

## UK Stewardship Code

This statement is issued by Ashmore Investment Management Limited (“AIML”), a company incorporated under the laws of England and Wales, which is authorised and regulated by the Financial Services Authority (“FSA”) in the United Kingdom.

Detailed below is an overview on how, and the extent to which, AIML 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 we have a duty to act in the best interests of our clients and seek to protect and enhance the economic value of companies in which we invest on our client’s behalf.

Key elements in our stewardship process are set out in this statement including the activities we undertake to meet the UK Stewardship Principles.

### **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**

AIML is a subsidiary of Ashmore Group plc which forms an asset management group responsible for managing the investments of a large number of clients . Potential conflicts of interest can arise in a number of areas.. We have a conflicts of interest policy statement which is available on our website under Corporate & Investor Relations at the following link.

<http://www.ashmoregroup.com/corporate-investor-relations/corporate-governance/conflict-of-interest-statement/>

The policy statement provides information on the circumstances which may give rise to actual or potential conflict of interests in the business of AIML that may entail a material risk of damage to the interest of one or more of AIML’s clients.

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

### **Principle 3 – Institutional investors should monitor their investee companies**

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

The majority of AIML’s assets are invested in either External Debt (the majority of which is Sovereign Debt) or Local Currencies. In the case of external debt investments, our ability to have an influence is generally limited to a decision whether or not to invest, however, at a country level we believe that we are able to exert an influence through dialogue with governments and central banks.

Our public equities business is a small part of our overall business and our shareholdings are unlikely to ever be large enough to have an influence over the policies of management in these companies.

Our Special Situations business invariably involves our clients taking significant controlling stakes in investee companies and in such circumstances we are in a position to positively engage with the management of these companies. In many cases we believe it to be beneficial to our investors to be pro-active in promoting our brand locally by improving the livelihoods of the employees in the companies where we have a controlling stake.

### **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**

As described above our public equities business constitutes only a small part of our overall assets under management, however, in appropriate circumstances, we will actively engage with corporate management in conversations on corporate governance or other issues in our clients' best interests and in certain situations, we might elevate these discussions to shareholder boards or their respective members, and potentially through proxy voting.

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

When it is in the best interest of our clients we may be prepared to act collectively with other investors when we believe it is likely to enhance our ability to engage with a company and it is permitted by law and regulation.

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

Subject to specific mandate restrictions, AIML 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 AIML 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 AIML's clients, through maximising the value of securities, taken either individually or as a whole.

Except to the extent required by applicable law or otherwise approved by AIML, AIML 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, AIML will disclose to its clients or the entity delegating the voting authority to AIML for such clients (e.g., trustees or consultants retained by the client), how AIML voted such client's proxy.

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

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

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