and grow opportunities, both from a fundamental and impact perspective. This is important in enhancing our issuer selection and asset allocation to achieve our dual objective, and in building the impact ecosystem through technical assistance and best practice.

How do Ashmore's own operations align with the investment goals?

As a specialist emerging markets investment manager, Ashmore's success is linked with the achievement of sustainability goals in the markets in which we operate and invest. Ashmore's approach to sustainability is centred on three pillars, covering the breadth of its corporate operations, investment activities, and philanthropic efforts by The Ashmore Foundation:

- **Corporate Responsibility:** Ashmore recognises the role it plays in wider society and is underpinned by values of transparency, fairness, accountability and integrity across its worldwide operations, ensuring Ashmore is managed to the appropriate environmental, social and governance standards, in line with local expectations.
- **Responsible Investment:** Ashmore believes that being a responsible investor brings with it a duty to act in a manner that benefits wider society, something which is particularly acute in the markets where Ashmore operates and invests. To that end, every investment is subject to an analysis of its environmental, social and governance factors. Further, Ashmore is a member of various global and industry-specific initiatives seeking to advance sustainability in EM, considering local context and needs.
- **Ashmore Foundation:** Established in 2008, the Ashmore Foundation seeks to make a positive and sustainable social and environmental difference in the EM communities where Ashmore operates and invests. It is supported solely by Ashmore and its employees, with a grant strategy underpinned by a gender equity, system change, community driven climate approach.

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Risk warnings

Investors should consider certain risk factors peculiar to investing in emerging markets (EM), before taking any investment decision. Emerging markets carry risks as well as rewards. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the developed markets. The economic and political conditions differ from those in developed markets, and may offer less social, political and economic stability. EM may be more volatile than more mature markets. The value of your investment could go down as well as up. In extreme circumstances, this could result in a total loss of your investment. EM may suffer from liquidity problems; changes in rates of exchange between currencies may cause the value of your investment to decrease or increase; operational risks of investing are higher than in more developed markets. For a full description of these and further risks, you should refer to the latest Prospectus.

Important Marketing Information

1. This is a marketing communication. You should obtain appropriate independent professional advice and a copy of the current KI(ID)s and Prospectus prior to making a decision to invest.
2. Ashmore SICAV (société d'investissement à capital variable) is regulated by the Commission de Surveillance du Secteur Financier in Luxembourg. Ashmore Investment Management (Ireland) Limited (the 'Management Company'), 32 Molesworth Street, Dublin 2 which is authorised and regulated by the Central Bank of Ireland is the Management Company and Principal Sales Agent.
3. Ashmore SICAV is an investment fund which is allowed for sale only to eligible investors of the jurisdictions in which a duly obtained marketing passport is obtained pursuant to Directive 2009/65/EC, as amended and/or relevant marketing authorisations granted by local regulators are obtained. Subscriptions will only be received and shares issued based on the current Key Investor Information Document ('KIID') or PRIIPs Key Information Document ('KID') and Prospectus. In case you are in any doubt as to you are provided access to the Fund, please contact your intermediary or the Management Company.
4. This document does not constitute and may not be relied upon as constituting investment advice or a solicitation to invest.
5. Copies of the material contracts are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the KI(ID)s, in the accepted language of the countries where the Fund is registered, the Country Supplement, the Privacy Notice, the latest periodical reports, the Available Share Classes Document, as well as the Fund's policies for the exercise of the voting rights, may be obtained in English, free of charge during normal office hours at the registered office of Ashmore SICAV or from its local agents, as required by applicable laws and may also be obtained on www.ashmoregroup.com/en-europe/our-funds or www.fundsquare.net/homepage. The investor complaints handling policy of the Fund, is available in English [here](#).
6. Ashmore SICAV shares are not registered under the US Securities Act of 1933 ('1933 Act') nor is the Fund registered as an investment company under the US Investment Company Act of 1940 ('1940 Act'). Offers/sales of Fund shares will be made in the US only by private placement, to persons qualifying as 'accredited investors' as defined under

the 1933 Act and as 'qualified purchasers' as defined under the 1940 Act. To the extent permitted by applicable laws and regulations, Ashmore may provide investors in the Fund with additional portfolio information not routinely available to other investors in the Fund. Ashmore will determine the additional information to be provided. Investors wishing to receive such information should make a request to Ashmore and may be subject to additional confidentiality requirements.

7. The Management Company is responsible for the distribution of shares in the Fund and may appoint sub-distributors in accordance with local laws and regulations, including Ashmore Investment Management Limited, 61 Aldwych, London, WC2B 4AE authorised and regulated by the Financial Conduct Authority (FCA) in the UK, where the Fund is marketed in the UK under the FCA's temporary marketing permissions regime. More information regarding this regime may be found on the FCA website and Ashmore Investment Management (US) Corporation, a registered broker-dealer and member of FINRA and SIPC.
8. The Swiss Representative and Paying agent is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich. Prospectus, the KIDs, the Articles and the Reports are available on request free of charge at the office of the representative. This document may not be reproduced or distributed in any manner in whole or in part without prior written permission of Ashmore SICAV. In respect of the Fund offered in Switzerland, the place of performance and jurisdiction is the registered office of the representative in Switzerland.
9. The Fund is registered with CNMV identification CIS number 242080 with the Spanish regulator (CNMV).
10. The information contained in this marketing document has been compiled in good faith, but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. Save to the extent (if any) that exclusion of liability is prohibited by an applicable law or regulation, Ashmore, its officers, employees, representatives and agents expressly advise that they shall not be liable in any respect for any loss or damage, direct, indirect, consequential or otherwise, however arising (through negligence or otherwise) out of or in connection with any content/omissions from this document.
11. Ashmore Investment Management (Ireland) Limited acting as Management Company and Principal Sales Agent may decide to terminate the arrangements made for the marketing of this Fund in accordance with Article 93a of Directive 2009/65/EC with regard to cross-border distribution of collective investment undertakings.
12. The summary of investors' rights for the purposes of the European Union Cross Border Distribution Regulation (Regulation (EU) 2019/1156), which are your key rights as an investor in the investment fund, are available in English here. For redress mechanism please contact the Management Company at the address above provided or at: dp-ireland@ashmoregroup.com