



Ashmore Group plc

Results for six months ending 31 December 2021

10 February 2022

- **Financial performance impacted by market environment**
 - AuM US\$87.3bn, -8% over the period
 - Cost discipline reduced operating costs by 7% YoY
 - Adjusted EBITDA -14% YoY, maintained margin at high level of 67%
 - Delivered seed capital profit of £25m
 - Adjusted diluted EPS 10.4p, maintained interim DPS at 4.80p
- **Continued progress made across range of strategic initiatives**
 - New & existing clients continue to target higher allocations, particularly after recent market weakness
 - Equities net inflows, ongoing demand for IG strategies, highly scalable intermediary retail platform
 - Strong growth in local platforms, AuM +12% over six months
- **Established active investment processes deliver through market cycles**
 - 2021 a more challenging year for EM performance than 2020
 - Strong relative performance in local currency, equities and IG strategies
 - Added risk to capture significant recovery value in oversold asset prices, particularly in HY credit
- **Improving macro environment & attractive valuations**
 - EM central banks ahead of the Fed, highly attractive real rates
 - EM typically outperforms in rising US rate environment
 - 2021 headwinds fading
 - Valuations do not reflect supportive macro outlook

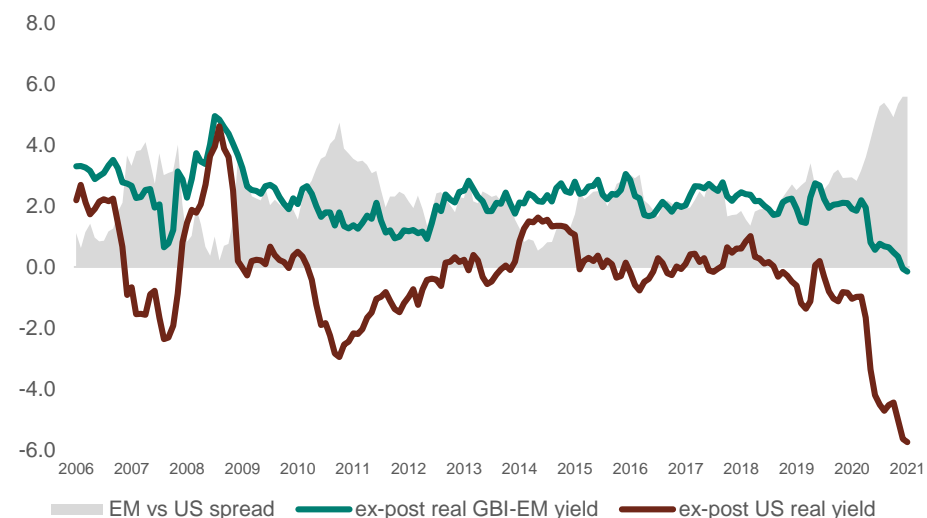
Assessing the Emerging Markets cycle

- Effective policy responses to pandemic
 - EM required less fiscal stimulus and consolidating deficits faster than DM
 - EM long-term convergence trend intact
- Fed tightening a catalyst for performance
 - Higher EM yields/spreads in 2021 reflect 'fear', provide significant buffer for outperformance
 - EM central banks tightened aggressively, ahead of inflation and the Fed
 - US real rates will remain negative, currently ~500 bps lower than EM real rates
- China will grow faster
 - China's growth headwinds to reverse in 2022
 - Consistent long-term economic objectives, focus in short term on growth and stability
 - Policy tightening in 2021 is giving way to easing
- Valuations do not reflect supportive macro outlook
 - External debt spreads c.400bps
 - Local currency bond yield >6%, positive real yields
 - Equities at 15-year relative low to DM

Positive outlook as 2021 headwinds fade

Macro topic	2021	2022 outlook
US rates	Uncertainty, misguided fear priced into EM	Expected rate increases will still leave negative real rates
EM rates	Central banks ahead of inflation, attractive real rates	Continued focus on inflation, currencies will benefit from real rate differentials
China	Slower growth due to regulatory impact in energy, real estate and tech	Policy easing has started, will support stronger growth

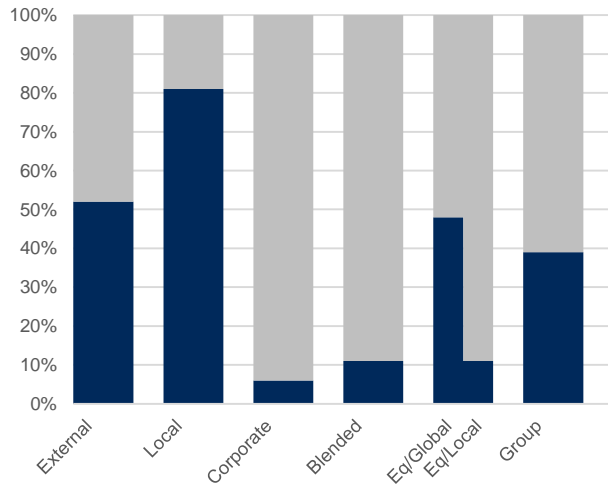
Higher rates and attractive real yields in Emerging Markets (%)



Significant opportunities for EM performance in 2022

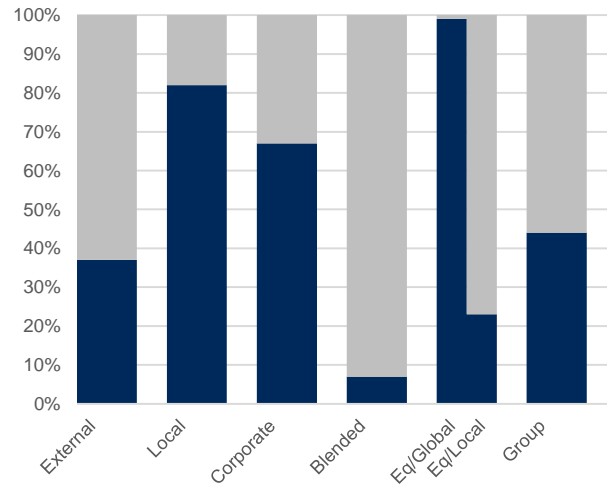
Investment performance

One year: 39% outperforming



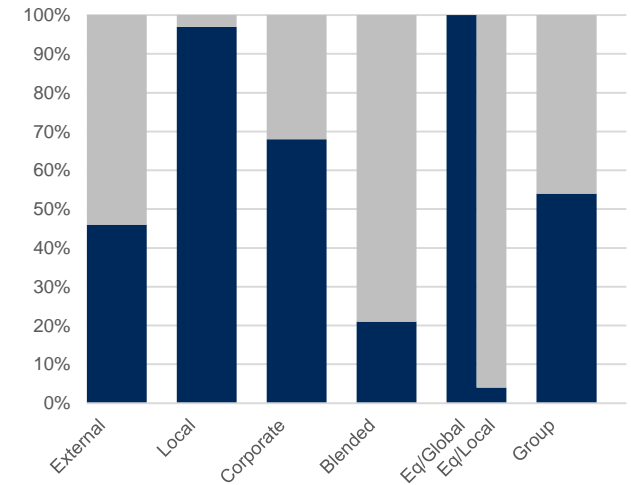
Jun'21: 96%

Three years: 44% outperforming



Jun'21: 57%

Five years: 54% outperforming



Jun'21: 79%

■ Outperforming ■ Underperforming

- 2021 a more challenging year for EM than 2020
- Similarly, 2016 was a strong absolute and relative return year, as Fed raised rates and EM outperformed
- Strong relative performance in local currency, equities, IG (external, corporate & blended debt) and corporate debt over longer term
- Significant value in markets and portfolios, with recovery returns available in oversold positions, particularly HY, and asset prices not yet reflecting supportive macro outlook

AuM outperforming versus benchmark on gross annualised basis

Equities bars split between global (LHS) and local products (RHS)

See Appendix 9 for related disclosures

Added risk to capture recovery from weaker markets in 2021

Strategic initiatives

1. Raising underweight investor allocations

- Institutional top-ups across all fixed income and equities themes
- New mandates focused on external debt, blended debt and equities
- Gross subscriptions at a similar level to the prior year period

2. Diversifying Ashmore as asset classes evolve

- Equities momentum continues: 9% of AuM with net inflows and strong relative performance
- Investment grade fixed income strategies attract new investors to EM
- Maintained balanced institutional client base
- Seed capital supports development of dedicated ESG funds
- Intermediary retail 6% of AuM, maintained scalable platform to deliver growth when risk appetite improves

3. Local platforms delivering strong growth

- AuM +12% over six months to US\$8.0bn
- Indonesia record AuM (+16% in the period to US\$2.8bn), Saudi Arabia AuM +49% YoY to US\$1.4bn
- Ashmore Colombia raised US\$0.2bn to invest in private equity with focus on infrastructure projects and has scale in listed equities

Global Emerging Markets equity strategies

Three years	Active	All Cap	Small Cap
Benchmark (%)	+10.9%	+10.9%	+16.5%
Alpha (%)	+1.4%	+11.8%	+8.3%

Composite gross returns, annualised

Local platforms

	AuM US\$bn	YoY %	HoH %
Asia	5.0	+13%	+15%
Middle East	1.6	+45%	+2%
Latin America	1.4	-	+12%
Total	8.0	+15%	+12%

Progress made across range of initiatives

Financial performance overview

- **AuM -8% over six months**
 - Net flows -US\$3.2 billion
 - Negative investment performance -US\$3.9 billion
- **Adjusted net revenue -12%**
 - Net management fees -6%
 - Lower performance fees & FX hedge gains
- **Adjusted EBITDA -14%**
 - Operating costs reduced by 7%
 - Maintained margin in the mid/high 60%^s
- **Profit before tax -23%**
 - Delivered seed capital gain of £25.2 million
- **Diluted EPS -27%, DPS maintained at 4.80p**

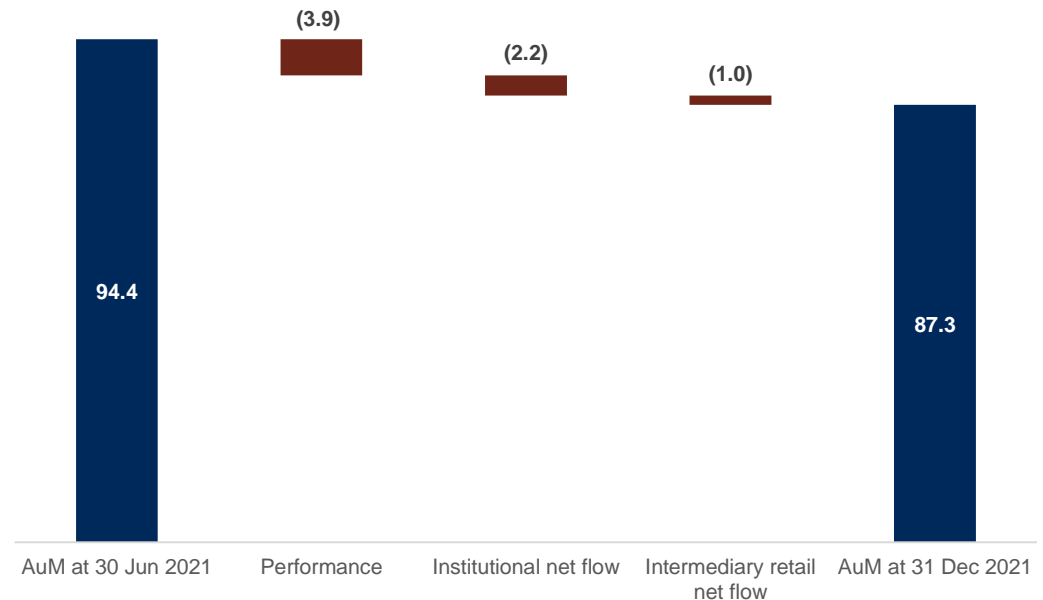
	H1 2021/22 £m	H1 2020/21 £m	YoY %
AuM (US\$bn)	87.3	93.0	(6)
Adjusted net revenue	138.2	156.8	(12)
Adjusted operating costs	(47.8)	(51.2)	7
Adjusted EBITDA	92.0	107.2	(14)
- margin	67%	68%	
Seed capital	25.2	49.3	(49)
Profit before tax	116.0	150.6	(23)
Diluted EPS (p)	13.3	18.2	(27)
DPS (p)	4.80	4.80	-

Figures stated on an adjusted basis exclude FX translation and seed capital-related items; see Appendix 1

Assets under management

- Gross subscriptions of US\$7.8 billion, 8% of opening AuM (H1 2020/21: US\$7.5 billion, 9%)
 - Broad-based demand across themes
 - New mandates in external debt, blended debt & equities
 - Flows into sovereign IG and Asia-focused corporate debt strategies, Ashmore Colombia PE fund
- Gross redemptions of US\$11.0 billion, 12% of opening AuM (H1 2020/21: US\$8.9 billion, 11%)
 - Allocation decisions in blended debt & local currency (e.g. fully funded pensions)
 - Underperformance in some external and blended debt strategies
 - US\$1.7 billion reductions in overlay mandates
- Net flows -US\$3.2bn
 - Institutional -US\$2.2bn (3% of AuM)
 - Intermediary retail -US\$1.0bn (14% AuM)
- Investment performance impact of –US\$3.9 billion

AuM development (US\$bn)

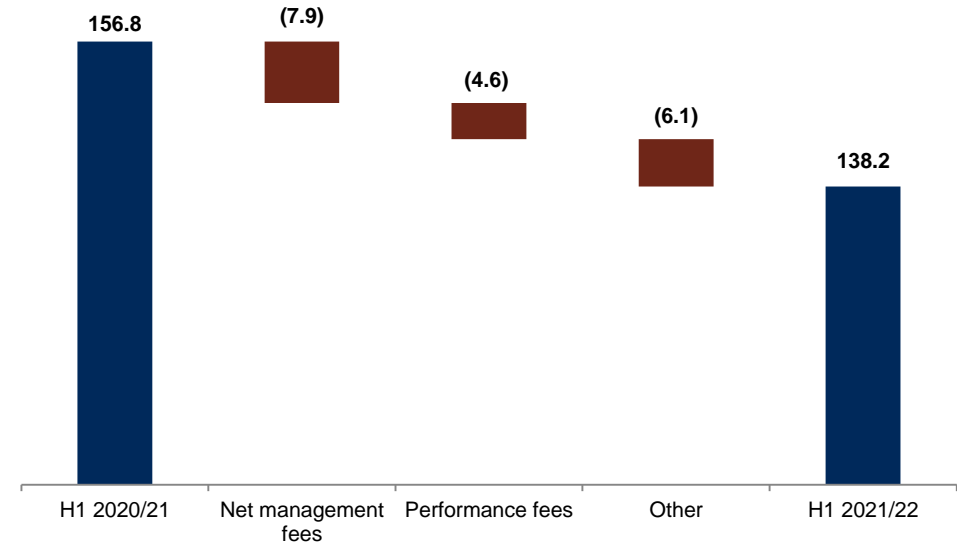


Activity levels increased during the period

Financial results Revenues

- Adjusted net revenue -12% YoY
- Net management fees -6%
 - Average AuM +4% YoY offset by higher average GDP:USD
- Net management fee margin 39bps (-3bps YoY / -1bp HoH)
 - Movement primarily due to retail & mutual fund flows (-2bps)
 - Large mandate flows, competition & product mix (-1bp)
- Performance fees delivered across range of fixed income funds
- FX gains from hedges and active management

Adjusted net revenue (£m)



	H1 2021/22 £m	H1 2020/21 £m	YoY %
Net management fees	131.0	138.9	(6)
Performance fees	3.1	7.7	(60)
Other revenue	1.4	1.5	(7)
FX: hedges	2.7	8.7	(69)
Adjusted net revenue	138.2	156.8	(12)

Figures stated on an adjusted basis, excluding FX translation and seed capital-related items; see Appendix 1

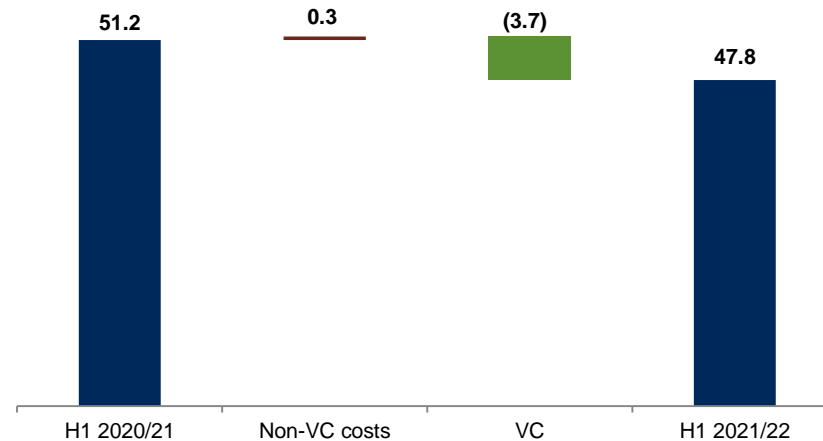
Revenues driven by diversified management fees

Financial results

Operating costs

- Adjusted operating costs reduced by 7% YoY
- Non-VC operating costs increased by 1%
 - Disciplined control of all operating costs
 - Average headcount stable YoY
 - Limited travel and remote working, but restrictions starting to ease
- VC accrual at 20%

Adjusted operating costs (£m)



	H1 2021/22 £m	H1 2020/21 £m	YoY %
Fixed staff costs	(13.7)	(13.6)	(1)
Other operating costs	(9.8)	(9.6)	(2)
Depreciation & amortisation	(1.6)	(1.6)	-
Operating costs before VC	(25.1)	(24.8)	(1)
Variable compensation (20%)	(22.8)	(25.2)	10
- adjustment for FX translation	0.1	(1.2)	n/m
Adjusted operating costs	(47.8)	(51.2)	7

VC = variable compensation
 Figures stated on an adjusted basis, excluding FX translation and seed capital-related items; see Appendix 1

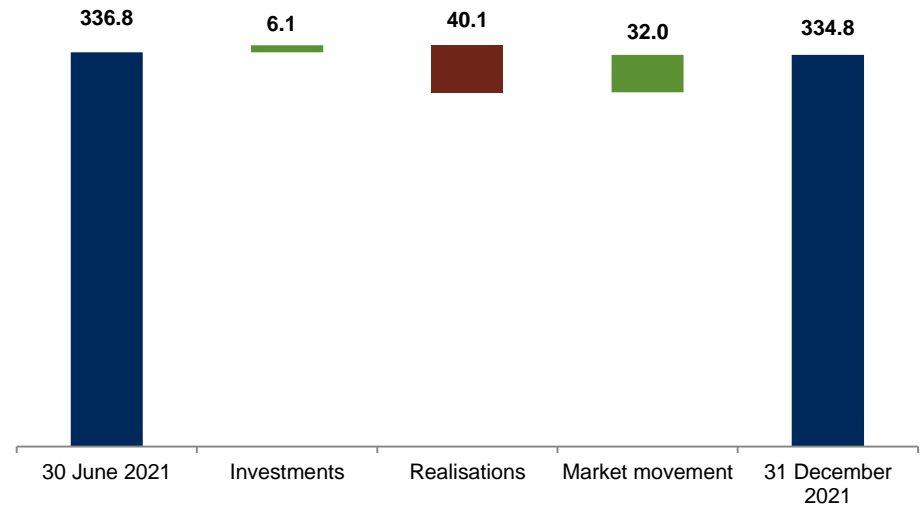
Costs managed effectively

Financial results

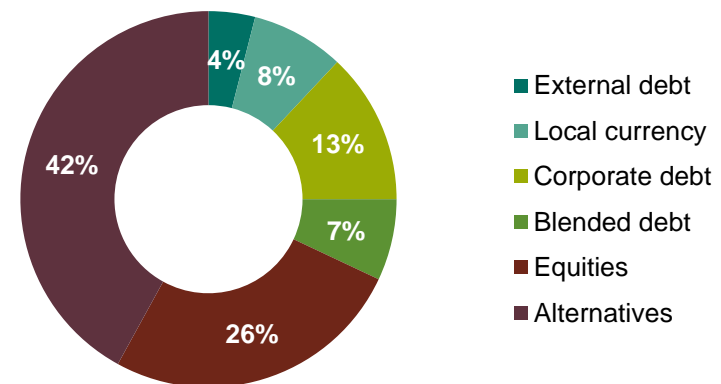
Seed capital

- Total value of seed capital programme ~£345 million
 - Market value of £334.8 million (30 June 2021: £336.8 million)
 - Undrawn commitments of £8.5 million
- P&L gain of £25.2 million (H1 2020/21: £49.3 million), predominantly unrealised at period end
- Diversified portfolio
 - Increased valuations for alternatives investments more than offset lower mark-to-market on liquid themes
- New investments of £6.1 million to support growth in local asset management platforms
- Redemptions of £40.1 million to match client flows into equity funds and distributions following realisations in alternatives theme
- Seed capital has supported funds representing ~10% of Group AuM (~US\$9 billion)

Seed capital movement (£m)



Diversified portfolio (% of market value)



Diversified seed capital underpins AuM growth

Financial results

Statutory earnings

	H1 2021/22 £m	H1 2020/21 £m	YoY %
Profit before tax	116.0	150.6	(23)
Tax	(20.6)	(22.1)	7
Profit after tax	95.4	128.5	(26)
Profit attributable to non-controlling interests	(1.7)	(0.8)	(113)
Profit attributable to equity holders of the parent	93.7	127.7	(27)
Earnings per share: diluted (p)	13.3	18.2	(27)
Adjusted earnings per share: diluted (p)	10.4	12.8	(19)
Dividends per share (p)	4.80	4.80	-

- Effective tax rate 17.8% vs 19.0% statutory UK rate
- UK statutory rate increases to 25.0% in April 2023, estimated impact of +3% on effective tax rate

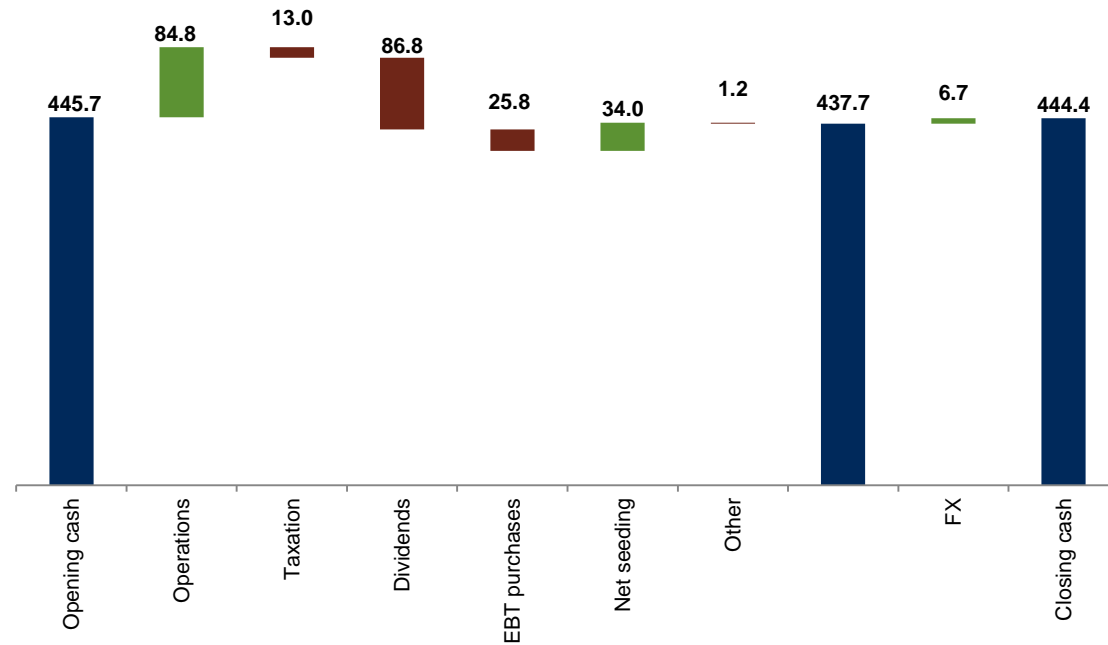
Interim dividend maintained

Financial results

Cash flow

- Operations generated cash flow of £84.8 million ⁽¹⁾
 - 92% of adjusted EBITDA (H1 2020/21: 83%)
- Consistent uses of operating cash flow:
 - Corporation tax
 - Ordinary dividends to shareholders
 - Share purchases to satisfy employee equity awards, avoids dilution
- Seed capital generated cash of £34.0 million on realisations
- Mark-to-market impact of GBP weakness on closing cash balances

Cash flow (£m) ⁽¹⁾



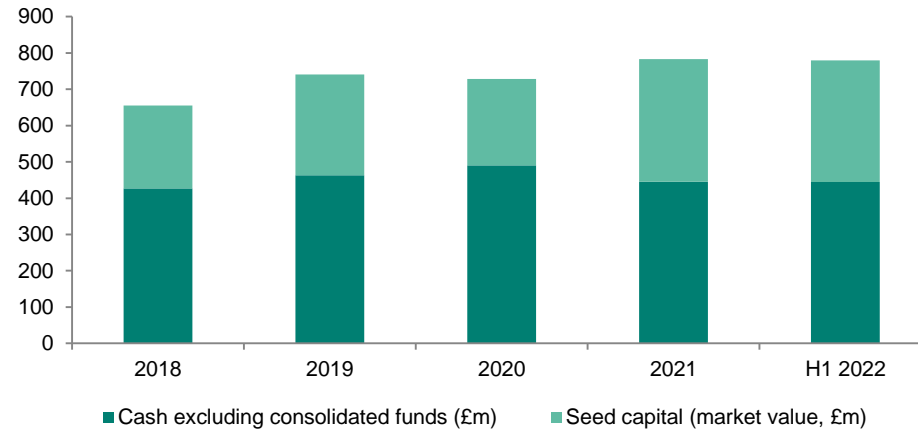
(1) Excludes consolidated funds. See Appendix for reconciliation to statutory consolidated cash flow statement

Financial results

Balance sheet

- Capital resources of £823.3 million ⁽¹⁾
 - Excess regulatory capital of £667.4 million, equivalent to 94p/share
 - No debt
- Balance sheet remains highly liquid (76%)
 - £444.4 million cash & cash equivalents ⁽²⁾
 - £334.8 million seed capital, with c.60% of funds with at least monthly dealing frequency
- FX exposure is predominantly USD
 - £3.0 million PBT sensitivity to 5c move in GBP:USD

Consistent balance sheet structure



Capital resources of £823.3 million ⁽¹⁾



(1) Total equity less deductions for intangibles, goodwill, DAC, material holdings and interim ordinary dividend

(2) Excludes consolidated funds. See Appendix for reconciliation to statutory consolidated cash flow statement

Maintained balance sheet strength

Summary

- **Financial performance impacted by market environment**
- **Continued progress made across range of strategic initiatives**
- **Established active investment processes deliver through market cycles**
- **Improving macro environment & attractive valuations**

Q&A

Appendices

Appendix 1a

Adjusted profits reconciliation

	Adjusted H1 2021/22 £m	Adjusted H1 2020/21 £m	YoY %
Net revenue	138.5	150.7	(8)
FX translation	(0.3)	6.1	nm
Adjusted net revenue	138.2	156.8	(12)
Operating costs ex consolidated funds	(46.3)	(48.4)	4
VC on FX translation	0.1	(1.2)	nm
Adjusted operating costs excluding depreciation & amortisation	(46.2)	(49.6)	7
Adjusted EBITDA	92.0	107.2	(14)
- margin	67%	68%	
Depreciation and amortisation	(1.6)	(1.6)	-
Total adjusted operating costs	(47.8)	(51.2)	7
Net finance income	0.2	0.5	(60)
Associates and joint ventures	-	0.1	(100)
Seed capital-related items	25.2	49.3	(49)
Foreign exchange translation net of VC	0.2	(4.9)	nm
Profit before tax	116.0	150.6	(23)

Appendix 1b Seed capital

- Consolidated funds:
 - Line-by-line consolidation in financial statements
 - FX taken to reserves
 - PBT contribution of +£30.0 million
- Unconsolidated funds:
 - Market returns including FX recognised in Finance income
 - PBT contribution of -£4.8 million

	H1 2021/22 £m	H1 2020/21 £m
Gains/(losses) on investment securities	51.0	55.9
Change in third-party interests in consolidated funds	(23.0)	(25.7)
Operating costs	(0.7)	(0.8)
Interest and dividend income	2.7	1.5
Sub-total: consolidated funds	30.0	30.9
Finance income		
- market return	(3.9)	20.8
- foreign exchange	(0.9)	(2.4)
Sub-total: unconsolidated funds	(4.8)	18.4
Total profit/(loss)	25.2	49.3
- realised	2.2	3.3
- unrealised	23.0	46.0
<i>Seed capital included in Finance income</i>	<i>(2.1)</i>	<i>19.9</i>
<i>Interest income</i>	<i>0.2</i>	<i>0.5</i>
Reported Finance income	(1.9)	20.4

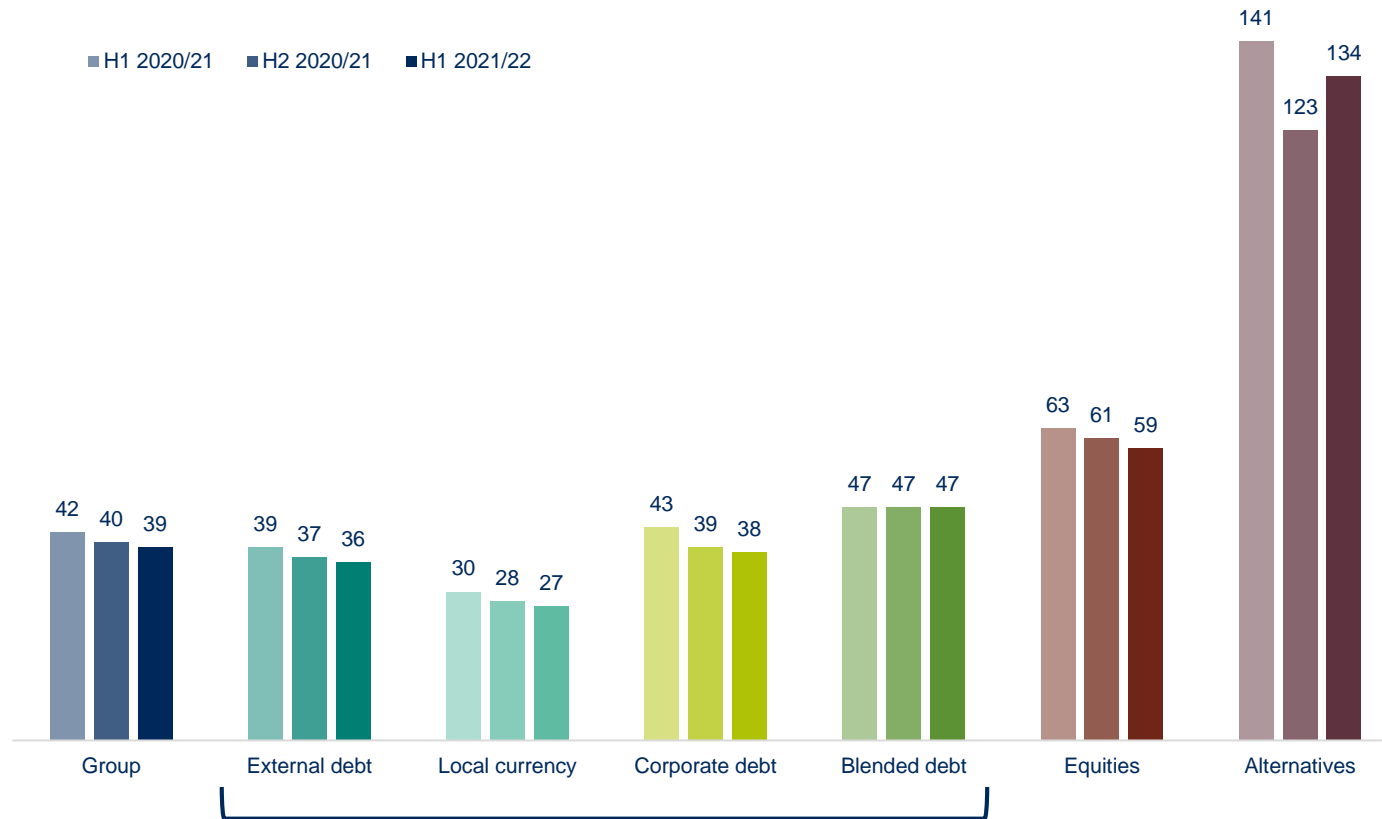
Appendix 2a

Net management and performance fees by theme

	H1 2021/22 £m	H1 2020/21 £m	H1 2021/22 US\$m	H1 2020/21 US\$m
External debt	25.2	27.1	34.3	35.9
Local currency	29.5	30.9	40.2	40.8
Corporate debt	14.7	18.1	20.0	23.9
Blended debt	38.7	42.6	52.7	56.3
Equities	16.8	13.3	22.8	17.6
Alternatives	6.1	6.9	8.2	9.1
Total net management fee income	131.0	138.9	178.2	183.6

	H1 2021/22 £m	H1 2020/21 £m	H1 2021/22 US\$m	H1 2020/21 US\$m
External debt	1.5	-	2.1	-
Local currency	0.2	-	0.3	-
Corporate debt	-	4.2	-	5.8
Blended debt	1.4	0.2	1.8	0.3
Equities	-	-	-	-
Alternatives	-	3.3	-	4.5
Total performance fee income	3.1	7.7	4.2	10.6

Appendix 2b Management fee margins



Fixed income: 36bps

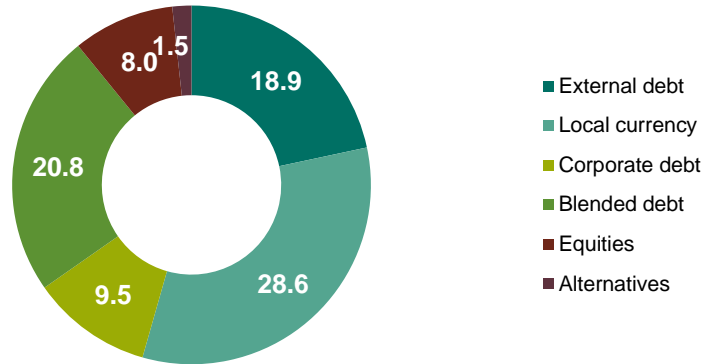
(H1 2020/21: 39bps)

(H2 2019/20: 37bps)

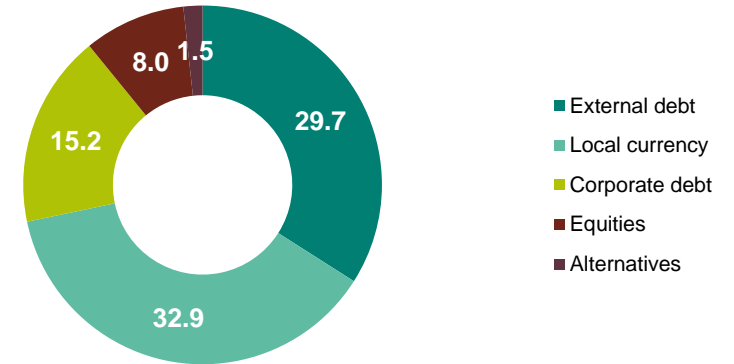
Appendix 3a

Assets under management

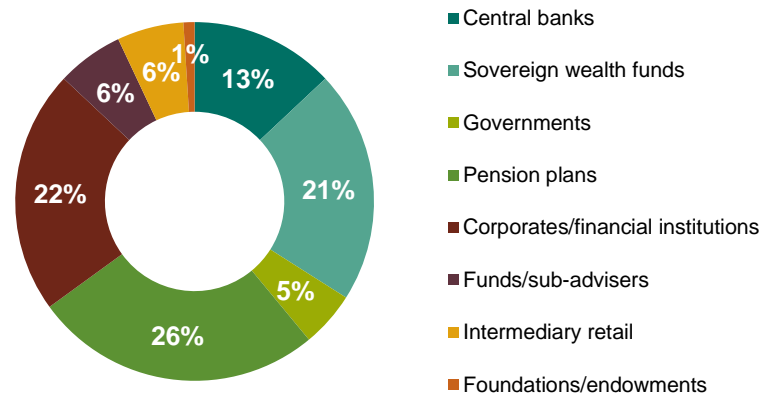
AuM by theme (US\$bn)



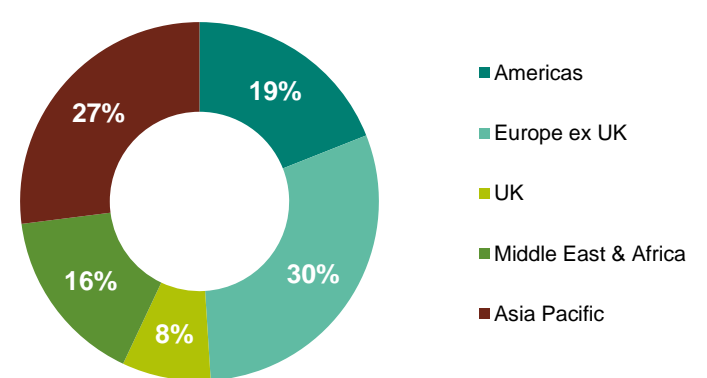
AuM as invested (US\$bn)



AuM by client type



AuM by client location



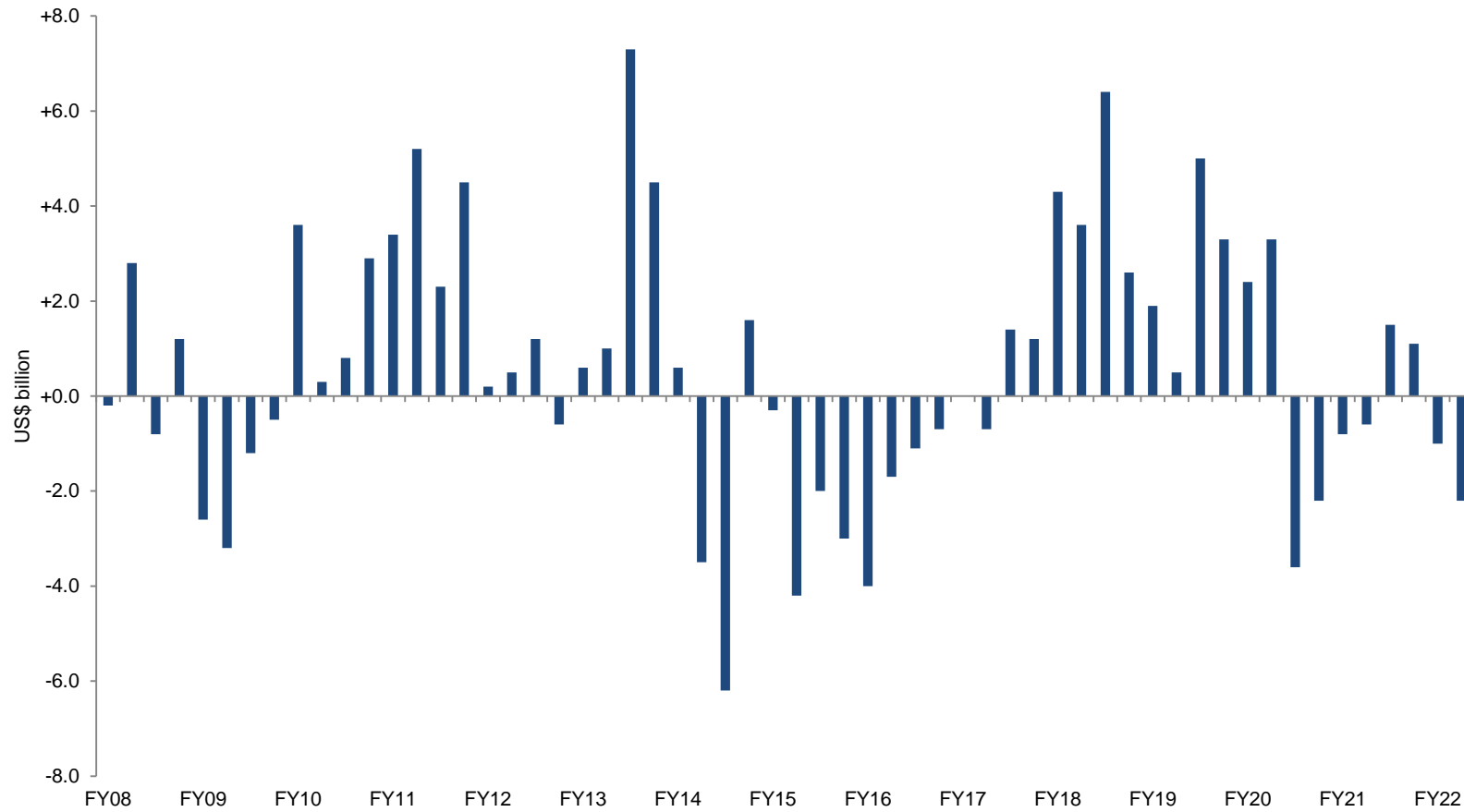
Appendix 3b

Investment themes

	FIXED INCOME (USD 77.8bn)				EQUITIES (USD 8.0bn)			ALTERNATIVES (USD 1.5bn)
THEME	External Debt (USD 18.9bn)	Local Currency (USD 28.6bn)	Corporate Debt (USD 9.5bn)	Blended Debt (USD 20.8bn)				
GLOBAL STRATEGIES	<ul style="list-style-type: none"> Broad Sovereign Sovereign, investment grade Short duration ESG Cash Management 	<ul style="list-style-type: none"> Bonds Bonds (Broad) FX+ Investment grade Volatility-managed bonds Overlay 	<ul style="list-style-type: none"> Broad High yield Investment grade Short duration Investment grade short duration ESG 	<ul style="list-style-type: none"> Blended Investment grade Absolute return ESG 	<ul style="list-style-type: none"> Active Active ex China Shariah Multi-asset 	<ul style="list-style-type: none"> EM Equity (All Cap) ESG Small Cap 	<ul style="list-style-type: none"> Frontier 	<ul style="list-style-type: none"> Private Equity – Healthcare Infrastructure Special Situations Distressed Debt Real Estate
REGIONAL / COUNTRY STRATEGIES	<ul style="list-style-type: none"> Indonesia 	<ul style="list-style-type: none"> China Indonesia Saudi Arabia 	<ul style="list-style-type: none"> Asia high yield 			<ul style="list-style-type: none"> Colombia India India Small Cap Indonesia Indonesia Small Cap Indonesia ESG Indonesia Multi-asset 	<ul style="list-style-type: none"> Africa Middle East Saudi Arabia Saudi Arabia Shariah 	<ul style="list-style-type: none"> Andean Middle East (GCC)

Appendix 3c

Quarterly net flows



Appendix 4

AuM movements by theme and fund classification

US\$bn	AuM 30 June 2021	Performance	Gross subscriptions	Gross redemptions	Net flows	Reclassifications	AuM 31 December 2021
External debt	18.7	(0.6)	2.8	(2.0)	0.8	-	18.9
Local currency	31.9	(1.0)	1.8	(3.6)	(1.8)	(0.5)	28.6
Corporate debt	11.3	(0.9)	0.4	(1.3)	(0.9)	-	9.5
Blended debt	23.4	(1.5)	1.6	(3.2)	(1.6)	0.5	20.8
Equities	7.7	0.1	1.1	(0.9)	0.2	-	8.0
Alternatives	1.4	-	0.1	-	0.1	-	1.5
Total	94.4	(3.9)	7.8	(11.0)	(3.2)	-	87.3

Local currency includes overlay/liquidity AuM of US\$12.3bn (30 June 2021) and US\$11.0bn (31 December 2021)

US\$bn	31 December 2021	31 June 2021
Ashmore sponsored funds	18.5	19.9
Segregated accounts	65.9	70.9
White label / other	2.9	3.6
Total	87.3	94.4

Appendix 5 Foreign exchange

- Sterling weakened against the US dollar over the period, but average rate was stronger YoY
 - Period-end rate moved from 1.3815 to 1.3545
 - Average rate 1.3636 vs 1.3107 in H1 2020/21
- P&L FX effects in H1 2021/22:
 - Translation of net management fees -£5.3 million
 - Translation of non-Sterling balance sheet items +£0.3 million
 - Net FX hedges +£2.7 million
 - Seed capital -£0.9 million

FX sensitivity:

- ~£3.0 million PBT for 5c movement in GBP:USD rate
 - £2.0 million for cash deposits (in ‘foreign exchange’)
 - £1.0 million for seed capital (in ‘finance income’)

Currency exposure of cash⁽¹⁾

	31 December 2021 £m	%	30 June 2021 £m	%
US dollar	284.7	64	341.3	77
Sterling	138.0	31	76.0	17
Other	21.7	5	28.4	6
Total	444.4		445.7	

(1) Excludes consolidated funds. See Appendix for reconciliation to statutory consolidated cash flow statement

Currency exposure of seed capital

	31 December 2021 £m	%	30 June 2021 £m	%
US dollar	291.2	87	297.6	88
Colombian peso	15.6	5	16.2	5
Other	28.0	8	23.0	7
Total	334.8		336.8	

Appendix 6

Cash flows and consolidated funds H1 2021/22

£m	As reported	Consolidated funds	Group ex funds
Cash from operations	82.8	(2.0)	84.8
Taxation	(13.0)	-	(13.0)
Interest received	4.1	3.9	0.2
Seeding activities	30.4	(3.6)	34.0
Dividends paid	(86.8)	-	(86.8)
EBT purchases	(25.8)	-	(25.8)
FX and other	5.5	0.2	5.3
Increase/(decrease) in cash	(2.8)	(1.5)	(1.3)
Opening cash & cash equivalents	456.1	10.4	445.7
Closing cash & cash equivalents	453.3	8.9	444.4

Appendix 7

Investment performance

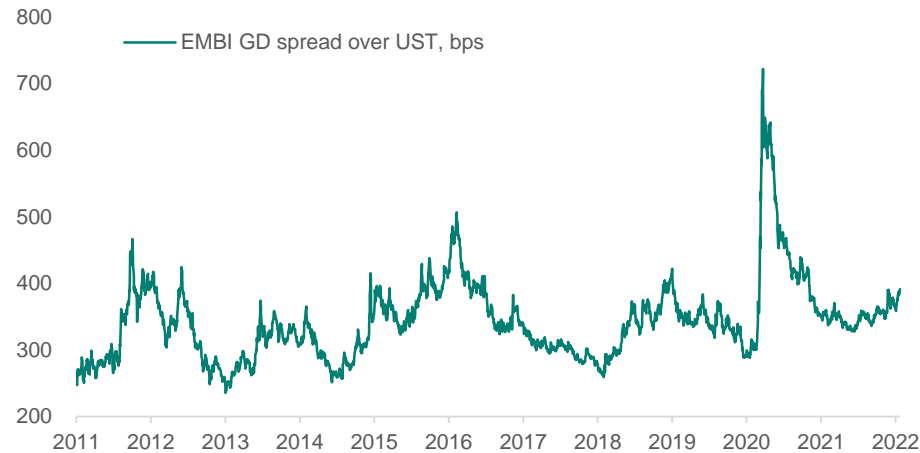
31st December 2021	1yr		3yr		5yr	
	Ashmore	Benchmark	Ashmore	Benchmark	Ashmore	Benchmark
External debt						
Broad	-4.7%	-1.8%	3.6%	5.9%	3.3%	4.7%
Sovereign	-3.3%	-1.8%	4.2%	5.9%	3.5%	4.7%
Sovereign IG	-1.8%	-1.9%	8.1%	7.6%	6.3%	5.8%
Local currency						
Bonds	-8.6%	-8.8%	2.3%	2.1%	3.3%	2.8%
Corporate debt						
Broad	-3.4%	0.9%	5.4%	6.9%	5.5%	5.4%
HY	-5.2%	2.1%	5.0%	7.3%	6.0%	5.8%
IG	0.4%	0.1%	8.6%	6.6%	6.4%	5.1%
Blended debt						
Blended	-9.3%	-3.9%	1.5%	3.8%	2.7%	3.7%
Blended IG	-3.5%	-3.3%	5.7%	5.3%	5.1%	5.0%
Equities						
All Cap	6.4%	-2.5%	22.8%	10.9%	-	-
Active	-3.8%	-2.5%	12.3%	10.9%	11.2%	9.9%
Small Cap	13.8%	18.8%	24.7%	16.5%	14.4%	11.5%
Frontier markets	26.3%	16.8%	12.5%	10.7%	9.1%	8.4%

See Appendix 9 for related disclosures

Appendix 8 Historical valuations relative to Developed Markets

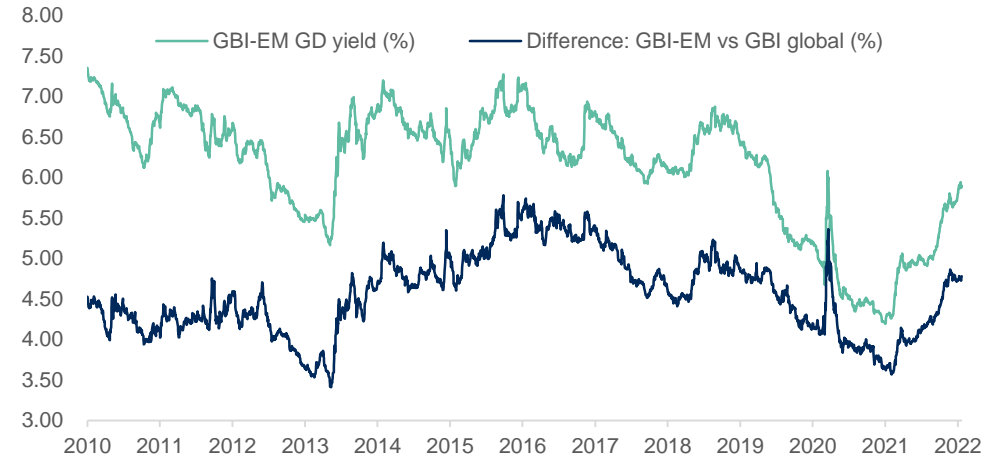
External debt

Index: 72 countries, 172 issuers, 961 bonds



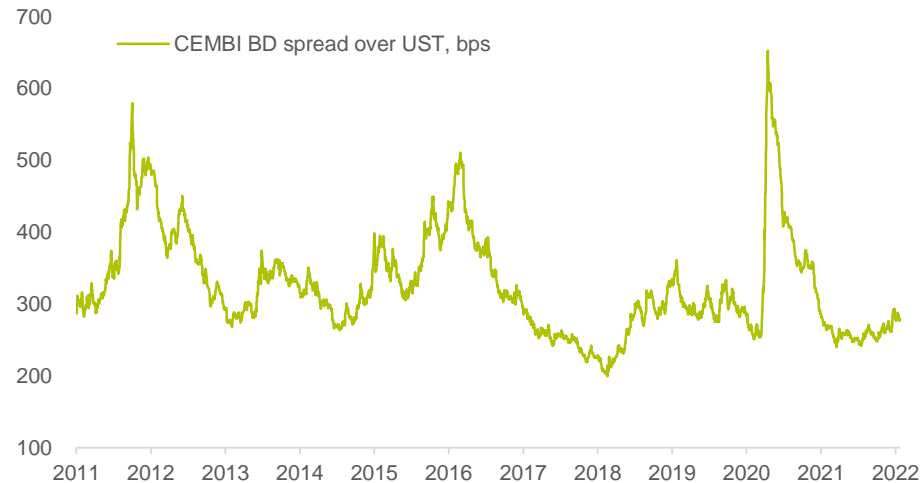
Local currency

Index: 20 countries, 20 issuers, 293 bonds



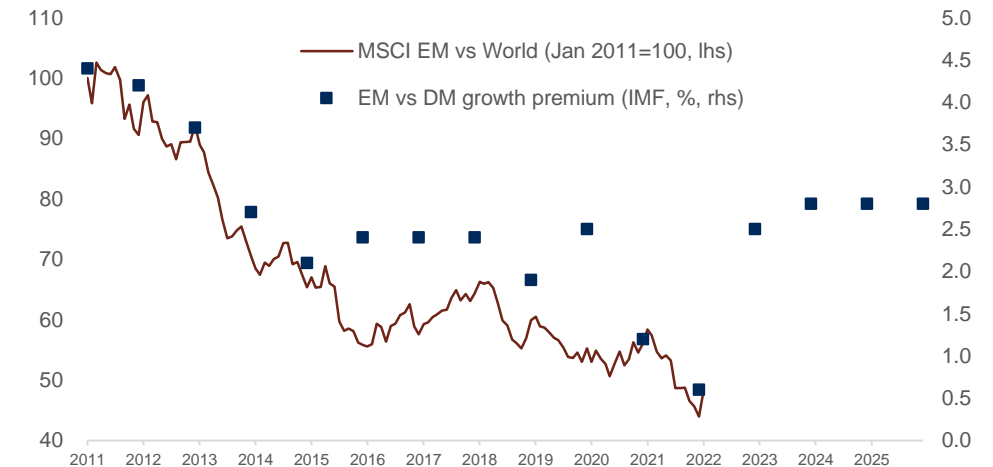
Corporate debt

Index: 60 countries, 836 issuers, 2,120 bonds



Equities

Index: 25 countries, 1420 issuers



Appendix 9 Disclosures

Page 4:

- Gross performance is shown, weighted by fund AuM, to provide a representative view to analysts and shareholders of Ashmore's investment performance over relevant time periods
- Only funds at 31 December 2021 and with a performance benchmark are included, which specifically excludes funds in the alternatives and overlay/liquidity investment themes
- 83% of Group AuM at 31 December 2021 is in such funds with a one year track record; 75% with three years; and 65% with five years
- Reporting of investment performance to existing and prospective fund investors is specific to the fund and the investor's circumstances and objectives and may, for example, include net as well as gross performance

Appendix 7:

Source: Ashmore (un-audited), JP Morgan, Morgan Stanley

- Returns gross of fees, dividends reinvested.
- Annualised performance shown for periods greater than one year.
- Within each investment theme category, all relevant Ashmore Group managed funds globally that have a benchmark reference point have been included.

Benchmarks

External debt Broad	JPM EMBI GD
External debt Sovereign	JPM EMBI GD
External debt Sovereign IG	JPM EMBI GD IG
Local currency Bonds	JPM GBI-EM GD
Blended debt	50% EMBI GD, 25% GBI-EM GD, 25% ELMI+
Blended debt IG	50% EMBI GD IG, 25% GBI-EM GD IG, 25% ELMI+ IG
Corporate debt Broad	JPM CEMBI BD
Corporate debt HY	JPM CEMBI BD NIG
Corporate debt IG	JPM CEMBI BD IG
Active equity	MSCI EM net
All cap equity	MSCI EM net
Small cap equity	MSCI EM Small Cap net
Frontier markets equity	MSCI Frontier net

IMPORTANT INFORMATION

This document does not constitute an offer to sell or an invitation to buy shares in Ashmore Group plc or any other invitation or inducement to engage in investment activities. Certain statements, beliefs and opinions in this document are forward-looking, which reflect the Company's current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements.

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.