

Ashmore Group plc



UBS Financial Services Conference, New York - May 2012

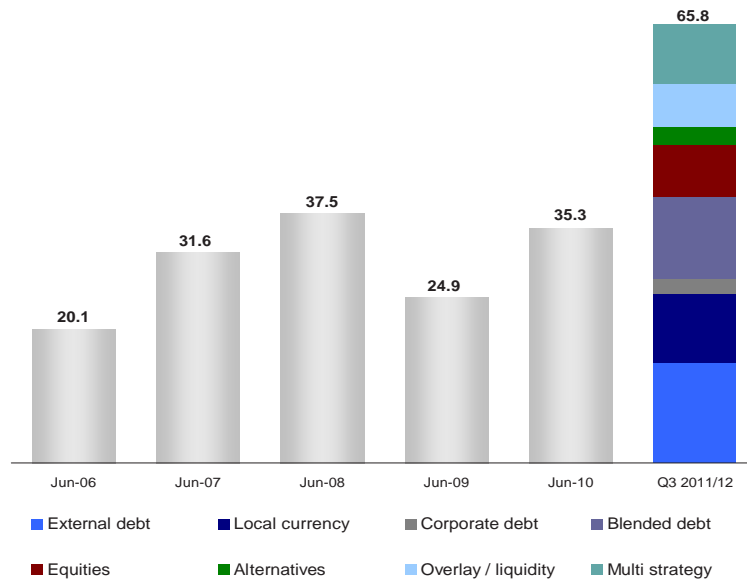
Ashmore

Ashmore Group: Overview

A leading Emerging Markets fund manager

- § Market cap of £2.7 billion¹, member of the FTSE 100
- § Assets under management of US\$65.9 billion as at 31 March 2012
- § 251 employees in 12 office locations
- § Long experience of investment outperformance through active management across 8 investment themes

Assets under Management (US\$bn)



Global office locations



Note:
(1) As at 3 May 2012.

Ashmore Group: Overview

Eight diverse Emerging Markets investment themes

Themes	External debt	Local currency	Corporate debt	Equities	Alternatives	Overlay/liquidity
Theme premise	A highly diversified portfolio of emerging market debt assets with a primary focus on external debt.	Takes advantage of the rapidly expanding local currency and local currency denominated debt market with low correlations to other asset classes.	Focuses on the developing corporate debt asset class in emerging markets.	Utilising top down macro country skills together with the bottom up micro investing excellence of one of the largest dedicated corporate research teams in emerging markets equities.	Investments are mainly in corporate restructurings through distressed debt, private and public equity and equity linked securities.	To separate and centralise the currency risk of an underlying emerging market asset class in order to manage them effectively and efficiently.
Global emerging markets sub-themes	<ul style="list-style-type: none"> – Broad – Sovereign – Sovereign, investment grade 	<ul style="list-style-type: none"> – Broad – FX – Bonds 	<ul style="list-style-type: none"> – Broad – High yield – Investment grade – Local currency 	<ul style="list-style-type: none"> – Broad global active – Global small cap – Fund of closed-ended funds – Global quant 	<ul style="list-style-type: none"> – Special situations: <ul style="list-style-type: none"> – Distressed debt – Private equity – Infrastructure – Real estate 	<ul style="list-style-type: none"> – Overlay – Hedging – Cash management
Theme	Blended debt					
Theme premise	Mandates specifically combine external, local currency and sometimes corporate debt measured against tailor-made blended indices.					
Regional/country focused sub-theme	Russia	Asia, Brazil, China, Turkey		Africa, Brazil, China, Frontier, Latin America, Middle East, Russia, South Asia, Turkey	Asia, China, Colombia, India, Russia, Turkey	
Theme	Multi-strategy					
Theme premise	Dynamic asset allocation across other investment themes.					

Emerging Markets Backdrop

Emerging Markets backdrop – growth story

1) Driver of global growth

- § Around 50% of global economy in terms of GDP (PPP basis)
- § 2012E forecasted GDP growth of 5.7% for Emerging Markets vs 1.4% for developed world (IMF)

2) Favourable demographics

- § Over 85% of global population
- § Increasing middle class with high household savings (EM > 30% vs developed < 10%)

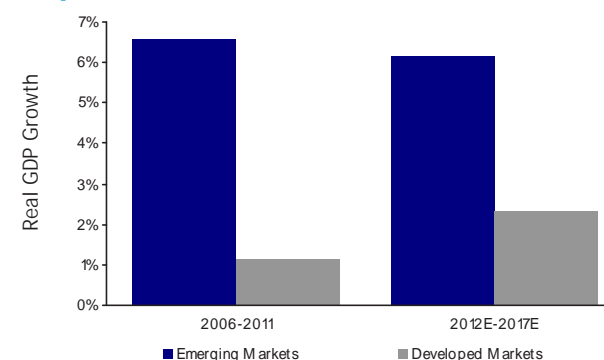
3) Reduced dependency on developed world

- § Trade and cooperation between Emerging Markets has risen sharply (e.g. China and Africa)
- § Continued uncertainty around the Eurozone

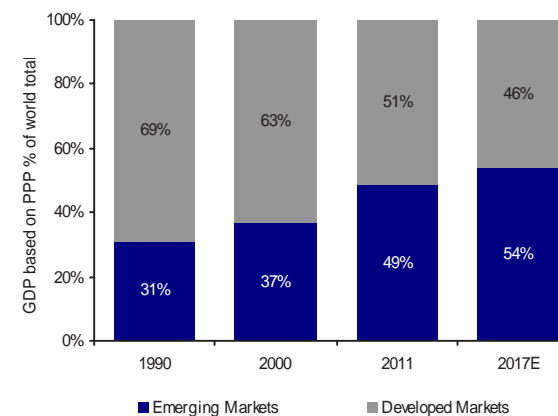
4) Developing capital markets

- § EM stocks represented more than 30% of the market cap of stocks worldwide but only 13% of the MSCI at the end of 2011
- § EM IPO volume made up 36% of global volume in 2011
- § EM sovereign debt issuance of US\$75bn and corporate issuance of US\$280bn in 2011

Superior Economic Growth Outlook



Increasing Global Economic Presence



Sources: IMF, Bloomberg, Ashmore

...Emerging Markets fundamentals continue to demonstrate the attractions of the asset class

Emerging Markets Backdrop

Misconception of risk

- 1) **Strong financial position**
 - § Lower debt to GDP at consumer, corporate and government levels
 - § EM banks have fared much better in the credit crisis (not as dependent on leverage)
- 2) **Favourable foreign exchange reserve balances**
 - § Reduced fiscal deficits and higher levels of reserves
- 3) **Improving economic and political fundamentals and stability**
 - § Inflation risks country-specific and manageable
 - § Increasingly better governance
- 4) **Improving credit quality and spreads**
 - § Significant improvement in fundamental sovereign risks
 - § Spreads over Treasuries near historical lows

Converging Credit Ratings

	June 2006	Latest	Change
Developed Markets			
UK	AAA	AAA	0
USA	AAA	AA+	-1
Spain	AAA	BBB+	-5
Portugal	AA-	BB	-7
Ireland	AAA	BBB+	-7
Greece	A	SD	-15
Emerging Markets			
Russia	BBB	BBB	0
India	BB+	BBB-	+1
Colombia	BB	BBB-	+2
Brazil	BB	BBB	+3
Turkey	B+	BBB-	+3
China	A-	AA-	+3

Sources: Bloomberg

...perception of risk within developed countries is beginning to change

Ashmore Strategy

Our strategy

Phase 1:
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**

...three phase strategy to position Ashmore at the heart of capital flows into and between EM

Ashmore Strategy

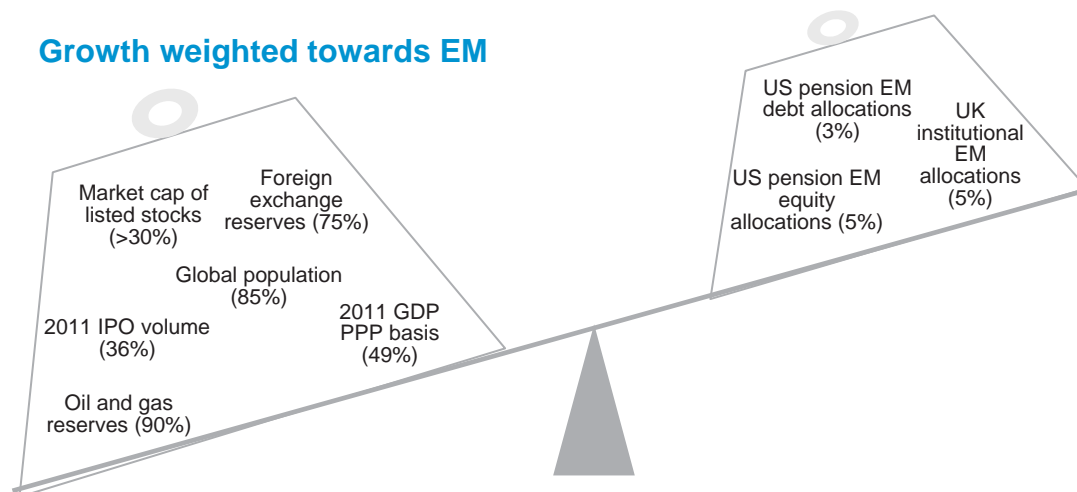
Phase 1: Establish Emerging Markets asset class

Components of phase

- § Establish Ashmore Emerging Markets investment processes
- § Enhance understanding of Emerging Markets debt in the developed world
- § Provide access to Emerging Markets, and their rapid development opportunities
- § Develop strong performance track record
- § Increase developed world investor base

- § Investor allocations have increased but are still underweight versus most metrics
 - Home country bias
 - Historic prejudices of investors towards the “safer” developed world over “riskier” Emerging Markets are being dispelled
- § Recent investor appetite for EM has increased but global AuM is estimated to be c. US\$55 trillion (EM c. US\$5 trillion); even a 1% increase in allocations to Emerging Markets would equate to inflows of over US\$500bn into dedicated EM funds

Growth weighted towards EM



Percentages represent Emerging Markets as a percentage of total

Sources: IMF, Bloomberg, Ashmore, Pensions & Investments, EPFR

...growing opportunity but expectation of much more to come

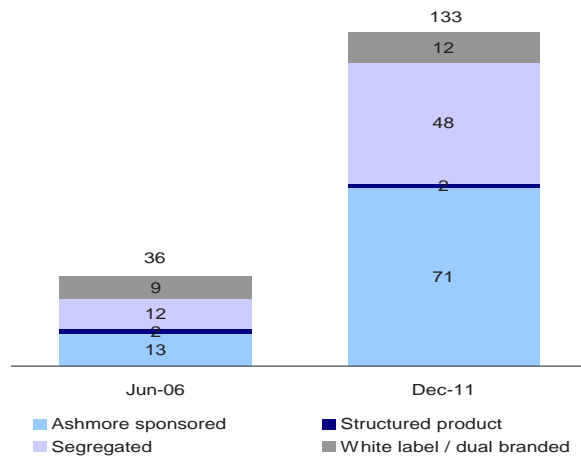
Ashmore Strategy

Phase 2: Diversify developed world capital sources and themes

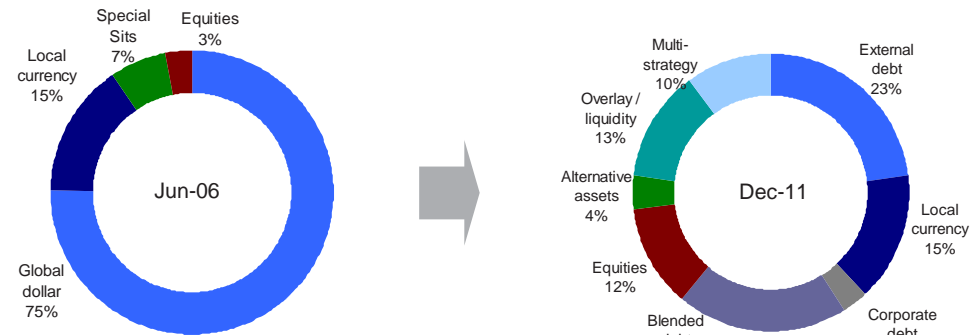
Components of phase

- § Establish new investment themes to diversify emerging markets product offerings
- § Develop new product structures and capabilities
- § Establish Ashmore as trusted allocator
- § Broaden and deepen developed world investor base
- § Deliver strong performance consistently

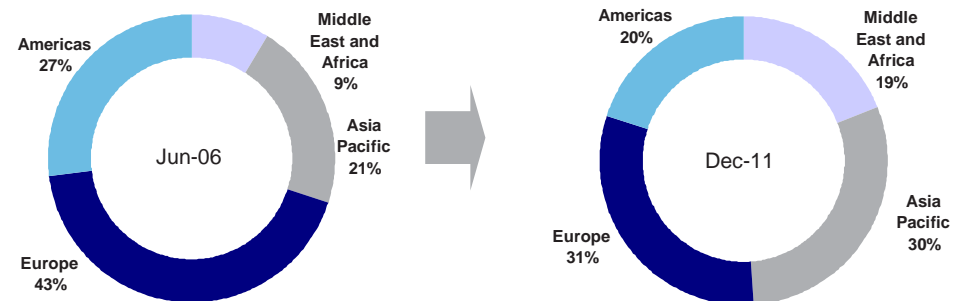
Fund Classification by Number of Funds



AuM by Theme



AuM by Investor Geography



...continued development of product offering to meet investor demands

Ashmore Strategy

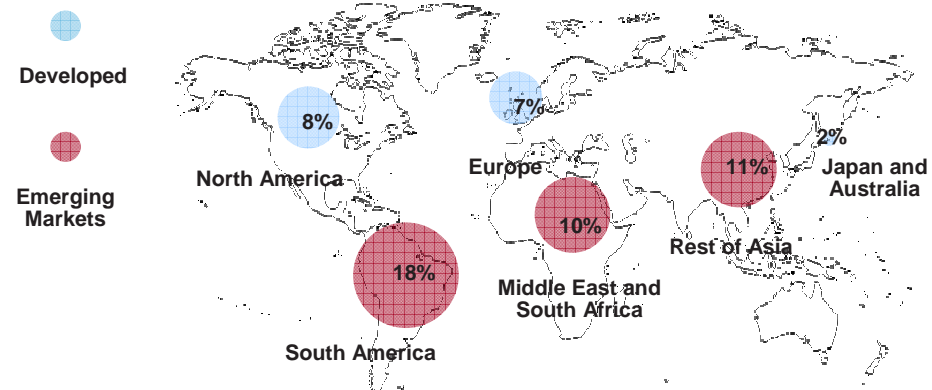
Phase 3: Mobilise Emerging Markets capital

Components of phase

- § Mobilise emerging markets capital managed offshore
 - Capital sourced initially from largest pools, i.e. central banks, governments, reserve managers and sovereign wealth funds

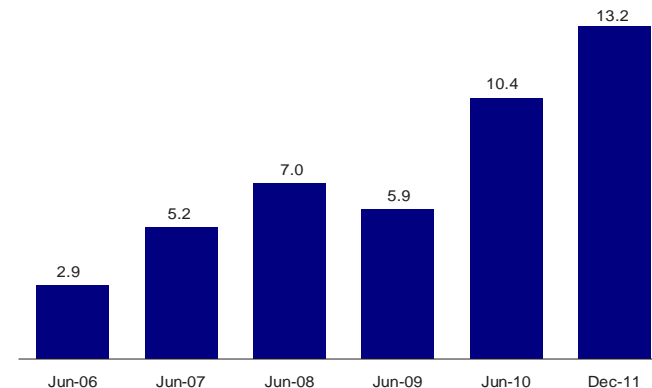
- § Develop network of domestic asset management businesses
 - Manage domestic capital locally
 - Create strong local performance track record

Fastest Growing AuM Markets are in EM



Bubbles represents annual total market AuM growth from 2009 to 2010
 Source: BCG Global Asset Management Market Sizing database, 2011

AuM from Emerging Markets Sources (US\$bn)

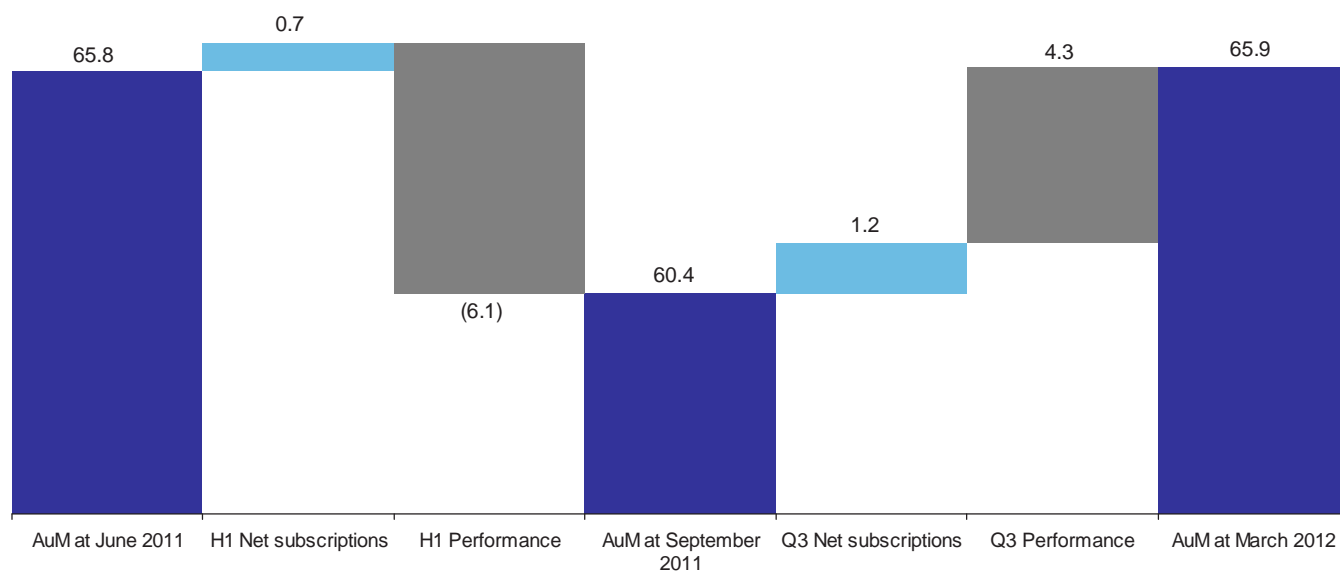


...Ashmore continues to investigate new countries to develop its network of domestic asset management businesses

Ashmore Group

Q3 interim management statement

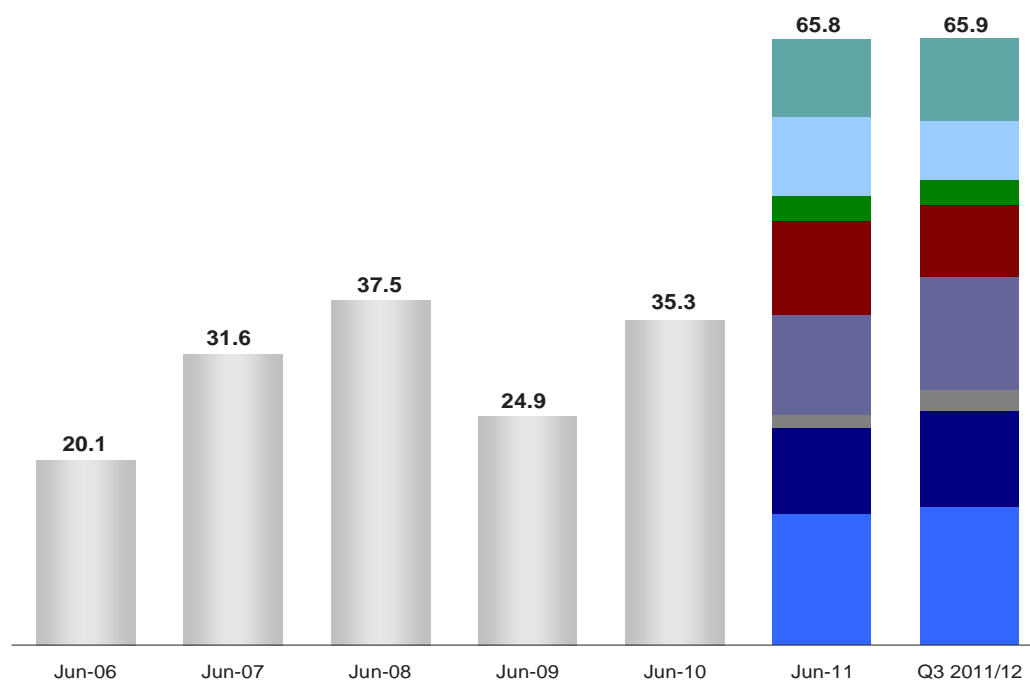
- § The quarter saw assets under management increase 9.1% to US\$65.9 billion
- § The drivers of this increase were net inflows of US\$1.2 billion and positive investment performance of US\$4.3 billion.
- § There were net inflows within the overlay, external debt, local currency, corporate debt and multi-strategy themes, whilst modest net outflows occurred in the equities and blended debt themes.



Ashmore Group

Q3 interim management statement

Assets under Management (US\$bn)



■ External debt
 ■ Local currency
 ■ Corporate debt
 ■ Blended debt
■ Equities
 ■ Alternatives
 ■ Overlay / liquidity
 ■ Multi strategy

	AuM at 31 March 2012	AuM at 30 June 2011
External debt	15.1	14.3
Local currency	10.3	9.4
Corporate debt	2.3	1.3
Blended debt	12.3	10.9
Equities	7.8	10.1
Alternatives	2.7	2.8
Multi-strategy	6.5	8.4
Overlay/liquidity	8.9	8.6
Total	65.9	65.8

Ashmore Group

§ Inflows maintained, underpinning AuM growth

§ Long term investment outperformance through active management, as Q3 2011/12 shows

§ Unique position – FTSE 100 fund manager, dedicated to Emerging Markets

§ Compelling three phase strategy to capture the growing opportunity

§ Strong balance sheet being applied to facilitate execution of the Group's strategy

Selected slides from FY2011/12 Interim Results



Highlights

- Assets under management (“AuM”) of US\$60.4 billion at 31 December 2011, a decrease of US\$5.4 billion (8%) from 30 June 2011 with net inflows maintained across the period
- Total net revenue up 4% to £181.0 million (H1 2010/11: £173.7 million)
 - Net management fees⁽¹⁾ up to £151.4 million (H1 2010/11: £116.1 million)
 - Performance fees down to £23.0 million (H1 2010/11: £60.1 million)
- EBITDA margin of 70% (H1 2010/11: 73%)
- Profit before tax up 2% to £129.8 million (H1 2010/11: £127.6 million)
- Basic EPS of 13.83p (H1 2010/11: 14.30p)
- An interim dividend of 4.25p per share will be paid on 4 April 2012 (H1 2010/11: 4.16p)

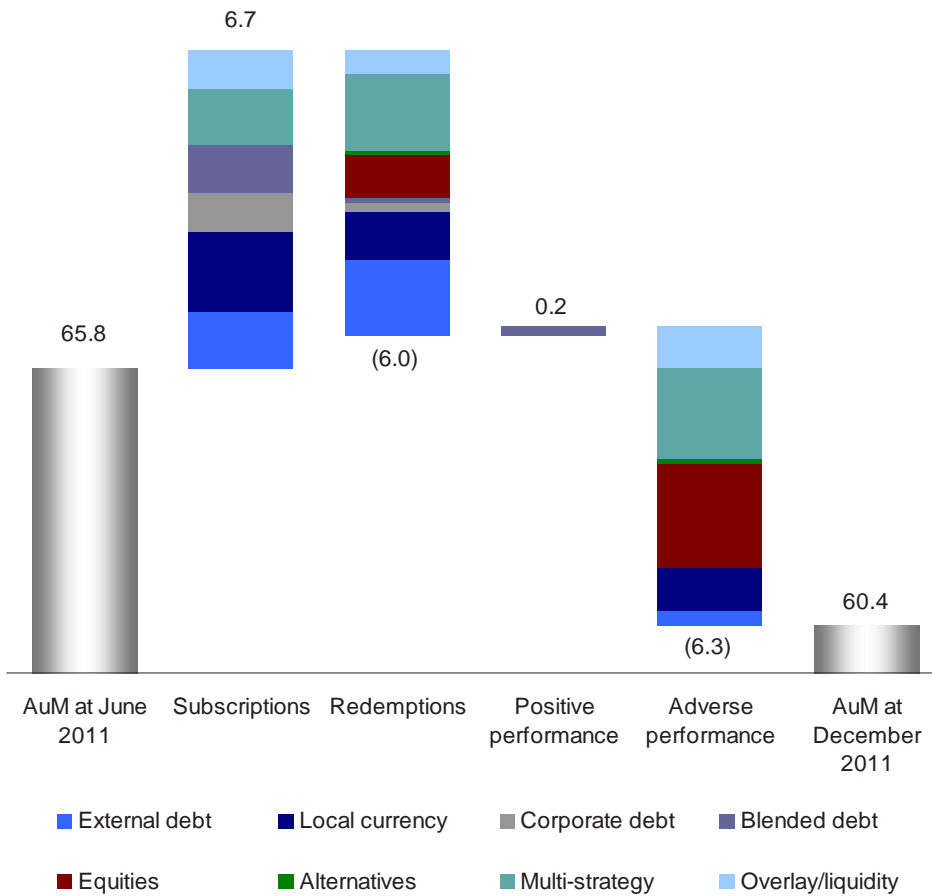
...good financial performance

(1) Net of distribution costs and fee rebates, but before net management fee hedging gains/(losses).

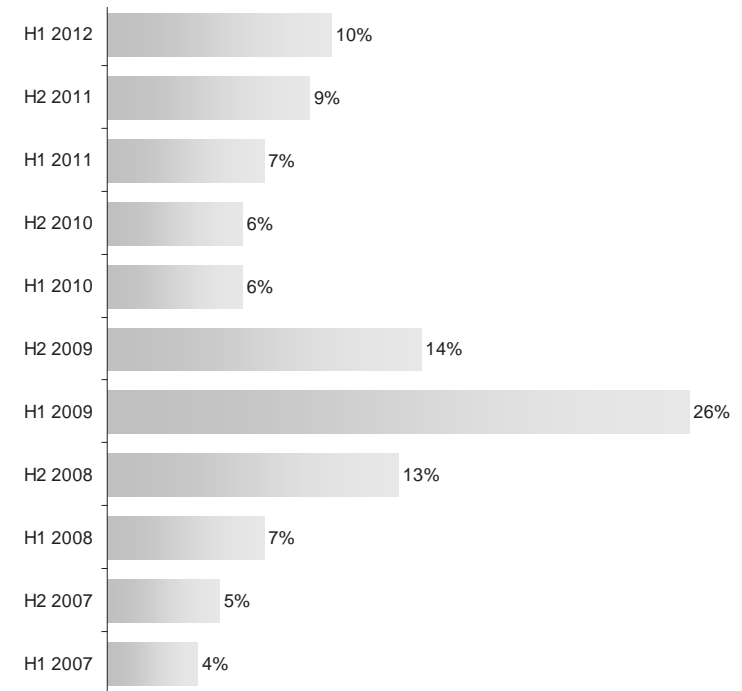
Assets under management

Subscriptions and redemptions

H1 2011/12 AuM Development (US\$bn)



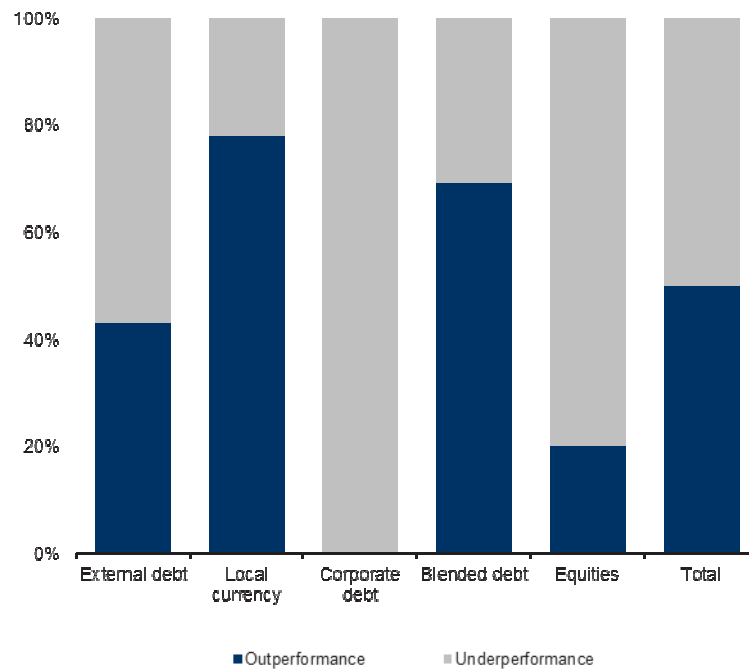
Redemptions as a % Average AuM by Year



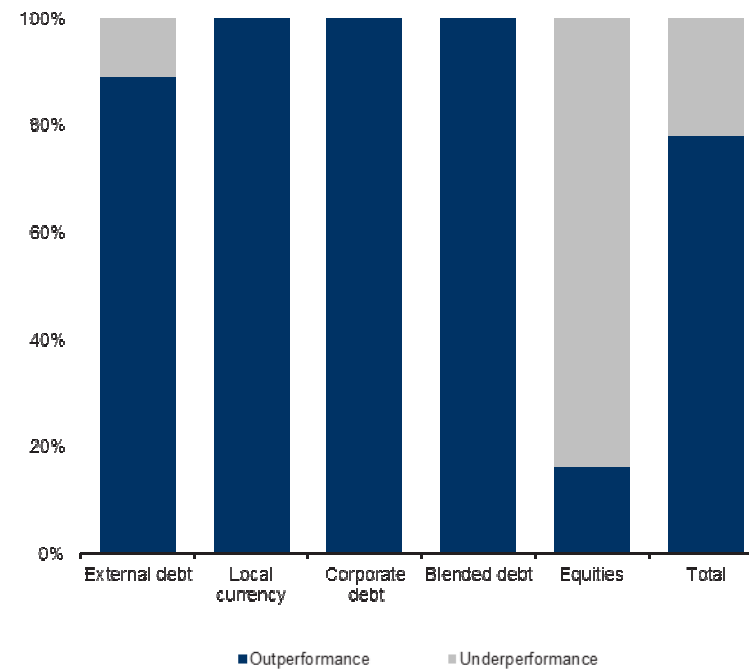
...net inflows maintained through the period, redemption rates remain low

Assets under management Investment performance

Funds Outperforming vs Benchmark – Gross 1 Year^{1,2}



Funds Outperforming vs Benchmark – Gross 3 Years^{1,2}



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

(1) All open-ended funds (public and other) centrally managed with a benchmark by AuM as at 31 December 2011 (1 year: 74 funds; 3 years: 48 funds); (2) All fund performance is gross with the exception of one dual-branded fund which is net. (4) SICAV institutional USD share classes have been used as representative performance for the respective funds, although AuM includes all underlying share classes

...expected short term performance profile in line with historic experience

Financial results

Income statement

	6 months ended 31 December 2011	6 months ended 31 December 2010	Year ended 30 June 2011
	£m	£m	£m
Net management fees	151.4	116.1	249.3
Performance fees	23.0	60.1	85.4
Other revenue	3.6	2.1	6.5
Foreign exchange	3.0	(4.6)	(7.4)
Net revenue	181.0	173.7	333.8
Personnel expenses	(11.7)	(7.1)	(15.3)
Variable compensation	(30.6)	(31.4)	(56.2)
Other operating expenses (including consolidated funds)	(12.3)	(7.7)	(19.0)
EBITDA operating expenses	(54.6)	(46.2)	(90.5)
EBITDA	126.4	127.5	243.3
Depreciation & amortisation	(4.8)	(1.7)	(3.9)
Finance income	8.2	1.8	6.5
Profit before tax	129.8	127.6	245.9
Tax	(33.7)	(31.6)	(55.7)
Profit after tax	96.1	96.0	190.2
Net other comprehensive income	(2.2)	8.0	6.7
Total comprehensive income ⁽¹⁾	93.9	104.0	196.9
Earnings per share - basic	13.83p	14.30p	28.08p
Earnings per share - diluted	13.24p	13.52p	26.63p
Dividend per share	4.25p	4.16p	14.50p
EBITDA margin	70%	73%	73%

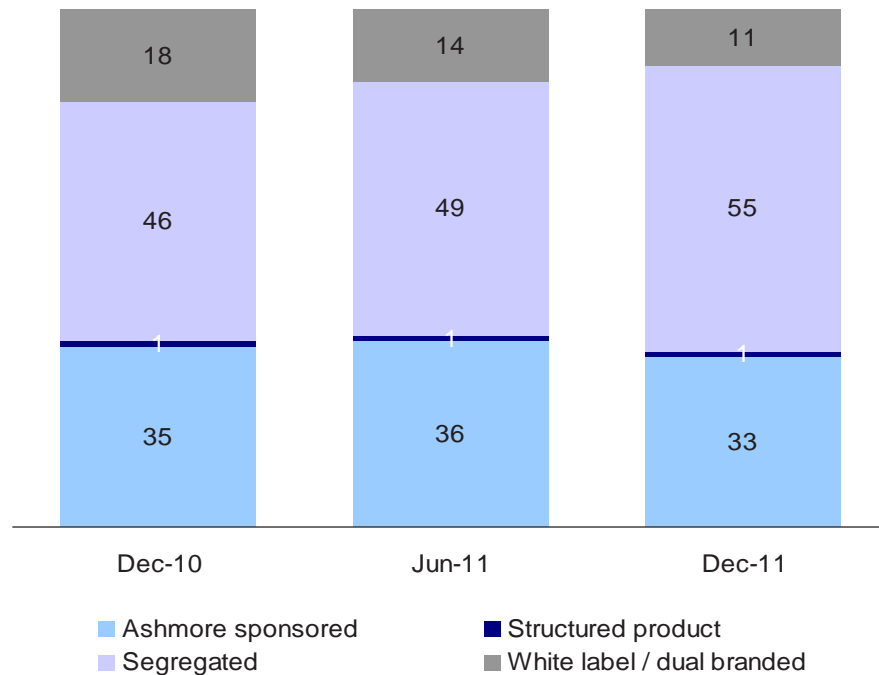
...overall profit levels maintained

(1) Attributable to equity holders of the parent £91.5m (H1 2009/10: £103.7m; FY2010/11: £195.3m)

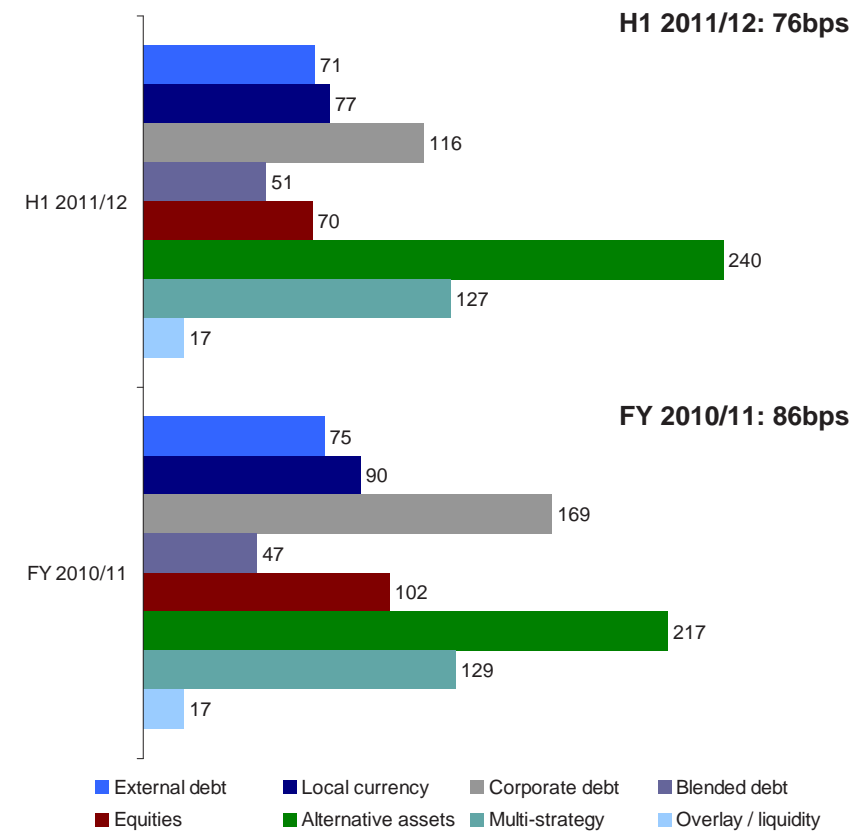
Financial results

Revenue margins

Fund Classification by AuM (%)



Net Management Fee Margins (bps)



...theme and client mix effects impact margin

Financial results

Cash flow & balance sheet

	Six months to 31 December 2011	Six months to 31 December 2010	Year ended 30 June 2011		Six months to 31 December 2011	Six months to 31 December 2010	Year ended 30 June 2011
	£m	£m	£m		£m	£m	£m
Cash from operations	114.0	103.9	253.4	Total assets	630.0	582.1	675.6
Acquisition of AshmoreEMM	0.4	-	(41.2)	Total liabilities	134.0	156.8	160.7
Treasury / own shares	(40.8)	-	(10.9)	Net assets/total equity	496.0	425.3	514.9
Purchase of seed capital investments ⁽¹⁾	(18.3)	(42.6)	(12.5)	<i>Including:</i>			
Dividends	(74.5)	(64.4)	(93.7)	Non-current assets	109.3	13.1	109.7
Taxation	(31.0)	(30.7)	(62.1)	Deferred tax assets	12.6	17.1	17.9
Interest	2.0	0.4	1.4	Deferred acquisition costs	5.8	8.2	6.9
FX and other	3.1	(5.5)	(9.8)	Cash and cash equivalents	323.9	305.5	369.0
(Decrease)/Increase in cash	(45.1)	(38.9)	24.6	Trade receivables	59.7	109.4	68.2
				Trade payables	(90.4)	(110.2)	(116.3)
				Seed capital investments ⁽¹⁾	108.1	116.8	91.1

...continued seeding and own share purchases utilise cash, strong balance sheet

(1) Represents seed capital invested by the Group in its funds and classified as available-for-sale financial assets, non-current assets/liabilities held-for-sale, funds consolidated as investment securities/third party interests in consolidated funds or non-current asset investments

Disclaimer

IMPORTANT INFORMATION

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