

# Ashmore Group plc

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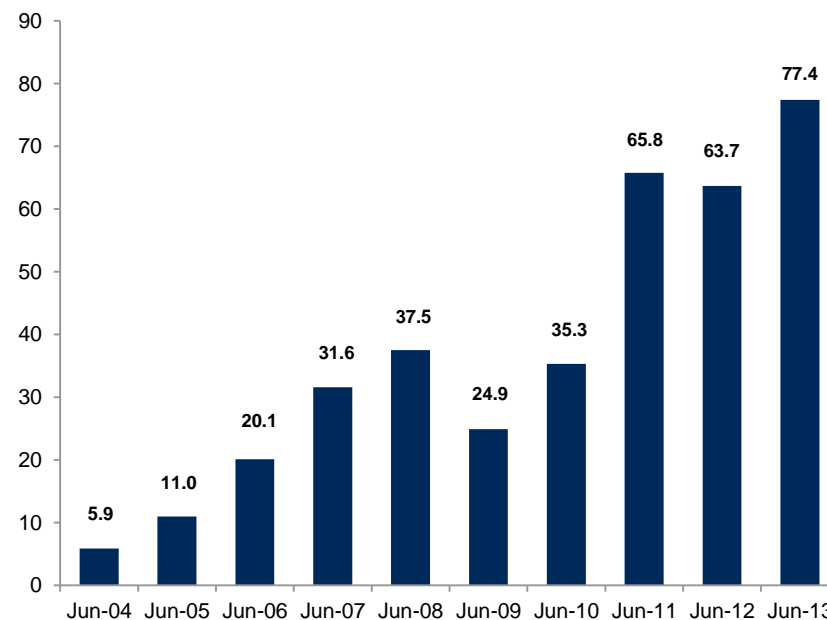
Annual General Meeting

30 October 2013

# FY2012/13 Highlights

- Assets under management US\$77.4 billion at 30 June 2013 (+22% YoY)
  - Record gross subscriptions of \$27.2 billion (FY2011/12: US\$13.0 billion)
  - Net subscriptions \$13.4 billion (FY2011/12: US\$1.3 billion)
- Net revenue £355.5 million (+7%)
  - Net management fees £311.2 million (+4%)
  - Performance fees £33.4 million (FY2011/12: £25.4m), broadly stable at 9% of net revenue
- EBITDA £252.2 million (+7%), 71% margin (FY2011/12: 71%)
- Profit before tax £257.6 million (+6%)
- Basic EPS 29.98p (+12%)
- Proposed final dividend 11.75p (+9%) resulting in 16.1p for the year (+7%)

**Assets under management (US\$bn)**



...good financial performance

## A consistent rationale for investing in Emerging Markets

- Strong economic fundamentals
- Stability from greater political and fiscal accountability
- Powerful GDP per capita convergence trend
- Deeper and more liquid capital markets and local capital pools
- Shift of economic power to Emerging Markets
- Large and increasing range of investment opportunities

5-6% GDP growth,  
3-5x faster than  
DM

GDP per capita  
US\$7k, equivalent  
to DM in 1980

Stable inflation  
(~4%) and low  
real interest  
rates

49% of global  
GDP and rising

Frontier markets  
growing: 26 by  
end of the  
decade

Local market AuM  
growth 10-25%  
p.a.

Local currency  
corporate debt  
\$5.8trn, yet has  
no index

Sovereign local  
currency market  
is \$6.5trn, 9x  
external debt  
market

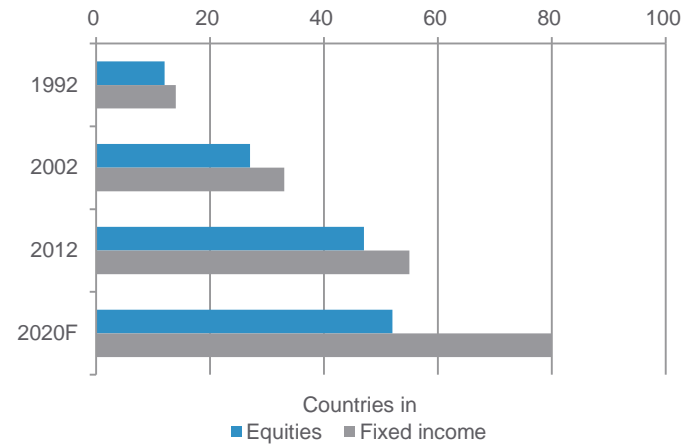
DM allocations  
underweight vs  
~15% neutral  
EM position  
today

...long-term growth trends undiminished

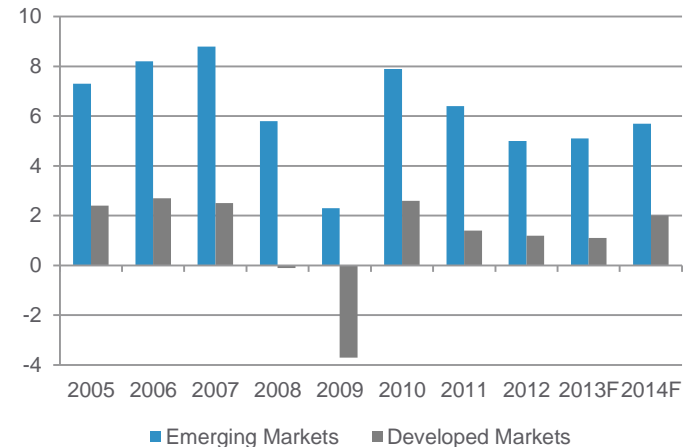
# Outlook

- Emerging Markets: not a single homogeneous asset class
  - Diverse range of securities across more than 65 countries
- Emerging Markets' growth premium intact
  - Cyclical adjustment in *certain* countries, not a structural trend and not uniform across Emerging Markets
  - DM structural issues unresolved (gov't debt/GDP 110% vs 34% in Emerging Markets)
- FX depreciation stimulates economic growth
  - Formidable FX reserves (US\$8.7trn, 80% of world total)
- Pass-through inflation limited
  - Domestic demand and EM/EM trade dampen FX effects
  - Orthodox policy tools available, e.g. Brazil monetary tightening and FX intervention
- Real money investors maintaining/adding exposure
  - Technical re-pricing generates opportunities

## Diverse and growing investment universe



## GDP growth (%)



...misconceptions create opportunities

# Q1 2013/14 IMS Update

- Assets under management increased 1.4% to US\$78.5 billion
  - Net inflows of US\$0.6 billion
  - Investment performance of US\$0.5 billion
- Broad-based demand by both client type and geography
- Net flows were strongest in blended debt, corporate debt and external debt
- Equities and external debt contributed the most to investment performance

## Assets under management (US\$bn)

	Actual 30 June 2013	Estimated 30 September 2013	Movement Q1 vs Q4 (%)
External debt <sup>1</sup>	14.5	13.8	-4.8
Local currency	17.6	17.2	-2.3
Corporate debt	6.1	6.4	4.9
Blended debt <sup>1</sup>	17.6	19.7	11.9
Equities	5.5	5.7	3.6
Alternatives	2.7	2.9	7.4
Multi-strategy	3.7	3.3	-10.8
Overlay/liquidity	9.7	9.5	-2.1
<b>Total</b>	<b>77.4</b>	<b>78.5</b>	<b>1.4</b>

1. There was a US\$1.1 billion reclassification from external debt to blended debt following a change in investment guidelines, including the benchmark, for those assets

...continued net inflows

## IMPORTANT INFORMATION

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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.

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